K-14012/180/2015 SC-II

Government of India

Ministry of Urban Development

Smart Cities-IV Division

*****

Nirman Bhawan, New Delhi

Dated: 22nd December, 2015

OFFICE MEMORANDUM

Subject: 5th Meeting of Apex Committee under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) regarding.

The undersigned is directed to forward herewith the minutes of 5th meeting of Apex Committee held under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) on 15.12.2015 for information and necessary action.

Encls. As above.

(R.P. Singh)

Under Secretary (SC-II)

Telephone: 011-23061407

To,

1. Secretary (Department of Expenditure).
2. Secretary (Department of Economic Affairs).
3. Principal Advisor (HUD), NITI Ayog
4. Secretary (Drinking Water & Sanitation).
5. Secretary (Housing & Urban Poverty Alleviation).
6. Secretary (Environment, Forest & Climate Change).
7. Joint Secretary (PF-II), Department of Expenditure.
8. Joint Secretary & FA, MoUD.
9. OSD (UT), MoUD.
10. Adviser (CPHEEO).
11. Chief Planner, TCPO, Vikas Bhawan, IP Estate, New Delhi.
12. Director, NIUA, India Habitat Centre, New Delhi.
13. Secretary, Urban Development Department, Government of Karnataka, Bangalore.
14. Principal Secretary, Urban Development Department, Government of Uttar Pradesh, Lucknow.

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Copy to:

i. PSO to Secretary (UD)

ii. PPS to AS(UD), PPS to AS (SC)

iii. PS to JS(UD), PS to JS(W),PS to Director (SC-IV).

iv. Sr. Technical Director (NIC), MoUD, Nirman Bhawan (with request to upload the minutes on the AMRUT website)

Minutes of the 5th Meeting of Apex Committee of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) held on 15.12.2015.

The List of Participants is at Annex- I

The Secretary (UD) welcomed the participants and informed the participants about the need to successfully implement the Mission in upgradation of basic urban infrastructure i.e. universal coverage of water supply and sewerage service, green spaces/parks, etc. Thereafter, Secretary (UD) asked the Mission Director to initiate the proceedings.

Dr. Sameer Sharma, Additional Secretary (SC) & Mission Director informed that so far State Annual Action Plan (SAAP) of 16 States have been approved and today SAAP of two States namely Uttar Pradesh and Karnataka are to be considered by the Committee. Then he requested the Secretary (UD) of Uttar Pradesh to present the SAAP before the Committee for consideration.

Agenda Item No.-1

SAAP of Uttar Pradesh

The presentation on behalf of Govt. Of Uttar Pradesh was made by Shri A.K.Gupta, Additional Director, Regional Centre for Urban and Environmental Studies (RCUES). He first expressed his gratitude for providing intensive handholding support by Ministry of Urban Development, Govt. of India in the preparation of Service Level Improvement Plans (SLIPs) and SAAP. Presenting the SAAP he gave an outline of urban scenario in Uttar Pradesh and informed the Committee that of the 60 Mission cities 7 cities are having population more than 10 lakh and 53 cities have population below 10 lakh. AS(UD) enquired about the town of Ayodhya which has also been included as Mission city/town and stated that now Uttar Pradesh will have 61 mission cities/towns. Additional Director, (RCUES), Govt. of Uttar Pradesh stated that they would prepare the SLIP of Ayodhya also. Furthermore, in the SAAP universal coverage of water supply has been given top priority followed by sewerage and parks/green spaces. Projects relating to drainage and urban transport would be taken up subsequently. Additional Director, (RCUES), also informed the Committee that adequate consultations with citizens and other stakeholders have been made while formulating the SAAP. For 2015-16 the size of SAAP is Rs.3,287.27 crore with

Central share of Rs.1,409.07 and State share of Rs.1878.20 crore. In addition A&OE share is Rs.43.62 crore.

The AS(UD) enquired about the coverage of Namami Gange cities/towns under AMRUT. Additional Director, (RCUES) had informed that during 2015-16 sewerage projects in 9 Namami Gange cities/towns have been proposed to be taken up. He further informed that 1st priority would be given to household connections where sewerage network is available. During 2015-16 an amount of Rs.1,697.61 crore is proposed to be earmarked for sewerage projects.

The JS(Works), Ministry of Urban Development had asked about the early finalization of DPR of projects for its appraisal by the Ministry so that it could be converged with projects/funds already sanctioned under Namami Gange/SBM. AS (UD) had opined that appraisal of those DPR may also be done at State level as envisaged under AMRUT Guidelines.

Additional Director, (RCUES), Govt. of Uttar Pradesh also apprised the Committee that they have proposed parks/green spaces in all cities except Mughal Sarai where no open land is available. They further informed the Committee that in Mughal Sarai large tract of land is with Railway and if permitted they would develop parks on Railway land in consultation with them. The Committee opined that State should first discuss it with Railway about availability of land. They may seek help of MoUD in coordinating with Railways.

AS(UD) observed that State Govt. had proposed to achieve coverage of 72% in water supply, 97% in water quality and 51% in sewerage network during the Mission period, which is not in accordance with the objectives of the Mission and the State needs to relook into it so as to achieve 100% coverage in sewerage and water supply ensuring 100% quality in supplied water. Additional Director, (RCUES), Govt. of Uttar Pradesh agreed to revise the target in the SAAP.

JS&FA stated that no on-going projects under JnNURM should be covered under AMRUT. State Govt. stated that none were covered and they will ensure in future also.

The Director, National Institute of Urban Affairs (NIUA), stated that SLIPs of all cities/towns have been prepared and a lot of data are available. Non-Revenue Water (NRW) is on higher side ranging from 21% to 65% which needs to be taken care of. Adequate consultations with public and stakeholders have been made.

TCPO observed that the time line indicated for achievement of reforms is more than prescribed in the guidelines and State may not be able to avail incentives for

completing reforms within prescribed time line. State Govt. assured that they will revise the time line for achievement of reforms and send to TCPO.

CPHEEO observed that proposed coverage for collection of sewerage during Mission period is 47% which needs to be increased. Similarly, proposed achievement for efficiency in sewerage treatment which is shown as 49% also needs to be increased to achieve the objectives of the Mission.

JS(Works) pointed out that funds under SBM had been released to the cities/towns by the State recently. Additional Director, (RCUES), Govt. of Uttar Pradesh stated that as the funds had been released construction of toilets would start soon. Secretary (UD) suggested that construction of toilets can be plan through a contract by selecting an agency through tendering process which would expedite the construction of toilets and it would also be monitor the progress of construction.

JS(UD) had observed that two JnNURM projects related to sewerage in Kanpur and Varanasi are pending and State Govt. need to submit UCs to claim balance Central Assistance and complete the projects in time. State Govt. informed that in Kanpur there is some issue regarding availability of land which falls in defence area which is being sorted out. In Varanasi the work is going on and by February 2016 they would submit UCs for claiming the balance Central Assistance.

JS(UD) also requested State Govt. to follow the provisions of para 8.1 of the guidelines which provides that "in case ULBs do not have adequate capacity to handle projects, the State Govt. may recommend for execution of projects by specialized parastatal agencies of the Central or State Govt. by way of a tripartite MoU amongst State Govt., the parastatal agencies and the concerned Municipality.

The Director, Niti Aayog observed that water availability in the State is very good but NRW is a concern and State Govt. need to focus on reduction of NRW. He further stated that the State Govt. need to expedite the selection of financial intermediary which will help in convergence of various Schemes.

The Director, Deptt. of Expenditure stated that convergence with Namami Gange should be made and also city development plan for all cities be prepared and reviewed every five years.

The AS (SC) and National Mission Director while summarising the discussion proposed that the State HPSC/SLTC may adhere to the following points, especially while considering approval of DPRs by SLTC and proposed that the Committee may consider approval of SAAP of Govt. of Uttar Pradesh:

i. As the example of pending sewerage project in Kanpur shows land should be available in advance the State Govt. need to clearly indicate about the availability of Land and other clearances. No projects should be approved by State Level Technical Committee (SLTC) which do not have land available and no work order should be issued till receipt of all clearances from all concerned departments/authorities.

ii. Target indicated in SAAP may be revised so as to attain 100% coverage in water supply and sewerage connection and the revised resubmitted to MoUD.

iii. The NRW is a cause for concern. Action Plan for re-cycling/re-use of waste water and reduction of NRW should be placed before the State Level Technical Committee (SLTC) at the time of appraisal of DPRs.

iv. The State Govt. should try to attain convergence between the AMRUT, Namam Gange and SBM according to Mission Guidelines.

v. If the implementation is done by a para-statal, the resoulution of the cities/towns should be obtained in advance.

vi. Estimates in the SAAP should be based on SSR and not on market rates.

vii. Water quality should also be analysed at the consumer end.

viii. Implementation of reforms will make States/UTs eligible for annual incentive. In order to get incentives reforms should broken up into activities with timelines and sent to TCPO by the State Mission Director. The State Govt. Should expedite establishment of a financial intermediary.

ix. No incomplete JnNURM projects should be taken up in AMRUT and the SLTC will ensure adherence to the Guidelines.

After detailed discussion the Apex Committee approved the State Annual Action Plan amounting to Rs.3287.26 crore with Central share of Rs.1409.07 crore and release of first instalment of Rs. 281.81 Crore of Central share as per Mission Guidelines. Committee also approved the Central assistance of Rs.43.62 crore under A&OE head for the year 2015-16.

Agenda item No. 2

SAAP of Karnataka

The Secretary (UD), Govt. of Karnataka gave a presentation on the SAAP of the State. He explained about the urban scenario in the State and informed the Committee that out of 27

out of 27 Mission cities/towns the population of only one city i.e. Banglore is above 10 lakh and about 65% urban population is covered under the Mission. The State had proposed the SAAP for 2015-16 with an outlay of Rs. 1258.54 crore and Central Assistance of Rs.593.01 crore.

While presenting the SAAP, the State has informed the Committee that State Govt. would contribute 20% share towards project costs and ULBs would contribute 30% for cities having population less than one million and 47% for cities with population of one million or more.

The Chairman and Secretary (UD) recalled the funding being provide by States in many other States whose SAAPs have been approved and observed that State should contribute more to lessen the burden of ULBs and to leave with them the more funds for use by cities/towns.

The Secretary (UD), Govt. of Karnataka stated that for additional funds ULBs shall take loan and repayment of loan will be made through funds made available by State Finance Commission. The Secretary (UD) pointed out that this is not a sound practice as it will restrict the ULBs to meet their regular expenses and State Govt. need to revisit the whole issue to ensure that ULBs may get their due and adequate share of funding.

The Secretary (UD), Govt. of Karnataka stated that State Govt. would re-look in to the issue of funding as desired by the Committee. The State further stated that 100% coverage of individual latrines would be achieved by October 2019 to make all cities free from open defecation. In the urban transport sector the project related to non-motorised transport would be taken up and at least one park in all cities has been proposed in the SAAP.

AS(UD) observed that State should revise their target to achieve 100% coverage in the sector of water supply and sewerage during Mission period.

On reforms, the Secretary (UD), Govt. of Karnataka had stated that in the State double entry accounting system is being followed. He further requested that instead of one year, projects shown in the perspective (Mission) Plan for three years may be approved to be started. Secretary(UD) observed that other State had also made similar request and this has been noted by the Committee.

Director, NIUA presented the analysis of SLIPs and stated that SLIPs for all the Mission cities have been prepared. He pointed out that NRW is comparatively less in the State than other States. He also mentioned that the State has proposed to explore the possibility of Design-Build-Operate & Transfer (DBOT) and Design-Build-Finance -Operate & Transfer (DBFOT) model in projects execution.

TCPO observed that in the SAAP the State has proposed only time-line for reform milestones and the present status is not indicated and the State need to furnish the details and in order to get 10% incentive the State need to implement the prescribed reforms within time line.

CPHEEO stated that the State should ensure 100% water quality and they need to revise the targets mentioned in SAAP.

The Director, Department of Expenditure observed that the State should ensure 100% coverage of water supply and O&M cost may be funded through user charges. He further stated that DPR should be prepared on realistic terms and raised apprehensions on ability of ULBs to provide the funding proposed from them.

JS(Works) observed that the achievement under SBM is low and the State Govt. is yet to release the funds to ULBs which is the matter of concern. The State Govt. assured that the funds will be released soon.

AS (SC) and National Mission Director while summarising the discussion proposed that the State HPSC/SLTC may adhere to the following points, especially while considering approval of DPRs by SLTC and proposed that the Committee may consider approval of SAAP of Govt. of Karnataka:

i. The State Govt. Shall review the funding to be provided by the ULBs keeping in view their ability and their need to meet other liabilities out of the available funds and revise the share appropriately.

ii. State Govt. may consider to devolution of full SFC funds to ULBs and reconsider the practice of using SFC funds for repaying loans through the cities/towns .

iii. Time line and present status of the reforms in the State may be clearly indicated and may be provided to TCPO.

iv. No projects should be approved by State Level Technical Committee (SLTC) which do not have land available and no work order should be issued till receipt of all clearances from all concerned departments/authorities.

v. Action Plan for re-cycling/re-use of waste water and reduction of NRW should be placed before the State Level Technical Committee (SLTC) at the time of appraisal of DPRs.

vi. The State Govt. should try to attain convergence between the AMRUT, HRIDAY and SBM according to Mission Guidelines.

vii. The target for water supply and sewerage system during the Mission period should be revised so that universal coverage is attained by the end of the Mission.

viii. Estimates in the SAAP should be based on SSR and not on market rates.

ix. Water quality should also be analysed at the consumer end.

x. Implementation of reforms will make States/UTs eligible for annual incentive. In order to get incentives reforms should broken up into activities with timelines and sent to TCPO by the Mission Director.

After detailed discussion the Apex Committee approved the State Annual Action Plan amounting to Rs.1258.54 crore with Central share of Rs.592.29 crore and release of first instalment of Rs. 118.46 Crore of Central share as per Mission Guidelines. Committee also approved the Central assistance of Rs.18.35 crore under A&OE head for the year 2015-16.

Summary of decisions of the Apex Committee:

A. State Annual Action Plan (SAAP)

Amt in Rs. crore

Name of State	Estimated project cost under SAAP for 2015-16	Central Share	A&OE allocation to State for 2015-16	Committee's decision/observation
Uttar Pradesh	3287.27	1409.07	43.62	Committee approved the SAAP with central share of Rs.1409.07 crore towards project cost and release of Rs. 281.81 Crore of Central share. Committee also approved the A&OE allocation of Rs.43.62 crore. Committee desired Govt. of UP to update the reforms timeline- including specific achievables by March 2016, and reorganised Mission

				achievements/ outcomes so as to achieve 100% in drinking water and Sewerage treatment.
Karnataka	1258.54	592.29	118.46	Committee approved the SAAP with central share of Rs.592.29 crore towards project cost and release of Rs. 118.46 Crore of Central share. Committee also approve the A&OE allocation of Rs.18.35 crore. Committee desired Govt. of Karnataka to reconsider contribution of ULBs towards achieving the outcomes of the Mission. With just 20% contributions of the State for all ULBs, the local bodies may be constrained in achieving the targets through their contribution (cash or credit) and that may adversely impact the viability.

Committee desired the States to look into the observations made by various participants and take necessary action accordingly.

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

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Annexure-I

List of Participant in the meeting of the Apex Committee under AMRUT on 15.12.2015

1. Shri Madhusudan Prasad, Secretary (UD), MoUD — Chairman
2. Dr. Sameer Sharma, Additional Secretary (SC), MoUD — National Mission Director
3. Shri T.K. Anil Kumar, Secretary, UDD, Govt. of Karnataka
4. Smt. Jhanja Tripathy, Joint Secretary & Financial Advisor, MoUD
5. Shri Praveen Prakash, Joint Secretary (Works), MoUD
6. Shri Neeraj Mandloi, Joint Secretary (UD), MoUD
7. Shri A. A. Rao, Addl. D.G., Media Adv, MoUD.
8. Shri Shiv Pal Singh, Director, MoUD.
9. Shri Jeetendra Singh, Director, NITI Aayog.
10. Shri Chittaranjan Dash, Director, PF-II, DoE, Ministry of Finance.
11. Shri Jagan Shah, Director, NIUA
12. Shri. R.S. Singh, Director (HFA-I), MoHUPA
13. Shri Danishith Rai, Director, RCUES, Lucknow.
14. Shri Ajay Deep Singh, Director, UDD, Govt. of Uttar Pradesh.
15. Shri A.K. Gupta, Additional Director, RCUES, Lucknow.
16. Dr. Alka Singh, Deputy Director, RCUES, Lucknow.
17. Shri J.B Ravinder, Dy. Adviser, CPHEEO, MoUD.
18. Shri R.P. Singh, US, MoUD
19. Shri Thingom lalit kumar Singh, UD
20. Shri K.K. Joadder, Chief Planner, TCPO, MoUD.
21. Smt. Promila Bhalla, Associate TCPO.
22. Shri Er. Mallikariu, Assistant Engineer, Urban Water Supply Board, Karnataka.
23. Shri. A.N. Nanda Kishore, Research Fellow, NIUA.
24. Shri. S.P. Rudramurthy, Chief Engineer, BWSSB Bangalore, Karnataka.
25. Shri. V.C. Kumar, Executive Engineer, Bangalore Water Supply and Sewerage Board.
26. Shri Er. G. Rasool Zargar, Ministry of Drinking Water & Sanitation.