

**NATIONAL RURAL ROADS DEVELOPMENT AGENCY
MINISTRY OF RURAL DEVELOPMENT, GOVT. OF INDIA
NEW DELHI**

Minutes of the 9th Meeting of the General Body of National Rural Roads Development Agency held on March 26, 2008 at UNNATI, Krishi Bhawan, New Delhi.

(List of members present is annexed)

The Director General welcomed the Hon'ble Minister of Rural Development and President, NRRDA, Secretary, Department of Rural Development, and Vice President, NRRDA, and other members of the General Body. He indicated that this meeting has been primarily convened to approve the budget estimates of the Agency for 2008-09. With the permission of the chair the agenda items were taken up for discussion:

Item No. 1: Confirmation of the proceedings of the 8th meeting of the General Body held on 24th October, 2007

- Ø The Director General informed the General Body about the action taken on various issues raised during the last meeting. The General Body confirmed the proceedings of the meeting.

Item No. 2: Approval of the Revised Estimates for 2007-08 and Budget Estimates for 2008-09.

- Ø Revised Estimates 2007-08 and Budget Estimates 2008-09 were placed before the General Body. It was indicated that these estimates were discussed and finalized in the meeting of the Executive Committee held on February 18, 2008. However, no provision has been made in the BE of 2008-09 for salary revision on account of implementation of recommendations of the Sixth Pay Commission. Besides, likely enhancement in the maintenance costs of OMMS by C-DAC (which is not under negotiation) has not been provided for. Additional requirement upto Rs.1 crore may be required for these purposes which may be projected at the time of first supplementary.
- Ø Special Secretary & FA observed that abnormal increase has been proposed under foreign travel, training, professional service charges and payment to

STAs. Responding to the observations of SS&FA, DG explained the position as follows:

- (i) Provision for foreign travel has been made as the TA (World Bank) has ended on 31st December, 2007, and keeping in view the expenditure on travel during RRP-I for negotiations, similar exercise may have to be taken up for RRP-II. Thus, a provision of Rs.5 lakhs only has been made for this purpose.
- (ii) Training expenses were hitherto being borne under the World Bank's Technical Assistance which has ended in December, 2008. In order to continue support to states for capacity building Rs.50 lakh has been provided out of the Ministry's grant to NRRDA for training.
- (iii) Increase in professional service charges is on account of the payment for maintenance audit to be carried out in the States. It is proposed to cover 2-4 districts in each State covering 6-8 roads. The EOI for the same has already been floated and the amount assessed for this study is over Rs.1 crore. In addition, balance payments have to be made for studies being carried out for RRP-II.
- (iv) Payment to STAs has increased as it is based on the assumption that all the proposals for Bharat Nirman shall be checked and cleared by the STAs during the year and payment released. It has been estimated by Technical Division that proposals over Rs.15,000 crore shall be checked by the STAs during 2008-09.

The General Body approved the Budget Estimates for 2008-09.

Item No. 3: Loan from NABARD

The Director General briefed the General Body about the status of loan taken under the RIDF from the NABARD. As on 26th March, 2008 about Rs.4000 crores had been drawn and balance Rs.500 crores were to be drawn by the end of the week. He explained that there was no parking of funds and they were transferred to the States within 24 hours after receipt of cheque from NABARD.

Item No. 4: Quality Monitoring

- Ø Director (P-III), NRRDA, briefed the General Body about the status of operationalisation of 1st & 2nd tier of quality monitoring mechanism in the States and measures taken by NRRDA to strengthen the monitoring system. He indicated that NRRDA is regularly and closely monitoring working of the first two tiers in the states and also submission of ATRs by states on the inspections made by NQMs.
- Ø The representative from the Ministry of Finance observed that percentages of completed as well as ongoing works rated as unsatisfactory in certain states are very high. Systemic deficiencies in the states needs to be analysed and technical guidance provided for improving quality of the projects being executed in these States.
- Ø Director General explained that necessary technical guidance and capacity building support is being provided to the States particularly those with weak institutional capacity for quality enhancement. Besides, on the advice of Special Secretary & FA, adequate submission of ATRs by states is being considered as a criterion for release of funds.

Item No.5: Other Issues

- Ø Additional Chief Secretary, Government of Madhya Pradesh, observed that since cement concrete roads have substantial cost advantage over conventional BT roads on the basis of life cycle costing. Hence, NRRDA should incentivise and promote construction of cement concrete roads. Secretary(RD) and Vice President, NRRDA also reinforced this view and suggested that construction of cement concrete roads should be mainstreamed in the policy and programme guidelines of PMGSY. It was indicated by Director General that the Ministry has already a policy in place for promoting construction of cement concrete roads under which the differential cost (extra cost of cement concrete roads over comparable cost of BT roads) is to be shared by the Ministry and the concerned states. Additional Chief Secretary, Government of Madhya Pradesh, suggested that

this existing policy should be reviewed and states should bear only the cost savings on account of reduced maintenance cost.

- Ø Additional Chief Secretary, Government of Madhya Pradesh, raised the issue of frequent changes in the prices of critical construction material like cement, steel and bitumen, and suggested that appropriate provision for price variations should be incorporated in the Standard Bidding Document (SBD) of PMGSY. President, NRRDA advised to examine this issue in consultation with other states.

- Ø Minister(RD) and President, NRRDA, in his concluding remarks observed that NRRDA has set distinct technical and management standards for implementation of PMGSY which is a flagship programme with a massive outlay. So far as execution of projects are concerned, NRRDA should continue to focus on timely completion of projects with assured quality conforming to the standards and specifications prescribed. Whenever projects are concerned found to be deficient in terms of quality, State governments should be advised to fix responsibility and take stringent penal action against the officers/agencies responsible for delivering poor quality. In this context he further observed that whenever a project is rated 'unsatisfactory' on the basis of inspections by the NQM, causes of failure of the first and second tier of quality monitoring should be looked into and responsibility should be fixed. Minister(RD) also stressed on joint inspection of PMGSY projects by the field engineers and steps should be issued as per the guidelines issued by the Ministry. Operationalisation of this system would enhance the level of transparency and people's representation in quality monitoring. Since construction of rural roads under PMGSY has already started making visible socio-economic impact in the targeted habitations, efforts should be made by NRRDA and states to systematically document and disseminate benefits of the programme.

The meeting ended with a vote of thanks to the Chair.

ANNEXURE

LIST OF MEMBERS

1. PPS to Hon'ble Minister MoRD & President, NRRDA.
2. Mrs. Rita Sharma, Secretary, Ministry of Rural Development, Government of India, Krishi Bhawan, New Delhi and Vice President, NRRDA.
3. Shri Atul Chaturvedi, Special Secretary & Financial Advisor, Ministry of Rural Development, Government of India, Krishi Bhavan, New Delhi.
4. Shri J.K.Mohapatra, Joint Secretary (RC) & Director General, NRRDA.
5. Shri Jitendra Kumar, Director (RC), Ministry of Rural Development, Government of India, Krishi Bhavan, New Delhi.
6. Shri Naga Raju, Director, Department of Economic Affairs, Ministry of Finance, Government of India, North Block, New Delhi.
7. Shri A.S.Sahota, Joint Secretary, Ministry of Panchayati Raj, Room No. 104-A, 1st Floor, Sardar Patel Bhawan, New Delhi.
8. Shri Rohit Nandan, Principal Secretary, Rural Development, Secretariat, Lucknow, Uttar Pradesh.
9. Shri Pradip Bhargav, Additional Chief Secretary & Principal Secretary, Panchayat & Rural Development Department, Bhopal-462004, Madhya Pradesh.
10. Shri M.C.Boro, Secretary cum Commissioner, Public Works Department, P.O Sachivalaya, Government of Assam, Dispur, Guwahati-781006.
11. Shri Shyam Babu, Chief Engineer, 'L' Block, 8th Floor, Andhra Pradesh Secretariat, Hyderabad- 22, Andhra Pradesh.
12. Shri Abhay Kumar Singh, OSD on behalf of Shri Anup Mukherjee, Principal Secretary Department, Government of Bihar, 1st Floor, Vishweshwaraiya Bhavan, Patna-15, Bihar.
13. Dr. P.K. Kanchan, , Head, RDM, CRRI, Delhi- Mathura Road, New Delhi.
14. Mrs. Anubha Goel, Sr. Tech. Director, National Informatics Centre, 3rd Floor, NIC Head Quarter, A Block, CGO Complex, Lodhi Road, New Delhi-03.
15. Dr. C.K.Singh, Engineer-in-Chief cum Addl. Comm. Cum Spl. Secretary (Retd.), House No. 377/A, Road No. 4/C, Ashok Nagar, Ranchi-834002, Jharkhand.