



IL&FS IDC Services offered for JNNURM and UIDSSMT Schemes

 **IL&FS** Infrastructure Development
Corporation Limited



Salient Features of JNNURM

- Jawaharlal Nehru National Urban Renewal Mission (JNNURM), the most ambitious urban program in the history of India
- JNNURM is a Government of India initiative aiming at encouraging reforms and fast track planned development of identified cities.
- Focus is on efficiency in urban infrastructure and service delivery mechanisms, community participation and accountability of ULBs/parastatal agencies towards citizens
- Total support from GOI is Rs. 50,000 cr. with matching contribution by cities/states over next six years (2006-12)
- Investment of around Rs. 1,50,000 cr. envisaged



JNNURM- Two Track Strategy

JNNURM

Track-I

**For
63 Identified
cities**

**UIDSSMT &
IHSDP***

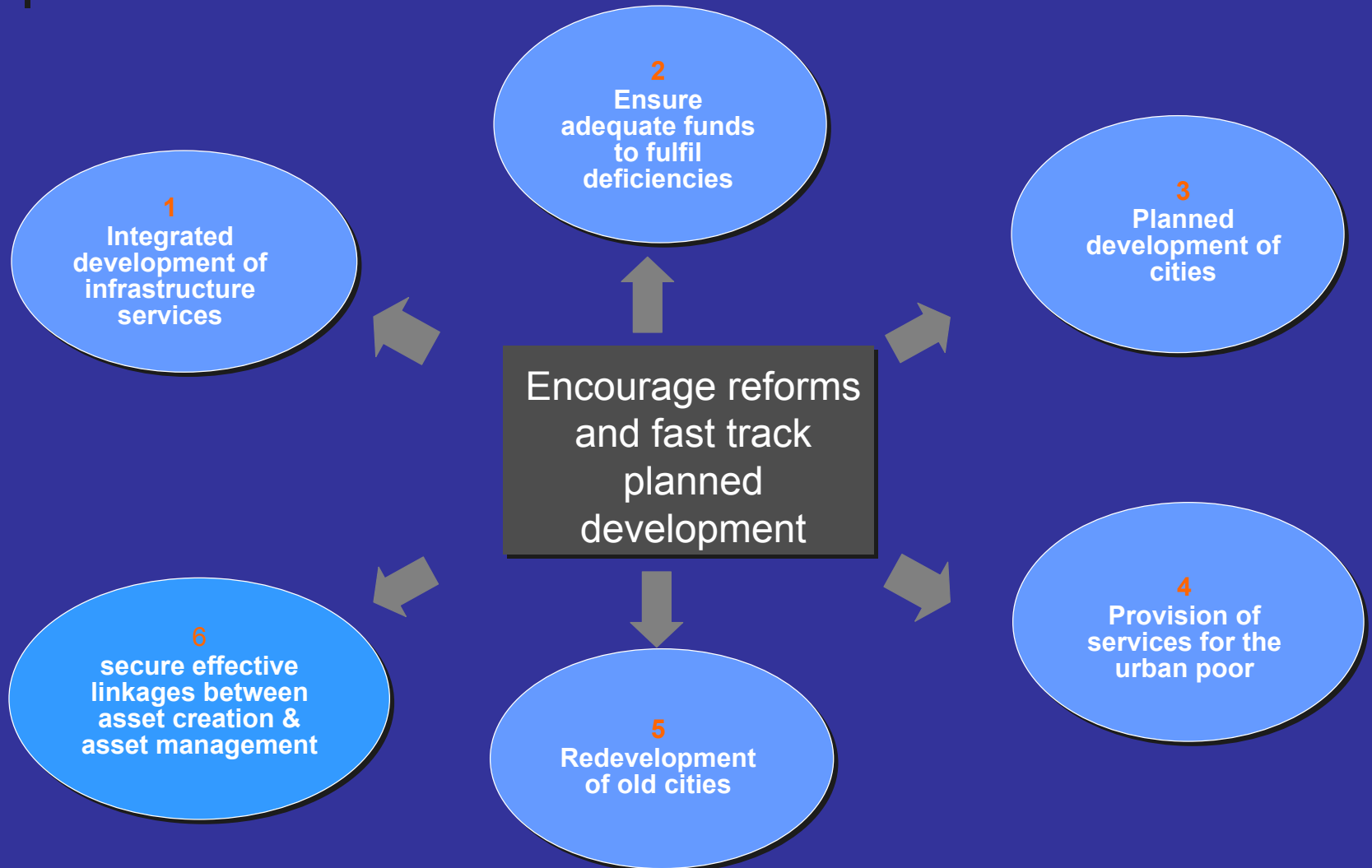
Track-II

**For
Other
cities**

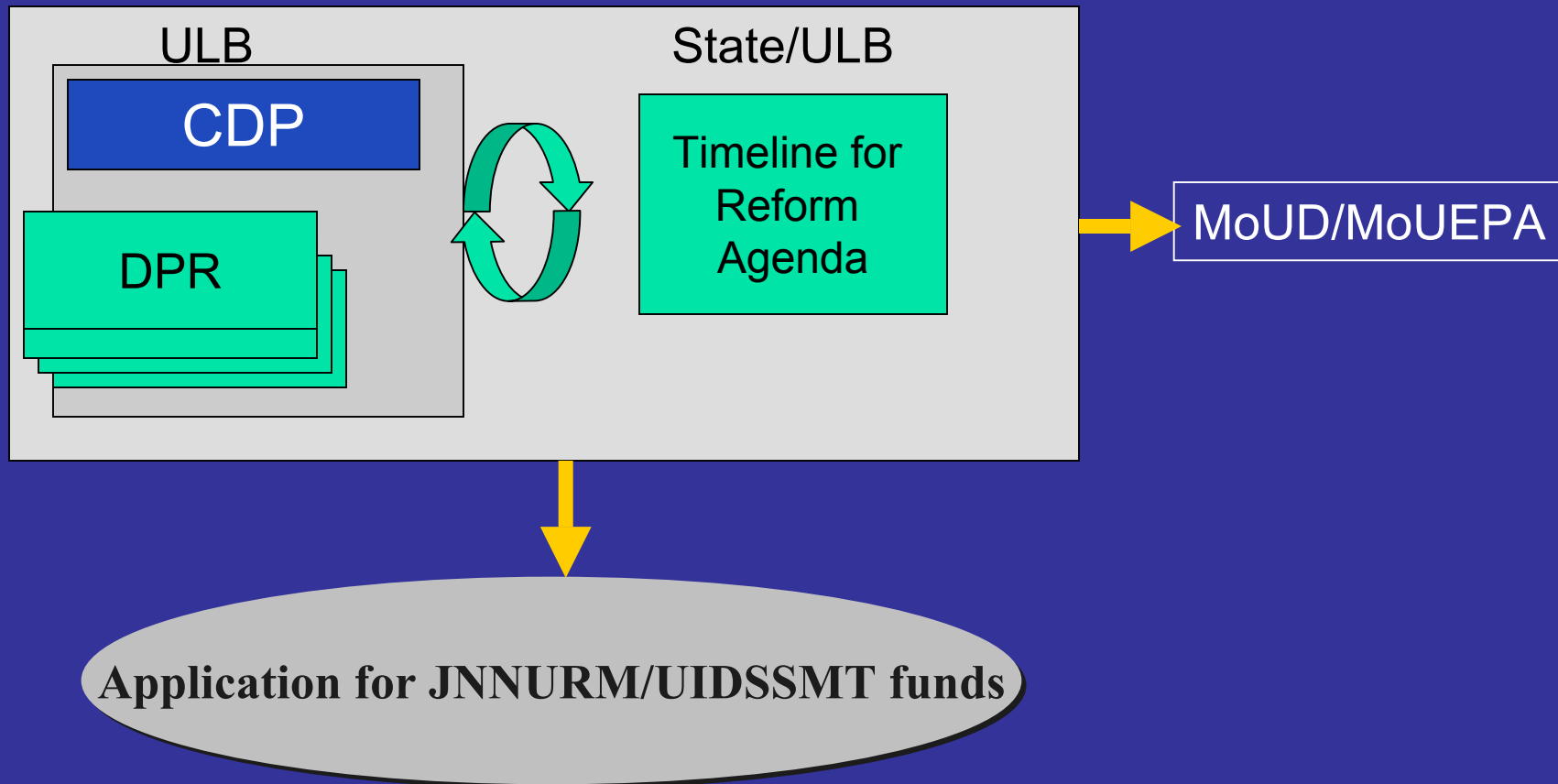
Guidelines largely same as JNNURM but CDP not mandatory for UIDSSMT towns



Objectives



Key Elements





CDP Objective

JNNURM: “create economically productive, efficient, equitable and responsive cities”

Facilitate Local Economic Growth

pro-growth

Improved municipal
services

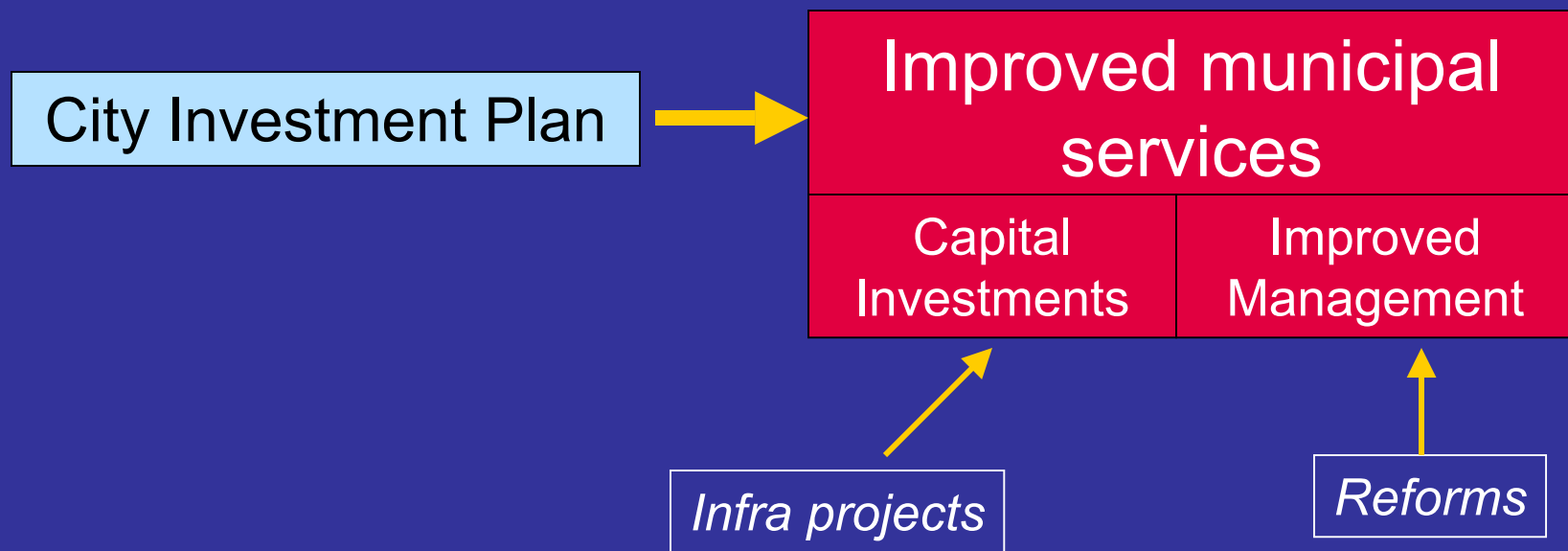
pro-poor

Improving Conditions for Poor



CDP in JNNURM

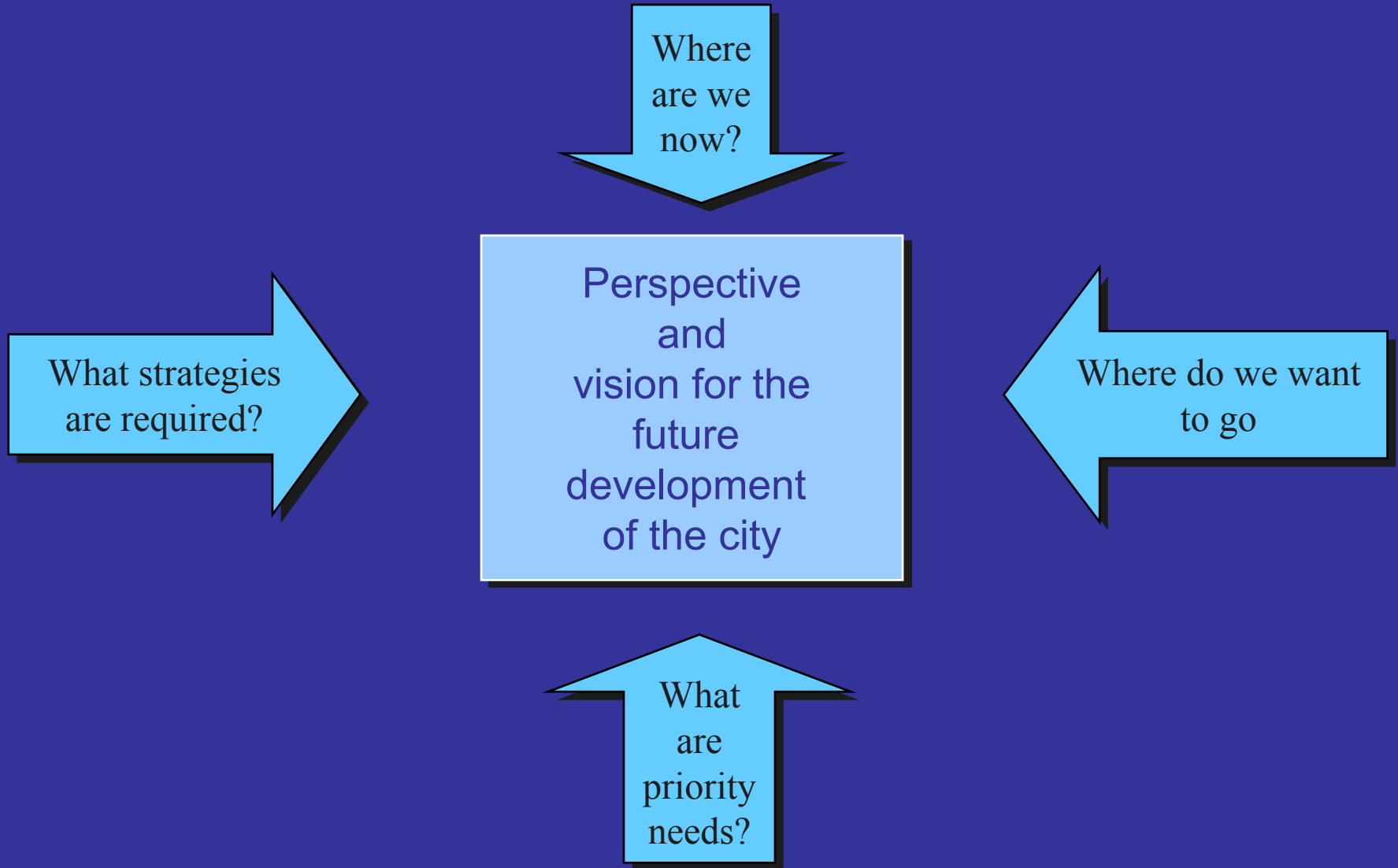
CDP culminates with **Projects & Reform** Investments



Key Issue – How to structure projects to supplement GoI grants and get investments to bridge gap?



City Development Plan





Components of JNNURM

Admissible Components

- Urban Renewal
- Water Supply (including Desalination & Sewerage)
- Solid Waste Management
- Storm Water Drains
- Urban Transport
- Parking spaces on PPP basis
- Development of heritage areas
- Prevention & rehabilitation of soil erosion (only in case of Special Category States)
- Preservation of water bodies

Inadmissible Components

- Power
- Telecom
- Health
- Education
- Wage employment & staff components

UIDSSMT

- Power and telecommunication work
- Rolling stock like buses and tram
- Health and educational institution
- Urban transport (MRTS, LRTS etc.)
- Wage employment and staff component
- Maintenance works



Key Reforms

MANDATORY REFORMS

CITY- LEVEL

- Accrual-based double entry system of accounting Introduction of system of e-governance
- Reform of property tax with GIS
- Levy of reasonable user charges (Full recovery of 100% O&M charges)
- Internal earmarking of budgets for basic services to the urban poor
- Provision of basic services to urban poor

STATE-LEVEL

- Enactment of public disclosure law
- Implementation of 74th CA
- Enactment of community participation law
- Assigning or associating elected ULBs with “city planning function”
- Repeal ULCA and Reform Rent Control Laws
- Rationalization of Stamp Duty to bring it down to no more than 5% within next five years.



Key Reforms

OPTIONAL REFORMS

- Revision of building bye-laws and streamline approval building process
- Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.
- Introduction of Property Title Certification System
- Earmarking at least 20-25% of developed land in all housing projects for EWS/LIG category
- Introduction of computerized process of registration of land and property
- Revision of bye-laws to make rain water harvesting mandatory in all buildings and adoption of water conservation measures
- Bye-laws for reuse of recycled water
- Administrative reforms
- Structural reforms
- Encouraging Public Private Partnership



Funding Pattern

As Percentage of Total Project Cost

Urban Infrastructure and Governance Funding Pattern	Grant		ULB/Parastatals/Loan from Financial Institution
	Centre	State	
Cities with 4 million plus population	35%	15%	50%
Cities with million plus but less than 4 million population	50%	20%	30%
Cities in North Eastern States and J&K	90%	10%	
Other Cities	80%	10%	10%
Setting up de-salination plants	80%	10%	10%

Note: The above funding pattern shall not apply to MRTS Projects



Services offered by IIDC

- IIDC brings complementary skills across sectors and States in India and shares financial risk of development.
- IIDC can provide following services:
 - Project identification, through an integrated approach towards improvement of services
 - Technical, financial and managerial resources to undertake project development.
 - Project structuring for implementation in suitable Public Private Partnership (PPP) formats
 - Contractual framework for different PPP options



Services offered by IIDC

- Project marketing through relationships with Private Sector and Financial Institutions
- Financial closure
- Project monitoring and supervision during the operation period of the Project.
- Assistance in implementation of Reform Agenda
- Training and capacity building, developing information, education and communication (IEC) systems



Possible Role of IIDC ...1

Assistance to SLNA

Pre-Project Development

- Development of Timeline and Action Plan for implementation of reforms, considering the financial implications for inclusion in the tripartite MoA
- Appraisal of CDP/DPR
- Assistance in obtaining sanction from MoUD
- Training and capacity building, developing Information, Education and Communication (IEC) systems

Project Development

- Project Appraisal
- Fund Management for Projects/ Revolving Fund
- Merchant Banking for leveraging funds

Post Disbursement

- Monitoring of physical and financial progress of sanctioned projects
- Monitoring the implementation of reforms
- Co-ordination with MoUD for monitoring progress of projects
 - Utilisation & completion certificates
 - Project completion reports



Possible Role of IIDC ...2

Assistance to ULB/ Parastatal Agency

Pre-Project Development

- Development of Documentation to receive sanctions including Preparation of CDPs and DPRs
- Development of Timeline and Action Plan for implementation of mandatory & optional reforms

Project Development

- Project Structuring and development of legal and institutional frameworks for implementation in PPP
- Financial Engineering
- Preparation/Appraisal of DPRs
- Marketing of PPP Projects
- Assistance in procurement of Developers/ Consultants
- Financial/ Contractual negotiations
- Merchant Banking
- Training & Capacity Building

Post Disbursement

- Project Management & Monitoring during implementation
- Preparation of Quarterly Progress reports
- Assistance in implementation of reforms such as
 - Double entry accounting system
 - GIS based Property Tax reforms
 - E-governance, IT applications, MIS etc.



Possible Institutional Structure

- IIDC can partner with Government Agencies to deliver the JNNURM Program at the State or ULB level by:
 - Forming a Special Purpose Company (SPC) for implementation of JNNURM Program or creating Project Specific companies
 - Contributing to Project Development cost by establishing Project Development Fund for developing PPP projects
 - Project Advisor for JNNURM projects



IIDC: Initial Involvement in JNNURM

Center

- Ministry of Urban Development: IIDC involved in preparation of the toolkits and assisted MoUD during regional workshops

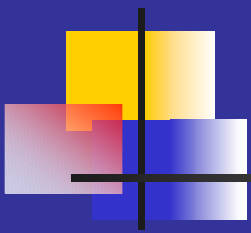
State-Cities

- Preparation of CDPs for:
 - Asansol-Durgapur
 - Guwahati:
 - Dhanbad
 - Shimla
 - Imphal
 - Jaipur
 - Ajmer-Pushkar
 - Other UIDSMMT towns in Rajasthan
- Preparation of DPRs and taking up reforms agenda is underway in many cities and states.



IIDC: Present Involvement in JNNURM

- IIDC is in partnership with various states and ULBs for Integrated Project Management consultancy services like Preparation of DPR s, Project Development and Project Management etc. :
 - Guwahati (Partnership with GMDA)
 - Kolkatta (Partnership with WBIDC & KMDA)
 - Rajasthan (PDCOR with RUIFDCO)
- IL&FS through its Urban Desk is Program Manager for implementing JNNURM programs in various ULBs including Nanded, Maharashtra
- IL&FS provides finances to urban local bodies through Pooled Municipal Debt Obligation Facility



Let's Partner for
Implementation of
JNNURM and UIDSSMT

