

MINUTE OF THE 1ST GOVERNING BODY MEETING OF THE ASSAM PROJECT ON FOREST & BIODIVERSITY CONSERVATION, PHASE-II

Date & Time: 26th June, 2020, 3:00 p.m.

Venue : Conference Hall of the Chief Secretary to Government of Assam.

The 1st meeting of the Governing Body of the Assam Project on Forest & Biodiversity Conservation, Phase-II under the Environment & Forest Department of Government of Assam, was held on 26th June, 2020 under the chairmanship of Mr. Kumar Sanjay Krishna, IAS, Chief Secretary to the Government of Assam.

At the outset, the Chairman welcomed all the members present ~~and attending~~. After a brief introduction by the Principal Secretary to the Government of Assam, Environment & Forest Department on the purpose and context of the meeting, the Project Director, APFBC was asked to proceed with the agenda of the meeting.

APFBC Phase-I

AGENDA No.1: CONFIRMATION OF THE MINUTES OF THE 12TH GOVERNING BODY MEETING OF PHASE-I OF THE A.P.F.B.C.

The Project Director, A.P.F.B.C. informed the Governing Body that the minutes of the 12th Governing Body meeting of Phase-I, held on 28th May, 2019 were circulated to all the members, and no comments were received from any member. It was requested that in this light, that the minutes of the 12th Governing Body Meeting of Phase-I may be confirmed.

DECISION: The Governing Body, after taking note of the same, confirmed the minutes of the 12th Governing Body Meeting of Phase-I.

AGENDA No.2: ACTION TAKEN ON THE MINUTES OF THE 12TH GOVERNING BODY MEETING.

The Project Director, A.P.F.B.C. appraised the Governing Body of the following actions taken in pursuance of the minutes of the 12th Governing Body Meeting:

1. Upon intimation of completion of construction by the contractor on 25th January, 2020, and upon certification of the same by the Engineer designated under the

contractual agreement on 6th February, 2020, the Rehabari Residential Complex was conditionally taken over on 12th May, 2020 by the A.P.F.B.C. Society, and handed over on the same day to an officer authorized by the PCCF & HoFF on his behalf. The Rehabari Residential Complex is now getting occupied by the officers and staff of the Assam Forest Department.

2. Multiple bank accounts opened during Phase-I of the A.P.F.B.C. have been discontinued, and only one bank account with the Indian Bank has been retained, in which the balance meant for the committed liabilities of Phase-I, as well as the interest accruing from Phase-I, are being held.

3. All the contractual staff engaged for Phase-I of the A.P.F.B.C. have been discontinued at the end of Phase-I, and fresh hiring process has been initiated following due process (i.e., paper-advertisement, scrutiny of the applications & short-listing of eligible candidates, conducting a proficiency test for data-entry operators, conducting a driving test for the drivers, interview by a panel of officers in each category, publishing the final results on the A.P.F.B.C. website, sending an offer letter to the selected candidates, and executing a contractual agreement for eleven months with those who have submitted their acceptance of the offer). Since the A.P.F.B.C. had in the past accommodated the staffing requirement of the O/o The P.C.C.F. & H.o.F.F. towards drivers, office-assistants and data-entry operators, the requirement given by the O/o The P.C.C.F. & H.o.F.F. on this count was also taken into account, apart from the requirement of the A.P.F.B.C. per se. The details of the contractual staff engaged are as follows:

S.No.	Position	Number of staff	Month of joining
1.	Finance Advisor	1	March, 2020
2.	Engineer (Building)	1	March, 2020
3.	Legal Advisor	1	August, 2019
4.	Senior Accountant	1	August, 2019
5.	Accountant	1	August, 2019
6.	GIS Analyst	1	August, 2019
7.	Computer Programmer	1	August, 2019
8.	PA to PD	1	August, 2019
9.	Computer Data Operator	11	August, 2019
10.	Support Staff	11	August, 2019
11.	Driver	11	August, 2019

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4. Feasibility Report (Project Report) of the A.P.F.B.C. Phase-II was communicated to the AFD by the Government of Assam after due inter-departmental vetting at their level, and pursuant to meeting the conditions precedent by the P.M.U., A.P.F.B.C., a Credit Facility Agreement (Loan Agreement) was signed between the DEA and AFD on 19th August, 2019, and a Project Agreement was signed between the Government of Assam and AFD on 4th November, 2019, thus marking the beginning of the A.P.F.B.C., Phase-II.

5. The option of adopting the E-Service Book module created by the NIC has been explored, and it would be made a part of the larger FMIS system to be created under A.P.F.B.C. Phase-II.

DECISION: The Governing Body noted the action taken on the minutes of the 12th Governing Body Meeting of Phase-I.

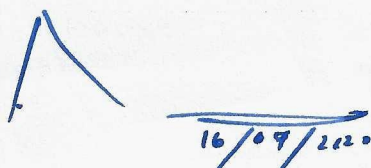
AGENDA NO. 3 & 4: CLOSING OF THE PHASE-I AS AUDITED TILL 2018-2019, AND FINANCIAL STATEMENTS AT THE TIME OF CLOSING OF PHASE-I & PRESENT.

The Financial Statement at the time of closing of the Phase-I of the A.P.F.B.C., as on 31.07.2019, as audited till 2018-2019, was placed before the Governing Body by the Project Director. Similarly, the Financial Statement as on 20.06.2020 was placed before the Governing Body.

<i>Fund position as on closing of Phase-I of A.P.F.B.C. (as on 31.07.2019)</i>	
Expenditure accounted for:	Rs. 238.61 Cr. (94.88%)
Balance with PMU:	Rs. 12.59 Cr. (5.01%)
Balance with FIU:	Rs. 0.30 Cr. (0.12%)
Total:	Rs. 251.50 Cr.

<i>Fund position as on 20.06.2020</i>	
Expenditure accounted for:	Rs. 250.74 Cr. (99.70%)
Balance with PMU:	Rs. 0.76 Cr. (0.31%)
Total:	Rs. 251.50 Cr.

DECISION: The Governing Body took note of the closing of Phase-I of A.P.F.B.C., and of the Financial Statements (unaudited) at the time of closing of Phase-I & at present.

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AGENDA No.5: CLOSING OF THE BANK ACCOUNTS OF THE PHASE-I.

DECISION: The Governing Body took note of the fact that all but one bank account of Phase-I stand closed.

AGENDA No.6, 7 & 8: INTEREST ACCRUED ON PHASE-I FUNDS, LOANS TAKEN FROM THE INTEREST ACCRUED ON PHASE-1 FUNDS & AMOUNTS TEMPORARILY ADJUSTED FROM THE INTEREST ACCRUED FROM PHASE-I TOWARDS PHASE-II ACTIVITIES (TO BE RECOUPED FROM THE PHASE-II FUNDS).

The Project Director placed before the Governing Body, the status of the interest accrued on the Phase-I funds, loans taken from the interest accrued on the Phase-I funds, and amounts temporarily adjusted from the interest accrued from the Phase-I towards the Phase-II activities (to be recouped from the Phase-II funds).

As on date the overall interest utilization, since January, 2016 is mentioned below:		
SI No.	Particulars	Amount
A	Bank Interest Received from the Inception	6,07,24,114
B	Expenditure shown as related to APFBC Phase-I, but not adjusted against the Project Cost.	62,82,196
C	Expenditure not related to APFBC	2,66,69,196
D	Total Expenditure (B+C)	3,29,51,392
E	Expenditure incurred towards approved activities in the Feasibility Report of APFBC Phase-II	98,12,064
F	Balance Interest amount (A-D-E)	1,79,60,658

Details statement of Loan out of Interest 1-Apr-2018 to 20-June-2020			
Date	Particulars	Loan(Rs.)	Refund
13/07/2018 ✓	FUND RELEASE TO RAAJ CREATION ON BEHALF OF PCCF & HOFF (THE FULL AMOUNT TREATED AS A PCCF LOAN.)	7,21,751/-	
04/12/2018	THE FUND RELEASE TO KAMRUP EAST DIV FOR THE PURPOSE OF 24TH ALL INDIA FOREST SPORTS MEETS(AS A LOAN)	10,00,000/-	
30/03/2019	THE FUND RELEASE TO HEAD STATE PROJECT MONITORING UNIT JICA ASSAM		On 01.08.2019

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		13,00,000/-	Received an amount of Rs. 7,50,000/- Balance amount Rs. 5,50,000/-
15/02/2020	THE FUND RELEASE TO ASSAM STATE ZOO FOR THE PURPOSE OF 25TH ALL INDIA FOREST SPORTS MEETS	15,86,000/-	
26/02/2020	THE FUND RELEASE TO ASSAM STATE ZOO FOR THE PURPOSE OF 25TH ALL INDIA FOREST SPORTS MEETS	4,07,500/-	
Total		67,30,251/-	
Total after adjustment of Refunds		59,80,251/-	

Particulars	Amount
Remuneration of the Contractual Staff for APFBC Phase-II (For the period August'19 To May'20)	75,49,320
Professional Fees for Project Preparatory Expert(For the period of Sep'19 To Jan'20)	22,50,000
Office Cost	12,744
Total	98,12,064

The Project Director explained that based on a decision taken by the Governing Body in its 6th meeting in 2015, large amounts of interest accruing on the Phase-I funds was used for activities which are not within the scope of the project, outside the purview of the fiscal controls laid down under the A.F.R.B.M Act, 2005, Part of the interest amount so diverted, was taken as 'loan'. This resulted in Audit paragraphs wherein spending of the A.P.F.B.C. Society's funds for activities outside the mandate of the project was questioned. Further, if held unsurrendered to the Government, the interest accruing on the project funds would be treated as 'income' of the society, for which the A.P.F.B.C. Society would become liable to pay Income Tax and penalties thereof. The Project Director therefore requested the Governing Body to accord permission to subsume the balance interest money into the state-share of A.P.F.B.C. Phase-II, by way of taking that much less against the state-share due, or alternatively to surrender the same to the Government. The Governing Body, after carefully considering the issue gave the following decisions with respect to the interest accrued on project funds.

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DECISION:


1. Interest accrued on the project funds shall NOT be spent for activities outside the scope of the project, and to be spent only for activities within the scope of the project. If any interest accrued on the project funds is found to have been spent for activities outside the scope of the project, the Project Director shall be personally held responsible for the same.
2. All the amounts taken as 'loan' by the O/o The PCCF & HoFF shall be returned to the A.P.F.B.C. Society immediately.
3. The Project Director, A.P.F.B.C. Phase-II shall move a proposal to the Government, requesting permission for subsuming the left over interest accrued on Phase-I funds, into the state-share due for Phase-II. If approved, the interest amount shall be subsumed into the state-share. If not, the entire interest amount including the 'loans' recouped, shall be surrendered to the State Government.

OTHER OBSERVATIONS BY THE GOVERNING BODY:

The Chairman, Governing Body of the A.P.F.B.C. Society drew attention of the members to the antecedents of the A.P.F.B.C. Phase-I project. He reminded the members that the project was originally meant to be a climate change management project, and the first presentation on the project before the AFD, Paris was made by him in the capacity of Joint Secretary to Government of India, Department of Economic Affairs, Ministry of Finance. He stated that he was saddened to see that there was inordinate delay in the commencement of the project, and even after it started, the emphasis had shifted from plantations to buildings and vehicles. He desired to see a presentation with photographs of the A.P.F.B.C. Phase-I plantations, and also would like to physically visit the plantation sites. The Project Director, A.P.F.B.C. accordingly undertook that a presentation on these lines will be made very soon.

APFBC Phase-II

AGENDA No.1: FLAGGING OFF OF THE PHAE-II. CREDIT FACILITY AGREEMENT (LOAN AGREEMENT) & PROJECT AGREEMENT.


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The Governing Body took note of the fact that the Credit Facility Agreement (Loan Agreement) of Phase-II of A.P.F.B.C. was signed between the DEA and the AFD on 19th August, 2019, and the Project Agreement was signed between the Government of Assam and the AFD on 04th November, 2019.

AGENDA No.2: APPROVAL ON THE ORGANIZATION STRUCTURE OF THE APFBC PHASE-II

The Governing Body took note of the organizational structure of the A.P.F.B.C. Phase-II, consisting of the Project Director, Activity Directors, and the PMU.

AGENDA No.3: WORK PLAN OF PHASE-II OF THE APFBC & MILESTONES

The Governing Body took note of the milestones in the Work Plan of Phase-II of the A.P.F.B.C., and that the project is in its first year at present. The Governing Body directed the Project Director to complete all the milestones pertaining to the first year of the project without delay.

AGENDA No.4: RELEASE OF FUND FROM AFD (CENTRAL SHARE) & STATE SHARE- LATEST POSITION

Financial Year	AFD Share	State Share	Total	Amount released
2019-20	30.00 Cr.	20.00 Cr.	50.00 Cr.	NIL
2020-21	28.48 Cr.	7.12 Cr.	35.60 Cr.	Proposal sent to Govt. for Financial Sanction

AGENDA No.5: APPROVAL ON FLOATING OF EOI / RFP FOR THE PROJECT MANAGEMENT AND MONITORING CONSULTANT (PMMC) & AUDITOR

The Governing Body has noted that the Expression of Interest (Eoi) is already floated on 24th June, 2020 for both PMMC and Auditor pursuant to obtaining an NOC from the AFD, and gave approval to float the Request For Proposal (RFP) as per the due process.

AGENDA No.6: APPROVAL ON HIRING OF A SENIOR PROCUREMENT SPECIALIST, AND AN AGENCY FOR PREPARING ENVIRONMENTAL, SOCIAL MANAGEMENT SYSTEM & GENDER ACTION PLAN:

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The Governing Body has noted that the APFBC had already received an NOC from AFD on 10th June, 2020 for initiating the procurement process of the Senior Procurement Specialist, and that the procurement process has accordingly been completed, and that the project now has a Senior Procurement Specialist in place.

The Governing Body noted that the APFBC has already engaged an agency for preparing the Environment Social Management System (ESMS) & Gender Action Plan (GAP), as per the NOC received from AFD on 21st January, 2020.

AGENDA No.7: NOCs TO BE RECEIVED ON EOIs / RFPs:

- EOI & RFP of "Project Implementation Support Agency" (PISA) - Revision as per AFD's suggestions dated 15th May, 2020 and 18th May, 2020 is going on. After the revision, the EOI / RFP will be sent to the AFD for an NOC.
- EOI & RFP of "Implementation of Forest Rehabilitation and Productivity Enhancement" sent to AFD for NOC on 18.04.2020. AFD's comments in this regard are awaited.
- EOI & RFP of System Integrator for Technology Solutions for Forest and Biodiversity Conservation have been prepared. However, the AFD advised the PMU, APFBCS to firm up the requirement in the EOI / RFP only after a pilot study is done by the PMMC on technological requirements of the department. Hence, not sent for an NOC to the AFD.

The Governing Body took note of the present status of the EOIs / RFPs of 'PISA', 'Implementation of Forest Rehabilitation and Productivity Enhancement' under APFBC Phase-2 and 'System Integrator Consultancy for Technological Solutions for Forest and Biodiversity Conservation' respectively, and asked the Project Director to do the needful.

AGENDA No. 8: MISCELLANEOUS:

1. MODIFICATION OF MOP.
2. BY LAWS OF THE APFBC PHASE-II
3. H.R. POLICY

The Project Director informed the Governing Body that the Manual of Procedures was approved by the AFD on 12th February, 2020, and that the MoP is to be mandatorily revised every year in line with the evolving needs of the project, as per the

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AFD procedures. He also informed the Governing Body that the by-laws of the APFBC Phase-II and the H.R. Policy for the APFBC Phase-II are being drafted in line with the MoP. The Governing Body took note of the same.

OTHER OBSERVATIONS OF THE GOVERNING BODY:

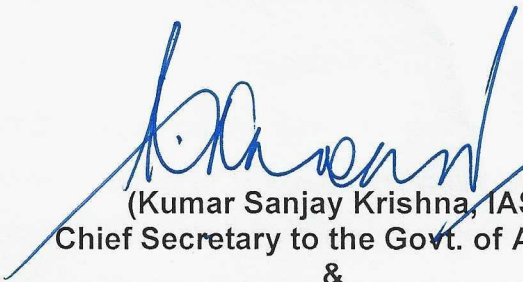
The Project Director informed the Governing Body that a retired Assam Financial Service officer, who also has experience in managing the finances of EAPs, has been contractually engaged for APFBC Phase-II. In this light, the Project Director requested for role-clarity between the Project F.A., and the F.A. of the O/o The P.C.C.F. & H.o.F.F.

Responding to the same, the Chairman, Governing Body stated that it is always better to get the cheque-countersigning done by a Government F.A., while there is nothing bad about engaging a retired Assam Financial Service officer on contractual basis for managing the finances of the project. Accordingly, the Governing Body took the following decision.

DECISION:

In all cases where cheque-countersigning is involved, the corresponding file will be sent to the Government F.A. posted at the O/o The P.C.C.F. & H.o.F.F. The retired Assam Financial Service officer, who is engaged on contractual basis as the project F.A. will manage all other project related financial matters, such as preparing and sending the proposals for Financial Sanction to the Government of Assam, preparing and sending reimbursement proposals to the CAAA and AFD, assisting the Project Director in the Loan Meetings / Tripartite Portfolio Meetings, monitoring the financial progress of the 27+ procurement packages under the project etc.

The meeting ended with thanks to the chair.


(Kumar Sanjay Krishna, IAS)
Chief Secretary to the Govt. of Assam
&
Chairperson, Governing Body, APFBC