



### ABSTRACT

Tamil Nadu Urban Development Project-III – Under Ground Sewerage Scheme – Villupuram Municipality – KfW assisted sustainable municipal infrastructure financing – Revised Administrative Sanction – Accorded – Orders – Issued.

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#### **Municipal Administration and Water Supply (M.A.3) Department**

G.O.(Ms) No. 62

Dated : 08.05.2013.  
Vijaya, Chitirai-25,  
Tiruvalluvar Aandu -2044,

#### Read:

1. G.O. (3D) No. 4, Municipal Administration and Water Supply [MA.3(2)] Department, dated : 06.02.2007.
2. G.O. (Ms) No.218, Municipal Administration and Water Supply (MA.2) Department, dated : 03.11.2008.
3. G.O. (Ms) No.248, Municipal Administration and Water Supply (MA.3) Department, dated : 11.12.2008.
4. From the Commissioner of Municipal Administration Letter Roc. No.24313/2011/UGSS-1, dated : 30.05.2012 and 19.06.2012.
5. From the Commissioner of Municipal Administration Letter Roc. No.24313/2011/UGSS-1, dated : 01.03.2013.

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#### ORDER:-

In the Government Order first read above, orders were issued according administrative sanction for implementation of Under Ground Sewerage Scheme (UGSS) in Villupuram Municipality under TNUDP.III at an estimated cost of Rs. 27.63 crore to install and Rs. 46.50 lakhs for annual maintenance. In the Government Order second read above, orders were issued according administrative sanction for implementation of KfW assisted Sustainable Municipal Infrastructure Financing – Tamil Nadu (SMIF-TN) Program with a total project cost of Rs. 500 crores. Accordingly, a sum of Rs. 295 crores in the form of loan and a sum of Rs. 127 crores as a capital grant are proposed to be passed on to Urban Local Bodies. For this purpose, the Government have constituted an Empowered Committee for sanctioning, finalising the means of finance including the quantum of capital grants and according administrative sanction for the sub-projects to be funded under the KfW assisted Sustainable Municipal Infrastructure Financing – Tamil Nadu (SMIF – TN) Program.

2) In the Government Order third read above, orders have been issued according revised administrative sanction for implementation of UGSS in

Villupuram Municipality at an estimated cost of Rs. 35.67 crore to install and Rs. 59.00 lakhs to maintain annually as per the funding pattern, as follows:-

Sl. No.	Details	Amount (Rs. In crores)	Percentage
1.	ULB and Public Contribution	7.58	21.25 %
2.	Loan under KfW assisted SMIF-TN Program	12.32	34.54 %
3.	Capital Grant under KfW Grant Fund. I	15.77	44.21 %
	Total Project Cost.	35.67	100%

3) In the letter fourth read above, the Commissioner of Municipal Administration has stated that the implementation of the scheme was entrusted with the Tamil Nadu Water Supply and Drainage Board and the estimate was prepared based on the 2006-07 rates by the consultant. The Tamil Nadu Water Supply and Drainage Board has settled the tender for collection system in 7/2008 and for Sewerage Treatment Plant in 6/2009, when the physical implementation was started the Tamil Nadu Water Supply and Drainage Board has modified the proposal to suit the site condition as well as to realignment of trunk main into rider main due to objection by National Highways to lay sewer line at centre of the road, deeper depth of cutting in narrow streets and critical locations.

- I. Due to laying of sewer line in Railway sub-way portion, flow of the sewerage against gradient etc. And including coverage of the extended and uncovered areas, which were not covered in the original estimate.
- II. Due to the change of alignment it was necessitated for provision of 6 additional lift stations, the revised estimate was prepared for Rs. 35.67 crores by the Tamil Nadu Water Supply and Drainage Board and the proposal was placed before the empowered committee on 11.11.2008 and Revised Administrative Sanction was accorded in G.O. (Ms) No. 248, Municipal Administration and Water Supply Department, dated : 11.12.2008, with the following means of finance:-

Sl. No.	Details	Amount (Rs. in crores)	Percentage
1.	ULB and Public Contribution	7.58	21.25 %
2.	Loan under KfW assisted SMIF-TN Program	12.32	34.54 %
3.	Capital Grant under KfW Grant Fund. I	15.77	44.21 %
	Total Project Cost.	35.67	100%

4) The Commissioner of Municipal Administration has further stated that the Municipal Council in its resolution No.81, dated 12.03.2012 resolved the following:-

- (a) As the work is nearing completion, the revised estimate for the implementation of Under Ground Sewerage Scheme at an estimated cost of Rs.49.36 crore may be agreed.
- (b) The Additional Cost of the project may be obtained as grant from Integrated Urban Development Mission (IUDM) or other Government grants.

5) He has also stated that the implementation of the scheme is in advanced stage, i.e. collection system has been completed about 99% and in both the Sewerage Treatment Plant's civil works have been completed about 75% and erection of Electrical Mechanical works to be started. The Tamil Nadu Water Supply and Drainage Board has informed, if the fund is released immediately the project could be completed on or before 30.09.2012.

6) In the reference fifth read above, the Commissioner of Municipal Administration has requested the Government to accord second Revised Administrative Sanction for Rs. 49.36 crores with revised means of finance as detailed below:-

Sl. No.	Details	Amount (Rs in Crore)	%
1.	ULB and Public Contribution	8.87	17.97
2.	Loan under KfW assisted SMIF – TN program	12.32	24.96
3.	Capital grant under KfW Grant Fund – I	15.77	31.95
4.	Grant from IUDM / Infra Gap Filling Fund	12.40	25.12
	<b>Total Project Cost</b>	<b>49.36</b>	<b>100</b>

7) He has also stated that the Empowered Committee resolved to approve and recommend the proposal of Government of Tamil Nadu for issuing Revised Administrative Sanction for implementing Villupuram UGSS project under KfW assisted Sustainable Municipal Infrastructure Financing in Tamil Nadu (SMIF-TN) programme at a cost of Rs. 49.36 crores with the following revised means of finance, subject to sanction of Rs. 13.69 crores as grant from IUDM or Infra Gap Filling Fund:-

Sl. No.	Details	Amount (Rs in crore)	%
1.	ULB and Public Contribution	7.58	15.35
2.	Loan under KfW assisted SMIF – TN program	12.32	24.96
3.	Capital grant under KfW Grant Fund – I	15.77	31.95
4.	Grant under IUDM / Infra Gap Filling Fund	13.69	27.74
	<b>Total Project Cost</b>	<b>49.36</b>	<b>100</b>

8) Based on the approval of the Empowered Committee, the Government hereby accord Revised Administrative Sanction for implementation of UGSS in Villupuram Municipality at a cost of Rs. 49.36 crores (Forty nine Crore thirty six lakhs only) in the following funding pattern:-

Sl. No.	Details	Amount (Rs in crore)
1.	ULB and Public Contribution	7.58
2.	Loan under KfW assisted SMIF – TN program	12.32
3.	Capital grant under KfW Grant Fund – I	15.77
4.	Grant under IUDM / Infra Gap Filling Fund	13.69
	<b>Total Project Cost</b>	<b>49.36</b>

9) Any escalation over and above the project cost mentioned in para 8 above shall be borne by the Villupuram Municipality.

10) This order issues with the concurrence of Finance Department vide its U.O.No.21566 /MAWS/2013, dated : 03.05.2013.

**(By Order of the Governor)**

**K.PHANINDRA REDDY  
SECRETARY TO GOVERNMENT**

**To**

The Commissioner of Municipal Administration, Chennai – 5.

The Managing Director, Tamil Nadu Water Supply and Drainage Board,  
Chennai – 5.

The Chairman and Managing Director, Tamil Nadu Urban Infrastructure  
Financial Services Limited, Chennai – 17.

The Commissioner, Villupuram Municipality, Villupuram.

The Accountant General, Chennai-18/35.

The Resident Audit Officer, Chennai-9.

**Copy to:**

The Finance (MA&WS) Department, Chennai-9.

The Municipal Administration and Water Supply (OP.2/MA.2/Budget)  
Department, Chennai-9.

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**//Forwarded by Order//**

1/5  10/5/2013

**(S. RAMANATHAN)**

**UNDER SECRETARY TO GOVT.**

 10/5/13