



## Abstract

KfW assisted Sustainable Municipal Infrastructure Financing – Tamil Nadu (SMIF – TN) Program – Under Ground Sewerage Scheme (UGSS) for Erode Corporation at an Estimated Cost of Rs.209.22 crores – Revised Administrative Sanction – Accorded – Orders - Issued

### MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA3) DEPARTMENT

**G.O.(Ms).No.249**

**Dated: 11.12.2008**

**Read:**

- 1) G.O.(D) No.27, MAWS Department dated 27.01.2006
- 2) G.O.(2D) No.248, MAWS Department dated 28.12.2007
- 3) G.O.(Ms.) No.218, MAWS( MA-2 )Department dated 03.11.2008
- 4) Minutes of the First Meeting of the Empowered Committee held on 11.11.2008
- 5) From the Director of Municipal Administration Letter Roc. No.43465/2006/Kfw/WB3, dt 1.12.2008

### ORDER:

In the G.O. first read above, Government have accorded Administrative Sanction for implementation of Underground Sewerage Scheme in Erode Municipality under TNUDP III at an estimated cost of Rs.35.63 crores to install and RS. 45.35 lakhs of annual Maintenance. In the G.O. second read above, revised administrative sanction was accorded for implementation of Underground Sewerage Scheme in Erode Municipality and Veerappan Chattiram, Periya Semur, Kasipalayam and Surampatti Third grade Municipalities. In the G.O. third read above, orders were issued for implementation of KfW assisted Sustainable Municipal Infrastructure Financing – Tamil Nadu (SMIF-TN) Program with a total project cost of Rs.500 crores. Accordingly, a sum of Rs.295 crores in the form of loan and a sum of Rs.127 crores as capital grant are proposed to be passed on to Urban Local Bodies. The Government have also constituted an Empowered Committee for sanctioning, finalizing the means of finance including the quantum of capital grants and according administrative sanction for the sub-projects to be funded under the KfW assisted Sustainable Municipal Infrastructure Financing – Tamil Nadu (SMIF- TN) Program.

2. The proposal to accord Revised Administrative Sanction to Underground Sewerage Scheme in Erode Corporation has been placed before the Empowered Committee constituted in the G.O third read above for consideration, on 11.11.2008 by the Tamil Nadu Urban Infrastructure Financial Services Limited and also suggested the following means of finance:

| Sl. no. | Details  | Amount<br>(Rs. in<br>crores) | %      |
|---------|--|------------------------------|--------|
| 1.      | KfW Grant Fund I   | 62.77                        | 30.00% |
| 2.      | ULB and Public Contribution  | 61.89                        | 29.58% |
| 3.      | Tamil Nadu Urban<br>Development Fund Loan (KfW<br>line of Credit ) | 71.14                        | 34.00% |
| 4.      | Local Planning Area Grant<br>(Already Sanctioned )                 | 3.60                         | 1.72%  |
| 5.      | Additional Grant   | 9.82                         | 4.70%  |

3. The Empowered Committee resolved to :-

(i) approve the proposal and accord revised administrative sanction for implementation of Underground Sewerage Scheme for Erode Corporation and adjoining four municipalities at an estimated project cost of Rs.209.22 crores and at an estimated annual maintenance cost of Rs.5.54 crores, (ii) sanction of Rs.62.77 crores as capital grant under KfW Grant Fund I, (iii) sanction of Rs.9.82 crores as capital grant through budgetary support and (iv) approve the following means of finance :

| Sno.  | Particulars                                | Rs. in<br>Crores | Percentage      |
|-------|--|------------------|-----------------|
| (i)   | ULB and Public Contribution                | 61.89            | 29.58 %         |
| (ii)  | Loan under KfW assisted SMIF<br>TN Program | 71.14            | 34.00 %         |
| (iii) | Capital Grant under Kfw Grant<br>Fund-I    | 62.77            | 30.00 %         |
| (iv)  | Local Planning Area Grant                  | 3.60             | 1.72 %          |
| (v)   | Capital grant through budgetary<br>support | 9.82             | 4.70%           |
|       | <b>Total</b>                               | <b>209.22</b>    | <b>100.00 %</b> |

The Committee is also of the view that any tender excess has to be borne by the concerned ULB.

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4. The Director of Municipal Administration in his letter fifth read above has requested a Revised Administrative Sanction for the Underground Sewerage Scheme for Erode Corporation at an estimated cost of Rs.209.22 Crores.

5. Based on the approval of the Empowered Committee, the Government have carefully examined the proposal of the Director of Municipal Administration and hereby accord Revised Administrative Sanction for the implementation of the Underground Sewerage Scheme in Erode Corporation at an estimated cost of Rs. 209.22 crores for installation and Rs.5.54 Crores for annual maintainance as per the funding pattern referred to in para 3 above .

6. Any escalation in project cost and O & M cost shall have to be borne by Erode Corporation only.

**(BY ORDER OF THE GOVERNOR)**

**NIRANJAN MARDI  
SECRETARY TO GOVERNMENT.**

To

The Managing Director & Chief Executive Officer,  
Tamil Nadu Urban Infrastructure Financial Services Limited, Chennai-17  
The Commissioner of Municipal Administration, Chennai-5  
The Commissioner, Erode City Municipal Corporation, Erode.  
The Accountant General, Chennai-18/35  
The Resident Audit Officer, Chennai-9

**Copy to:**

The Finance (MAWS /EAP)Department, Chennai-9  
The Municipal Administration and Water Supply (OP2/Budget/MA2/MC6)  
Department, Chennai-9  
S.F/S.C

**//Forwarded by Order//**

**SECTION OFFICER.**