

Minutes of the 4th meeting of the Board of Trustees of Odisha Urban Infrastructure Development Fund (OUIDF) held on 28th February, 2014 in the Board Room of OUIDF at Fortune Towers, Bhubaneswar.

Sri Jugal Kishore Mohapatra, IAS, Chief Secretary to Government of Odisha and Chairperson, Odisha Urban Infrastructure Development Fund (OUIDF) chaired the meeting. The list of members and invitees who attended the meeting is at Annex.

Secretary, OUIDF welcomed all the members of the Board of Trustee and other invitees to the meeting. The minutes of the 3rd meeting was confirmed. Following agenda wise decisions were taken.

1. Agenda Item No. (1): Action Taken Report on the decisions taken in the 3rd meeting of the Board of Trustees on 31-08-2013: The Members of the Trustees noted the various actions taken and ratified the same. The Board of Trustees further resolved the following:

- (i) Feasibility Reports/ Detail Project Reports may be prepared by the Approved Consultants of Ministry of Housing, Ministry of Urban Development and Department of Economic Affairs for PPP projects following financial bid route.
- (ii) Secretary OUIDF informed the Board that three firms have submitted their Bids for the Project Development Agency (PDA) and the outcome of the bidding process shall be placed before the next Board.

2. Agenda Item No (2): Approval of the Annual Report(2012-13): The Board perused the Annual Report and approved the same. It was also resolved that in future the Annual Report shall be uploaded in the OUIDF website and only limited number of copies shall be printed.

3. Agenda Item No(3): Approval of the Lending Policy (2014-19): The Board made the following observations:

- (i) The Lending Policy should have general and Line of Credit (LOC) specific conditions since OUIDF will mobilize resources from several other sources like ADB, DFID, JICA and World Bank. The guidelines and sector focus may differ under different LOC.
- (ii) The present Policy based on KfW guidelines may be further fine-tuned before its implementation. Desirable modifications of the Policy are to be undertaken by a Committee under the Chairmanship of Development Commissioner.

- (iii) RIDF pattern of financing a project would be adopted for projects like water supply and sewerage system etc where the repayments of the loan would be met out of state budgetary allocations. The VGF assistance for such projects is not to be considered. The repayment period of such projects may be decided taking account the annual budgetary allocations.
- (iv) VGF assistance should be limited to maximum 50% of the project cost.
- (v) The Rate of Interest shall be 10% p.a with 2% rebate for timely payment.
- (vi) The loan tenure should not exceed the tenure of the specific LOC assistance. OUIDF Secretariat may examine this aspect in light of the repayment obligations to KfW to avoid Asset- Liability mismatch.
- (vii) A Loan Committee can examine various aspects of a project proposal and the findings of the Committee be placed before the Board at the time of approval of the project assistance.
- (viii) Eligibility Criteria which may not be feasible or possible for fulfillment in Odisha's context, may be taken out of the Policy instead of seeking Board's approval every time in order to cut down the delays for Project Approvals.
- (ix) Inclusion of a Project under City Development Plan may not be possible at the moment and hence can be dispensed with.
- (x) Viability Reassessment in the event of cost escalation should be undertaken. Infusion of additional debt or equity for funding may be explored.
- (xi) Successful bidders of only ECI approved PPP Projects would be considered as eligible borrowers under Private Sector for OUIDF assistance. The borrower should have also executed the Concession Agreement.
- (xii) A Mandate should be obtained from the ULBs and other Statutory Bodies seeking OUIDF Assistance to deduct their grant from Govt. for payment of the same towards OUIDF loan dues with outstanding interest in the event of their inability to pay the same out of internal generation. This should be submitted before execution of the Loan Agreement.
- (xiii) Borrowers in the Pvt. Sector should also obtain a Mandate from the ULB / Govt. Agency / Statutory Bodies with whom they have executed the Concession Agreement to deduct out of the eligible amount payable to them and pay the same to

OUIDF towards the loan and interest dues of the Concessionaire. This should be submitted before execution of the Loan Agreement.

- (xiv) Possibility of obtaining Guarantee or Collateral Security shall be explored during assistance to Pvt. Sector Borrowers to safeguard recovery of OUIDF dues.
- (xv) There should a mid-term review of the policy after every two years to revise the same based on the feedback from the targeted customers and or the experience of OUIDF. This is essential as OUIDF is in a nascent stage.

A Committee under the Chairmanship of Development Commissioner shall look into this issue and finalize the Lending Policy.

4. Agenda Item No(4): Approval of the Credit Delivery and Disbursement Procedure:The Board perused the Agenda Note and made the following observations:

- (i) The operational issues involved relating to disbursement can be examined and decided at the level of Secretary, OUIDF instead of bringing the same to the Chairperson of OUIDF or Board every time. This is essential to cut down delays which might contribute to time or cost overrun and without over burdening the Chief Secretary and Chairperson as well as Board of Trustees.
- (ii) The Credit Delivery mechanism should be made user friendly and simple to the extent possible without sacrificing the quality needs of disbursement.

A Committee under the Chairmanship of Development Commissioner shall look into this issue and decide the disbursement procedure.

5. Agenda Item No. (5): Approval of the Project proposals for consideration for OUIDF lending/ VGF assistance.

The observations received from KfW in respect of project proposals given at Agenda Item No. 5 (ii), 5(vi) and 5 (Vii) were placed on the table for the kind perusal of the Board. A detailed presentation was made on all the project proposals for a detailed deliberation.

The Board considered all the proposals and approved the OUIDF lending to the project proposals as mentioned below against each of them as per the terms and conditions mentioned in the agenda as well as Board's observation made with reference to the approval of the Lending Policy and Credit Delivery and Disbursement Procedure as mentioned at Sl. No 3 and Sl. No. 4 above of the minutes.

(i) BMC Slaughter House Project at Gadakana:

Facilities	Amount (Rs. in Lacs)
i) OUIDF Loan	283.00
ii) Viability Grant Fund	283.00
iii) Project Development Fund Grant (Reimbursement of the Cost of Preparation of DPR)	10.00
Total:	576.00

(ii) BMC SWMP (Primary Collection and Transportation) Project:

Facilities	Amount (Rs. in Lacs)
(i) OUIDF Loan	685.00
(ii) Viability Grant Fund	685.00
(iii) Project Development Fund Grant (Reimbursement of the Cost of Preparation of DPR)	3.00
Total:	1373.00

(iii) Rehabilitation Project of Slums and Informal Settlements under Affordable Housing Scheme for Economically Weaker Section (EWS) at Shampur, Bhubaneswar (Phase-I) by BDA:

Facilities	Amount (Rs. in Crs.)
(i) OUIDF Loan	32.78
(ii) Viability Grant Fund	32.77
Total:	65.55

(iv) Rehabilitation Project of Slums and Informal Settlements under Affordable Housing Scheme for Economically Weaker Section (EWS) at Shampur, Bhubaneswar (Phase-II) by BDA:

Facilities	Amount (Rs. in Crs.)
(i) OUIDF Loan	25.90
(ii) Viability Grant Fund	25.90
Total:	51.80

(v) Sewerage System Project Sambalpur by Sewerage Board:

Facilities	Amount (Rs. in Crs.)
i) OUIDF Loan	40.00
Total:	40.00

(vi) Sewerage System Project Rourkela by Sewerage Board:

Facilities	Amount (Rs. in Crs.)
i) OUIDF Loan	40.00
Total:	40.00

- (vii) Construction of 1368 EWS houses for Slum Rehabilitation and Informal Settlement through Affordable Housing (Cluster-A) Project at Malipada, Bhubaneswar by OSHB:

Facilities	Amount (Rs. in Crs.)
i) OUIDF Loan	27.90
ii) Viability Grant Fund	27.77
Total:	55.67

- (viii) Construction of 1134 EWS houses for Slum Rehabilitation and Informal Settlement through Affordable Housing (Cluster-B) Project at Malipada, Bhubaneswar by OSHB:

Facilities	Amount (Rs. in Crs.)
i) OUIDF Loan	23.04
ii) Viability Grant Fund	23.00
Total:	46.04

- (ix) Berhampur Solid Waste Management Project – (UPL and BMC):

The Board of Trustees sanctioned the facilities mentioned below subject to the conditions mentioned in the Agenda and observations made above and with the following additional terms and condition as given below.

- The Borrowing Agency shall obtain a Letter of Comfort from Berhampur Municipal Corporation for deducting out of the eligible tipping fee payable to the Agency and to deposit the same in an ESCROW Account for its exclusive payment to OUIDF as per the installments of principal and interest payable by the agency to OUIDF.
- The Borrowing Agency shall obtain a Letter of Comfort from Berhampur Municipal Corporation for payment of tipping fee as per the Concession Agreement.
- The Borrowing Agency shall also arrange the balance debt of Rs.19.63 Cr. from a second Lending Agency without affecting the viability of the project before execution of the Loan Agreement.
- At the same time, the Borrowing Agency shall obtain mandate from Berhampur Municipal Corporation in all the three items above.

Facilities	Amount (Rs. in Crs.)
i)OUIDF Loan	8.79
ii)Viability Grant Fund	5.49
Total:	14.28

(x) Augmentation of Water Supply to Gopalpur NAC:

Subject to the conditions mentioned in the agenda and in view of the observations made for Water Supply Projects which will be dependent on budgetary allocation for repayment of debt, the Board of Trustees did not sanction the VGF as recommended (amounting to Rs. 180 Lacs), but sanctioned the following facilities:

Facilities	Amount (Rs. in Lacs)
i) OUIDF Loan	360.00
Total:	360.00

(xi) Financial Assistance in shape of concessional loan and VGF for Energy Efficient Street Lighting Projects:

The Board perused the Agenda and accorded "In-Principle Approval" for OUIDF lending both loan and VGF support to the Energy Efficient Street Lighting Projects at Cuttack, Berhampur, Sambalpur and Rourkela Municipal Corporations being taken up by IFC.

6. Agenda Item No. (6): Approval of the OUIDF Budget for the year 2014-15

The Board approved the proposed Budget of OUIDF amounting to Rs.89.21 Lakhs for the year 2014-15.

The meeting ended with vote of thanks to the Chair and all the Participants.



Chief Secretary
& Chairperson, OUIDF

Meeting of the Board of Trustees of Odisha Urban Infrastructure Development Fund, held on dated: 28/02/2014 in the Board Room of OUIDF at Fortune Towers, Bhubaneswar

LIST OF PARTICIPANTS

Sl. No.	Name	Designation
Board of Trustees		
1.	Shri J.K.Mohapatra, IAS	Chief Secretary & Chairperson
2.	Shri I.Srinivas, IAS	Development Commissioner-cum- Additional Chief Secretary
3.	Shri U.N.Behera, IAS	Additional Chief Secretary, Finance Department
4.	Shri Vishal Dev, IAS	Chairman-cum-Managing Director, IDCO
5.	Shri R.S. Sahoo	Chartered Accountant
Invitees		
6.	Shri J.M.Nayak	Chief Engineer-cum-EM, BDA
7.	Shri S.Laxmipati	Engineer in Chief-cum-Member Secretary, OWSSB
8.	Shri M.R.Dash	Chief Engineer, OWSSB
9.	Shri. R.N.Mallik	Executive Engineer-I, BMC
10.	Shri K.P Pati	Additional Commissioner, BMC
11.	Dr. Ajit Kumar Mishra	Commissioner, Berhampur Municipal Corporation
12.	Shri T.B.K.Shroff	Chief Engineer, PH (urban)
13.	Shri P.C.Sahu	Chief Engineer, OSHB
OUIDF Officials		
14.	Shri S.K.Ratho	Special Secretary to Govt., H&UD Dept & Secretary, OUIDF
15.	Shri. B.P.Rayaguru	Senior Project Manager, OUIDF
16.	Shri. R.K.Mohanty	Administrative Officer, OUIDF
17.	Shri. R.C. Kar	Financial Advisor, OUIDF