To
The Project Director, SPMG and
Principal Secretary, Urban Development Department
Government of Uttar Pradesh
Sachivalaya, Bapu Bhawan
Lucknow – 226 001

(Fax- 0522 2235241, 2238121)

Sub:- Administrative Approval and Expenditure Sanction for the project on ‘14 MLD capacity STP at Salori, Allahabad (Uttar Pradesh)’ under the Infrastructure Investment component of the World Bank assisted National Ganga River Basin Project at an estimated cost of Rs. 42.40 crore (Rupees Forty two crore and Forty lacs only).

Sir,

I am directed to convey the grant of Administrative Approval and Expenditure Sanction for the project on ‘14 MLD capacity STP at Salori, Allahabad (Uttar Pradesh)’ under the Infrastructure Investment component of the World Bank assisted National Ganga River Basin Project at an estimated cost of Rs. 42.40 crore (Rupees Forty two crore and Forty lacs only) on 70:30 cost sharing basis between the Centre and the State and as per the summary of cost at Annexure -I. The 70:30 cost sharing shall be as below:

<table>
<thead>
<tr>
<th>Component</th>
<th>Share of cost (%)</th>
<th>Capital Cost (Rs. in crore)</th>
<th>5 years O&amp;M Cost (Rs. in crore)</th>
<th>Total Project Cost (Rs. in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government of India</td>
<td>70</td>
<td>17.98</td>
<td>11.70</td>
<td>29.68</td>
</tr>
<tr>
<td>State Government of Uttar Pradesh</td>
<td>30</td>
<td>7.70</td>
<td>5.02</td>
<td>12.72</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>25.68</td>
<td>16.72</td>
<td>42.40</td>
</tr>
</tbody>
</table>

2. Administrative Approval and Expenditure Sanction for the project is granted subject to the conditions as per Annexure-II.
3. The period of completion of the project is 18 (Eighteen) months from the date of award of contract(s), and within overall time limit of 27 (Twenty seven) months from the date of this.
sanction, including timeframe for bidding process and award of work. Procurements shall be made strictly as per the 'Procurement Guidelines of the World Bank' incorporated in the NGRBA programme framework.

4. The grantee institution i.e. 'Uttar Pradesh Ganga Nadi Sanrakshan Abhiyatan', the State Programme Management Group (SPMG), is a registered society of the State Government constituted with the objective of serving as the dedicated institution for effective implementation of the NGRBA programme activities at the state level, and the state is responsible in the long term for the conservation and health of the state's stretch of the river Ganga.

5. The funds for expenditure on the schemes would be debitable to the EAP account of the NMCG. The NMCG / Government of India reserves the right to withdraw the sanction at any stage, if it is convinced that the fund has not been properly utilized or appropriate progress is not being made.

6. In case of violation of any of the conditions of the grant or in case of closure or dissolution of the grantee organization, the Government shall take possession of all the assets of the organization acquired out of the Government grants and use them in any manner deemed appropriate or to recover from the organization the value of such assets at its discretion.

7. This issues based on the appraisal and sanction of the Empowered Steering Committee (ESC) vide its 6th meeting held on 20th November, 2012, and under the financial powers delegated vide OM No. 1(3) / PF.II / 2001 dated 15.11.2007 amended vide OM of even number dated 1st April, 2010 of the Ministry of Finance (Deptt. of Expenditure), and with the approval of Minister of State (I/C) Environment & Forests. The advice of Internal Finance Unit of NMCG was conveyed vide their Dy. No. Nil dated 23.09.2013.

Yours Faithfully,

(J. P. Meena)
Secretariat Manager – In charge

Copy forwarded for information and necessary action to:-

1) The Chief Secretary, Government of Uttar Pradesh, Lucknow - 226 001.
2) The Commissioner, Nagar Nigam, Allahabad; 1, Sarojini Naidu Marg; Allahabad – 211 001.
3) Managing Director, UP Jal Nigam, 6 Rana Pratap Marg, Lucknow - 226001.
4) Joint Secretary & Mission Director, NMCG.
5) Finance Unit / Budget & Accounts, NMCG (2 copies).
6) Dir (Finance) & AMD / JD (LB)/ US (P), NRCD.
7) NMCG Officials.
8) Sanction Folder/Guard File/Computer Cell, NRCD / MIS, NMCG.

(J. P. Meena)
Secretariat Manager – In charge
## Summary of cost of the project proposal of

14 MLD capacity STP at Salori, Allahabad (Uttar Pradesh)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars</th>
<th>Estimated Cost (Rs. in lacs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capital works including Civil and Electro – mechanical Works</td>
<td>2331.06</td>
</tr>
<tr>
<td>2</td>
<td>Social &amp; Communications</td>
<td>46.00</td>
</tr>
<tr>
<td></td>
<td><strong>Sub-Total</strong></td>
<td><strong>2377.06</strong></td>
</tr>
<tr>
<td>3</td>
<td>Project preparation cost (Maximum 4%) as per OM vide No.T-04/2012-13/0145/Framework &amp; Guidelines dated 25th October, 2013 of the NMCG</td>
<td>95.08</td>
</tr>
<tr>
<td>4</td>
<td>Project supervision cost (Maximum 4%) as per OM vide No.T-04/2012-13/0145/Framework &amp; Guidelines dated 25th October, 2013 of the NMCG</td>
<td>95.08</td>
</tr>
<tr>
<td></td>
<td><strong>Total (Capital works)</strong></td>
<td><strong>2567.22</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Rounded to Rs. 2568.00 lacs</strong></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5 years O&amp;M cost</td>
<td>1672.46</td>
</tr>
<tr>
<td></td>
<td><strong>Rounded to Rs. 1672.00 lacs</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Grand Total</strong></td>
<td><strong>4240.00 lacs</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total estimated cost</strong></td>
<td><strong>4240.00 lacs</strong> i.e., 42.40 crore</td>
</tr>
</tbody>
</table>
Annexure-II

Conditions on Administrative Approval and Expenditure Sanction for the project on ‘14 MLD capacity STP at Salori, Allahabad (Uttar Pradesh)’

1.0 General Conditions:

(a) ‘Uttar Pradesh Ganga Nadi Sanrakshan Abhikaran’, the State Programme Management Group (SPMG), which is a registered society, shall be responsible for overall planning, management and effective implementation of the project at state level.

(b) ‘Nagar Nigam, Allahabad’ i.e. ‘Municipal Corporation of Allahabad’ shall be the Urban Local body (ULB) responsible for ensuring commitment to ownership, commitment to reforms for sustainable O & M, and community involvement.

(c) The Uttar Pradesh Jal Nigam (UPJN) shall be the Executing Agency (EA) of the project to be implemented under the guidance of the SPMG, in coordination and consultation with the ULB and overall monitoring of the National Mission for clean Ganga (NMCG) as per provisions laid down in the NGRBA programme framework.

(d) The project will be executed in DBO mode along with sewerage system of District – C, Allahabad and needs to be suitably aligned with the ‘Strategic Sanitation Plan’ / ‘City Sanitation Plan’ / ‘Master Plan’ for Allahabad city. Also, synergy shall be ensured with other Central / State sponsored programme like JnNURM, UIDSSMT etc. in the city of Allahabad to avoid any overlap / duplication.

(e) Operation and Maintenance (O&M) of the project in DBO mode for a period of 10 to 15 years or more will be responsibility of the State Government / Urban Local Body. The O&M shall include basic cleaning and waste management for the proposed Sewage Treatment Plant area. Sustainable revenue generation from beneficiaries, re-use of treated effluent and waste to energy etc. shall be encouraged.

(f) The detailed project implementation plan, detailed design and engineering of the project shall be undertaken by UPJN based on extensive survey and investigation before execution. Disaster management concerns shall also be taken into account while executing the project.

(g) All components of the project shall be completed within specified time limits and the resources and outputs and outcomes are to be ensured as envisaged in the approved project. Completion Report shall be submitted to NMCG on completion of the project.

(h) Any additional component relevant for project or any component require modification or deletion, may be added or modified or deleted as the case may be, only with the prior approval of the Competent Authority.

(i) Any project cost overrun, over and above the sanctioned cost, will be the responsibility of the State Government. The EA has to take this into account while incurring expenditure on the approved project.

(j) Staffs that may be employed for preparation, execution or operation of the project by the EA are not to be treated as employees of the SPMG / NMCG. The deployment of such staff at the time of completion or termination of the project will not be the concern or responsibility of the SPMG / NMCG.
(k) Optimal utilization of the assets relating to the project and created under Ganga Action Plan or any other Central / State Plan shall also be ensured by the SPMG / EA / ULB.

(l) All data, records, documents and material related to the project shall be stored properly and catalogued by the SPMG / EA for reference and retrieval including regular uploading/disclosure/updating of such data on website.

(m) The State / SPMG / EA shall ensure that all provisions of the RTI Act 2005 are adhered to as far as information pertaining to the project is concerned.

(n) The State / SPMG / ULB shall ensure that public is informed in the State/ city of Allahabad regarding implementation of the project and soliciting their cooperation and views as applicable.

(o) For the provisions made under IEC activities, the SPMG shall make suitable arrangements with Nagar Nigam, Allahabad for executing the ‘Communication and Public Outreach’ programme under its supervision towards sensitization of people for abatement of pollution and conservation of river Ganga.

(p) Conditions/commitments indicated in the Empowered Steering Committee (ESC) Memo., Minutes and other documents including those to be fulfilled before finalizing the bid document(s) shall be strictly adhered to in the project implementation and management. The SPMG will ensure fulfillment of such conditions before finalizing the bid(s) by the EA. Copies of ESC Memo., Minutes and other related documents are already circulated.

2.0 The release of funds is subject to the following terms and conditions:-

2.1 Annual Plan and Procurement Plan:

(a) The Annual Plan and yearly Procurement Plan shall be prepared by the month of November every year for the next financial year as per the provisions made in the NGRBA programme framework and submitted by the SPMG to the NMCG for necessary approval and budget allocations.

(b) The SPMG shall furnish to the NMCG annually a report of its work within three months from the closing of the respective financial year.

2.2 Financial Aspects:

(a) Funds shall be made available to the agencies strictly as per the ‘Financial Management Manual (FMM)’ of the NGRBA programme framework.

(b) The SPMG / ULB shall take all necessary legal and executive measures to ensure adequate resources available for operation & maintenance of the assets created under the Project to fulfill its mandate.

(c) The funds released for the project shall be held in an interest earning NGRB project bank account of the SPMG (the mother account). The interest thus earned shall be credited to the project and reflected in the Interim Un-Audited Financial Reports (IUFRs) from time to time and shall be adjusted towards future funds release for the project. For any diversion of funds, the signatory of the bank account(s) shall be held responsible.
(d) The SPMG / EA are not permitted to seek or utilize funds for the same purpose from any other organization (Government, semi-Government, autonomous or private) without prior approval of the competent authority.

(e) The sanctioned cost of the project will be borne under the 'Municipal Waste Water' sub-project sector of 'Infrastructure Investment' component of the World Bank assisted 'National Ganga River Basin Project'. The sanctioned amount should be spent exclusively thereon as per the scope of the project and within the stipulated time. The liability of NMCG will not exceed the amount sanctioned for the project. For carrying forward any work(s) / activities beyond the specified time limit prior approval of the NMCG should be obtained.

(f) It is the responsibility of the SPMG/ EA / ULB to ensure that the assets are exclusively used for the purpose for which the grant is sanctioned and to maintain the assets and their records properly.

(g) All the assets acquired/created out of the grants shall not be disposed of, encumbered, or utilized for any purpose other than that for which sanctioned without prior approval of the Government.

2.3 Audit:

a) The Comptroller & Auditor General of India (the External Auditor) at his discretion shall have the right of access to the project related books and accounts of the SPMG / EA for the purpose of Audit.

b) The books of accounts of the grantee, relating to this grant, shall be open to Audit by the Internal Auditor of the SPMG and the External Auditor.

c) The overall auditing arrangements to cover both periodical internal and annual external audit of project shall be ensured as per the 'Financial Management Manual (FMM)' of the NGRBA programme framework.

2.4 Flow of Funds:

The fund releases by the NMCG shall be remitted by Electronic transfer to the SPMG account. The fund shall flow from the SPMG account to a separate sub-project specific zero balance bank account (the ‘child account’) of the EA in the same bank of SPMG. The following details may be kept updated from time to time to enable electronic remittance:-

a) Bank account details of EA, both in figures and words, to SPMG.

b) Bank account details of EA and SPMG both in figures and words to NMCG.

c) MICR Code and IFSC Code of the Bank Branch(es).

d) Necessary authorization by the SPMG to its Bank to receive the remittances on its behalf and to issue necessary bank receipt to the NMCG’s bank for receipt of funds.

(e) Necessary authorization by the EA to its bank and under such authorisation, to issue payment instruction to pay contractors / suppliers / service providers for undertaking project activities.

(f) The NMCG Bank will transfer funds from the NMCG’s account to the SPMG account on submission of Interim Un-Audited Financial Report (IUFR) and other documents /
information as prescribed in the Financial Management Manual (FMM) of the NGRBA programme framework.

(g) The SPMG Bank will transfer funds from the SPMG’s account (mother account) to the child account of EA as soon as payment instruction is issued by the EA to its banker for transfer funds to contractors / suppliers / service providers account on the same date through ‘Real Time Gross Settlement (RTGS)’, and thus at the end of any given day, the EA child account will always have a zero balance.

(h) The State Government will release its share of funds to the SPMG within two months of receipt of the funds in suitable installments from the NMCG. The overall fund flow arrangements shall be ensured as per the ‘Financial Management Manual (FMM)’ of the NGRBA programme framework. The State Government shall make necessary provision for the State share of fund in the State budget. O&M costs will be considered for release only after the project is complete.

2.5 Submission of Monthly and Quarterly Physical Progress Report (MPPR / QPPR):

(a) The Monthly Physical Progress Reports (MPPRs) shall be submitted by the 10th day of every month regularly by the EA to the SPMG and by the 20th day of every month regularly by the SPMG to the NMCG. The Quarterly Physical Progress Reports (QPPRs) shall be submitted to the ‘Bihar State Ganga River Conservation Authority’ and NMCG within 30 days from the end of each quarter.

(b) The MPPRs in standard format, to be developed by the EA in consultation with SPMG, shall be signed by at least two designated officers of the EA, one of whom will be Chief Project Coordinator, UPJN and also by at least two designated officers of the SPMG, one of whom will be the Programme / Project Director.

(c) The signing officers will indicate her/his name and designation in full in capital letters and affix official seal under the signature. While MPPR submitted by fax will be acceptable for commencement of processing the case, ink-signed MPPR must follow by Post.

(d) Consistency between physical progress and expenditure shall be maintained and reasons for substantial variations i.e., more than 10% shall be appropriately explained against each item.

2.6 Submission of ‘Accounting and Financial Reports (AFR)’ by the EA:

(a) The EA shall furnish monthly ‘Accounting and Financial reports (AFRs)’ by the 10th day of every month with all relevant documents and materials as per the ‘Financial Management Manual (FMM)’ of the NGRBA programme framework after commencement of the project to the SPMG and by the 20th day of every month regularly by the SPMG to the NMCG.

(b) The ‘Accounting and Financial Report (AFR)’ in standard format, to be developed by the EA in consultation with SPMG, shall be signed and stamped by the Head of the Accounts Department and Head of the Organization, UPJN.

(c) The name and designation of the officers signing the AFR shall be clearly mentioned in full and in capital letters. While AFR submitted by fax will be acceptable for commencement of processing the case, ink-signed AFR must follow by Post.

(d) As part of the AFR, the EA shall submit the followings to the SPMG:
1. Invoices of suppliers / contractors against which online payment instructions issued by the EA in the previous month.
2. A list of invoices received and not paid during the previous month.
3. A list of contracts signed during the previous month.

2.7 Submission of Interim Un-Audited Financial Report (IUFR) by the SPMG:

(a) The SPMG shall submit quarterly Interim Un-Audited Financial Report (IUFR) to the NMCG within 30 days from the end of each quarter. The IUFR shall be submitted in standard format as prescribed by the NMCG.
(b) The IUFR shall be signed and stamped by the Head of the Accounts Department and the Programme / Project Director duly countersigned by the State authorities.
(c) The name and designation of the officers signing the IUFR shall be clearly mentioned in full and in capital letters. While IUFR submitted by fax will be acceptable for commencement of processing the case, ink-signed IUFR must follow by Post.

2.8 Submission of Utilisation Certificates (UCs):

(a) The quarterly Utilisation Certificates (UCs) in the prescribed format (GFR 19A & 19B) shall be furnished by the EA to the SPMG in respect of grant-in-aid received during the various quarters within 30 days from the end of quarter, duly signed and stamped by the Head of the Organisation, Head of the Accounts Department and field level functionary at executive engineer level / Principal Investigator, as applicable.
(b) The SPMG shall submit quarterly UCs, duly countersigned and stamped by the Head of the SPMG and the State authorities within 15 days on receipt of the same from the EA.

2.9 Inspection and Monitoring:

(a) The ‘Uttar Pradesh State Ganga River Conservation Authority’ and its Standing Executive Committee shall monitor the project from time to time. ‘Uttar Pradesh Ganga Nadi Sanrakshan Abhikaran’, the State Programme Management Group (SPMG) shall ensure close monitoring and evaluation of progress of the project, and also monitor implementation performance of the EA.
(b) The SPMG shall ensure appointment of agency(ies) for third party inspection (TPI) / evaluation of the project strictly as per letter No. A-12012/2/2010-NRCD-II dated 16th September, 2010 (Annexure -5 of the ‘Guidelines for preparation of project reports under NRCP / NGRBA’). The EA through the SPMG shall submit copies of the TPI Reports along with their responses/comments to the NMCG. Releases of funds will be subject to compliance of TPI reports.
(c) City level Citizen’s Monitoring Committees (CMC) shall be constituted in the Allahabad city to serve as a transparency mechanism on flow of project / programme related information to citizens and key stakeholders and to garner their feedback on project / programme processes, as described in the NGRBA programme framework. Social audit will be conducted by the CMC as per the provisions of the NGRBA programme framework.
(d) The NMCG may depute any person to visit the SPMG / EA for the purpose of monitoring its work and accounts of the SPMG. Full cooperation shall be provided by the executing agency to the persons deputed for inspection.

(e) Time and cost overrun leading to delay in implementation of projects is viewed with serious concern by the Central Government and as per instructions contained in Cabinet Secretary’s D.O. letter No. 261/1/10/2000-Cab., dated June 4, 2001 read with Planning Commission’s D.O letter No. O-14015/2/98-PAMD, dated 19.8.1998 (kindly visit NGRBA website/ ‘Project Monitoring’ for details), mandatory review of the project must be carried out from time to time so as to assess the expenditure trend and time schedule of the project and appropriate action against those responsible for delay shall be taken, in accordance with the instructions.

(f) The Mission Directorate, NMCG may monitor overall progress of project periodically from time to time.