

W-11042/16/2014- Water-I NRDWP
Government of India
Ministry of Drinking Water and Sanitation

4th Floor, Paryavaran Bhawan,
CGO Complex, Lodi Road,
New Delhi – 110003,
Dated 24th November, 2014

Sub: Regional Review Meeting – North Eastern States held in Guwahati, Assam on
9th November, 2014.

Minutes of the Regional Review Meeting with North Eastern States to review
the performance under NRDWP is submitted for information. This issues with the
approval of JS(Water).


24.11.14.
(A.K.SRIVASTAVA)
Under Secretary (Water)

To.

PS to Secretary(DWS)

✓ TD(NIC)- for hosting on website.

**MINUTES OF REGIONAL REVIEW MEETING - NORTH EASTERN STATES
- 9.11.2014.**

As per directions a Regional Review Meeting with all North Eastern States was held in Guwahati, Assam on 9th November, 2014. The meeting was held at the WSSO venue under the PHED, Government of Assam. Joint Secretary (Water) started the meeting with the observation that the meeting was necessitated due to the poor performance of North-Eastern States as far as the financial parameters were concerned. In some of the States like Mizoram, Manipur and Nagaland the performance was extremely poor and these states had shown expenditure in the financial year 2014-15 ranging between 10-25% in the entire 2014 i.e. in seven and half months of the current financial year. JS (Water) categorically stated that such a situation is unacceptable to the Ministry and State PHED would have to gear up their machinery and improve up their performance. The review was taken up State-wise and the note is placed below.

MIZORAM

The Chief Engineer of the State informed in the meeting that the 1st installment of programme funds which have been released by the Ministry on 26.8.2014 to the State has not been released by their State Finance Department to the implementing agency till date. The state is having a huge OB of Rs 35.10 crores as per the IMIS. The State disputed these figures and stated that the figure is actually Rs 15.00 crores only. The state has not given the requisite clarification on the revision of UCs from 2008-09 regarding which a letter was already sent to State. A copy of that letter was given to State representative with a request to send the requisite clarification alongwith the proposal for 2nd installment. It was pointed out that even if figure of OB as on 1.4.2014 is taken as Rs 15 cr. The State has been able to spend only 7.06 crores in seven and half month in current financial year and poor performance was very much visible and merited no excuses.

The State had also not been released Water Quality and Monitoring Surveillance Fund as there was huge OB as on 1.4.2014. The state has also not shown any expenditure on both components till date. The Chief Engineer who was present was pulled up by JS (Water) for not performing his duties at all. He also tried to talk to Chief Secretary (Mizoram) regarding delay of release of funds by the State Finance Department to the implementing agency. But the call could not be connected. It was also informed by the Chief Engineer that their Finance Department was also deducting agency charges at 11.5% from our NRDWP releases to the State. This was some kind of a revelation to all present in the meeting who had not heard of deduction of any such charges by State Finance Department for releasing funds to these State Implementing Agencies.

Action Point: A D O letter from Secretary, DWS to Chief Secretary (Mizoram) is proposed to inform him of dysfunctional state of affairs of PHED Mizoram with request to take corrective action urgently. Out of the four RFD targets the state has shown 0% achievement to less than 6% achievement in one parameter viz. number of water quality tests done in labs. The state has shown good performance in only 1 parameters viz. number of PWSS handed over the Panchayats in which state has shown 88% achievement.

NAGALAND

As per the IMIS the state of Nagaland has shown 18.31% expenditure against the available funds. However, in the meeting the Secretary to the Department who had only joined three months back to her present posting informed that infect the State has already spent 54.70 crores out of the total available funds of Rs 56.2 crores , which is more than 97%. They, however , have not done the corresponding entries in the IMIS which she promised that she would get it done urgently. Regarding the recoument the Rs 1.81 crores inadmissible expenditure , as pointed by CA in its Audit Report 2010-11 , she informed that they have taken up the matter with their Finance Department and she would pursue it so that it is done. The state promised that they would submit the proposal for seeking 2nd instalment of funds by 20.11.2014. As regards Support and WQMS funds the state has been released part of their 1st instalment of funds and they have incurred expenditure of more than 60% of the total available funds to claim their balance of 1st instalment of funds. The state was asked to claim their balance of 1st instalment of Support and WQM&S funds. As regards Water Quality issues the State informed that they did not have fluoride and arsenic contamination issues. However iron contamination is found in the drinking water for which they have taken up major works using iron removal filtration technology on a large scale costing about Rs 17 lakh per installation. They were informed that similar and cost effective technology for iron removal was available and they should try to replicate the example of Assam in this regard. Of the six RFD targets given to the States , the state has shown extremely poor performance in four parameters and has shown good performance with respect to provision of water supply in schools in which they have shown achievement of 80% . The State was asked to improve the performance and mark the respective entries on the Ministry's IMIS.

MANIPUR

Under the Programme component state has shown expenditure of 49.17% of available funds with them. The 2nd instalment of funds during 2013-14 was released to the State with the condition that State would submit due clarification in respect of inadmissible expenditure reported in ASA for 2012-13 and non-reconciliation of OB/ CB and expenditure with the UC for the year 2012-13. State has also to transfer Rs 6.58 cr. lying in state exchequer to NRDWP

Accounts. The state representative informed that they have taken up matter with the State Finance Department in this regard. JS (Water) took a decision, therein, that the issues of inadmissible expenditure by the state and the transfer of Rs 6.58 crores funds from State Exchequer to NRDWP Accounts will have to be settled first before the State would be considered to 2nd installment release of their funds. As regards Support and WQMS also, the reconciliation of accounts under both components from 2005-06 to 2008-09 is still pending. The state was given our letter dated 23.7.2014 and asked to respond clearly to the point mentioned therein. Of the seven parameters in which State was given RFD targets, the State has shown poor performance in four parameters and have shown good performance in one parameters viz. number of PWSS handed over to Panchayat in which State has exceeded the targets given for whole year. The state directed to look into all the component in which it was performing poorly as per the RFD targets and improve the same. It was emphasis by JS (Water) that all the component of the scheme were important and the state have to look into each of them and not concentrate the programme component alone.

TRIPURA

The performance of state of Tripura was some what satisfactory in the sense that they had made expenditure in excess of 70% in both Programme and Support components of NRDWP. IT was only in WQM&S and WQ (Earmarked) component the performance was unsatisfactory and this was conveyed to them. The State has to recoup the amount of Rs 106.01 lakh on account of unexplained gap of CB of 2007-08 and OB of 2008-09. The AG Tripura has also the confirmed the above gap the State has to comply the direction of AG in this regard. As regards 2nd instalment proposal the same has been received and was under process in the Ministry. As regards proposal for 2nd instalment of Support fund certain discrepancies were observed and communicate the State. The State was asked to reply to this urgently so that their 2nd instalment of Support funds could be released. As regards WQM&S funds, the State has to submit the proposal for balance of 1st instalment of funds after utilizing 60% of available funds.

Of the seven component under which RFD targets were given, the State has shown satisfactory achievement till date. However, the performance of the State was not up to the mark in three component in which it was asked to improve the performance and make corresponding entries on the IMIS.

SIKKIM

There were no issues as far as the release of funds to the State of Sikkim under Programme component was concerned. The state has already made the expenditure of more than 78% and have claimed their 2nd instalment of funds. The same was under process in the Ministry and would be released soon. As regards Support and WQM&S funds the proposal for 2nd instalment under both the components are awaited from the State. The State representative

informed that they would furnish the same by the end of November 2014. On being pointed out regarding the poor achievement of physical targets under partial coverage and other component of the programme the State representative said that the achievements in all of the components were much higher. However, they have not done corresponding entries in IMIS and the performance of the State was reflected poorly because of this. They promised that they would make all the entries, as per the works done, under all the physical target component of the Programme by December 2014.

The State had also not provided information regarding Rural Population Managing Rural Drinking Water Supply Schemes (as per census 2011) for calculation of MDI for the State. The State representative stated they would submit the same to the Stat Division of this Ministry by 17.11.2014.

MEGHALAYA

The 2nd instalment of Programme funds has been released to the State based on their proposal received from the State duly signed by their Principal Secretary. However, the corresponding entries regarding expenditure are yet to be made on the IMIS. While considering the release of 2nd instalment of funds to the State it has been observed that the State has given Division wise ASA from different CAs. The state needs to send ASA from one empaneled CA who has audited the NRDWP accounts. A letter in this regard has already been sent to the state. As regards Support and WQMS component, the reconciliation of account form 2005-06 onwards is still pending and the state is yet to furnish ASA for the year 2009-10. The state informed that they would do the needful in this regard and send the proposal for balance of first instalment under both the components by 20th November, 2014. During the meeting the State informed that they had not received their 2nd instalment of Programme funds which has been released by the Ministry on 7th October, 2014. JS (Water) immediately contacted the Water-I Section in the Ministry and asked to find out the reason regarding the delay. The concerned dealing hand consulted PAO of the Ministry and it was informed by the PAO that the delay was on the part of RBI who has not deposited the funds with the State exchequer. However, it was informed that they had done so the previous working day and the funds are now available with the State department.

During field visits of JS (Water) by road to Shillong, it was informed to him by the Executive Engineers in some schemes where he visited that the payments to the contractor for completed works had not yet been made by the State and a huge liability is pending with the State. What the state appears to have been doing that they are releasing payments for new schemes/ projects while keeping in the abeyance the full payments of the schemes which have been completed and commissioned and providing water supply to the rural population. This situation which he observed was unacceptable and he directed that the State should make

immediate payment to the contractors for already completed works first and no extra project are to be taken up till this huge liability is cleared up.

ARUNACHAL PRADESH

The State of Arunachal Pradesh has been already been released second instalment of Programme fund . As per their information entered by them on IMIS , they have spend 78.31 per cent of the available fund. The representative of the State requested for early release of 3rd instalment of fund to the State as per the proposal submitted by them in the Ministry. He stated that the State has been released less amount of funds in the financial year 2014-15 because of a cut imposed due to excess MDI releases to the State in 2013-14 due to miscommunication of population figure of the State. JS (Water) responded saying that the 3rd instalment of fund could only be considered in the month of February and is based on the availability of balance of fund under NRDWP at that time due to non-lifting of allocated fund under different components by other States and their request would be considered at that time.

As regards Support and WQM&S funds were concerned the State has made an expenditure of more than 60 percent of the available funds with them and has submitted proposal for the balance of first instalment of funds. The State, has , however not furnished the provisional UC for the year 2014-15. The State was asked to furnish the same so that their proposal could be considered in the Ministry.

As regards the physical achievements of the targets the State has achieved 52 per cent of the Annual Targets given. But under targets for Water Quality habitations the achievement is very poor . As regards the performance of the State on six RFD targets the State has perform poorly in three parameters and has performed reasonably in the rest of them. The State was asked to carry out the works given under the RFD targets also and also mark the achievements under IMIS.

ASSAM

The proposal for release of second instalment of funds under Programme component of NRDWP has been received from the State and is under process in the Ministry. As regards the Support and WQM&S funds , the State has been released first instalment. Certain clarifications regarding CB and OB of the year 2011-12 and 2012-13 have been requisitioned from the State and the State is also required to furnish a letter from DAG for the Audit Certificates for the year 2006-07 to 2008-09. The State was ask to send the proposal for second instalment of Support and WQM&S funds after making the requisite expenditure along with compliance of the above mentioned directions for consideration of release of funds under these two components. As regards the poor performance regarding coverage of partially covered habitations , the State representative stated that they have taken up large

village water supply schemes and they are likely to be completed in the month of January, 2014 . Only then the corresponding entries regarding coverage would be possible to be made on IMIS. As regards the Earmarked Water Quality funds the State promised to send the proposal in the requisite performa by 20th of November , 2014 for consideration. As regards RFD , the State has been given targets on all the monitor able indicators. The achievement so far is not very satisfactory except the number of water quality tests done in labs and number of pipe water supply schemes handed over to Panchayat. The State was asked to carry out the works assigned under RFD targets and make corresponding entries on the IMIS.

ASSAM World Bank Project (LIS)

During the discussions the World Bank Project which is being excluded in Assam also came up for discussion. The State has not yet claimed any fund under this kept under the head so far. During discussion it was found that the project has been very badly affected in the State. The bid for engaging the contractor for executing the work has already been done by the State but a complaint was received against the L- I bidder stating that company which is intending to under take the work , is in the process of liquidation. The State representative said that they have tried to ascertain the veracity of the complaint through their sources and have asked the company to submit response in defense of the complaint. The State government has received a document submitted to them by the company which is a document from Russian embassy , authenticated by our Consular Office in Russia , state clearly that there is no such action being taken or being contemplated to be taken . The State Government asked the Ministry to verify these documents from the Ministry of External Affair and communicate the same to them so that they can take decision regarding this. A copy of all the documents pertaining to the above was furnished by the Project Director SPMU Assam.

The Secretary , Assam also stated that there are some other disagreement with the World Bank on other issues regarding procurement of pipes. JS (Water) stated that the Ministry can look into those issues once they formally sent to us and sorted out after making independent assessment . There are basically three large multi village water supply schemes under the World Bank Project. One scheme named Halakandhi scheme , the NOC from World Bank is awaited by them for retendering. JS(W) observed that the situation as regards the progress of World Bank Project is concerned it is very disappointing and slow due to many issues which are to be independently sorted out between the State and the World Bank and it is likely the State may not be able to lift the allocated fund set aside this year for World Bank Project.

OTHER ISSUES

➤ One of the issues which emerged after the review was that almost all the State were not making corresponding entries on the IMIS regarding the financial targets which they have already achieved. While releases to the State are being done on the bases of actual

physical documents regarding expenditure submitted under the signature of the Principal Secretaries, the correspondence entries regarding the same is not being made on the IMIS of the State. JS(Water) insisted on compliance in this regard in very strong terms stating that IFD of the Ministry is of the view that hence forth the funds to the States would not be released unless they make the corresponding entries regarding expenditure on the IMIS. As data under IMIS is in public domain it has to match with the documents submitted by the States for claiming releases. The same was the situation as regards the data entries on physical targets and achievements and RFD targets and achievement. The State were asked to take this very seriously in future.

- It was also observed that all the States are lacking in lifting their allocation under the Support and Water Quality Monitoring and Surveillance (WQMS) components of the programme. JS(Water) member categorically asked them whether they really needed funds under these components. If it is not required and the States are able to carry out work under the software components of the programme through their own funds, the Ministry would be happy to close these components altogether. To this of the States replied that they did not wish this to happen as funds under both these components are important and requirement for running the programme.
- JS (Water) also informed all the States that they would be receiving some additional funds which has become available under the regular NRDWP of the Ministry because Rs 600.00 crores which were set aside for special Water Quality Scheme has not been approved by the Cabinet with the further direction that the funds set aside were to be distributed proportionately to all States under all components of NRDWP.
- JS(Water) informed that the visits of the agency which has been engaged for MDI calculation will start from 15th of this month to the States and the State where asked to provide all the information desired by the agency, in time, so that MDI calculation could be done early and funds set aside under this component is disbursed. All the States have furnished information for calculation of MDI in the prescribed format to the Ministry till date except Sikkim which has furnished all the information except Rural Population Managing Rural Drinking Water Supply Scheme. The State was asked to send the same to the Ministry by 17th November, 2014.
- During the meeting JS(Water) very categorically emphasised on achievement of Water Quality Targets given to the states as it is single most important target to be achieved by 2017. Of all the North Eastern States only Assam and Tripura were having substantial Water Quality targets to be achieved this year. The performance so far is not satisfactory. These two States and other States of Meghalaya, Arunachal Pradesh and

Nagaland where directed to give utmost important to the achievement of Water Quality targets.

- JS(Water) informed about the new Solar Power based water supply scheme which has been launched this year by the Ministry with the Ministry of New and Renewable Energy Resource to the States. JS(Water) stated that this is a new scheme of the Ministry which is almost entirely being funded by the Government. Some State like Mizoram, Tripura Stated that they would not being interested in taking up such schemes due to weather condition in their States . However most of the States of including Assam by and large agreed to take up this scheme and execute the targets given. Representative from Arunachal Pradesh raised the issue of cost estimate of the scheme which he said were very low considering the terrain and scattered population , to which he was asked to seek clarifications from the ministry in writing.

The list of participants in the meeting is attached.