

**PROCEEDINGS OF THE 8th MEETING OF THE
I.S.A.P. REVIEW COMMITTEE MEETING HELD ON 15th January 2015**

Engineer-in-Chief-cum-Secretary, Works Department chaired the 8th meeting of the Institutional Strengthening Action Plan (I.S.A.P.) Review Committee which was held on 15th January, 2015 at 16:30 Hours in the Conference Hall of Works Department. The list of Members, Officials and Professionals from consulting agency present in the meeting has been provided in Annexure-1.

At the outset, the E.I.C.-cum-Secretary & Chairman, ISAP Review Committee welcomed all members outlining the status of RSID deliverables and the objectives of the review meeting. The SE, ISAP Cell informed that the RSID Consultants had earlier submitted the deliverable "**Final Report on Study of Main Roads Funding Options & Possible Road Fund**" for review and approval. As per Cl 6.4 III. SCC of Contract Agreement, Bank had no further comments subject to acceptance of the Report by OWD as detailed below.

The World Bank in their E-mail dated 14th October 2014, opined that the submitted "Final Report on study of Roads Funding Options & Recommendations on Road Fund" is satisfactory as it already presents a competent and persuasive picture of the trends in and significance of the roads sector funding 'gaps', in support of the need for substantive GOO action on that.

Mr. Amitav Basu, Consultant ICT gave the presentation on this report. This report has given both plan and non-plan (maintenance) requirements of funds for PWD Roads (SH, MDR and ODR). The plan requirement of funds year wise for the next five years have been calculated basing on estimated amount emanating from report on Road Network Master Planning of Odisha, Biju- Express way, construction of 6 fly overs, 44 RoBs, construction of new major Bridges, construction of Bypasses and other improvement works on MDR & ODRs. By comparing with projected budgetary allocation each year in the next five years with projected Capital work requirement of funds, the consultant gave statement of gap in plan allocation in different years in the next five years.

Mr. Basu has suggested meeting the funding gaps for capital works through initiation of PPP projects in high volume traffic route and explore external funds through borrowing from multi-lateral institutions for low volume traffic routes in this changed scenario.

The assumption of calculation for maintenance requirement of funds for PWD roads in next five years was discussed. With the projected allocation for next five years, the gaps in funding for four years was discussed. Members of the Committee unanimously agreed about the importance and priority of maintenance of roads to safeguard the created capital intensive road assets and to facilitate smooth and safe flow of traffic. Hence different options of meeting the maintenance funding gaps were discussed. Mr. Basu explained that other sources of funding like user charges i.e. one time registration fees, charges on insurance premium, utility fees and so on are not substantial, but should be introduced to encourage a habit to pay for services among the people and hopefully this collection may increase substantially in future after the growth of economy of the State.

He gave following three options with their Pros & Cons:-

Option 1- Normal Budgetary Allocation

Option 2 – Earmarking of funds

Option 3- Dedicated non- lapsable Road fund Managed by a board.

