

Minutes of the meeting of National Steering Committee of the NERUDP held under the Chairmanship of Dr. M. Ramachandran, Secretary (UD) on 16-04-2010

The first meeting of the National Steering Committee (NSC) of the North Eastern Region Urban Development Programme (NERUDP) was held under the Chairmanship of Dr. M. Ramachandran, Secretary (UD) on 16-04-2010 at 11:00 a.m. in the conference room No.123 'C' wing, Nirman Bhavan, New Delhi to review the progress made under the NERUDP. List of participants is annexed.

Secretary (UD) desired to know whether all members of the NSC were present. It was informed that representatives from MOEF and DONER were not present. It was decided that the Ministry of DONER would be requested to ensure that the Ministry's representative invariably attend. This was important as the Ministry of DONER was funding similar projects in the cities where ADB aided projects were being undertaken under NERUDP.

Secretary (UD) wanted to know about details of the project. He was concerned about flow of funds to the states and the arrangements being made in the states for funding the project. He enquired about the agency responsible for preparing the DPR and related documents for project components and the process of reviewing of DPR. The Secretary desired to know the extent of coverage of basic municipal services in the cities after completion of the project.. He observed that the cost of project was significantly lower in comparison to soft components in Tranche – I particularly that cost of consultancy and administration was very high in comparison to cost of actual sub project related works. He also enquired about the extent of involvement of MOUD in project implementation.

JS(UD) informed that Gol was providing 100% funds to states; 90% as grant and 10% as loan through its budget. Based on expenditure by states, the ADB's funding was being claimed by MoUD through CAAA for Gol. He pointed out that the states were required to make counterpart budget provision in their annual budget to meet project expenses without waiting for release by MoUD to facilitate smooth implementation of the project. He stated that the DPRs for the project components under Tranche-I were prepared by M/s SMEC India, a consulting firm appointed by ADB for this purpose under a technical assistance program and that the DPRs were first vetted by the States and then MoUD and then by ADB before finalization. He informed that project was designed to give 100% coverage in the project area with respect to water and waste management. Regarding cost components, JS(UD) informed that the consulting services would be carried over during all the three tranches but the cost was included in Tranche-I as consultants had to be recruited immediately on commencement of project and that the total consultancy and administrative cost was about 9% of the total project cost. Regarding involvement of MoUD, he informed that MoUD was the National Executing Agency and was responsible to monitor project execution,

implementation of reforms and observance of loan covenants by states and maintain proper flow of funds to the states as per loan and project agreements for smooth execution.

The NSC was informed that the NSC was a monitoring mechanism for assessing the progress of the project. The ADB aided project was to run from 2009-15 in two phases of which the first phase covering the capital cities of 5 NE states viz. Meghalaya, Mizoram, Nagaland, Sikkim and Tripura was under implementation.

A presentation was made to the Committee to apprise the Committee of the current status of project implementation in the programme cities. Progress of implementation and future action plan were presented and discussed State-wise. Following observations/action points emerged out of the discussions :

1. Recruitment of Design Supervision and Monitoring Consultants (DSMC)/Institutional Development Consultants (IDC)

DSMCs have been mobilized by all the 5 States and IDC have been mobilized by Meghalaya and Tripura. Recruitment of IDCs for other three states is due in Tranche-II of the project. Mizoram has already initiated the process of recruiting IDC and has issued EoI in this regard. JS (UD) desired that the process for recruitment of IDC for the remaining states should be advanced so that implementation of reforms is not delayed in these states. The matter may be taken up with DEA and ADB by MoUD.

2. Implementation of projects under Tranche-I

DPRs have been finalised in case of water supply projects for Mizoram, and SWM projects for Nagaland and Meghalaya. Mizoram has also awarded contract for supply of chlorinators. Tripura and Sikkim were advised to utilize the services of DSMCs and get the DPRs for their respective water supply projects finalized and submitted by end April, 2010. CPHEEO offered to assist Tripura and Sikkim in this regard. Physical and financial phasing charts have to be prepared through DSMC for monitoring the project by all states and submitted to MoUD (hard & soft copy) by April end to enable monitoring of the project.

Issues relating to water supply project , Kohima, Nagaland :

In case of Kohima water supply project under NERUDP, CPHEEO explained to the Committee that it was important to finalise development of source of water supply and then to take up distribution network project under NERUDP. Secretary, UD, Nagaland stressed upon the need of the distribution system (under NERUDP) for Kohima city saying that whatever small water availability is there, it has to be distributed effectively in the city. The matter was discussed and it was decided that the Government of Nagaland would take the issue of water source augmentation on top priority so that both project for water supply augmentating and strengthening of the distribution system under NERUDP can be taken up together and envisaged outcomes achieved. The issue of water source augmentation needs to be resolved within a week by the State Government so that NERUDP project could be implemented.

Meghalaya

The work of identification of long-term landfill site and issue of notification for acquisition of land and transfer of land to the GoMe has to be taken up on priority. The Project Director, SIPMIU, explained that the land for long term land-fill has been identified and acquisition of land is under process. JS (UD) stressed upon more efforts for better execution.

Tripura

To submit water monitoring report of the replacement wells under the project expeditiously.

3. Implementation of NRW programme

Secretary, UD, desired that the programme states need to inform MoUD about the steps taken for implementation of reduction of incidence of non-revenue water in order to apprise the Committee in this regard in its next meeting. Also, the public needs to be made aware about metering and NRW through awareness campaigns which should be started without further delay. States were asked to submit an action plan.

4. Service level benchmarks (SLB)

Secretary (UD) desired that baselines need be established to monitor Service Level Benchmarks (SLBs) as this would also help in assessing *inter alia* impact of the NRW programme as well.

5. Budget

Procedure for release of funds to states

The JS&FA, MoUD explained that ADB had extended a loan to GOI for the project. The money flows to the states from MOUD budget as 90% grant and 10% loan. The reimbursement procedure will be followed to release funds to states. The states will submit statement of expenditure (SOE) to the MoUD every month. MoUD will release the funds excluding ineligible expenditure, if any. The funds will be released to the State Govt. through RBI. Therefore, adequate funds must be provided in the state's budget to meet project expenses.

The NSC was informed about the funds released to states by the MoUD during 2009-10. States informed that budget provisions had been made in the state budgets for the program as follows :

<u>State</u>	<u>Provision made by States in their Budget (2010-11)</u>	<u>Status</u>	<u>Prov. in MoUD budget 2010-11 as per BE submitted by SIPMIUs</u>
1. Mizoram	42 crore	passed	66.39 crore
2. Meghalaya	5 crore	not passed	11.19 crore
3. Nagaland	7.5 crore	not passed	11.35 crore
4. Sikkim	5 crore	not passed	23.45 crore
5. Tripura	1 crore	not passed	10.11 crore

Budget 2010-11

The expected disbursements during 2010 under each project category projected by the states to ADB was at wide variance with BE's submitted to MoUD. The states were asked to immediately review the position and inform MoUD so that MoUD may also revise its BEs so as to ensure efficient utilisation.

6. Reforms

The Committee was informed that reforms to be undertaken under NERUDP were – decentralization measures through establishing and strengthening elected ULBS, reforms for efficient and financially sustainable delivery of water supply and sewerage service - double entry accounting system, asset inventory and asset management, reforms on improved operational efficiency – NRW reduction program, bulk and consumer metering, municipal financial management reforms such as property tax improvements and introduction and rationalization of user charges, introduction of gender action plan (women's participation), awareness campaign and community consultations and e-governance.

The Committee also requested that time-lines for reforms be brought forward in line with commitments under JNNURM. The States were asked to draw project monitoring charts for implementation of reforms accordingly.

JNNURM

Since JNNURM is not funding reform measures, it was desired that Mission Directorate may coordinate with Dir (UD) on issues related to implementation of reforms. The e-governance programme of MoUD should cover the five programme cities also.

7. Tranche-II

The DSMCs appointed by the states under the project should be asked to immediately undertake preparation of DPR and related documents for the remaining project components which are due to be undertaken in Tranche-II, and after vetting by state's SIPMIU/UD/PHED submit to MoUD for review. This activity need be completed by Oct'2010 so that loan negotiations for Tranche-II may be held in Jan'2011 as envisaged. Land acquisition, wherever necessary, environmental clearances etc. for Tr-II sub projects also must be completed simultaneously. Project monitoring charts for this activity need to be drawn up as well.

8. NERUDP, Phase – II

The Phase-II of the project covers Guwahati and Dibrugarh in Assam, Itanagar in Ar. Pradesh, and Imphal in Manipur. The representatives from Manipur and Arunachal Pradesh expressed concern at the delay in launch of Phase-II covering these states. The DEA was requested to provide information as to when the next Phase would be launched. Depending upon readiness of states, phase II could be split into phase II & phase III.

Secretary, UD, desired that the NSC should meet every six months and the agenda for the next meeting should be prepared giving the timelines and achievements there against. He instructed that the project should be monitored closely and the flow of funds to the states should be maintained.

The Meeting ended with a vote of thanks to the Chair.

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Ministry of Urban Development
Government of India
NERUDP – Cell

No.K-14011/15/2009-NERUDP

New Delhi, dated the 29th April, 2010

To
The members of NSC including participants

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Copy to:-

1. Sr.PPS to Secretary, UD
2. PS to JS(UD)

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Meeting of National Steering Committee held on 16-04-2010

List of participants

1. Shri. A.K.Mehta, Joint Secretary (UD), MoUD
2. Ms. Sudha Krishnan, Joint Secretary & Financial Advisor, MoUD
3. Shri S.K. Singh, Joint Secretary (H), MoHUPA
4. Shri L.P.Sonkar, Adviser, Planning Commission
5. Shri. Ashutosh Joshi, Director (UD), MoUD
6. Shri Sanjay Kumar, Director (NURM-I), MoUD
7. Shri J.B. Kshirsagar, Chief Planner, TCPO, MoUD
8. Shri. Sankaranarayanan, Dy Adviser, CPHEEO, MoUD
9. Shri .V.K. Chaurasia –Assistant Adviser ,CPHEEO, MoUD
10. Shri Yeshi Tsering, Principal Secretary, UD, Arunachal Pradesh
11. Shri P. Lianhrima, Secretary, UD, Mizoram
12. Shri N. Putsure, Secretary, UD, Nagaland
13. Shri S. Sunderlal Singh, Commissioner, Housing & UD, Manipur
14. Shri N. Gitkumar, Chief Town Planner, Manipur
15. Shri. R.K. Majumder, , Project Director, SIPMIU, Tripura
16. Shri J.D. Bhutia, Project Director, SIPMIU, Sikkim
17. Shri. B.Dutta, Project Director, SIPMIU, Meghalaya
18. Shri.Valbuanga, Project Director, SIPMIU, Mizoram
19. Shri. K.Haralu, Program Director, SIPMIU, Nagaland
20. Shri Moti Lal, DS (Budget), MoUD
21. Shri Sanjay K. Singh, US (ADB-I), DEA, Min. of Finance
22. Dr. Achla Mediratta, Research Officer, TCPO, MoUD
23. Shri B. Abdul Majied, Team Leader, DSMC (Wilbur Smith), SIPMIU, Kohima
