

Jawaharlal Nehru National Urban Renewal Mission

Sub-Mission for Urban Infrastructure and Governance

Toolkit for
Program Management Unit (PMU)
Improving Implementation Capacity of SLNA

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The Toolkit

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The Toolkit

The purpose of this Toolkit is to guide the SLNAs to prepare proposals for support to establish PMU to enhance their capability to effectively co-ordinate implementation of projects and reforms under JNNURM. The Central Sanctioning and Monitoring Committee (CSMC) has accorded in-principle approval for establishing PMUs in the States. The SLNAs desirous of seeking financial support for PMUs may use this toolkit as reference for preparing proposals.

1. Improving Implementation Capacity of SLNA: Support to establish Program Management Unit

1.1 Introduction / Need for PMU

State Level Nodal Agencies are expected to play a key role in implementation of JNNURM. Following key functions are expected to be undertaken by SLNA:

- Appraisal of projects submitted by ULBs/Para-statal agencies. This could be undertaken in-house or through empanelled agencies
- Obtaining sanction of State Level Steering Committee for seeking assistance from Central Government under JNNURM
- Management of grants received from Central and State Government
- Release of funds to ULBs/Para-statal agencies either as grant, or soft loan or grant cum loan
- Management of Revolving Fund
- Monitoring physical and financial progress of sanctioned projects
- Monitoring implementation of reforms at state and ULB level, as committed vide MoA with MoUD

Currently the Institutional capacities of SLNAs vary significantly across various states. The relative role and position of SLNAs within the overall institutional structure at the state level also varies considerably. Therefore to strengthen the capacity of SLNA to manage and implement the composite array of tasks associated with JNNURM, it is proposed to support a Program Management Unit (PMU) at the SLNA.

1.2 Objective of PMU

To assist the SLNAs in discharging its roles and responsibilities assigned as per the JNNURM guidelines.

1.3 Expected Outcomes

- Effective implementation and increased outreach of the Mission including public participation
- Enhanced capacity within SLNA to extend technical and advisory support to state government and ULBs in implementing reforms and projects envisaged under JNNURM
- Higher private sector investment in infrastructure development, by leveraging JNNURM funds to explore other instruments of financial assistance like debt or equity.
- Increase in public participation in infrastructure development and management
- Effective monitoring and reporting to Mission Directorate, MoUD
- Effective transfer of lessons on infrastructure development and reforms to non JNNURM cities in the state.

1.4 Roles and Responsibilities of PMU

The proposed Program Management Unit is designed to provide the requisite technical and managerial support to SLNA to ensure effective implementation of the program at state level. The

PMU would operate as a unit under the overall supervision and guidance of SLNA. Focus of the role is mainly on Program Management and Monitoring.

The role of PMU would encompass the following, but not be limited to:

Overall Strategic Support

- Facilitate processes to ensure that CDPs prepared by cities within the state remain living documents with updates as necessary
- Enhance ownership through consultative processes as envisaged under JNNURM
- Ensure that infrastructure development projects are in line with the proposed investment plan of the CDP
- Encourage cities to formulate strategies to serve the underserved while designing and implementing infrastructure development projects
- Disseminate good practices developed by JNNURM cities across the state
- Coordinate with State Technical Advisory Group (TAG) and City Technical Advisory Group (CTAG) in Mission cities to effectively implement projects under the Community Participation Fund.
- Facilitate adequate and timely release of funds to projects
- Co-ordinate with various implementing agencies and state departments
- Liaison with state and central government.

Technical Support

- Support and monitor JNNURM projects in the State
- Monitor implementation of JNNURM mandated reforms, particularly those to be executed by the state, as precursor to ULB level reforms
- Provide technical hand-holding support to the ULBs / project implementing agencies and state government
- Facilitate selection of quality Consultants for DPR preparation, or any other activity by empanelling qualified firms, sharing information etc

Monitoring & Reporting Support

- Appraise and monitor efficient utilisation of funds disbursed
- Report on progress of JNNURM in the state, covering status of City Development Plans, Detailed Project Reports, Utilisation Certificates, Quarterly Progress Reports etc
- Ensure effective and timely reporting of progress of implementation of reforms and projects to MoUD, via the web based Program Monitoring and Evaluation System (PMES).

Capacity Building Support

- Support initiatives for capacity building as necessary
- Specifically, examine the possibility of lateral entry of qualified professionals via a State Municipal Cadre (SMC) and initiate action as necessary.

1.5 Suggested Key Personnel

The PMU is envisaged to play a critical role in enhancing overall efficiency of implementation of JNNURM. The number of experts required by the SLNA would depend on the existing institutional capacity. However, a team of six positions listed in paras 1.5.1 to 1.5.6 is suggested for a typical PMU. All recruits from the open market shall have an experience of five to ten years, with Fixed Term Contracts. As far as possible all competencies should be procured under a single contract, to ensure that the PMU team is well coordinated and remains accountable as a whole to the SLNA. To the extent feasible the SLNA should nominate counterpart staff to work alongside the specialists in the PMU.

The broad roles and specific essential competencies for each of the six proposed positions of the PMU are given below. In addition, all experts should have a strong background, knowledge and base competencies in the following areas:

- Development of the urban infrastructure sector in India over the last decade, and shifts in policies, approaches and implementation practices. Knowledge of the state specific scenario will be an added advantage.
- Familiarity with the objectives and scope of JNNURM
- Concepts of City Development Plan, Detailed Project Reports, Memoranda of Association, etc that are the key elements of the Mission
- Experience in usage of computers and internet will be preferred. If not computer literate, the incumbent shall upgrade the skills within two months of joining

1.5.1. Program Manager/ Team Leader

Overall Responsibilities: The Program Manager will be responsible for overall coordination, supervision of the PMU activities and support to ULBs. He/She shall report to the CEO and be responsible for all agreed outputs and provide other necessary support. The Team Leader shall specifically facilitate judicious and timely actions for implementing State reforms and facilitating action by ULBs to meet their commitments as per agreed time frame in the MOA. He/She shall proactively pursue emerging critical areas in municipal management and finance such as Public Private Partnership (PPP) and credit rating of ULBs, with the objective of making the ULBs financially viable. He/she shall periodically assess the status of projects and reforms in JNNURM cities in the state and present an analytical report with clear recommendations to the Mission Directorate.

Operational Responsibilities: On the operational front, the Program Manager will be responsible for supporting the SLNA and ULBs in efficient operation of the PMES and financial resource planning for the state, scheduling of transfer of funds to ULBs, speedy clearance of bills, recruitment of quality consultants etc.

Human Resource Development Responsibilities: Considering the enormous need for building the skill base of ULBs, the Program Manager will focus on specific training needs & facilitate access to training programs and organizational strengthening of ULBs. This could include examining and negotiating the possibility of creating a state municipal cadre that allows lateral infusion of required skills in the changing environment of delivery and management of municipal services. She/he shall provide the knowledge support including Cases on "Good Practices" for project design, implementation and monitoring on one hand and exemplary progress in executing the reforms on the other. Using the data on progress and the Good practices he/she shall organize workshops and other means of dissemination of these to ULB staff.

Qualification

- The Team Leader shall be an Urban Planner/ Management expert, with strong background in finance (municipal finance preferred), with 5-10 years experience in a managerial position
- Senior engineers with at least 5-10 years experience in a managerial position can also be considered
- Strong communication and computer skills
- Any earlier involvement with JNNURM will be an added advantage.

1.5.2. Project Management and Procurement Specialist

The incumbent has a broad based role in improving quality of project design, implementation and reporting by providing intellectual leadership on technical, financial and all operational aspects of infrastructure projects and related reforms. This includes but is not limited to:

Support in Project Planning : Supervision of preparation of DPR; Operationalising the DPR, Activity Planning and Scheduling (use of MS Project software would be an added advantage); financial resource planning and scheduling payments; monitoring physical progress.

Support in Procurement Management: Tendering/selection for procurement of services; Pre-qualification; preparation, receipt, scrutiny/evaluation of tender documents and issue of tenders; finalization and award of contract.

Advice on Construction Management: Assistance to SLNA in obtaining requisite clearances; detailed planning of implementation; materials and supply chain management; quality assurance and benchmarking.

Advice on Financial Aspects of Project Management: Fund Flow Management; monitoring and managing leakages, cost over-runs etc; Work Completion and Payments Certificates; preparation of Utilisation Certificates; financial closure of project accounts etc.

Qualification

- Engineering degree with experience in procurement and project preparation and management.
- Skills to assist ULBs in ensuring that standard documentation and detailed operating procedures for procurement, contract management etc. are in place. Specifically: detailing specifications, compiling terms of reference, packaging bidding material, defining evaluation criteria, preparing standard forms of contract, designing payment certificates. These procedures must reflect modern procurement practices, suitably adjusted for the JNNURM context and the existing Government practices.
- Ability and experience to advise SLNA/ULBs on any contract under dispute with action plan and timetable for resolution
- Any earlier involvement with JNNURM will be an added advantage.

1.5.3. Public Works & Public Health Engineer

Advisory Role

- Provide advice for the improvement of the day to day activities of the ULBs' public health and sanitation services.

- Provide technical advices in tendering process of the sewerage, water supply, and solid waste management projects.
- Support ULBs to report with precision on progress of construction and utilization of funds under JNNURM through the PMES.
- Assist in conflict resolution as necessary.
- Develop and disseminate guidelines on project preparation, procurement and other related activities.
- Advice on implementation of reforms related to levy of reasonable user charges and byelaws on reuse of recycled water.

Technical Support

- Provide technical backup support as necessary to the JNNURM ULBs in design and implementation of sewerage, water supply and solid waste management projects.
- Facilitate recruitment of quality consultants for preparation of DPRs.
- Review the Detailed Projects Reports (DPRs) for precision and detail and provide feedback as necessary. A first level thorough review, before submission to MoUD will ensure that time is not lost in clearing the DPRs.
- Preparation of reports on implementation of projects in the state to ensure that timelines committed at the time of approval are adhered to.

Training

Building capacity and skills of municipal staff is a priority of the Mission. The Consultant will constantly assess the training needs in engineering and assist ULBs to access quality training, on site or at recognized centres of excellence.

Qualification

- Engineering degree with broad range of experience in urban infrastructure and strong background in public health engineering, especially water supply and sanitation, roads and municipal waste management.
- Ability to assist ULBs to set standards and procedures for ensuring quality and monitoring compliance.
- Familiarity with legislative framework of Indian municipal environment.
- Prior experience as municipal engineer will be an added advantage.

1.5.4. MIS Expert

PMES related responsibilities: The primary responsibility of the MIS expert will be to support speedy internalization of the PMES and accurate reporting through the same and strive to improve

the IT systems of JNNURM and proactively recommend ways to make it more user-friendly and efficient.

Monitoring and Reporting on E-governance reforms: The officer shall monitor and report the progress to the Mission Directorate on implementation of the following e-governance reforms as per the milestones committed in the MoA:

- Property tax
- Accounting
- Water Supply and Other Utilities
- Birth & Death Registration
- Citizens' Grievance Monitoring
- Personnel Management System
- Procurement and Monitoring of Projects
 - E-procurement
 - Project/ward works
- Building Plan Approval
- Public Health Management
- Licenses
- Solid Waste Management
- Setting up of citizen interface centres like kiosks etc.

Training: Encourage use of IT to produce training materials and manuals; increasingly impart an understanding and use of e-learning among staff ; stay abreast of latest developments in the IT sector and transfer emerging technology as relevant to both the SLNA and the ULBs.

Qualification

- Degree in Information Technology from a reputed university and experience of setting up PMES systems, preferably in the urban sector.
- Familiarity with JNNURM Program Monitoring and Evaluation System or any earlier involvement with JNNURM will be an added advantage.

1.5.5 Municipal Finance Expert

Overall responsibility to promote and support prudent financial management practices:

The Municipal Finance Expert will need to play a key role in the accounting reforms initiatives and guide ULBs to move to the accrual accounting system and undertake all preparatory work, data migration, training initiatives, piloting, implementation, trial runs, etc. of the reforms. He/She shall render advice on all financial matters; facilitate recruitment of local professional accounting firms appointed for implementation of modern accounting systems at the ULB; assist in relevant training programmes; provide feedback to SLNA on constraints being faced in implementation the accrual accounting and any other financial procedures of JNNURM; facilitate auditing of accounts.

Improving financial viability of ULBs: The consultant shall work with ULBs to enhance revenue

stream of ULBs and explore potential for raising debt capital for projects, assess financial viability of investment plans, etc. He/She shall ensure speedy implementation of State level actions for implementation of reforms w.r.t. property tax, user charges and other finance related reforms; assist in raising of loans/ issue of municipal bonds for capital projects; facilitate ULBs in credit rating exercise on an annual basis, and initiate measures to ensure stability or improvement in ratings.

Assist SLNA in managing efficient and timely funds flow to the ULBs: He/She shall support consolidation of financial reports from the ULBs for submission to MoUD, introducing Best Practices to comply with all statutory requirements, including but not limited to fiscal accountability and disclosure requirements.

Reporting to Mission Directorate on status of following reforms:

- Enactment of Public Disclosure law
- Internal earmarking budgets for basic services to the urban poor
- Property tax reforms to improve coverage and collection efficiency
- Levy of User charges
- Stamp duty rationalisation
- Rent control
- Repeal of ULCRA

Qualification

- Graduate degree in Finance from recognized university.
- Skills to evaluate urban infrastructure investments, and helping city governments to examine and use a range of options for financing projects.
- Experience to advice and train staff in municipal finance, project finance and resource mobilization, public private partnerships etc.

1.5.6. Social Development Expert: Urban Governance/Community /Institutional & Capacity Development

The Social Development Expert plays a key role in taking forward the core principles of JNNURM with regard to appreciation and implementation of the reforms, internalizing stakeholder consultations into the operating procedures and practices of infrastructure development and optimizing the community participation in urban governance.

a. Advisory Support

- Assess barriers and constraints, demand problems, institutional weaknesses, absorptive capacity constraints to implement infrastructure projects and urban reforms, issues of sustainability of created assets, and other social and institutional risks at state and ULB level.
- Render advice on all matters pertaining to governance, social development, community participation, urban poverty alleviation
- Guide and support implementation of mechanisms for pre-project community consultations and streamlining their inputs into evolving versions of the CDPs and DPRs prepared by ULBs in the State.

- Guide and support effective and transparent use of the Community Participation Fund (CPF) by user groups in the select cities
- Devise communication strategies to make the communities aware of their responsibilities in keeping cities clean, preserving and helping in making the investments secure and complying with requirement of the reforms.
- Assist ULBs to identify and address gender gaps in coverage of services, access to training and opportunities for economic activities,
- In the wake of decentralization effective interface among staff of ULB and associated parastatal institutions is critical. The Consultant shall help establish mechanisms for dialogue between elected representatives, staff and clients.
- Oversee the timely preparation and periodic updating of city's poverty profile, in tandem with the Basic Services for Urban Poor (BSUP) and other poverty focused programs of the State.
- Establish Networks with civil society and private sector, and other line departments such as health, education and social welfare in order to bring convergence of their schemes/ leverage their schemes with projects under UIG.
- Facilitate the implementation of following governance related reforms:
 - 74th Constitutional Amendment Act
 - Constitution of DPC and MPC
 - Administrative reforms
 - Structural reforms
 - Revision of Building bye laws
 - Enactment of Community Participation Law
 - Provision of basic services to urban poor

b. Monitoring, Evaluation and Systematic Learning

Most infrastructure project monitoring and evaluation systems measure strictly quantifiable, technology-dependent variables, such as the number of systems installed, number of household water or sewerage connections etc. They typically are not designed to measure social development impacts, often resulting in the masking of consumer choices and perceptions of the level of service, tariffs, etc. of the users, particularly the underserved. The Consultant will need to:

- Ensure that information related to social development indicators/elements are adequately captured in data bases, analyzed and the emerging findings applied in practice.
- Design and implement consumer satisfaction surveys periodically. Sending out brief questionnaires along with water bills to be completed and returned at the time of payment is a relatively low cost method of soliciting consumer opinions at the ULB.
- Monitor the expenditure on improvement of urban services to the poor and overall social impact of projects implemented under JNNURM.
- Monitor and report to the Mission Directorate on the progress of reforms listed above.
- Organize studies, surveys etc. to document lessons and disseminate good practices across the

state, through state initiatives and by participating actively in PEARL (Peer Experience and Reflective Learning) program of JNNURM.

Qualification

- Masters or doctoral degree in Social Sciences, with practical experience of working in the development areas, preferably in urban development
- Wide knowledge and experience in implementing governance reforms
- Training in organizational behaviour and management of institutional change processes
- Experience in designing capacity building activities, preferably in the municipal environment

Section 1 of this toolkit can serve as a model Terms of Reference for the PMU.

2. Sanction of Proposal for PMU

2.1 Criteria / Eligibility

- Only states that have signed the MoU with the Ministry of Urban Development are eligible for support for PMU
- To create greater synergy between various components of the Mission it is recommended to constitute a single State Level Nodal Agency for JNNURM for every state. Therefore states with a single SLNA for JNNURM would only be eligible for support of a Program Management Unit.

2.2 Components admissible

The support for the PMU would be limited to:

- Reimbursement of professional fee of the experts and support staff comprising the PMU
- Travel expenses incurred by the PMU team for JNNURM related visits / meetings etc.

The following items are ineligible for support from the Mission:

- Capital expenditure on equipment like photo copier, lap tops etc.
- Construction / renovation of office space / office furniture
- Purchase of vehicles
- Regular salary
- Development / maintenance of websites.

The above items and other administrative costs will have to be borne by the SLNA

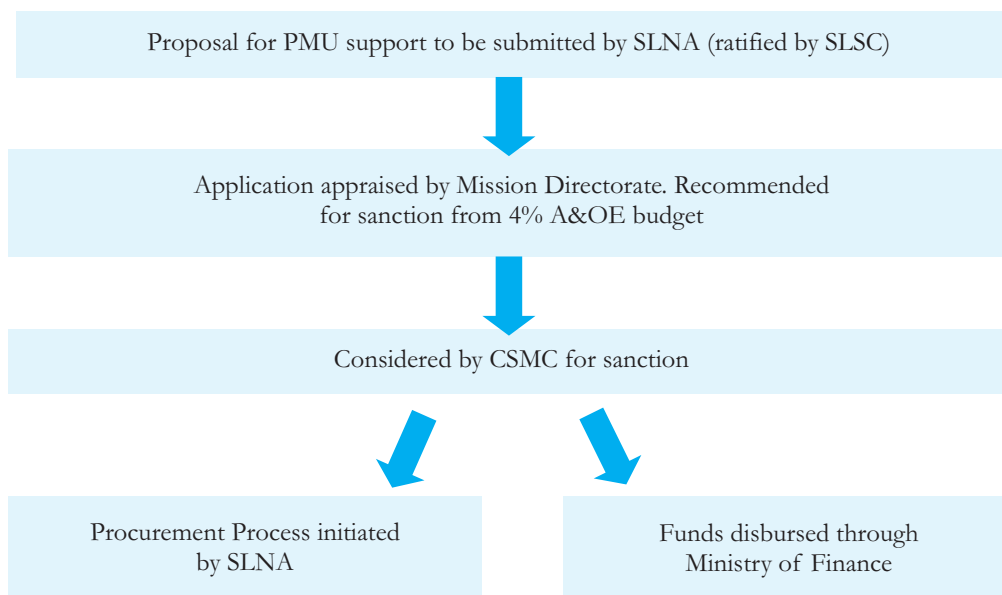
2.3 Process of sanction of proposal for creation of PMU

The SLNAs are expected to send Proposals for PMU based on the guidelines issued by the Mission Directorate. The proposals should also justify the need for specific skills and competencies as against the role envisaged for the PMU. The proposal for PMU support must be approved by the respective SLSC before submission.

The proposals would be reviewed by the Mission Directorate and would be recommended to CSMC for approval and sanction after examination. On approval of assistance for setting up the PMU, the SLNA can initiate the procurement process.

Selection and recruitment of the PMU is recommended to be undertaken by the SLNAs / state departments as per their respective procurement guidelines.

The SLNAs are recommended to submit reimbursement claims for PMU every six months.

Process flow for PMU sanction**2.4 Financing of PMU**

It is proposed to draw the budget for establishing the PMU from JNNURM allocation of 4% for administration and other expense (A & OE) sanctioned, under the Mission. The Mission Directorate proposes to support remuneration of the PMU as per actuals, with a cap of Rs. 1 crore per annum. The MoUD's support to the PMU is proposed for a period of 3 years, without any increase in remuneration.