

K-16011/19/2016/AMRUT-II
Government of India
Ministry of Urban Development
AMRUT Division

Nirman Bhawan, New Delhi

Dated 1st June, 2016

2nd

OFFICE MEMORANDUM

Subject: Review meetings under AMRUT held on 25th, 27th and 29th April, 2016 under the Chairmanship of JS (UD &AMRUT)- clarification regarding .

The undersigned is directed to refer to the above mentioned subject and convey the clarifications on the points raised by States/UTs representatives in the review meetings held on 25th, 27th and 29th April, 2016 under the Chairmanship of JS(UD &AMRUT).



(R.P. Singh)

Under Secretary (AMRUT)
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To

Principal Secretaries (UD) of All States/UTs.

Copy to:

Sr. Technical Director (NIC), MoUD (with request to upload it on AMRUT website)

Q.1: Can the state government utilize the A&OE fund for Meeting travel expenses related to Capacity Building trainings?

The travel of participants related to Capacity Building trainings is an admissible component. Even though the Capacity Building trainings may be funded through CBUD program, subject to meeting the requirements of the program, A&OE component is an eligible source of fund for the trainings. The State Governments may utilize the A&OE funds for Capacity Building related expenses including travel, provided it is ensured that sufficient mechanism is in place to avoid duplication. No international travel expenditure, however, is expected to be borne out of these funds

Q.2: Can the State Government utilize the services of training organizations other than empaneled by the Ministry for undertaking Capacity Building trainings?

The training entities empanelled by the Ministry have been selected by following the applicable procedures of the CBUD project. The funding through CBUD project will be available to the States only if the services of empanelled entities are utilized. However, the State Government may utilize the services of other organizations provided there are selected in accordance with the applicable State financial rules. Further, in such a case, the funding through CBUD will not be available and the States will have to meet the expenses through A&OE allocation or other sources, if available.

Q.3: Will the State Government get any credit for undertaking reforms not listed in the Mission Guidelines?

No. The assessment of a State for eligibility for reform incentive will be done on the basis of accomplishments of only those reform milestones that are listed for the year in the Mission Guidelines. These are reforms prescribed in the Guidelines States are welcome to take more reform measures on their own.

Q.4: Can the projects proposed in the SAAP 2015-16 which did not start till now be proposed for inclusion in the SAAP 2016-17?

The project proposed for 2015-16 should be taken up as part of SAAP 2015-16 only and should not be in subsequent year's SAAP. However, if SAAP 2015-16 overflows due to increase in project cost once DPRs are prepared, States have no option but to drop some of the projects and include them in next year's SAAP.

Q.5: Can the States change the project after the approval of the SAAP by the Apex Committee and whether such change can also happen from one sector to another?

Water supply and sewerage sectors are the priority sectors under the Mission. In view of this, the States using the power of SHPSC to prioritize may change the projects. However, such changes may not be made from priority sectors to other (non-priority) sectors. The State Government should take approval of the SHPSC with full justification for such change and also inform the Ministry.

Q.6: Is it mandatory to appoint PDMC? Smaller States may not need this, especially if they have expertise available through other sources like externally aided projects? Is it also mandatory to have the positions in PDMC as indicated by MoUD?

No, procuring PDMC is not mandatory. The positions indicated by the MoUD are advisory in nature. The States may change them depending upon their need and availability of funds.

Q.7: Will there be any weightage given for 2015-16 for achievement of reform milestones mandated for any subsequent year?

No, as per present norms, this is not done.

Q.8: What document will be required as evidence for having migrated to Double Entry Accounting System?

Audited balance sheet (without detailed schedules), for the years 2012-13 and 2013-14 and any further balance sheets, whatever available, audited or un-audited.

Q.9: Under the milestone Support to Digital India, what is to be done?

The basic idea of this milestone is to facilitate availability of data communication infrastructure including a full clarity on required approvals, single window clearance, reasonable and clearly specified fees/charges/rents etc. It is expected each ULB should have a clear policy on procedures to grant permission for this purpose. This may be mandated by the State or may be ULB specific. The Cities should also have published a Standard Operating Procedure for facilitating laying of ducts for communication network.

Q.10: How separate accounting for the user charges is to be kept?

The whole idea for separate accounting for user charges is to keep a tab on expenditure and recovery of cost for each of the service provided by the ULB as separate account. Therefore, ULB should have separate books of accounts for expenditure and cost recovery on account of each service. The main service intended for this purpose is water supply and sanitation.

Q.11: Can a ULB prepare and approve a DPR and award the project in to cover bigger area than envisaged and approved as part of SAAP. This will help the cities in faster execution of the work in areas that will be included in the SAAP subsequently?

The States may do that. However, they need to take precaution that part of the project approved should be complete in all respect and not be tagged with other part sought to be approved in subsequent SAAPs so that in the event of that part not getting approved, the benefits of the approved part accrue. Also, the liability of central government share will be limited to the approvals accorded to SAAP.

Q.12: Can the State propose to undertake credit rating for a cluster of cities that includes Mission Cities as well as non-Mission Cities?

The reform mandated in the Mission is to complete credit rating of ULBs. The expenditure on credit rating of ULBs is an eligible component of A&OE, based on existing norms and unit costs set by the Apex Committee. However, expenditure from AMRUT scheme may be limited to mission cities only.