

Minutes of the 9th State Level High Powered Steering Committee (SHPSC) of Atal Mission for Rejuvenation and Urban Transformation (AMRUT) held on 9th May 2017 at 11.30 am in the Committee Room of the Chief Secretary, Government of Kerala.

Members Present:

1. *Sri V.S. Senthil IAS, Additional Chief Secretary, Planning & Economic Affairs Department*
2. *Sri Minhaj Alam IAS, Principal Secretary, Finance Department*
3. *Smt. Tinku Biswal IAS, Secretary, Water Resources Department*
4. *Sri. A Shajahan IAS, Secretary, Local Self Government Department*
5. *Sri. P S Mohammed Sagir IAS, Mission Director AMRUT*
6. *Sri Haritha V Kumar IAS, Director, Urban Affairs Department*
7. *Shri. Raveendran T, Technical Member, Kerala Water Authority*
8. *Sri. Shaji Joseph, Chief Town Planner (Planning)*

The meeting of the 9th State Level High Powered Steering Committee (SHPSC) of AMRUT chaired by Smt Nalini Netto IAS, Chief Secretary, Government of Kerala, commenced at 11.30 AM.

- In the opening remarks, Chairman pointed out that during the Pragati meeting, (monthly review of projects by the Hon Prime Minister) the Ministry of Urban Development (MoUD) has reported that the pace of project implementation in Kerala is rated as very low.
- The Chairman checked the attendance of the members of SHPSC and noted the absence of the designated members. She also referred the Government Orders (GO (Rt). 2304/2015/LSGD dtd 27.07.2015 & GO (Rt). 300/2016/LSGD dtd 27.01.2016) regarding the constitution of SHPSC and pointed out that SHPSC need to be reconstituted to include senior officials of all stakeholder departments. The Chairman directed the Mission Director to put up a file to reconstitute the SHPSC.
- Sri P S Mohammed Sagir, the Mission Director, briefed about the status of AMRUT and fund release to the State. Ministry of Urban Development (MoUD) had launched AMRUT in June 2015. Following the OM No.K-13012/101(16)/2015-SCM-III-V dated 18th Aug 2015 from MoUD, the CCBP programme under JnNURM was realigned with AMRUT and Smart Cities Mission, and technical cells constituted for CCBP were reconstituted as at State and City level support units for the implementation of AMRUT. Based on the aforesaid OM, State Level High Powered Steering Committee (SHPSC) and State Level Technical Cell (SLTC) were constituted. (vide GO (Rt) No.2304/2015/LSGD dated 27.07.2015 and vide GO No.3227/2015/LSGD

dated 30.10.2015 respectively). The Mission Management Units at state and city level started functioning from September 2015. Nine cities have been selected under AMRUT in Kerala (Six Corporations and municipalities of Alappuzha, Palakkad and Guruvayur).

Outlay of projects under AMRUT in Kerala for the mission period 2015-2020 is Rs. 2357.69 Cr which includes 375 projects across nine AMRUT cities in the five sectors (water supply, Sewerage/septage management, Storm water drainage, Urban Transport and Parks). For this, the State has submitted three State Annual Action Plans(SAAP).

SAAP 2015-16(SAAP I) amounting to Rs. 587.48 cr was approved by MoUD during November 2015 and a Central assistance of Rs.57.60cr (20% CA) has been released to the state against SAAP I.

SAAP 2016-17 (SAAP II) amounting to Rs.796.06 cr was approved by MoUD during September 2016 and a central assistance of Rs. 77.28 Cr (20% CA) has been released to the State against SAAP II.

SAAP 2017-18(SAAP III) amounting to Rs.973.64 Cr was approved in principle by MoUD during April 2017. The AMRUT mission will be celebrating its second anniversary on 25th June 2017 and the expenditure so far is Rs.3.08 Cr

- The Chairman noted that although the state has received a central assistance of Rs.135 Cr for projects, the expenditure for implementation is only Rs. 3 Cr so far, which needs to be seriously addressed.

The points in the agenda were taken up one by one and after detailed deliberations following decisions were made

1. Approval of minutes of the 8th meeting of SHPSC.

The Committee approved the minutes of 8th meeting of SHPSC held on 24th January 2017

2. Action taken report on the decisions of the 8th meeting of SHPSC

The Committee noted the Action Taken Report on the decisions of the 8th SHPSC.

2.1. Seeking financial support of the State in assisting the ULBs.

Sri. V S Senthil, Additional Chief Secretary (Planning) expressed his apprehensions over meeting the outlay of the projects under AMRUT. Additional Chief Secretary pointed out that the 20% of project share for the

mission period. Rs. 464.48 Cr has to be met by the Mission Cities when many of cities are not even in a position to meet its revenue expenditure. The financial instability of the Mission Cities will bring about additional burden to the State Government and hence suggested to seek the opinion of the Finance Department in this regard.

The Mission Director pointed that the MoUD has directed that project cost proposed over and above the approved SAAP amount has to be met by the State. A total of Rs 35.29 Cr has to be met additionally by the State.

The Mission Director informed that a note was submitted to the Minister LSGD on 30.01.2017 for convening the joint meeting of the Minister for LSGD, Water Resources and Finance Departments. However, the committee expressed its concern over the delay in convening the meeting even after three months and directed to follow up with the Minister's office.

Action by	Time Limit	Monitoring by
Sri. P.S Mohammed Sagir, Mission Director, AMRUT	25 th May 2017	Sri. T.K. Jose Principal Secretary, LSGD

2.2. Appointment of Independent Monitoring & Review Agency (IRMA) for project under JnNURM

Mission Director had submitted a request letter to the Principal, College of Engineering (CET), Thiruvananthapuram seeking the willingness of CET to act as IRMA on 10.2.2017, along with the details of previous IRMA report for references. It was informed to the committee that the Head of Department of Civil Engineering, CET has confirmed their willingness to act as IRMA on 8.05.2017. The work will be undertaken as consultancy work through the Centre for Continuing Education, CET. The Committee directed that a formal agreement has to be signed up with CET in this regard.

Action by	Time Limit	Monitoring by
Sri. P.S. Mohammed Sagir, Mission Director, AMRUT	19 th May 2017	Sri. T.K. Jose Principal Secretary, LSGD

3. State Annual Action Plan 2017-18

Under AMRUT, the fund sharing pattern between Central and State+ULB is 50:50. The total Central Assistance (CA) to the State under AMRUT during the Mission period (2015-16 to 2019-20) is Rs.1161.20 Cr. The State and the Mission cities together have to put in a matching share.

The committee took note of submission of SAAP 2017-18 to the Ministry of Urban Development on 29.03.2017 and that MoUD has approved the SAAP 2017-18 in principle vide OM No. F.N K-16015/4/2017/AMRUT-II dated 17.04.2017. The Committee also directed the Mission Director to submit a list of the projects under SAAP 2017-18 which were not approved in the last SHPSC. Ratification of this list will be taken-up in the next meeting. The approved list of Projects 2017-18 is annexed.

Action by	Time Limit	Monitoring by
Sri. P.S Mohammed Sagir, Mission Director, AMRUT	12 th May 2017	Sri. T.K. Jose Principal Secretary, LSGD

4. State Action Plan (SAP) for GIS based Master Planning

Preparation of Geographic Information Systems (GIS) based master plans for all mission cities is one of the reforms to be achieved under AMRUT. This sub scheme of AMRUT is fully funded by MoUD. Town and Country Planning Department (TCPD) is designated as the nodal agency for the aforesaid reform. The Department prepared State Annual Plan (SAP) for the preparation of GIS based master plan and submitted to the Mission Director. The SAP was reviewed by the 5th meeting of SLTC held on 24.01.2017 and recommended the same for SHPSC's approval vide decision 6.3.

Estimated budgetary requirement for GIS Based Master Plan (SAP)

(Rs. in lakhs)

Sl. No	City	A - Geo- database creation	B - Master Plan Formulation		C - Capacity Building	Total
		2016-17	2016-17	2017-18	2016-17	
1	THIRUVANANTHAPURAM	19.09	50	25	2	96.09
2	KOLLAM	6.49	5	60	2	73.49
3	ALAPPUZHA	4.15	5	45	2	56.15
4	KOCHI	8.43	5	65	2	80.43
5	THRISSUR	9.01	5	65	2	81.01
6	GURUVAYUR	2.83	5	45	2	54.83
7	PALAKKAD	2.53	5	40	2	49.53
8	KOZHIKKODE	10.54	5	65	2	82.54
9	KANNUR	6.96	5	60	2	73.96
	TOTAL	70.03	90	470	18	648.03

However, as per the direction of MoUD , the State Action Plan was submitted to the MoUD on 15th March 2017 subject to the ratification of the SHPSC.

The SHPSC took note of the recommendations of the SLTC and approved the State Action Plan submitted to the Ministry of Urban Development.

5. AMRUT REFORMS 2016-17

The Mission envisages improving governance through a set of Reforms. During the Mission period, 11 Reforms have to be implemented in the Mission cities. AMRUT incentivizes Reform implementation by setting aside 10% of project funds as incentive for the States. The States have to do a self-assessment in the prescribed procedure and submit the same along with supporting documents to the National Mission Directorate. During 2015-16, the State has received an incentive of Rs 15 Crore for accomplishing the prescribed reforms.

5.1. The SHPSC discussed each reform components in detail and the Committee suggested the Director, Urban Affairs to submit a note on the status of State level administrative reforms including the creation Municipal Cadre as envisaged under AMRUT. The committee also directed the Director of Urban Affairs to develop a system to monitor the mission cities's reform achievements and sustenance.

Action by	Time Limit	Monitoring by
Smt. Haritha V Kumar, Director, Urban Affairs	15 th June 2017	Sri. P.S. Mohammed Sagir, Mission Director, AMRUT

5.2. Mission Director, has forwarded the self assessed score card of reform milestones along with all supporting documents to Ministry of Urban Development on 29th April 2017.

Status _ AMRUT Reform for FY 2016-17

#	Reform	Milestones	Ma x Score	State Claim	
				Number	%
1	E Governance	Coverage with E-MAAS			86
		Registration of birth/death/ Marriage	1	1	
		Water & Sewerage Charges	1	1	
		Grievance Redressal	1	0.6	
		Advertisement tax			
		Mutations			
		Payroll			
		Pension and e-procurement			
		Property Tax-	1	1	
		Issuance of licenses	1	1	
		Building Permission	5	4	
2	Municipal Cadre	Establishment of Municipal Cadre	10	7	70
		Cadre linking Training	10	10	100
3	DEA	Appointment of internal auditor	10	5	50
		Publication of AFS on website#	10	10	100
4	Urban Planning	Energy Efficiency Projects	10	0	0
		Develop at least one Children Park every year in AMRUT cities#	10	10	100
5	Devolution of Funds & Functions	Implementation of SFC recommendations within timeline	10	10	100
6	Review of Building bye laws	Adoption of Model Building By-Laws-2016	20	10	50
7	Set up Financial Intermediary at State Level	Establishing SLFI at state level*	10	10	100
8	Credit Rating	Complete the credit ratings of the ULBs	10	10	100
9	Energy & Water Audit	Waste Water recycling and Feecal Sludge Management	10	10	100
		Total	130	100.6	77.38

The SHpsc noted that the reform's incentive claim was submitted to MoUD within the stipulated timeline and the committee approved the reforms claim and ratified the action of Mission Director.

6. CREDIT RATING OF ULBs

Credit rating for all mission cities was one of the reforms to be accomplished under 2016-17. The Credit rating of the nine AMRUT cities were completed and the ratings are below.

Sl No	Mission City	Rating assigned	Rating Agency
1	Thiruvananthapuram	BWR BBB	M/s Brickwork Ratings India Pvt Limited
2	Kochi	BWR BBB	
3	Kollam	BWR BB+	
4	Kozhikode	BWR BB+	
5	Thrissur	BWR BB	
6	Kannur	Ir BB+	M/s ICRA Limited
7	Guruvayoor	Ir BB-	
8	Palakkad	Ir B+	
9	Alappuzha	Ir B	

**For the Rating categories, through the sign +(plus) or -(minus) appended to the Rating symbols indicate their relative position within the rating categories concerned. Thus Rating of BB+ is one notch higher than BB while BB- is one notch lower than BB.*

The SHPSC took note of the ratings awarded to the Mission Cities and also that the activity was fully funded by MoUD. The committee enquired about the advantages of credit rating of the municipalities and discussed on the follow up activities. The Committee observed that MoUD has assured full funding support to the Mission cities and also circulated model Request for Proposals to engage empanelled consultants before 31st May 2017 for drafting action plans for accomplishing reforms including improvement of property tax, reduction of Non Revenue Water, enhancement of advertisement tax which will benefit the Cities. The SHPSC directed Urban Affairs Directorate to do detailed study in this regard and guide the ULBs.

7. ADMINISTRATIVE SANCTION OF DPRS

In the 5th SLTC held on 24.01.2017, 21 DPRs of Water Supply sector amounting to Rs. 306.095 Cr, received from KWA/Mission Cities were reviewed and recommended to be placed before the SHPSC to accord Administrative Sanction (AS).

7.1. The Chairman enquired about the roles and responsibilities of the SHPSC and guidelines of AMRUT issued by MoUD was referred. Further, the committee also referred to the decision of 3rd SHPSC held on 4th July 2017 regarding the roles of SHPSC in according AS. The Chairman pointed that the Steering

Committee cannot act as an Empowered Committee unless and until Government Order is issued.

After detailed deliberations, the SHPSC decided to issue the AS subject to the scrutiny of Finance Department for following the financial rules of the State.

7.2. The Secretary (Water resources) pointed that the Kerala Water Authority (KWA) has submitted 34 DPRs to the Mission Directorate from Oct-Feb 2017 and the AS was accorded in SHPSC held on 24.12.2016 to 13 water supply projects for which the Government Order was issued by LSGD vide GO (Rt) No. 534/2107/LSGD dated 23.02.2017. However the issue of Technical Sanction was delayed due to change in the procedure adopted by the Mission Directorate.

The Secretary (Water Resources), informed that the during the initial phase of AMRUT, the Technical Sanction of the projects was issued by the implementing agency as per the prevailing rules of the respective department and expressed her apprehensions over the present mode of issuing TS by newly formed Technical Expert Committees constituted under the mission which is leading to additional procedures and time delay. The Secretary, suggested that KWA is having an established mechanism for issuing TS hence the committee may review the current procedure followed in AMRUT and to adopt the prevailing procedures for other projects.

The SHPSC reviewed the roles and responsibilities of the SHPSC and SLTC envisaged as per the AMRUT guidelines. The Committee directed the Mission Director to present the details of the institutional arrangements adopted in Kerala for AMRUT projects and its functions in the next SHPSC.

Action by	Time Limit	Monitoring by
Sri. P.S. Mohammed Sagir, Mission Director, AMRUT	15 th June 2017	Sri T K Jose Principal Secretary, LSGD

8. ENERGY AUDIT OF WATER SYSTEM

To assist the States to initiate energy audit of water pumping system in Mission Cities MoUD has signed an agreement with the Energy Efficiency Systems Limited (EESL), a Public Sector Unit of GoI. MoUD has also shared a model agreement between the State, ULB and the EESL. However in Kerala, KWA is the nodal agency for the water sector. Hence, the Mission Director has initiated discussions with EESL and Kerala Water Authority to prepare Investment Grade Energy Audit (IGEA) report after conducting energy audit of the public

water works and sewerage systems. A tripartite agreement between the Mission Directorate, EESL and KWA has to be signed to conduct IGEA. According to EESL, if the IGEA report recommends a replacement of pumps and the work of the same is assigned to EESL, the auditing will be done free of cost.

The SHPSC discussed the matter in detail and pointed that the assets of water supply systems is owned by KWA hence the energy audit has to be initiated by KWA. The Committee decided to engage EESL and conduct the Energy Audit initially using AMRUT A&OE funds.

Action by	Time Limit	Monitoring by
Smt. Tinku Biswal, Secretary, Water Resources	25 th May 2017	Sri. T.K. Jose Principal Secretary, LSGD

The course of action for implementing the recommendation of the IGEA report including the replacement of water pump-sets and cost bearing to be finalized after the receiving IGEA report.

9. UTILISATION OF REFORM INCENTIVE

The State of Kerala was awarded with an incentive for obtaining a score more than 70% for implementing mandatory reforms for FY 2015-16 under AMRUT. Vide MoUD OM No K-16012/3/2016- AMRUT II, the Ministry has released Rs 15.00 Cr for the achievement of the reform milestones. As per the general guidelines regarding reform incentive from MoUD, the SHPSC may decide upon the utilization of the incentive amount.

The 6th State Level Technical Committee held on 23rd Feb 2017 decided to retain an amount of Rs. 3.00 Cr at the State Mission Directorate and to utilize the amount for various feasibility studies. The remaining, Rs.12.00 Cr maybe distributed among the Mission cities based on their performance in achieving the reform milestones(40%), population (30%) and project allocation (30%).

The SHPSC decided to defer and adjourn this agenda to the next SHPSC meeting.

10. ENGAGING KOCHI METRO RAIL LIMITED IN URBAN TRANSPORT

In the 7th SHPSC held on 21.12.2016, it was decided to seek the willingness of KMRL to support mission cities in implementing projects under Urban Transport and Open spaces. Further, the Mission Director convened a preliminary meeting with Kochi Metro Rail Limited (KMRL) to know their willingness. KMRL has agreed to the same in principle. However, the KMRL has

proposed a consultancy fee at an average of 7% of the total project cost for their end to end support.

In the 6th SLTC held on 23rd Feb 2017, it was decided that the ULBs may be given the freedom to select the agency for DPR preparation alone or forend-to end support of the project.

Prevailing Government norms for end-to-end support
(Vide GO (P) No. 408/2007/FIN dated 7.09.2007)

- For DPR preparation alone -2.3% total project cost
- For End to End support - <50 Lakhs - 8%, 50 Lakhs to 3 Cr -7%, 3-5 Cr -6% and 5 Cr & above -5%

Government Norms for DPR preparation alone
(Vide GO (Rt) No. 421/13/LSGD dated 15.02.2013)

- 2.33% of the actual project cost

The SHPSC pointed out that the facts presented in the agenda are not sufficient to arrive at a decision. Therefore, the committee directed the Mission Director to place the agenda in the next SHPSC with all relevant decisions of the previous meetings.

Action by	Time Limit	Monitoring by
Sri. P.S. Mohammed Sagir, Mission Director, AMRUT	Next SHPSC meeting	Sri T K Jose Principal Secretary, LSGD

11. REVIEW OF PROGRESS OF AMRUT

The SHPSC took note that the State has submitted three State Annual Action Plans to MoUD . The mission has proposed a total of 375 projects worth Rs 2357.69Cr across nine mission cities, also State has received a total allocation of Rs.134.88 Cr (20% of the CA for SAAP I and II) from the GoI.


The committee expressed its concern over the delay in project implementation and that only 20 projects of SAAP 2015-16 have commenced in the ground. The ACS(Planning) enquired about the institutional arrangements established as per the MoUD guidelines. A strong municipal cadre has to be evolved in administration as well as technical side to handhold not only AMRUT but the other urban projects which will follow in the coming years.

In these circumstances, the Chairman directed the Principal Secretary, LSGD to convene a meeting of the Additional Chief Secretary(Finance), Principal Secretary (LSGD), Secretary(Water Resources) to deliberate on the objectives

of AMRUT and its progress in the state and to formulate a robust operational guidelines and month wise action plan to achieve time bound implementation.

The committee decided to discuss and finalise the strategies for institutional building to support the AMRUT Mission and to prepare the plan of action to expedite implementation process, in the next SHPSC meeting.


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Chief Secretary &
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