

Government of India
Ministry of Development of North Eastern Region
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Tour Note of Shri D.S. Poonia, Joint Secretary to Meghalaya from 17th to 21st January 2006

As per tour programme approved by Secretary, DoNER, the undersigned visited Meghalaya between 17th to 21st January 2006.

2. On arrival at Shillong on 17.1.2006, preliminary discussions were held with the ADB officials and the Consultants for the ADB assisted NE State Road Project (NESRP). Secretary, NEC and Adviser(T&C), NEC were also present. M/DoNER's view that the TOR for the Consultants had provided for preparation of an inventory of roads in the NER was conveyed to the ADB and the Consultants. The ADB officials and the Consultants stated that in view of the limited funds available and the short time- frame for completing activities under the TA, it was not considered feasible to prepare a complete inventory of roads in the NER. It was also explained that it would require about 1½ years and considerably more funds to prepare a complete inventory of NER Roads. In view of the above constraint, it had been decided to request the 8 NE States to propose candidate roads which were then screened by the Consultants based on their economic importance and strategic relevance. It was noted that the draft final report for the Workshop had included roads from 7 States. Roads from Nagaland could not be included because of the State Govt's insistence on proposing only new roads whereas the ADB project was for upgrading existing roads.

3. The arrangements for the Workshop to be held in the NEC Sectt. on the following day were also reviewed.

4. The ADB Workshop on the NESRP was conducted on 18.1.2006. The States were mostly represented by Secretaries and Chief Engineers, PWD. Only Tripura was represented by their Director(Planning) in addition to the SPWD Engineers.

5. The States were unanimous in recommending that the State-wise DPRs for the selected roads be prepared Centrally in view of the resource constraints of the State Governments as also for ensuring uniformity. This was acceptable to the ADB and the Consultants also. It is understood that the ADB will offer a separate umbrella TA to the Government of India for covering the expenditure on Consultancy and preparation of the State-wise DPRs.

6. The State Governments were supportive of the proposal for institutional development and capacity building of the State PWDs as a part of the NESRP.

7. The selected roads were endorsed by the participants with minor modifications. The Nagaland representative (Addl. Chief Engineer, PWD) also agreed to propose to **“Improvement of Road from Champang to Tizit”** under the NESRP. The undersigned specifically advised the ADB and the Consultants to ensure that this road is included so that none of the NE States is left out of the project.

8. All the State Governments were requested to convey their comments (in respect of factual changes proposed) in writing to the Consultants.

9. The Consultant is expected to finalise the report based on the discussions in the Workshop within this month. The draft report will, thereafter, to be discussed with the ADB and the DEA and a decision taken in regard to selection of Consultants for preparation of the State-wise DPRs.

10. **An important issue** which came up for discussion during the Workshop was relating to the Government of India policy w.e.f. 2005-06, **to provide external aid to the State Governments on a back-to-back basis.** None of the States favoured this arrangement in view of their resource constraints. Sikkim, Manipur and some other States have reportedly taken up this matter with the PM/FM.

11. The other finance related issue concerns the fact that the ADB loan will cover only 70% of the project and the balance 30% will have to be contributed by the Government(Central/State). The undersigned had solicited responses of the State Governments. The consensus was that the State Governments may be willing to bear 10% of the cost as generally provided under the Plan financing pattern (90:10) for the Special Category States. The 20% short fall will still need to be made up from other sources. This issue is being taken up by DoNER with the Planning Commission separately as advised by Secretary, DoNER.

12. Secretary, NEC also held **SFC meeting at 5 p.m. on 18.1.2006** to consider the project proposal **“Renovation and Modernisation of 132x33 KV Sub Station at Yurembam in Manipur”**. NEC had completed the consultation process with the Planning Commission and the line Ministry (NEREB). Shri Brohmo Choudhry, Director(SP-NE) also attended the meeting together with comments of the Power and Energy Division, Planning Commission. Based on the inputs received and the clarifications provided by Shri P.K. Deb, I/C Adviser(Power), NEC, **the proposal was approved at a estimated cost of Rs.9.63 crores.** This is a System Improvement Scheme which will upgrade the transformer capacity to cope up with the load growth and modernization of the 132 KV Sub Station at Yurembam.

13. **On 19.1.2006,** I attended the **NEC’s Steering Committee Meeting chaired by the Secretary, NEC.** All the 8 NE States presented their proposals

for the NEC's Annual Plan 2006-07. Agenda for the proposed Council Meeting on 17.2.2006 was also discussed. During my intervention, I suggested the following items for inclusion in the NEC's Council Agenda :

- (i) The diversion of funds from other sectors to the Transport Sector during the 10th Plan as approved by the Planning Commission in the meeting held on 18.2.2005 by Sr. Consultant(SP-NE).
- (ii) Note on improving Air-Connectivity with reference to the MOU signed with the Alliance Air.
- (iii) The issue regarding funding of Externally Aided Projects on a back-to-back basis.
- (iv) The issue regarding policy decision of the Government of India to withdraw funding of the 10% loan component w.e.f. FY 2005-06.

14. I also conveyed concern of the Government regarding fairly large unspent balance and the delays in furnishing of utilization and audit certificates by the State Govts. for funds released by NEC. Most State Government representatives assured that the balance available would be utilized within 31st March 2006.

15. The NEC officials also raised the issue regarding SFC/EFC procedures. After discussion, the Committee decided to place the matter for consideration by the Council.

16. Dr.(Smt.) I.K. Barthakur and Shri P.P. Srivastava, Members also addressed the Steering Committee.

17. **At 4 p.m. on 19.1.2006, I visited the IFAD assisted NERCRMP office.** The project officials made a brief presentation. The modalities for the field visit on the following two days were also discussed.

18. On 20.1.2006, I visited the project area in West Khasi Hills District together with the IFAD project officials. Specifically, the schemes in Nongpdeng village were inspected. A meeting was also held with the 25 beneficiaries who have received assistance under the project since 2000. A total of Rs.5.64 lakhs has been invested in this village for assisting the 25 beneficiaries to improve their livelihoods through banana, ginger and arecanut plantations, kitchen garden etc. 52% of the fund is provided through a Revolving Fund from which the beneficiaries can draw loans and repay. The project was initially implemented with assistance of a local NGO. After the project has taken off, the NGO has withdrawn and the beneficiaries have set up a Self Help Group(SHG) for coordinating implementation of the project. It was encouraging to know that the beneficiaries have made good use of the assistance received under the project. They can now afford to have better food and clothing. Some of them have even constructed dwelling units and are in the process of acquiring land for cultivating the agri/horticulture products. Interestingly, the attendance in the local primary school has increased from 25% to 65%. In addition to the Government Primary School, two more private schools have also come up in the village. The villagers requested for opening of a primary health sub centre(PHSC).

19. The road from Riangdo(nearest Town) to Boko (in Assam) is in a deplorable state and needs to be improved. The agri/horti products from the project area are marketed in Boko.

20. Overall the project has been eminently successful in alleviating poverty in this remote Khasi Hill District of Meghalaya.

21. After halting in the project area on 20.1.2006, I returned to Delhi on 21.1.2006 through Guwahati.