

No. DNER/NLCPR-Central/3/2012
Government of India
Ministry of Development of North Eastern Region

Subject: Minutes of meeting held under chairmanship of Secretary, DoNER on 06.12.2013 at 10.30 AM to discuss funding pattern for Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim

Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim of Ministry of Power is one of the projects identified for funding under NLCPR-Central in the Inter-Ministerial Consultation Meeting on NLCPR-Central held on 15.11.2011. The cost estimate of the project considered in the Inter-Ministerial Consultation meeting was Rs.3013.70 crore [Rs.1860.63 crore for Arunachal Pradesh component and Rs.1153.07 crore for Sikkim component]. The estimated cost has been revised to Rs.4776.43 crore [Rs.3206.84 crore for Arunachal Pradesh component and Rs.1569.59 crore for Sikkim component] after PGCIL reworked the DPR. The reasons for cost increase are stated to be due to (i) change in scope of the project, (ii) inclusion of optical ground wire (OPGW) and (iii) updation of rates from December 2009 price level to April 2013 price level. The estimated cost include total provision of Rs.1310.29 crore [Rs.863.16 crore in Arunachal Pradesh component and Rs.447.13 crore in Sikkim component] for items such as land acquisition, R&R and forest compensations, consultancy fees and contingency which are not admissible under NLCPR-Central. Both Arunachal Pradesh and Sikkim Governments have intimated Ministry Power that they do not have the resource to fund the amount. Meanwhile, the Ministry of Power have circulated draft EFC Memo for the scheme, vide OM dated 07.11.2013, with a condition that funding pattern will be decided in due course.

2. The meeting was to discuss the issue funding pattern for the scheme. **List of participants is at Annexed.**

3. Joint Secretary, DoNER apprised the status of the proposed scheme stating that since there has been substantial increase in the estimated cost (by 58.5%), the matter may have to be taken to the Central Monitoring Committee (CMC) for NLCPR-Central again. He also informed that budget allocation for NLCPR-Central has so far remained much lower than existing requirement; Rs.36 crore in 2012-13 (BE) and Rs.62 crore in 2013-14 (BE). Therefore, substantial enhancement in budgetary allocation will be required.

4. Director, M/o Power informed that Government of Arunachal Pradesh and Government of Sikkim have submitted in writing that they will not be able to bear the cost pertaining to land acquisition, R&R and forest compensations, consultancy fees and contingency. Regarding requirement of fund, he informed that as per investment schedule an amount of Rs.530 crore is projected for the first year (i.e., FY 2014-15).

5. Adviser, NE, Planning Commission informed that in the proposed World Bank funded Comprehensive Scheme for Strengthening of Transmission and Distribution System in 6 NE States, Ministry of Power was asked to provide 10% of the cost from their budget. Since the instant scheme is the same with the proposed World Bank funded scheme except for funding source, he opined that the portion of cost inadmissible under NLCPR-Central could be borne by Ministry of Power. Regarding budgetary provisioning under NLCPR-Central, he informed that as recommended by Empowered Committee for Monitoring Infrastructure Projects in NER under chairmanship of Member (NE), Planning Commission in its first meeting held on 09.09.2013, Ministry of DoNER may submit a note to the Ministry of Finance on funding issue.

6. The following decisions were taken in the meeting:

- a) Ministry of Power will bear the component of cost inadmissible under NLCPR-Central;
- b) Central Monitoring Committee for NLCPR-Central may be apprised of the revised project and its enhanced cost estimate;
- c) Ministry of DoNER will make budgetary provisioning for Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim under NLCPR-Central for 2014-15 (BE) proposals.
- d) As recommended by Empowered Committee for Monitoring Infrastructure Projects in NER, Ministry of DoNER will submit note to Ministry of Finance on funding issue of Comprehensive Scheme for Strengthening of Transmission and Distribution System in Arunachal Pradesh and Sikkim.

7. The meeting ended with vote of thanks to the chair.

List of Participants

1. Shri U.K. Sangma, Secretary, Ministry of DoNER
2. Shri V.B. Pathak, Joint Secretary, Ministry of DoNER
3. Shri S.N. Brohmo Choudhury, Adviser, NE, Planning Commission
4. Shri Ghanshyam Prasad, Director, Ministry of Power
5. Shri Arun Kumar, COO (BDD), PGCIL, Ministry of Power
6. Shri K. Guite, Director, Ministry of DoNER