



ABSTRACT

UGSS - Sustainable Municipal Infrastructure Financing in Tamil Nadu Phase-II Part- I (SMIF-TN II - 1) - Administrative Sanction for providing Underground Sewerage Schemes to Karaikudi and Pollachi Municipalities - Administrative Sanction for Rs.112.53 crore and Rs. 109.62 crore - Orders - Issued.

MUNICIPAL ADMINISTRATION & WATER SUPPLY (MA.3) DEPARTMENT

G.O. (D) No.531

Dated :24.12.2014.

Read:

1. G.O.(Ms) No.83, Municipal Administration & Water Supply (MA2) Department, dated 10.06.2013.
2. From the Commissioner of Municipal Administration Letter Roc. No. 57044/2007/UGSS.2, dated 21.02.2014, 4.6.2014, 25.6.2014 & 25.7.2014.
3. From the Commissioner of Municipal Administration Letter Roc. No. 57044/2007 /UGSS.2, dated 19.08.2014.

ORDER:-

In the Government Order first read above, orders were issued according administrative sanction for implementation of KfW assisted Sustainable Municipal Infrastructure Financing in Tami Nadu Phase II Part 1 (SMIF - TN-II-1) Programme to improve the living conditions of urban population and to contribute towards improvement of environment and preservation of natural resources.

2. In the letter second read above, the Commissioner of Municipal Administration has sent a proposal for according administrative sanction for providing Underground Sewerage Schemes to Karaikudi and Pollachi Municipalities to be funded under KfW assisted (SMIF-TN-II-1) Programme with the recommendation of Empowered Committee and the means of finance as suggested by the TNUIFS Limited.

3) A loan agreement between German Bank for Development (KfW) and Government of India has been signed on 19.12.2012 for Euro 80 million (Rs.578.16 Crores) of which a sum of Rs. 289.08 crores in the form of loan and a sum of Rs.289.08 crores in the form of capital Grant have been apportioned to the Government of Tamil Nadu. The KfW assistance of Euro 80 million (Rs.578.16 Crores) is to be utilized on or before 30.06.2018. In the Government Order first read above, an Empowered Committee has been constituted for sanctioning, finalizing the means of finance including the quantum of capital grants and according approval for sub-projects funded under KfW assisted SMIF-TN-II-1 programme under the Chairmanship of the Hon'ble Minister (MA, RD, Law, Cts. & Pri.):

4) The Commissioner of Municipal Administration has also stated that he has requested TNUIFSL to take up Underground Sewerage Schemes for

Karaikudi and Pollachi Municipalities at an estimated cost of Rs.112.53 crores & Rs.105.43 crores respectively to install under KfW assisted SMIF-TN-II-1 and Rs.113.32 lakhs & Rs.221.12 lakhs for maintenance annually. The TNUIFSL has carried out an initial screening of the projects to verify the compliance with the eligibility & appraisal criteria for sub-projects stipulated by KfW in a separate agreement as well as the suggestions/guidelines/procedures prescribed by Government of India while approving the proposal for SMIF – TN – II – 1. The financial viability of Karaikudi and Pollachi UGSS projects were worked out by TNUIFSL based on the particulars furnished by the ULBs and other details such as assessments, anticipated connections etc. in consultation with the ULB.

5) The Urban Local Bodies have earlier resolved to implement the scheme by the respective ULB itself with necessary technical assistance such as appointment of Project Implementation Unit (PIU) with dedicated team/project management consultant.

6) The TNUIFSL has recommended and placed the following proposal to the Empowered Committee for approval and recommending the proposal to the Government for according administrative sanction for providing Underground Sewerage Schemes in Karaikudi and Pollachi Municipalities with the funding pattern as furnished below: -

Sl. No	Source of Funding	Karaikudi UGSS		Pollachi UGSS	
		Amount (Rs. in crs)	Percentage	Amount (Rs. in crs)	Percentage
1.	Loan from KfW assisted SMIF – TN-II-1	28.13	25.00%	10.54	10.00%
2.	Grant From KfW GF-I	30.28	26.90%	21.09	20.00%
3.	Grant from IUDM	42.87	38.10%	63.26	60.00%
4.	ULB Contribution	11.25	10.00%	10.54	10.00%
	Total Project Cost	112.53	100.00%	105.43	100.00%

7) The Empowered Committee has resolved to accord approval and recommend the project proposals for providing Underground Sewerage Schemes to Karaikudi and Pollachi Municipalities to the Government for according Administrative Sanction under the KfW assisted SMIF–TN–II–1 programme with the funding pattern as recommended by TNUIFSL.

8) The Commissioner of Municipal Administration has requested the Government to accord necessary administrative sanction for the implementation of Underground Sewerage Schemes to Karaikudi and Pollachi Municipalities at an

estimated cost of Rs.112.53 crore and Rs.105.43 crore and O&M cost of Rs.113.32 lakh and Rs.221.12 lakh respectively.

9) In the letter third read above, the Commissioner of Municipal Administration has reported that in respect of Karaikudi, 5% Supervision Charges has already been included. In respect of the Pollachi Municipality, he has suggested that the 5% of cost (i.e.) Rs. 4.19 crore (5% of Rs. 83.84 crore) can be met out from GF.II or PPF/TA component of ensuing TNSUDP:

10) The Government, after careful examination, hereby accord administrative sanction for an amount of Rs.112.53 crore and O&M cost of Rs.113.32 lakh for the implementation of Underground Sewerage Schemes to Karaikudi Municipality and Rs.109.62 crore and O&M cost of Rs.221.12 lakh to Pollachi Municipality, with the following funding pattern:-

SI No	Source of Funding	Karaikudi UGSS		Pollachi UGSS	
		Amount (Rs.in cr.)	Percentage	Amount (Rs.in cr.)	Percentage
1.	Loan from KfW assisted SMIF – TN-II-1	28.13	25.00 %	10.54	10.00 %
2.	Grant From KfW GF-I	30.28	26.90 %	21.09	20.00 %
3.	Grant from IUDM	42.87	38.10 %	67.45	60.00 %
4.	ULB contribution	11.25	10.00 %	10.54	10.00 %
	Total Project Cost	112.53	100.00 %	109.62	100.00%

12) This order issues with the concurrence of Finance Department vide its U.O.No. 71434 / Finance (MAWS) / 2014, dated : 23.12.2014.

(BY ORDER OF THE GOVERNOR)

K. PHANINDRA REDDY
PRINCIPAL SECRETARY TO GOVERNMENT.

To:

- The Director of Municipal Administration, Chennai – 5.
- The Municipal Commissioner, Karaikudi and Pollachi Municipalities \ (through the Director of Municipal Administration).
- The Managing Director, TNIUFSL, Chennai – 17.
- The Pay and Accounts Officer (East), Chennai – 8.
(three copies).

Copy to:

- The Principal Accountant General (G&SSA), Chennai – 18.
- The Principal Accountant General (Audit), Chennai – 18.
- The Finance (MAWS) Department, Chennai – 9.

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The Municipal Administration & Water Supply (OP.II/MA.II)
Department, Chennai – 9.

The Senior Personal Assistant to Minister (Municipal Administration,
Rural Development, Law, Courts. & Prison), Chennai – 9.

The Principal Private Secretary to Principal Secretary to Government,
Municipal Administration and Water Supply Department, Chennai – 9
Stock File / Spare Copy

//FORWARDED BY ORDER//

N. Shaiida
24.12.2014
SECTION OFFICER