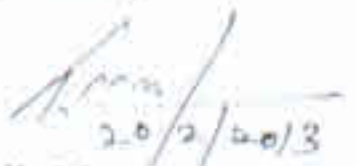


No.P-17024/1/2012-RC
Government of India
Ministry of Rural Development

Krishi Bhavan, New Delhi,
Dated the 20th February, 2013.

Sub.:- Minutes of the Meeting of the Empowered Committee held on 15th February, 2013 to consider the project proposals of Andhra Pradesh State under PMGSY-reg

The undersigned is directed to enclose herewith a copy of the Minutes of the Meeting of the Empowered Committee held under the Chairmanship of Secretary (RD) on 15th February, 2013 to consider the project proposals of Andhra Pradesh State pertaining to 4 IAP Districts (Vizianagaram, Visakapatnam, Adilabad and Warangal) under Pradhan Mantri Gram Sadak Yojana (PMGSY) for necessary action.


20/2/2013
(R. R. Meena)

Under Secretary to the Government of India
Telefax:011-23382406

Distribution:

1. The Principal Secretary, Rural Development & P.R. Department, Government of Andhra Pradesh, A.P. Secretariat, Hyderabad-500022.
2. The Senior Adviser (Transport), Planning Commission, Yojana Bhavan, New Delhi.
3. The Director, CRRI, Mathura Road, New Delhi.
4. The Chief Engineer, Road Standards and Research, Ministry of Road Transport & Highways, Transport Bhavan, New Delhi.
5. The Director (BM-I), Ministry of Home Affairs, *N Dec-3 Building, Sri Singh Park, North Block, New Delhi.*

Copy to:

PS to Hon'ble Minister (RD)/PS to Hon'ble MoS(RD-LK)/Sr.PPS to Secretary (RD)/Sr.PPS to AS&FA/PPS to Additional Secretary/PS to JS (RC)/Director (RC-YSD)/ Deputy Secretary (RC-MR)/ Director (F&A)/Director (P-I)/Director (Tech.)/Director (P-II)/ Director (P-III), NRRDA.

**MINUTES OF THE MEETING OF THE EMPOWERED COMMITTEE FOR
PMGSY HELD ON 15th FEBRUARY, 2013**

STATE: ANDHRA PRADESH

A Meeting of the Empowered Committee (EC) was held on 15th February, 2013 at 03.30 PM under the chairmanship of Secretary, Department of Rural Development to consider the proposals of the State of Andhra Pradesh pertaining to 4 LAP Districts (Vizianagaram, Visakapatnam, Adilabad and Warangal) under Pradhan Mantri Gram Sadak Yojana (PMGSY). List of participants are given as below:

Sh. S. Vijay Kumar	Secretary (RD) - Chairman
Dr P K Anand	Joint Secretary (RC), MoRD
Shri S. Swarna Ganapathy	Adviser, Planning Commission
Shri P. Manoj Kumar	Director (RC), MoRD
Shri. Mashoda Lal	Deputy Secretary (Finance)
Shri P K Katore	Dir (P-III), NRRDA
Dr I K Pateriya	Dir(Tech), NRRDA
Shri. N.C. Solanki	Dir (P-I), NRRDA
Shri. Bhupal Nanda	Dir (P&A), NRRDA
State Govt. Representatives	
Shri. V. Nagi Reddy	Pr. Secretary (RD&PR)
Shri C VS Ramamurthy	Engineer-in-Chief, GoAP
Shri K. Thirupathi	Fin. Controller, IEO /ENC, PR Hyderabad
Shri C V Shivaprasad	CE SQC
Md. Nishat Hussain	Dy. EE & ITNO, GoAP
Shri P. Raveendrababu	Dy. EE

2. Details of proposals discussed by the Committee for the State of Andhra Pradesh are as under:

Item	New Connectivity		Total
	Roads	LSB	
Value (Rs. in crore)	449.91	56.90	506.81
No of Road Works/LSB	162	40	202
Length (Km)	792.76		
Average Cost (Rs. Lakhs per km)	56.75		
Habitations covered	189 of 250 + 33 of 250 + (Cluster)		

MoRD share : Rs. 498.35 crore, State share : Rs. 8.46 crore

3. A detailed presentation was made by NRRDA on the present status of implementation of PMGSY in the State of Andhra Pradesh and the current proposals.



4. The Empowered Committee reviewed the progress since the previous Empowered Committee Meeting held on 26.7.2012 and considered the institutional capacity of the State to efficiently execute the PMGSY works with the requisite attention to quality. The Empowered Committee also considered achievements under PMGSY, public disclosure norms in terms of the physical and financial and accounting data entered by the State in the programme software, Quality Monitoring, OMMAS and the diligence in maintenance of the high quality assets created under the programme for the long term reduction of poverty.

5. While reviewing the current proposals, the Empowered Committee also reviewed the pace of implementation of road works under PMGSY in the State. The State has reported to have completed 6135 works out of 6196 works, which were sanctioned prior to March 2010 and 61 works (1%) are still incomplete. The State was advised to send the completion plan for the left over works to the Ministry.

6. It was observed that DPRs in respect of 21 road works sanctioned by MoRD in previous phases have not yet been approved by STAs on OMMAS. The State informed that approval of STAs has been obtained for 18 DPRs. The State was advised to get the on-line approval of STAs for remaining DPRs immediately.

7. It was observed that data entry gaps still persist on the selected parameters on OMMAS. It was reiterated that the data should be fed into OMMAS on a regular basis. The State should close data entry gap on OMMAS within 10 days as agreed by it. It was also observed that number of habitations covered under the State Scheme has not been entered on OMMAS.

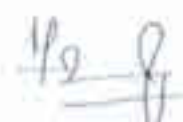
8. Maintenance:

8.1. The details of maintenance funds required released to SRRDA and utilized by them during the last two years and current year is given below.

(in crore)

Financial Year	Maintenance Funds required to be released	Actual release to SRRDA	Expenditure (upto January 2013)	% of expenditure w.r.t fund required
2010-11	20.77	0.00	4.33	21
2011-12	30.00	0.00	10.42	35
2012-13	27.91	27.91	9.69	35
Total	78.68	27.91	24.44	31

8.2. The State informed that an amount of Rs. 48.68 has now been credited to SRRDA exclusively for maintaining PMGSY roads. The Committee observed that the State did not spend as per the requirement on maintenance of roads constructed under PMGSY. The State was advised to prepare a comprehensive maintenance plan for maintaining the assets created under PMGSY. The Committee desired that the State Government's attention be drawn to the provision of para 17.1 of PMGSY Guidelines regarding maintenance which states that "the putting in place of institutional measures to ensure systematic maintenance and providing adequate funding for maintenance of the rural Core Network, particularly the Through Routes, will be the key to the continuance of the PMGSY programme in the State".



9. Quality:

9.1. The State has reported that field level laboratories have been established in all the 22 districts. The Committee advised the State that the SQC and Chief Engineer should inspect at least 10% laboratories every quarter.

9.2. Out of 804 SQM inspections during the period April 2011 to December 2012, unsatisfactory reports were reported for 9% at ongoing stage and 1% at Completed Stage. The reports of NQMs show that the quality of the roads is not upto the expected level and during the period April 2011 to December 2012 a high number of unsatisfactory works have been reported by NQMs (5% at on-going stage and 18% at completion stage).

9.3. The State informed that the SQMs are serving officers of the same Department. The Committee observed that engaging SQMs from the implementing agency would amount to conflict of interest as it will defeat the very purpose of the independent nature of the reporting system. The Committee advised the State Government to immediately change the system so as to ensure independent monitoring under 2nd tier quality mechanism.

9.3. As regards submission of ATR on NQM inspections, out of 69 ATRs required to be submitted, the State has submitted ATRs on 47 reports only. The State is required to submit ATR for remaining 22 reports. It was further decided that for unsatisfactory works identified by NQMs (non-rectifiable defects), the amount incurred should be recovered from the State.

9.4. The State has uploaded 6951 photographs on OMMAS based on 804 SQM inspections made during the period April 2011 to December 2012. SQMs are required to upload 10 photographs, including one of field laboratories, on each inspection.

10. Further, the Empowered Committee made following observations on the current proposals:

10.1. DPR issues:

- i. Proposals entered are not matching with the current proposals.
- ii. All proposals have not been scrutinized by STAs online.
- iii. Average construction cost is on the higher side.
- iv. Provision made for Maintenance for the current proposal is on lower side. It should be a minimum 7.5% of the proposed cost estimate.
- v. A few ineligible proposals of habitations less than 250 populations included, though the State informed that these habitations have been covered under cluster, the details of cluster have not been updated on OMMAS.
- vi. Only 9 roads have been proposed under R&D and DPRs of these roads have not been sent to NRRDA along with current batch of proposals.
- vii. Latest SoR has not been vetted by NRRDA, because it was given by the State only on the date of meeting, though proposals is as per new SoRs.
- viii. Joint inspection (SE & STA) reports of long span bridges have not been provided by the State.
- ix. MPI, II, III formats have not been received for final list of road works

11. Absorption Capacity

11.1. The financial report of the programme indicates that the expenditure incurred by the State for construction of road works under PMGSY is very low. Also, the State had a huge unspent balance which was to the tune of **Rs.444.83 crore** at the end of the last

4/2-8

financial year, i.e. 31st March, 2012. As per the capacity assessment study (based on ongoing works, number of SQMs, average expenditure and no. of PIUs) the State has been assessed to take up additional works of Rs. 1500 crore, which also include the present proposals with the Ministry.

12. Financial/Accounting Issues

- 12.1 An unauthorized expenditure on plantation of Rs.7.92 lakh incurred.
- 12.2 Diversion of an amount of Rs.8.47 lakh from programme fund to Admin. Fund
- 12.3 An amount of Rs.4.41 crore has been booked under 'Other Funds' in the liability side of balance sheet.
- 12.4 Out of 6346 works completed, financial closure has been made for only 5388 works.

13. Recommendation of Empowered Committee

- 13.1. Subject to the above observations, the Empowered Committee recommended the above proposals for consideration under PMGSY.
- 13.2. Further, as agreed by the State representatives, the State will complete following activities, prior to clearance.

- i. All proposals should be scrutinized and approved by STAs on OMMAS
- ii. Road lists along with district abstract after making necessary corrections based on the observations of the Committee should be provided to the Ministry in a soft copy.
- iii. Completion plan for all left over works sanctioned prior to March 2010 should be submitted to the Ministry.
- iv. DPRs of road works already sanctioned by the Ministry in the previous phases should be vetted by the STAs on-line.
- v. Out of 69 ATRs required to be submitted, the State is yet to submit ATR on 22 reports. Urgent remedial action should be taken for these 22 cases and ATRs on NQM reports should be sent to NRRDA and uploaded on OMMAS.
- vi. The State will update the entries on OMMAS to keep the data entry atleast at 95 %.
- vii. Joint inspection (SE & STA) reports of long span bridges should be provided to NRRDA.
- viii. Provision of minimum 7.5% should be made for maintenance under the current proposal
- ix. Accounts for programme funds should be reconciled with OMMAS entries and the balance sheet for the year 2011-12 should be prepared through OMMAS and should reconcile with audited balance sheet. For the year 2012-13 the accounts should be made only OMMAS generated balance sheet and same should be duly audited. For Admin. fund and maintenance fund also OMMAS based accounts should be prepared.
- x. DPRs of 6 road works, which were sanctioned during Phase X (Batch-I) under R&D technology should be sent to NRRDA for scrutiny after duly vetted by STAs.
- xi. Mandatory certificates like land clearance certificates etc. should be provided.
- xii. Soft Copy of Proposals in DVD should be sent.
- xiii. MP I, II and III formats for final list of road works should be sent to NRRDA.

- 14. Following activities will be completed by the State before tendering the works.

19.8

- i. All the DPRs proposed under R&D technology in the current batch of proposals including some granitic gravel based, should be sent to NRRDA after duly vetted by STAs.
- ii. The 2nd tier monitoring mechanism should be strengthened in order to ensure independent quality inspections.
- iii. The State has to prepare a comprehensive Maintenance Plan to ensure that the assets created under PMGSY are maintained upto the standard.
- iv. Financial closure of 80 % of the road works tendered up to March 2010.
- v. Expenditure of atleast 50% of the balance fund for the year.
- vi. Printing of road lists as on 1.1.2013 along with columns on maintenance budget and expenditure
- vii. Costs would be duly reduced as per observations of NRRDA. Moreover, these would be further reduced commensurate with SoRs not approved to the extent by NRRDA.
- viii. Maintenance back log at least Rs.2.09 crores (78.68 – 48.68 -27.91) would be credited to SRRDA'S maintenance account.
- xi. Joint inspection of balance LSBs. (of 15 m. or more) would be carried out by STAs and SEs.

15. The meeting ended with a Vote of thanks to the Chair.

