

Ann. V.

Subject: Meeting to review the progress of National Cyclone Risk Mitigation Project with States – Summary Record Note of the Meeting -

1.	<i>Date</i>	29 th May, 2012 at 11.15 Hrs.	
2.	<i>Location</i>	Auditorium, First Floor, NDMA BHAWAN, New Delhi	
3.	<i>NDMA Personnel</i>	Name 1. Dr. Sutanu Behuria, Secretary, NDMA 2. Dr. S. P. Vasudeva, Project Director (NCRMP) 3. Shri P.C. Gupta, Financial Specialist 4. Shri K.H. Ibopishak Singh, Engineering Specialist. 5. Ms. S. Asta Lakshmi, Environment Specialist 6. Ms. Swati Gamaliel, Procurement Specialist. 7. Shri S.C. Sharma, Project Manager(NCRMP)	
	<i>World Bank</i>	1.Mr. N.V.V. Raghava, TTL	2. Mr. Saurabh Dani, DRM Spl
		3. Mr. Deepak Singh,Sr. DRM Spl.	
	<i>NIC</i>	Dr. M.S. Rao, Sr. Tech. Director	
	<i>NIDM</i>	1. Prof. Santosh Kumar,	2. Ms. Vandana Srivastava
		3. Ms. Ribal Saroha	
	<i>States</i>	1. Shri B.N. Das, MD, OSDMA	2. Shri Suhrat Das, EE(WR), OSDMA
		3.Shri Satyabrata Mohanti, DoWR	4. Shri K.V. Rao, Project Manager, GoAP
4.	<i>Discussion Topic</i>	Review of National Cyclone Risk Mitigation Project with the World Bank.	
5.	<i>Key Discussion Points</i>	Key Issues discussed and decisions taken in the meeting are as follows: Secretary, NDMA welcomed all the participants. He expressed displeasure over the absence of the Principal Secretaries of both the State Governments in the meeting even when their Chief Secretaries were requested to depute them for this important meeting. He indicated that the States are not taking the Project seriously and if they want to go ahead with the Project, they must show seriousness to implement the Project. He further stated that the progress of implementation of the Project both in the construction of physical infrastructure and disbursement position is very slow. The funds sanctioned during 2011-12 could not be spent by the States so far. Therefore, States must take steps to see that the expenditure position with implementation of works improves, otherwise the Department of Economic Affairs and the World Bank would adversely comment on the progress of the Project. He directed that the States must furnish the physical and financial progress along with the quarterly timelines for implementing the activities under the project immediately.	

2. Project Director (NCRMP) NDMA then took up the discussions on the agenda items for the meeting which are discussed as under:

2.1. The position of award of contracts under Component-B – Cyclone Risk Mitigation Infrastructure:

2.1.1. Andhra Pradesh: It was brought out that only 66% of the packages with an outlay of 54% have been awarded by 31.03.2012. Project Manager, NCRMP, Govt. of Andhra Pradesh informed that the 32 packages would be awarded by 15.6.2012. The remaining 8 require rebidding and would also be awarded in next 3 months.

2.1.2. Odisha: It was seen that although OSDMA have awarded 80% of the packages with an outlay of 85% but they have not moved forward with implementation of works as the expenditure as on 31.3.2012 is 7% only.

MD, OSDMA informed that 4 packages out of 20 pending for award would be awarded by 30.06.2012 and the remaining 16 packages by 31.8.2012.

2. 2. Physical and Financial Achievements under Component-B - Cyclone Risk Mitigation Infrastructure:

2.2.1. Andhra Pradesh: It was found that only 30 works (29 roads and one bridge) out of 249 that were awarded have been completed with the remaining at various stages of completion. The expenditure incurred upto 31.3.2012 on such accomplishment was Rs. 39.40 crore out of Rs. 99.22 crore which comes to 39% only. Project Manager (NCRMP) Government of Andhra Pradesh informed that 10 Multipurpose Cyclone Shelters (MPCS) under construction would be completed by September, 2012 and the remaining 4 by March, 2013. The work of the rest of 41 MPCS's would be awarded by June, 2012. The time line for completion of 20 would be 30.06.2013 and remaining 21 by 30.09.2013.

On the construction of roads, the representative of Andhra Pradesh informed that out of a total of 183 works, 29 have been completed and 89 are under execution. He informed that the remaining 65 works will be awarded by 30.6.12. On the completion of these works it was informed that out of 89 packages, 20 would be completed by 30.06.2012, 20 by 31.07.2012, 20 by 31.08.2012 and remaining 29 by 30.09.2012.

The PM (NCRMP) of Andhra Pradesh informed that of the bridges, 1 bridge has been completed and of the remaining 10, all except for one (which require rebidding) would be completed by 30.06.2012.

2.2.2. Odisha: On analysis, it was found that none of the MPCS or Road out of 142 works which were awarded has been fully completed. The expenditure incurred was Rs. 8.91 crores out of Rs. 125.93 crores which comes to 7% only. MD OSDMA informed that all the 58 works of MPCSs would be completed by 30.06.2013. He indicated that of the 59 roads for which the works have been awarded 12 would be completed by June, 2012 and remaining 47 by 31.03.2013.

2.3. Status of Awards of Contracts under Component – A – Last Mile Connectivity:

On Component-A, PD (NCRMP) PMU informed that the file is with the Finance Division of NDMA. On getting its clearance, PMU will frame MOU to be signed with the selected PSU. The draft MOU will then be sent to the World Bank for review.

2.4. Status of award of Contracts under Component-C: The position of award of consultancies under this component were discussed and is explained as under

2.4.1. Consultancy Service for Cyclone Hazard Vulnerability and Risk Assessment for 13 coastal states and UTs: This work is being looked into by PMU of NDMA. It was informed that the EOI will be floated in 15 days and thereafter it will be sent to the World Bank for publishing the same in the UNDB. PD PMU informed that the World Bank has already vetted the TOR which would be got approved from the competent authority of NDMA within next 7 days.

2.4.2. Damage, Loss Assessment Study: The representative of NIDM informed that in respect of this study Technical Evaluation has been completed but NIDM did not find any suitable consultant who could score minimum qualifying marks as those who applied did not have experience in the field. Therefore, World Bank representative suggested that either NIDM should engage its own consultants for doing the assignment or go in for rebidding. Prof. Santosh Kumar of NIDM however opined that the hiring of the consultant by NIDM would be difficult because, the hired consultant cannot be paid the desired amount. He indicated that NIDM would approach the World Bank for getting permission for rebidding.

2.4.3. Capacity building Strategy: On this consultancy, it was informed by Prof. Santosh Kumar of NIDM after no objection from World Bank for technical evaluation was received on 25th May, 2012 financial proposals of the firms who scored minimum qualifying marks will be opened on 31.5.2012 and the Consultant will be in position by the end of June, 2012. On this issue, NDMA has desired to constitute a larger Committee. NIDM is addressing all State Governments to get nominations.

2.5. Financial Management: On the utilization of funds by the States, it was seen that Government of Andhra Pradesh has furnished UC of Rs.40.48 crore and OSDMA has furnished UC of Rs. 11.23 crore up to 31.03.2012 for utilizing funds allotted by Govt. of India. They also have utilized the state share of Rs 11.52 crores and Rs 2.23 crores respectively. Thus, Government of Andhra Pradesh still has Rs. 35.78 crore with it and OSDMA has Rs. 29.07 crore.

PD (NCRMP) informed that during 2011-12, the States were released the first installment of 60% of their funds requirement. The second installment could not be released because the States were not able to spend 50% of the amount allotted. During the Year 2, the States are required to furnish full UCs for the first installment of Year 1 to process the case further. He, however, informed that the case would be processed for releasing 50% of the amount due this year.

The World Bank representative intervened and stated that the States could not spend the amount given to them in September, 2011 and still have sufficient funds with them. There is no point in sanctioning more funds to them since there is no intention to park funds with the States. The funds should be released only when

	<p>funds to the tune of few crore say Rs. 5 crore are left with them to carrying on the works.</p> <p>PD NCRMP informed that the states must speed up the implementation of the project as there vision to commitment charges for delay in the implementation of the project on the undrawn credit amount as per project agreement.</p> <p>2.6. Status of Utilisation of Budget Allotted under Component D: The information on the Performa desired was sent only by Govt. of A.P. OSDMA was also requested to send the information on the desired Performa for quarter ending 31.03.2012 and on quarterly basis in future.</p> <p>2.7. Component wise total requirement of Budget for 2012-13: The requirement of budget sent by both the states and of NIDM is as under. Govt. of A.P. has sent a requirement of Rs 168.07 crores (Rs 128.98 Cr from GOI and Rs 39.09 Cr as state share) and OSDMA of Rs 141.50 Cr (Rs 107.88 Cr as share of GOI and Rs 33.63 Cr as state share). NIDM has indicated a demand of Rs 60 lakhs. An amount of Rs 37.78 Crores (Rs 27.30 Cr. As GOI share and Rs 6.48 Cr as state share) is still with Govt. of A.P. and Rs 29.07 CR. (Rs 18.30 cr GOI share and Rs 10.77 Cr. As state share) with OSDMA. NIDM still has Rs 6 lakhs with them.</p> <p>PD PMU NDMA indicated the budget already with the states must be utilized at the earliest before funds for this year are given to the states and NIDM.</p> <p>2.8. Staff Strength: PD (NCRMP) indicated that the full position of staff strength is essential for smooth implementation of the project. He wanted that this information be sent to PMU at NDMA on the Performa attached at Ann.</p> <p>2.9. PD (NCRMP) stated that as desired by Secretary, NDMA, States are required to furnish component wise and activity-wise physical, financial timelines for the quarters ending June, September, December, 2012 and March, 2012 as per Performa attached as Ann II with 15 days of receipt of these proceedings.</p> <p>2.10. Other issues:</p> <p>2.8.1. Issues raised by World Bank</p> <ul style="list-style-type: none"> (i) The representative of the World bank stated that the cost of the component wise activities being undertaken should not be exceeded in any case without the prior approval of the World Bank and the Department of Economic Affairs. If required proposal with detailed reasons must be sent. However, this issue will be discussed and analyzed during the mid-term review by the World Bank. (ii) The representative of the World Bank stated that to have proper coordination between the PIU and line Departments regular meetings under the chairmanship of Chief Secretary should be held every quarter to review the progress of the project. PD (NCRMP) informed that the issue in this respect has already been taken up with the state Govts. (iii) The World Bank representative pointed out that the social screening for the
--	--

		<p>works of Year 1 and year 2 are required to be completed immediately.</p> <p>(iv) On the quality of the construction work, the World Bank representative expressed satisfaction with the quality of construction in Andhra Pradesh.</p> <p>(v) The representative of the World Bank also pointed out that the Contractors are not being paid any mobilization amount as advance and are paid only on the basis of completion of the work. This is causing delay as the contractors stop the work till the payment is made and also they cannot take any other work simultaneously.</p> <p>(vii) The TTL Sh. Raghava Neti of the World Bank requested the State Governments to furnish the baseline information regarding population etc. by 31.5.2012, as desired of them. He also desired the States to continue furnishing the quarterly projections up to December, 2015.</p> <p>(viii) On the maintenance of the assets being created, the World Bank representative desired the States to constitute Maintenance Committees under the chairmanship of Chief Secretaries and the Committees should meet at regular intervals.</p>
	<i>Key Action Points</i>	<ol style="list-style-type: none"> 1. Address the Chief Secretaries of Andhra Pradesh and Odisha drawing their attention that the Project implementation is not getting their due attention. 2. States to furnish UCs for the remaining amounts to enable process of release of first instalment of Year 2. 3. States to look into the staff strength prescribed and see that the limit is not exceeded and if there are any vacancies, these should be filled up urgently. 4. The sanctioned cost of PIUs should also be looked into by the States and to see not to exceed the prescribed limit.
10.	<i>Additional Documents / Information Received</i>	NIL

Ann. I.

S.No.	Name of Post	Sanctioned Strength under the Project.	No. of Post in position	Variation (+) (-)	Remarks.

Ann. II.

S. N o.	Component	Package No.	Name of works.	District .	Estimated cost.	Date of Agreement	Target date of completion .	Estimated provisions (Physical and Financial).			Present stage (Physical	
								Mile stone 1	Mile stone 2.	Mile stone 3.	Mile stone 1.	Mile Stone 2