

**MINUTES OF THE MEETING HELD ON 22.04.2011 AT 10.00 AM AT ROOM NUMBER 403,  
PARYAVARAN BHAWAN, NEW DELHI-110 003**

A meeting to discuss the National Ganga River Basin Authority (NGRBA) program framework with the State Govt. of Uttarakhand, Uttar Pradesh, Bihar, Jharkhand and West Bengal was held on the aforementioned date and venue, chaired by the Joint Secretary, Ministry of Environment & Forests, Govt. of India. The Central and State officials present in the meeting are listed in Annexure-I. Govt. of Bihar was not represented in the meeting.

The meeting was initiated with introductory remarks of the Joint Secretary, MoEF narrating the course of actions taken towards finalizing the NGRBA program and NGRB project framework since December 2009, including

1. Issue of Joint Statement by the MoEF and the World Bank in presence of the Minister in charge, Environment & Forests; President, World Bank and representatives of the 5 States on 2<sup>nd</sup> December 2009.
2. Meetings with 5 State Govt. officials on 25<sup>th</sup> & 26<sup>th</sup> October 2010; 21<sup>st</sup> January 2011 and 4<sup>th</sup> March 2011 to finalize the framework.

The Joint Secretary also stressed the importance of this meeting before final negotiations with the World Bank, proposed to be held on 2<sup>nd</sup> & 3<sup>rd</sup> May 2011 along with the DEA, Ministry of Finance, Govt. of India. He requested that the Principal Secretaries of all 5 States and the designated heads of SPMGs (dedicated Cell in Jharkhand) to kindly attend the meeting with the authority for signing the formal minutes of proposed meeting on loan agreement. This will be followed by formal approval of the Board of the World Bank on 31<sup>st</sup> May 2011 and implementation of NGRB project by 15<sup>th</sup> July 2011.

The briefing of the Joint Secretary was followed by presentations by the Additional Mission Director, PMG, NGRBA and other PMG officials on different framework i.e. Implementation Arrangements, Investment Framework, Environmental & Social Management Framework (ESMF), Financial Management Manual, Communication & Public Outreach Framework, Governance and Accountability Action Plan (GAAP) and Procurement Manual for the World Bank assisted NGRB Projects. It has been made amply clear to all the states that they have to strictly follow the World Bank guidelines for the procurement of Civil Works, Goods and Consultancy Services for the World Bank assisted NGRB Projects.

Thereafter, a few issues were raised by the State Officials and after discussions, the following were concluded:

1. A communication will be sent to the State Govt. of Bihar regarding formation of SPMG, registration of SPMG as society and the participation of their authorised representative in the proposed loan negotiation on 2<sup>nd</sup> & 3<sup>rd</sup> May 2011.
2. Project prioritization will follow the investment framework. Implementation performance of the State Governments to the DPRs approved till 31<sup>st</sup> March 2011 for abatement of pollution of river Ganga will be taken into consideration before granting fresh approvals. The State Government of Uttarakhand should initiate implementation of all approved DPRs without any further delay.
3. As per the communication vide No. A-12012/2/2010-NRCD-II dated 16<sup>th</sup> September 2010 of the Ministry to all the State Nodal Departments and as annexed in the 'Guidelines for preparation of Project Reports under NGRBA / NRCP', the Third Party Inspection (TPI) system will come into force from April 2011. This will apply to new projects sanctioned since April 2011. The States may select the TPI agencies either from the list of empanelled Institution of

the Ministry for appraisal of DPRs or from the list of agencies empanelled in the Independent Review and Monitoring Agencies (IRMA) mechanism under the JNNURM.

4. Jharkhand & UP representatives informed that their States have their own R & R policy while Uttarakhand has adopted the National R & R Policy.
5. All 5 States would get formal allotment of space for SPMGs (dedicated Cell in Jharkhand) to enable functioning with requisite staff and infrastructure before 15<sup>th</sup> July 2011. The State representatives indicated the names of existing state-level Executing Agencies (EAs) having mandates of urban infrastructure management especially wastewater, which are, for West Bengal: i)KMDA, ii)KMWSA & iii)KMC; for Uttarakhand: i)Peyajal Nigam & ii)Irrigation Dept.; for U.P: UP Jal Nigam; and for Jharkhand: Greater Ranchi Development Authority.
6. Representatives of State Governments will furnish a copy of their respective R&R policy, an initial list of identified EAs and an estimate detailing the requirement of staff and logistics to PMG, NGRBA on 2<sup>nd</sup> May 2011.
7. State Governments representatives informed that the provision made in the Project Financial Management Manual on advance release of matching share from States for the November instalment prior to receipt of the Govt. of India funds receipt would not be workable. Hence, this would need modification during negotiation.
8. As per the provisions made in the Procurement Manual for the World Bank assisted NGRB Projects, prior/post review shall be followed as per the value thresholds prescribed in the guidelines for Civil Works, Goods and for Consultancy Services. It was clarified that no escalation in price shall not be entertained in case of purchase of Goods or engagement of Consultants on lump-sum basis after signing of contract. However, it may be considered in exceptional cases only after obtaining a no objection from World Bank. Regarding Civil Works, it has been emphasized that all contracts above 18 months provide for Price variation formula to take care of price increase. In case of any variation above 15% of the original contract amount then it would need the World Bank's approval.
9. In regard to timely implementation of approved DPRs, Uttarakhand and Jharkhand have been lagging in implementation of the approved DPRs. Their representatives, attributed to the reasons to the limitations in delegation of powers. The Chief Engineer, Uttarakhand Peya Jal Nigam (UPJN) cum Project Director, SPMG, Uttarakhand explained that percentage rate tenders on the State SoR are invited by the UPJN. In case these are below or close to par, only than the bids are accepted. The UPJN have been receiving bids around 30-35% above the estimated cost put to tender for NGRBA works in remote & hilly small towns. The Urban Development Department has hence not approved these tenders. Delay in acquisition of forest land was another reason in case of Uttarakhand. The Director, Municipal Administration cum Additional Secretary, Govt. of Jharkhand explained that every tender of contract value above Rs. 2.00 crores has to be approved by the UD Department, while above Rs. 5.00 crores needs the State cabinet approvals. This leads delay in sanction. Both the States were advised to consider how to reduce these procedural delays by empowering the Management through committees, if necessary. Delay in approval will have an adverse effect on the time bound implementation as well as fresh DPR approvals.
10. All 5 States will review the delegation of power to EAs to facilitate removal of bottlenecks, if any, in Technical Sanction /Administrative Approval/ acceptance of tenders for approved DPRs.

All the State Government representatives agreed to the entire NGRBA program framework and assured participation of their Government in the formal loan negotiation with the World Bank proposed on 2<sup>nd</sup> & 3<sup>rd</sup> May 2011.

Meeting ended with thanks to the chair.