

**Two Years of
Jawaharlal Nehru
National Urban Renewal Mission
(JNNURM)**

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Agenda of Presentation

- JNNURM
 - The context
 - The Programme
 - Objectives, Scope, Implementation Arrangements
 - Innovations and Initiatives
 - ADB TA
- JNNURM Implementation Status
 - Infrastructure Development
 - Reform Implementation
- Challenges of JNNURM and Way Forward
- ADB TA: Objectives, Scope, Status, Future Support
- Opportunities for Further Partnering with JNNURM

Context for JNNURM

- **JNNURM, launched in Dec 2005, is the GOI's response to the urban challenge**
 - **Urban System**
 - Second Largest System Globally
 - Urban Population: 315 million
 - Urban Decadal Growth: 25-30%
 - GDP contribution 50% +
 - **Urban Challenge**
 - Inadequate urban infrastructure, water, sanitation, 60+ million slum population, weak institutional and financial frameworks constraining adequate and sustainable service delivery, and more... more... more.....

JNNURM Structure

Two major components

1. Urban Infrastructure and Governance (UIG-MOUD)
2. Basic services for the Urban Poor (BSP-MHPA)

JNNURM Objectives & Scope & Financing and Implementation Arrangements

- Objective of JNNURM:
 - To scale up planned and integrated development of urban infrastructure and services in 63 cities in
 - urban renewal, WSS, SWM, drainage, transport, car parking, heritage development, preservation of water bodies and prevention of soil erosion
 - To promote urban reforms for efficient, sustainable, and accountable urban service delivery
- Funding of JNNURM:
 - \$6.4 billion to be spent over 7 years of JNNURM for UIG
 - Central grant financing of 35-90% depending on the classification of the cities and the projects
- Implementing Agency: Ministry of Urban Development (MOUD) through a Mission Directorate

Special Features

- First comprehensive and planned approach
- Cities are required to prepare City Development Plans (Vision Documents) as participatory frameworks for
 - Infrastructure planning and prioritization, and
 - Framing urban reform agendas
- Funding support for infrastructure is linked to reforms
 - Cities need to negotiate and enter into MoAs with MOUD to implement urban reforms in order to access JNNURM funds

Urban Reform Agenda

Mandatory

State

- **Decentralisation: 74th Constitutional Amendment**
- **ULCRA Repeal**
- **Reform Rent Control Law**
- **Enact- Public Disclosure Law**
- **Enact- Community Participation Law**
- **Assign city planning and other functions to ULB**

ULB

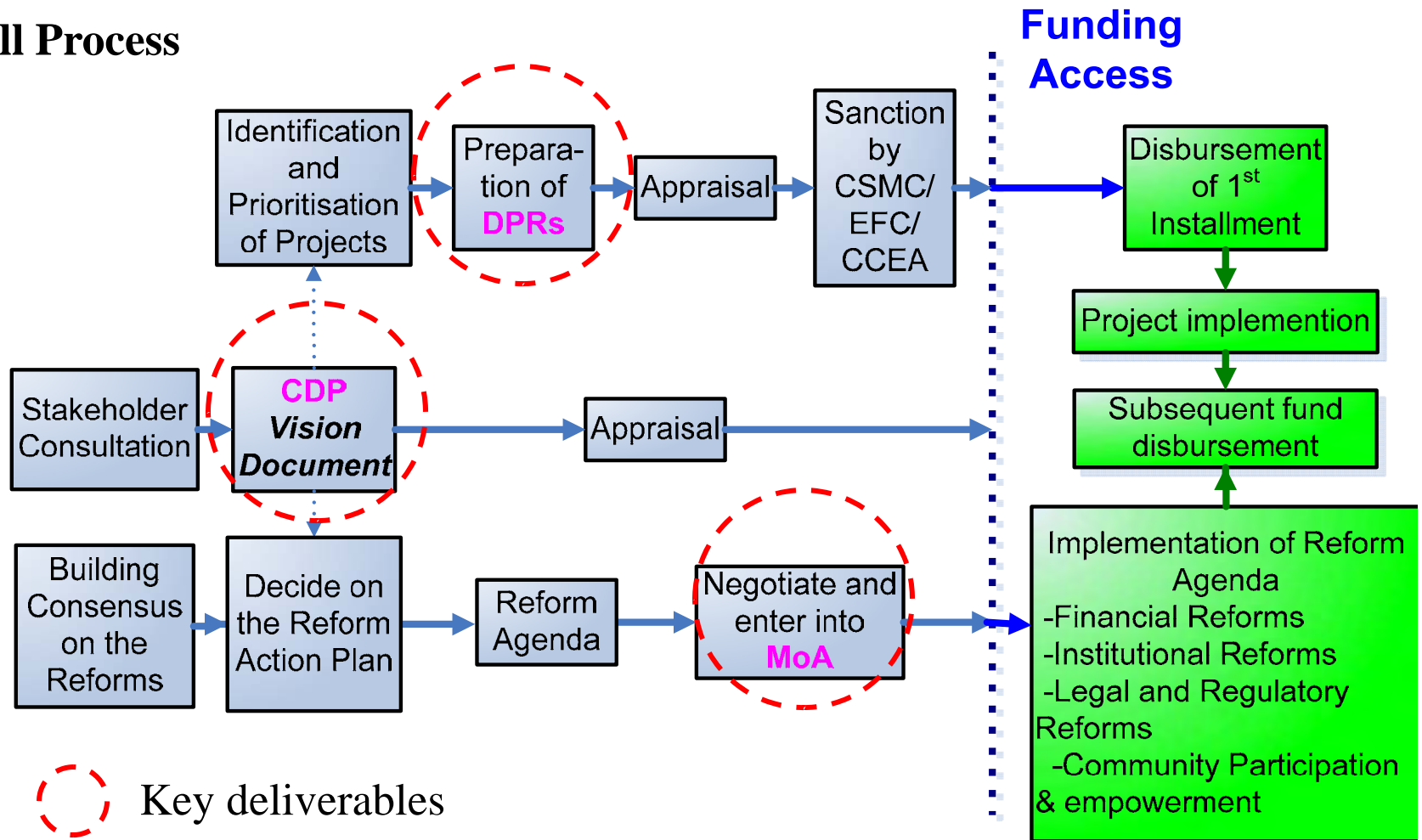
- **Double entry accrual based accounting system**
- **E-Governance: IT/GIS applications**
- **Property tax reform**
- **Levy of user charges:**
 - **Full recovery of O&M**
- **Internal budget earmarking**
 - **Basic services for poor**
- **Provision of services to poor**
- **Specially, tenancy security**

Optional

- **Bye Laws revision: streamline process for construction**
- **Simplify land-use conversion**
- **Property Title Certification system in ULBs**
- **Earmarking for EWS/LIG: 20-25% land in housing projects**
- **Computerised registration of land & property**
- **Revision of bye laws: for compulsory rain water harvesting**
- **Re-use of recycled water**
- **Administrative reforms**
- **Structural reforms**
- **Encouraging PPP**

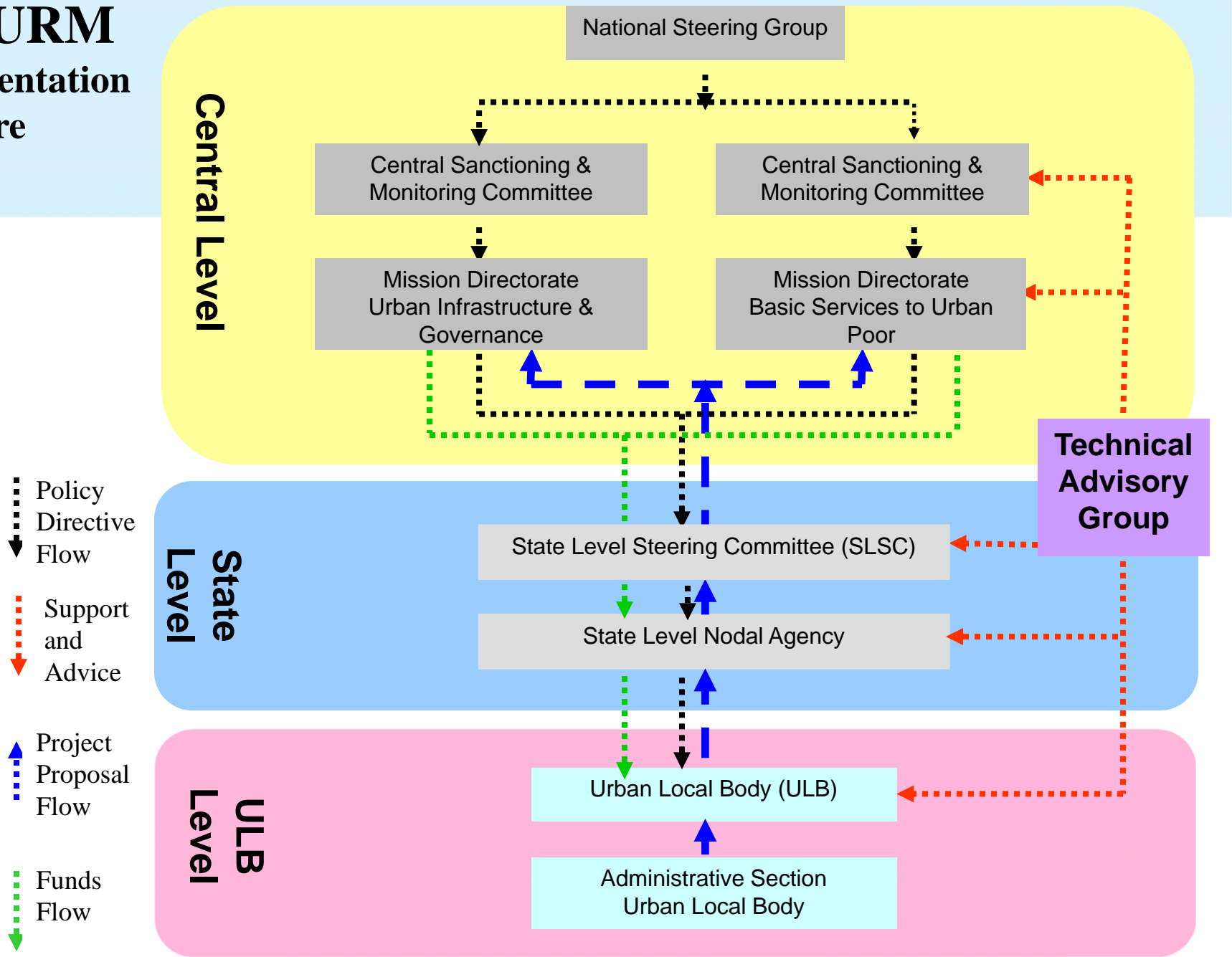
JNNURM Processes

Overall Process



- Monitoring implementation of projects and reforms is also a key constituent of the overall process of JNNURM.

JNNURM Implementation Structure



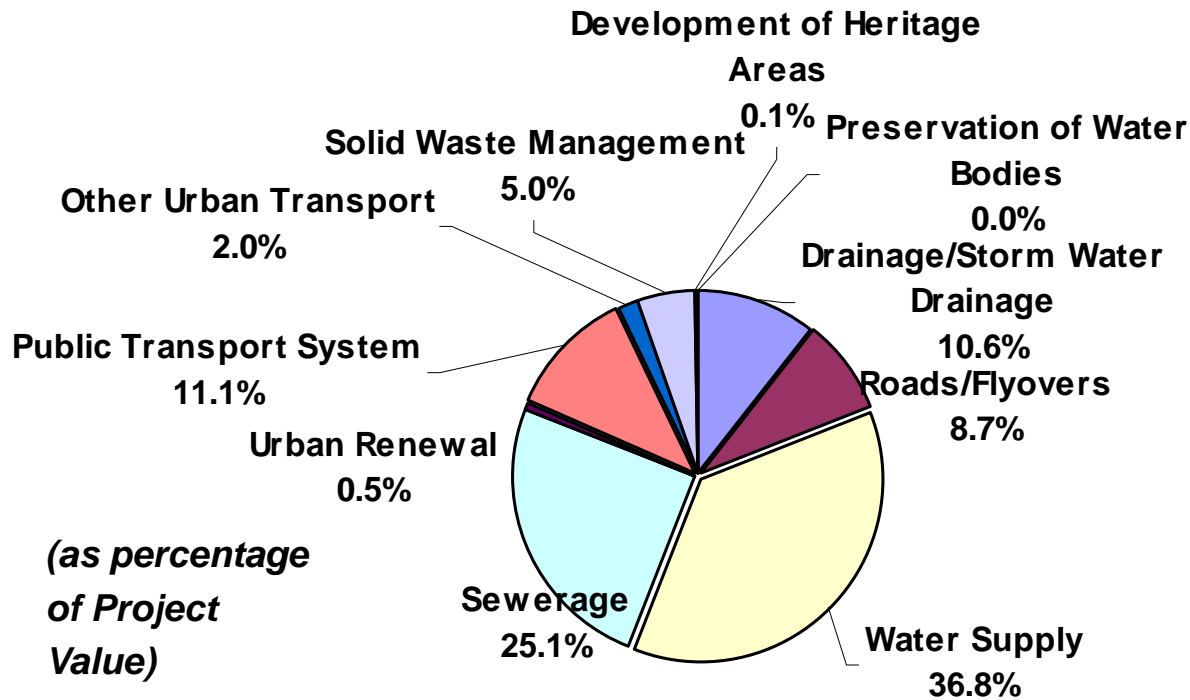
JNNURM: Implementation Status

Overview of Progress

Sub Mission for Urban Infrastructure and Governance

Sub Mission for Urban Infrastructure and Governance (UIG) (as on 20th march 2008)	
Jawaharlal Nehru National Urban Renewal Mission Cities	63 Cities
Total Central Share for the Mission period seven years	US\$ 12.5 bn US\$ 6.37 bn for UIG
Budget Provision for 2007-08 (Sub-Mission for Urban Infrastructure and Governance)	US\$ 701 mn
Budget Provision for 2008-09 (Sub-Mission for Urban Infrastructure and Governance)	US\$ 872 mn
City Development Plan	
City Development Plans submitted	63 Cities
City Development Plans not submitted	-
City Development Plans appraised	63 Cities
City Development Plans under appraisal	-
Projects	
States/UTs for which detailed project reports have been submitted	30 States / UTs
Cities for which detailed project reports have been submitted	59 Cities
Projects Sanctioned / Recommended by CSMC / EFC (since launching of Mission)	324 Projects
a) Projects Recommended by Sanctioning Authority for Release of ACA	320 Projects
b) Projects Recommended by SA requiring further Approval of UDM / FM before Release of ACA	4 Projects
Release of Funds	
Value of Projects Sanctioned	US\$ 7.533 bn
Additional Central Assistance committed	US\$ 3.653 bn
Central Assistance approved for release during 2005-08	US\$ 1.024 bn
Central Assistance released by MoF	US\$ 925 mn
Urban Reforms	
Reforms Agenda negotiated and signed	62 Cities

Sanction of funds



DPRs sanctioned
Sector-wise

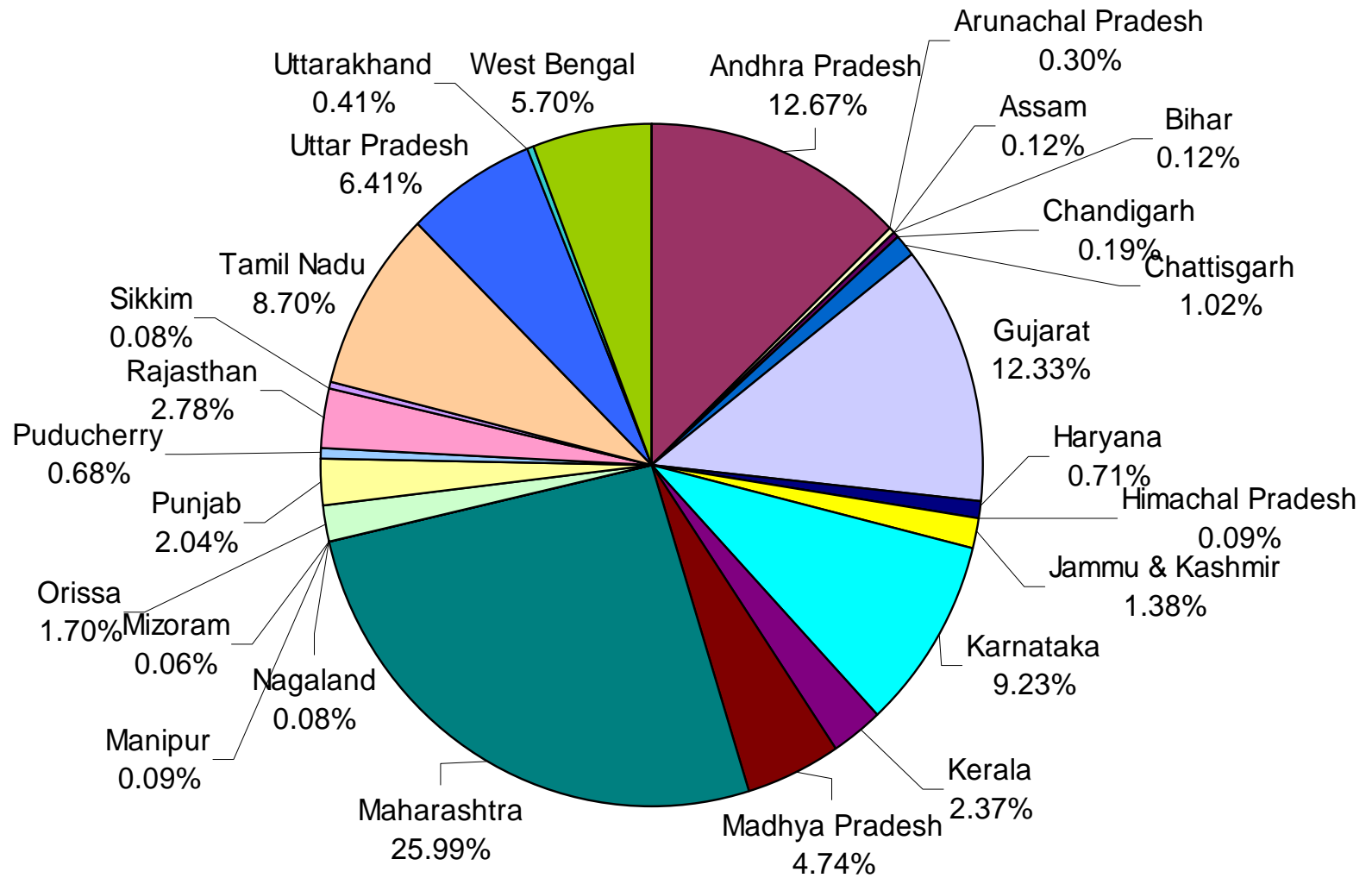
in US\$ mn

Sector	Number of projects sanctioned	Cost of projects sanctioned
1 Drainage/Storm Water Drainage	35	795.5
2 Roads/Flyovers	65	654.3
3 Water Supply	99	2,775.1
4 Sewerage	62	1,891.3
5 Urban Renewal	7	40.6
6 Public Transport System	14	838.1
7 Other Urban Transport	12	148.7
8 Solid Waste Management	28	378.2
9 Development of Heritage Areas	1	10.8
10 Preservation of Water Bodies	1	1.1
Total	324	7,533.7

Sanction of funds

State/UT Scenario
(as percentage of Project Value)

DPRs sanctioned -
US\$ 7,533.7 mn



Achievements – Infrastructure Projects

- **One or more projects sanctioned in 54 cities** out of 63 mission cities (over 26 States out of 32 states)
- **Of the remaining 9 cities, for 5 cities, projects submitted** (Delhi, Agartala, Puri, Shillong and Ranchi).
- **78 % of the projects sanctioned** (in terms of value of projects) **are for priority sectors** like WSS, Drainage and SWM
- **11 % of the projects sanctioned** (in terms of value of Projects) are for improving Public Transport.
- **Public transport** (especially BRTS) and **SWM projects** are **attracting private sector** due to evolving revenue models and user charge regimes.
- Out of 90 projects committed for completion before December 2008, **28 projects reported satisfactory utilization of funds.**

Achievements – Infrastructure Projects

9 Projects have been fully completed

- Hyderabad
- Flyover at Chandrayangagutta
 - Laying of pipelines from Shebnagar TBR to Preshasan Nagar
 - Krishna Drinking Water Supply Project – Phase II
- Surat
- Upgradation of Anjana Sewage Treatment Plan
 - Secondary Sewage Treatment Plant at Bamroli
 - Flyover Bridge near Nanavarachha
- Ahmedabad
- Construction of Railway over Bridge on Ahmedabad-Botad MG Railway line at Sreyas Crossing on 122 ft Ring Road (a part of BRTS project)
 - Construction of four lane Bridge across River Sabarmati connecting Vasna and Pirana 122 ft ring road
- Bangalore
- Augmentation of Additional 100 MLD of water from CWSS stage IV Phase I

Achievements - Reforms

Progress at State level

- Assam, Tripura, Gujarat & Maharashtra enacted **Public disclosure Law**, whereas Tamil Nadu and Chandigarh are in progress
- Assam & Gujarat enacted **Community Participation Law**
- Maharashtra repealed **Urban Land Ceiling and Regulation Act (ULCRA)**, whereas Andhra Pradesh is in advanced stage.
- West Bengal has committed to repeal ULCRA next year
- **Commitment to framing laws on Urban Development** - some states, which, to date, had no legislation for urban development are in process of framing laws to govern urban development. (viz. Sikkim, Mizoram and Arunachal Pradesh).

Achievements-Reforms

Progress at ULB Level

- **Elected ULBs** - The eagerness to access funds under JNNURM has ensured that elections have been held in the ULBs.
 - 3 cities (Gangtok, Aizwal & Shillong) committed to establish Urban Local Bodies for the first time, under the Mission
 - Jharkhand is holding election in its Mission Cities, in 08, after a span of 22 years
- **E-governance reforms** accomplished in 7 cities
- **Improved Financial Management:** 14 cities accomplished Double Entry Accrual Based Accounting System

Achievements – Innovative Initiatives.....

- **Rapid Training Programme under Capacity Building Initiative**
 - Targeted at Elected Representatives and Officials
 - 3 modules namely Governance & Reforms, Supervision of Preparation of DPRs and Project Implementation & Management
 - 6 Hub Institutions appointed for imparting training
- **Peer Experience and Reflective Learning (PEARL)**
 - An innovative knowledge sharing among cities to create manageable networks between JNNURM cities for cross learning and knowledge sharing
 - 5 groups formed so far: Mega Cities, Major Industrial Cities, Mixed Economy Cities, Cultural & Religious Cities, Hilly & Environmentally Sensitive Cities.

Achievements – Innovative Initiatives.....

Community Participation Fund

- For funding Community based projects/proposals prepared by Area Sabha's / Community based organisations.
 - To create capacities / provide opportunities to the community - to engage and contribute to JNNURM & providing a platform for community participation.
 - Typical projects may include group water distribution projects, building / rebuilding local amenities like vegetable market, hawker zone, etc, community based information systems, etc.
- **Strengthening reforms & project implementation at state- city level**
 - Programme Management Unit at State level
 - Programme Implementation Unit at ULB level

Achievements – Innovative Initiatives....

Financing & Financial Leveraging

- Credit Rating to help improve credit worthiness of cities and sustenance. Can be further leveraged with Financial Institutions
- Pooled Finance Development Fund Scheme – Ministry has launched this scheme to facilitate the development of Bond market.
- Dialogue with Banks and Financial Institutions – Mission Directorate is in dialogue to enhance lending mechanisms, financial products and services.

• Monitoring Framework & Systems

- Programme Management & Evaluation System (PMES) : A robust workflow based IT application has been developed to monitor various activities, projects and reform initiatives
- Independent Review and Monitoring Agencies for Projects
- 3 Reform Monitoring & Appraisal Agencies have been appointed

• Communications Agency for providing communications & outreach services

Challenges

Project Implementation

- Slow project implementation: Need to be expedited
- Weak reporting from states: Need for more detailed, disciplined and rigorous reporting, to enable effective monitoring of implementation of projects and reforms.
- Small, multiple packages of contracts leading to engagement of smaller firms with little experience. Delay in implementation of packages may lead to overall delay.
- Poor visibility to citizens about the projects launched is a cause of concern.
- The expectations that funds sanctioned under JNNURM will leverage market funds did not materialize. Only a few projects leveraged market funding.

Challenges

Reform Implementation

- Sustaining the enthusiasm and momentum among the States and Cities to implement the reforms is a critical challenge.
- While all cities have committed to reforms, these have not internally percolated widely; there is limited awareness on commitments made and their implications for changes
- There will be a comprehensive review of reform implementation in the end of third year of JNNURM which will also come up with specific recommendations to expedite reforms.

Capacity Constraints

- An ambitious national flagship program of this size requires much greater capacities and management frameworks at the MOUD and Mission Directorate
- ULBs and parastatal institutions face serious capacity constraints in undertaking such scale of investments that are larger than earlier projects;
- Limited capacity of training institutions to meet the ULBs skill development demands Cities have been slow to access the capacity building window available under JNNURM for establishing PIU, PMU & IRMA.

Sustaining the JNNURM....

..During the Mission Period

Ensure Institutional Convergence at the Central Level
by
activating inter-ministerial (between MoUD and MHUPA) coordination and involving other Ministries to achieve synergy between schemes

Engage the states and mission cities
by
ensuring effectiveness of SLNAs, encouraging the involvement of elected representatives at ULB level, activating city level agencies such as City Managers Associations

Strengthen governance
by
focusing on the implementation of reforms at state and city level

Deepen civil society involvement
by
institutionalizing and implementing mechanisms for improved transparency and participation (such as Community Participation & Public Disclosure legislation)

Facilitate Private Sector Participation
by
leveraging private sector finance, skills and technology



..Beyond the Mission Period

Improved civil society engagement and buy-in of urban change processes

Private sector plays an important role in urban infrastructure development

Infrastructure creation and sustenance enhanced by urban reforms

States and cities take on greater responsibility with guidance from the central ministries

ADB TA: Objectives, Status, & Future Support

ADB TA: A Proactive Support to JNNURM

JNNURM is significantly different from earlier GoI urban initiatives

- Scale
- Comprehensive – infrastructure development and governance reforms
- Long-term and Mission Mode

Implications for Mission Directorate, MoUD

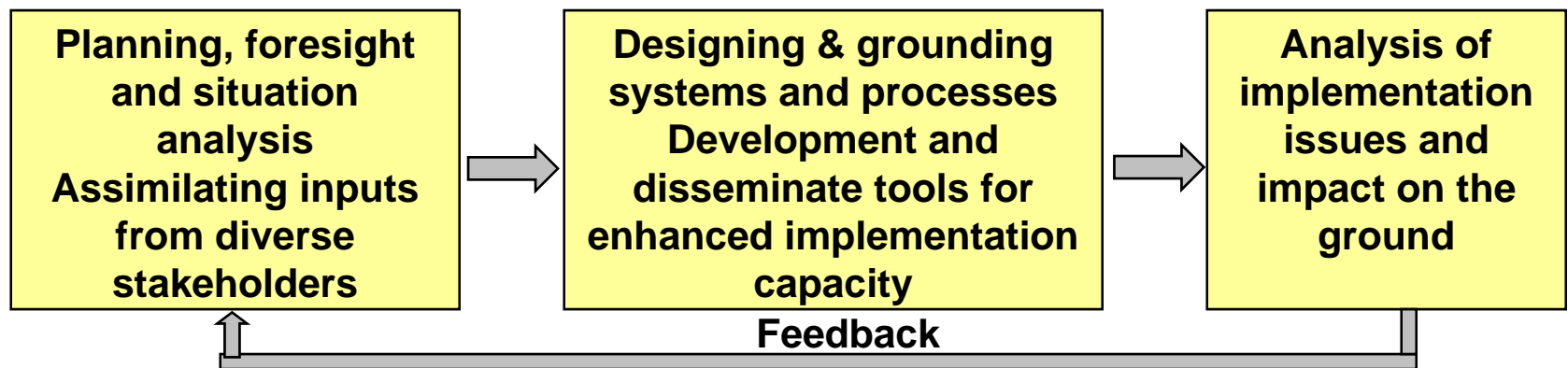
- Robust systems required for managing programme at Centre/State/City levels
- Enhanced capacity for effective engagement of MoUD with States and Cities, managing stakeholders in different stages of evolution
- Multiple initiatives and need for their integration
- Pace of change

ADB's Proactive Support to JNNURM

- ADB, as part of its proactive and responsive approach to its urban sector assistance in India, has promptly approved a \$2 million TA in Feb 2006
- to support MOUD and the Mission Directorate to effectively manage and implement the JNNURM.
- A multidisciplinary team of consultants was deployed by ADB in June 2006 and has been an integral part of the Mission Directorate since then.

ADB TA: Scope of Activities....

- *Technical advisory support on range of domain areas*
 - *City planning*
 - *Project Development (from preparation to implementation)*
 - *Financial planning and sustainability*
 - *Capacity building and Organisational Development*
 - *Monitoring and Evaluation systems (including MIS)*
 - *Legal and regulatory reforms*



- *Operational support across spectrum of activities*
 - *Dissemination and communication*
 - *Procurement of services*
 - *Link and connect between different constituents working with the Mission Directorate, MoUD*
 - *Periodic review*

ADB TA: Key Outputs....

- Supporting the set up of JNNUM Project Cell in the Mission Directorate
- Developing guidelines for preparing and appraising CDPs and DPRs, advice city-state on the requirements and assist MOUD to evaluate the CDPs and DPRs; Undertook second round of observations on City Development Plans; Making the CDP a 'living' document
- Project preparation process – toolkit; Project monitoring – reporting systems, quality monitoring
- Developing comprehensive systems for program management & monitoring and evaluation (PMES) - A workflow based MIS application has been developed to monitor various activities, and track CDPs and DPRs submission and appraisal process –implementation to commence
- Municipal Finance Program – taking forward recommendations of the Task Force
- Human Resource Development – Framework for 2 year programme for training and skill delivery; linking supply side institutions and demand for training, and rapid training program
- Review of implementation of 74th CA Act – legislative status; development planning legislation
- Assisted in the design and implementation of all those innovative initiatives mentioned as achievements of JNNURM earlier; e.g., rapid training pearl, credit rating of ULBs,

Constraints

- The role of TA and the Cell is evolving as the JNNURM program progresses, requiring changes to the team composition.
- The MOUD and the Mission Directorate need to put in place a dedicated team whose capacity must be built to manage and implement the JNNURM
- Without this it is unlikely that the operational constraints can be overcome as JNNURM enters a critical phase of project implementation.

Future Support under the TA

- There is need at this stage for the TA
 - to play the role of a strategic and technical advisor while selectively and prudently assuaging the operational and administrative burden on the Mission Directorate;
 - To assist Mission Directorate in institutionalizing and grounding the systems and processes to Manage JNNURM even after the TA is complete
 - Build capacity of Mission Directorate
- The strategic inputs of the TA should include
 - An assessment of priority initiatives and requirements to successfully implement the JNNURM at this stage
 - Strengthening system for Reform monitoring
 - Evaluate the impact of capacity building (RTP, HRD) for more responsive HRD
 - Supporting systems for financial sustainability
 - Facilitating Private Sector Participation –PPP tool kit
 - Assessing the specific legislative requirements of implementing 74th CAA and its linkages with ULB reform agenda
- There is also need for an exit strategy for the TA that can be prepared on the basis of the needs of Mission Directorate after the TA and preparing a strategy and action plan to address them (to be included in the 3rd year Annual Report).

Linkage with Other Donor Support

- The future support under the TA and the exit strategy should also consider other donor support and the complementarities as well as the gaps to be filled
- World Bank TA Loan:
 - Final approval awaited for \$40 million IDA
 - Advance action for recruitment of consultants initiated
 - Objective/Scope: Identify areas of capacity building in ULBs, assess in the curriculum development, manage the program of actual capacity building in ULBs
 - The Program Management will be through Mission Directorate MOUD

Opportunities for Further Partnering with JNNURM

- Funding for visible, big-ticket projects (e.g. MRTS)
- Technical Assistance to individual states for capacity building, project monitoring systems
- Technical Assistance for specific weak states and regions (e.g. North East)
- Facilitating PPP and non-sovereign financing as a way of leveraging JNNURM funds
- Financing the establishment and capacity development of urban institutions/research centres for sustainable capacity building
- Consider earmarking loan funds to meet the gap of JNNURM financing in selected states

Thank You