

Dr. Niranjani Mardi, I.A.S.
Commissioner of Municipal
Administration



Chepauk,
Chennai 600 005.

D.O.Letter No.71194/2006/WS1 Dated 27.12.2006

Dear Thiru Swaran Singh,

Sub : Implementing Sewerage and Water Supply Projects for Urban Local Bodies – Certain instructions / Certain Conditionalities insisted upon by the World Bank – Forwarded – Regarding.

Ref: 1.G.O. 51 MA&WS Dept. dated 09.03.2001
2.G.O.(D) No. 407, MAWS Dept. dated 7.10.2005.
3.G.O. (D) No. 200, MAWS Dept. dated 12.6.2006.
4.G.O. (D) No.463, MAWS Dept. dated 17.11.2006
5.World Bank's Aide Memoire of 2nd implementation support mission Oct 3-7, 2006 dt.29.11.2006.
6.Instructions issued by Secretary to Government, MAWS Department during the review of TNUDP-III scheme.

As you are aware, the Hon'ble Minister for Rural Development and Local Administration has inaugurated the commencement of work on the Under Ground Sewerage Schemes for Namakkal and Sivagangai Municipalities on 10th and 23rd of December 2006 respectively. Both the schemes are to be implemented under the TNUDP-III. The financial tie-up for these schemes is as indicated below:-

1. Namakkal Municipality

	(Rupees in lakhs)
Loan from Financial Institutions (35%)	948.43
TNUDP-III Grant (10%)	188.40
ULB's contribution Deposit from beneficiaries (50%)	747.17
IDC	133.00
Total cost including IDC	2017.00

2. Sivagangai Municipality

	(Rupees in crores)
Tamil Nadu Urban Development Project-III Grant	5.95
Additional grants sought	3.50
Tamil Nadu Urban Development Project-III Loan	5.19
Municipality and Public Contribution	5.18
Total	19.82

The World Bank, after the completion of its second implementation support Mission (October 3rd to 7th of 2006) of the TNUDP-III, in its letter dated 29.11.2006 (copy enclosed) to the Chief Secretary to Government, has emphasized the following issues:-

1. *Contractual Arrangements are to be put in place between Urban Local Bodies(ULBs) and state implement agencies (like TWAD, CMWSSB, etc.) for sub-project implementation. A format has been finalised during this mission.*
2. *Lack of contractual obligations to ULBs in project preparation and supervision by Metro Water and TWAD Board*
Action : It was agreed that all project preparation and supervision works under taken by state agencies ie. TWAD Board and Metro Water will be under a Memorandum of Understanding (MOU) clearly spelling out the obligations of contracting parties. A draft outline for MOU was agreed upon during the mission (Annexure 7) and same will be entered into by TWAD / CMWSSB with the ULB by December 2006 for all on-going sub-projects.

In this connection, based on the Aide-Memoire of the World Bank, a draft agreement has been prepared in consultation with the Tamil Nadu Urban Infrastructure and Financial Services Limited and a template has been forwarded on 18.10.2006 in my D.O.letter No. 57104/06 UGSS dated 18.10.2006 to the Secretary to Government, Municipal Administration and Water Supply Department. A copy of this format of Contract for the Implementing Agencies Services is herewith enclosed for your reference. The intention is to ensure a type of agreement which would be binding on both the borrower and the Implementing Agencies so as to ensure quality, adherence to payment schedules and greater over all responsibility.

Instructions have been issued to both the concerned Municipalities to ensure compliance of these directives.

You are also aware that Water Supply Improvement Schemes to the following Municipalities have been cleared under the Urban Infrastructure Development Scheme for Small and Medium Towns Programme of the Jawaharlal Nehru National Urban Renewal Mission.

1. Tirupathur	6. Srivilliputhur
2. Namakkal	7. Gudalur
3. Palladam	8. Aranthangi
4. Arakkonam	9. Valaprai
5. Vikramasingapuram	

The Government in its G.O. (D) No. 463, MAWS Dept. dated 17.11.2006 has also sanctioned the release of first instalment of fund for these projects as indicated below:-
(Rupees in lakhs)

Sl. No.	Name of the Municipality	First instalment of GOI's share	First instalment of GOTN's share	Total Amount
1.	Tirupathur	259.20	32.40	291.60
2.	Namakkal	396.20	49.53	445.73
3.	Palladam	356.49	44.56	401.05
4.	Arakkonam	337.88	42.24	380.12
5.	Vikramasingapuram	98.40	12.30	110.70
6.	Srivilliputhur	1179.68	147.46	1327.14
7.	Gudalur	210.00	26.25	236.25
8.	Aranthangi	136.00	17.00	153.00
9.	Valparai	88.56	11.07	99.63

In this connection, I would like to draw your attention to G.O. No. 51, MAWS Dept dated 9.3.2001 (copy enclosed) in which Government have issued guidelines in respect of Water Supply Schemes. This includes the format for the Memorandum of Understanding (MOU) to be signed by the Commissioners of the respective Municipalities and the concerned Executive Engineers of TWAD Board in respect of schemes to be implemented by the Board. Further, the Government Order also elaborately delineates the connected modalities of Handing Over / Taking Over of schemes on completion.

Your Predecessor Thiru A.M. Kasiviswanathan, I.A.S., in his letter dated 25.3.2001 (Copy enclosed) to all the concerned officers has communicated the contents of the Government Order and instructed the Chief Engineers / Superintending Engineers / Executive Engineers to comply with these instructions. All the nine Municipalities in which these schemes are to be taken up have been instructed to comply with the said Government Order.

This subject has also come up for discussion during the meeting with the Secretary to Government, Municipal Administration and Water Supply Department on 9.12.2006. It was agreed that the Agreement in the form of Memorandum of Understanding should be signed by the implementing Agencies and the Urban Local Bodies.

Under these circumstances, I would request you to give suitable instructions to your field officers to scrupulously follow the guidelines mentioned above.

Enclosures:-

1. Letter of Managing Director, TWAD Board dated 25.3.2001 to all concerned officers.
2. G.O. Ms. 51, MAWS Dept. dated 5.3.2001.
3. Letter from the World Bank dated 29.11.2006 addressed to the Chief Secretary to Government, Government of Tamil Nadu with an abstract of Aide-Memoire.
4. Letter from the Commissioner of Municipal Administration. to Secretary to Government, Municipal Administration and Water Supply Department dated 18.10.2006 enclosing a copy of the proposed draft agreement to be signed by the concerned Municipalities and the Implementing agencies. .

Yours sincerely,

Sd.NIRANJAN MARDI

To
Thiru Swaran Singh, I.A.S.,
Managing Director,
TWAD Board, Chepauk,
Chennai 600 005.

Copy to:

- 1. The Chief Secretary to Government,**
Fort St. George, Secretariat, Chennai 600 009.
- 2. The Secretary to Government,**
Municipal Administration and
Water Supply Department,
Chennai 600 009.
- 3. The Managing Director,**
Chennai Metropolitan Water Supply and Sewerage Board, Chennai-2
4. All Commissioners of Municipalities.
5. All Regional Directors of Municipal Administration
6. All Regional Executive Engineers,
7. All Corporation Commissioners.