

# **ASIAN DEVELOPMENT BANK**

TA NO. 7055-IND: Capacity Development of National Capital Region Planning Board  
(NCRPB) – Package 1 (Components A and C)

## **INTERIM REPORT**

**May 2009**

Submitted By:

**Infrastructure Professionals Enterprise (P) Limited, India**

*in association with*

**Tamil Nadu Urban Infrastructure Financial Services Limited, India**

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# 1 CURRENT PROJECT STATUS

## 1.1 Background

1. The current ADB Technical Assistance (TA) to National Capital Region Planning Board (NCRPB) aims to strengthen the capacity of the Board in the areas of planning for urban infrastructure and imparting necessary skills to conceive, design, develop, appraise, finance and implement good quality infrastructure projects. This TA further aims to strengthen the capacity of state level NCR Planning and Monitoring Cells, and other implementing agencies involved in implementing the NCR Regional Plan 2021. This TA is expected to assist NCRPB in defining a road map for its future and to maximize its potential in regional planning and infrastructure financing.

2. Infrastructure Professionals Enterprise Pvt. Ltd. (IPE) in partnership with the Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) initiated the TA activities on 13 October 2008. An inception report outlining the deliverables, revised work plan and consultant's inputs was submitted on December 1, 2008 and further revised incorporating feedback and comments received from client and ADB on December 12, 2008. The inception report also diagnosed areas for further intervention during the course of this TA, which was captured and presented in the diagnostic report.

3. Broadly, areas of intervention under this TA has been classified into (i) improvements in financial management (ii) leveraging resources and improvements in treasury operations; (iii) improving Business Process Reengineering (BPR) and development of an Enterprise Resource Planning Facility (ERP); (iv) improvements in project risk appraisal and risk management; (iv) mainstreaming public private partnership into NCRPB operations; (v) capacity building for implementing regional planning-2021; and (vi) development of Human Resource (HR) plan. The following section(s) of this report capture the progress against committed deliverables and presents the interim project status through the April 2009 period.

## 1.2 Interim Project Status

4. In brief, all deliverables till interim period have been submitted to NCRPB and ADB. These draft deliverables include the following outputs: (i) Financing Plan; (ii) Guidelines for Treasury Operations, (iii) Process Document with Maps and BPR suggestions; (iv) User Requirements and Good Practices MIS Manual; (v) Financial Management Manual; (vi) Risk Management Framework; (vii) Project Appraisal Process and Procedures (Vol I, II, III); (viii) Strategy for PPP/PPP Toolkit<sup>1</sup>; (ix) GIS Recommendations; (x) HR Gap Analysis and Findings; and (xi) Training Calendar and Identification of Partner Institutions.

5. Some additional outputs which are being prepared by IPE, which were not featured while conceptualising the TA but gradually evolved as useful tools for NCRPB are (i) Excel based Loan Tracking; (ii) Excel based Financial Model; (iii) Web Based Project Information System; (iv) Web Site (v) Web Based Project

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<sup>1</sup> In addition to toolkit, IPE has also preparing sector specific model contracts for mainstreaming PPP activities in NCRPB, viz, (i) Water Supply; (ii) Sewerage; (iii) Solid Waste; and (iv) Roads (Government of India - Concession Contract)

Monitoring System; (vi) Loan Tracking VB Based System; (vii) Web Based Planning Data Collection Module; and (viii) E Group in Yahoo.

6. IPE has also run short (2 hour presentations) on a number of these deliverables. The strategy is to conduct presentations with relevant parties/users; provide details of the manuals and applicability; and, to obtain comments (suggestions) for further improvement. Several of these manuals have already been revised and re-submitted for implementation. (PPP, Project Appraisal, Risk Management, Financing Plan).

7. A revised work plan is appended in annex-1 outlining key activities to be undertaken in the draft final and final phase.

## 2 SNAPSHOT OF DELIVERABLES

### 2.1 Financial Management Manual

8. The NCRPB Financial Management Manual (FMM) (Volume I and II) assembles existing as well as recommended policies and guidelines in respect of financial management of National Capital Region Planning Board (NCRPB). The financial policies contained therein serve as guidelines for both the financial planning and internal financial management of the NCRPB.

9. The financial management policies and guidelines in this manual are informed by the best practices in financial management and are in compliance with guidelines from Asian Development Bank (ADB), Comptroller and Auditor General of India (C&AG), Public Expenditure Financial Accountability Program (PEFA), Reserve Bank of India (RBI) and General Financial Rules. These guidelines also meet the specific benchmarks from credit rating agencies like ICRA and CRISIL.

### 2.2 Financial Plan and Credit Assessment

10. The demand for infrastructure including energy in NCR as highlighted in the Regional Plan 2021 estimate these investment requirements to be in the region of Rs. 3,00,000 crore for NCR alone. NCRPB is expected to support Rs. 15,000 crore of projects under the Eleventh Five Year Plan ending in 2012. It is quite likely that the quantum of projects that would need to be supported by NCRPB going forward in the next five year plan would be of a much higher magnitude.

11. NCRPB Fund has cumulative funds of around Rs 1800 crore as of March 2008, of which yearly internal accruals are Rs 100 crore approximately. However, in order to support projects aggregating to Rs 15,000 crore for the 11th Five-year Plan (2007-2012) NCRPB needs to leverage its existing credit position and explore other sources of financing.

12. The report on 'Financing Plan for NCRPB' was developed in the context of the changing landscape for infrastructure planning, development and financing in the NCR region. This report draws from the Diagnostic Study submitted as part of the Inception Report. The Financing Plan is part of the overall Business Plan under preparation for NCRPB and addresses issues related to resource raising. It does not address implementation issues particularly those relating to organizational structure and human resources. All aspects will be covered in detail in the Business Plan due for submission with the draft final report.

### 2.3 Treasury Operations

13. The NCRPB Treasury Manual (TM) assembles existing as well as recommended policies and guidelines in respect of treasury management of NCRPB. The treasury policies contained therein serve as guidelines for NCRPB with respect to its borrowing, cash and risk management activity. These policies should safeguard the fiscal stability required to achieve NCRPB's goals and meeting immediate and long-term objectives.

14. The treasury management policies and guidelines in this manual are informed by the best practices in treasury management and are in compliance with guidelines from ADB, C&AG, Public Expenditure Financial Accountability Program

(PEFA), Reserve Bank of India (RBI) and General Financial Rules. These guidelines also meet the specific benchmarks from credit rating agencies like ICRA and CRISIL.

## **2.4 Improving BPR and development of an ERP facility**

15. An assessment of existing Management Information System (MIS) covering (a) Project Monitoring and Coordination (PMC) Wing; (b) Finance and Accounts Wing; (c) Planning Wing, and (d) Administration had been completed and presented in the diagnostic study. Based on the existing MIS framework, processes were being mapped, following which, user requirements have been analysed and compiled as a User Requirement Document.

16. The MIS manual is also under preparation and several intermediate concept papers have been delivered to NCRPB in the areas of (i) non-negotiable features to be used in the ERP system (ii) outline of SRS document, (iii) integration of GIS technology and ERP systems, (iv) process mapping in the form of index cards for validation of core processes and key functions. List of various outputs provided to NCRPB with regard to the MIS and ERP component is appended in annex-3.

## **2.5 Project Risk Appraisal and Risk Management**

### **2.5.1 Project Appraisal**

17. Financial Intermediaries (FI) like NCRPB play an important role in building infrastructure and bridging financing gaps by driving reforms. In order to efficaciously mainstream the dual functions of planning and financing and to maximize efficiency in outputs, this project appraisal manual is developed to assist NCRPB and its partners in developing effective and efficient projects which would optimize their operations. Based on diagnostic study, it is felt that while systems and processes are largely in place, certain improvements will facilitate NCRPB in matching international best practice standards.

18. The objective of the NCRPB project appraisal manual is to offer guidance to NCRPB and its partner institutions with respect to project appraisals. In this regard, this manual has been written with a view to meet the needs of a wide range of users, including desk officers of the NCRPB, civil servants in the National Capital Region (NCR) and consultants engaged in the preparation or evaluation of investment projects. This manual also ensures a uniform conceptual framework, and appraisal language to be followed among practitioners at NCRPB.

### **2.5.2 Risk Management**

19. There are many management approaches to fulfil the value-for-money objective, such as benchmarking with performance indicators, and best practice, etc. One of the major ways to achieve the value for money objective is to bring risk management into governmental business development. Without a good risk management process, NCRPB and local government authorities are unlikely to achieve competitive advantage and excellent performance. The objective of the NCRPB Risk Management manual reflects specific requirements of NCRPB to offer guidance on risk management.

20. This manual should be viewed primarily as a contribution to a shared Government of India wide culture in the field of risk management and has been written with a view to meeting the needs of a wide range of users, including desk

officers of the NCRPB, civil servants in the National Capital Region and consultants in the preparation or evaluation of projects.

21. This document is part of a suite of guidance material (i.e. Project Appraisal Manual, PPP Manual) issued by the NCRPB to provide guidance on key technical issues that arise from the development and implementation of public sector investment projects and public private partnerships in the National Capital Region. The supporting documents detail the following issues related to risk management: Project Resourcing; Probity and process governance; Business case development; and, Contract development and Management.

22. The risk management document should be read in conjunction with other guidance material (i.e. Project Appraisal Manual, PPP Manual) as each contain relevant information that is not duplicated herein. The purpose of the risk management supporting document is to: Introduce risk and risk management in a project development and public private partnership (PPP) context; Identify major risk relevant to PPP projects and outline the associated commercial issues; Increase NCRPB's understanding of risk allocation and the likely objectives of public and private parties when negotiating risk allocation; and, Indicate the government or NCRPB's preferred position on allocating major risks and offer guidance to practitioners on how these risks should be addressed in their particular project.

## **2.6 Pubic Private Partnership**

23. A presentation was made to the board on January 06, 2009 on options of mainstreaming PPP into NCRPB project pipeline covering areas such as types of PPP relevant to the organisation, various modalities, case studies and road map. A concept note on the same was submitted subsequently. Comments and feedback by key officials were noted and a detailed strategic framework was prepared and submitted to NCRPB as PPP toolkit.

24. As NCRPB is playing a major role in planning and creation of infrastructure in NCR, it is proposed that NCRPB should take the lead in promoting investments through PPP frameworks by catalyzing private investments in the region. In addition to leveraging the available funds with NCRPB by facilitating private sector investment, implementing projects in PPP frameworks have the potential to access advanced technologies and improve efficiency in project operations. It is therefore important for NCRPB to adopt and implement best practices in project development, project structuring, managing the bidding process, contract negotiations and contract monitoring and evaluation, and post award of project accordingly.

25. The objective of the PPP toolkit reflects specific requirements of NCRPB to offer guidance on public private partnerships. This toolkit should be seen primarily as a contribution to a shared Government of India wide culture in the field of public private partnerships. This toolkit has been written with a view to meeting the needs of a wide range of users, including desk officers of the NCRPB, civil servants in the National Capital Region and consultants in the preparation or evaluation of public private partnership (PPP) projects. Its primary objective is to ensure a broad PPP conceptual framework and a common language among PPP practitioners at NCRPB and the various government departments that comprise the National Capital Region (NCR).

26. This manual was designed to: assist the NCRPB and NCR government bodies in determining when public private partnerships should be considered in the delivery of services; provide guidelines on how NCRPB and NCR government bodies can prepare themselves for the delivery of services using public private partnerships; and, sets out recommended guidelines for each stage of the partnership building process.

27. Based on discussions with the Board generic contracts based on various sectors will be included and the project team will continue developing 2 NCRPB case studies. Based on feedback and suggestions, an institutional framework, PPP evaluation criteria and generic contracts for specific sectors were also developed and added to the manual.

## **2.7 Capacity building for implementing Regional Plan-2021**

### **2.7.1 Best practice study tours**

28. The first of two Study Tours aimed at exposing stakeholders in the NCRPB and implementing agencies to global best practices in managing integrated capital region development and planning and implementing projects was undertaken between Monday 16<sup>th</sup> and Thursday 26<sup>th</sup> March 2009. Delegates visited Seoul, Kuala Lumpur and Singapore where they met with a wide range of agencies involved in the following: inter-jurisdictional issues related to planning and implementation over the region; management of complex infrastructure related projects/issues; GIS applications for regional, sub-regional and development planning; and Specific infrastructure or other development projects where lessons learned may be relevant for the Indian context.

29. A report on experiences and lessons learnt which may be applicable for the NCR is currently being compiled by the delegates.

30. The second Study Tour is planned to take place during the last two weeks of June 2009 and will visit London and Madrid.

31. An International Conference will be held in Delhi later this year (possibly September-October) to further discuss issues and varying worldwide approaches to Capital Region planning. Representatives of the visited capital regions will be invited to attend to present their views and discuss their experiences with local/international planners and academics.

### **2.7.2 Status of implementation of GIS**

32. At a meeting on 5<sup>th</sup> March 2009, NCRPB and Project staff discussed elements of the proposed Action Plan for GIS with a view to determine the overall use and operation of the proposed GIS system. It was agreed that the NCRPB would next form a committee to discuss the best means of obtaining professional expertise to assist in setting up the GIS system. The NCRPB would then be able to decide whether this assistance should come from an independent GIS expert, a local specialist GIS company; or a government agency with extensive GIS experience.

33. However, it was agreed that the GIS would not only be intended for use at regional plan level but would also be utilised for the collection and analysis of data for use by the States in the preparation of sub-regional and development plans. This has significant implications for the level of detail required and hence the high quality of the initial remote sensing to be acquired.



34. One of the key topics identified for study during the upcoming overseas visits is the use of GIS for regional, urban and development planning. It is expected that additional feedback to the above Steps will be forthcoming as a result of access to best practices in selected Study Tour locations.

## **2.8 Development of Human Resource (HR) plan**

35. The HR plan looked at existing staffing level and suggested new recruitments based on proposed financing plan and business strategy which envisages significant growth in NCRPB funding in creation of a technical assistance/project development facility. NCRPB wanted a model based on more outsourcing and less permanent recruitment. Further, with the proposed ERP systems. It was felt that support staff would need to be re-trained and re-deployed.

36. Both options have now been incorporated in the HR plan. The final organisation and institutional structure with appropriate staffing will be finalised in conjunction with the business plan under preparation.

### 3 WAY FORWARD

37. Based on detailed review of NCRPB's operational realities identified during the inception phase, we have developed manuals and plans for different functions in NCRPB to facilitate process improvements and concomitant capacity building of NCRPB staff. The manuals and reports prepared in the interim phase would serve as the platform on which implementation of suggested improvements in business processes and institutionalization of the same can be achieved. We also realise that providing best practice manuals alone would not be sufficient to bring about capacity development of staff members. Therefore, capacity development of staff and process improvements through actual implementation to the extent feasible (given the time-frame of the TA) would form the cornerstone of our approach to the draft final stage.

#### 3.1 Preparation of Business Plan

38. Detailed Business Plan capturing recommendations under various studies carried out in the inception and interim stage such as the diagnostic study, financing plan, HR plan and business process re-engineering in an integrated manner will be prepared. This plan will spell out the vision for NCRPB and the strategies to achieve the same including assessment of time frames, man-power requirements, organization structure and appropriate funding and product strategies. The Business Plan will delineate strategies for individual sector along with suitable models for project implementation.

39. Risks emanating from the proposed business strategy will be identified and suitable risk mitigation strategies will also be recommended in the business plan.

#### 3.2 Improvements in Financial Management

40. The Financial Management Manual (FMM) recommends policies and guidelines in respect of financial management of National Capital Region Planning Board (NCRPB). The financial policies contained therein serve as guidelines for both the financial planning and internal financial management of the NCRPB. As immediate implementation, it is recommended that NCRPB may adopt accrual based computerized accounting system using latest "Enterprise based Tally 9".

41. We therefore propose to hire a 'financial management and accounting specialist' to assist NCRPB in implementing the recommendations of the FMM and facilitate migration of accounting systems to the latest version of Tally (Ver 9) through hand-holding exercises. In addition, we envisage the accounting specialist would perform the following activities:

- i. Procurement and training in advanced level of Tally software, especially for preparing reports in defined formats by CA&G;
- ii. Hand-holding in preparation of completed financial statements meeting deadline of annual financial statements of government before May 31st;
- iii. Assisting NCRPB in designing a Chart of Accounts to capture the financial information required to prepare meaningful reports consistent with the accrual accounting;

### **3.3 Immediate process improvements**

42. We have commenced work on BPR of all functions of NCRPB. Standard operating procedures in the form of manuals for treasury and financial management functions have, as of April 2009, been completed.

43. In-house training sessions and workshops using the toolkits developed through this TA have commenced. But more training is warranted to institutionalize suggested process improvements. We therefore propose to start the implementation of some of the proposed process improvements so that user feedback is incorporated in the proposed SRS specifications for a future ERP system procurement.

### **3.4 Leveraging NCRPB resources for infrastructure investment**

44. The financing plan submitted as part of the interim phase lays the ground work for the business plan in terms of demand identification, financing sources and product strategies. As part of recommendations, a project development facility within the NCRPB fund is proposed to be created within the next few months. This will facilitate NCRPB in addressing the current gap in operation where the vision outlined in regional plan falters due to dearth of projects compliant with it.

45. We also propose to assist NCRPB in leveraging resources in accordance with the strategies suggested in financing plan. We also propose to examine the feasibility of introducing non-fund based products such as credit enhancement for a bond issue by a few municipalities in the region under the Pooled Finance Development Fund of Ministry of Urban Development.

### **3.5 Enhancing effectiveness of lending operations**

46. We propose to analyse NCRPB's current project pipeline and recommend changes in project structure including using PPP models where feasible. Further, suitable risk mitigation framework would be developed with active participation of NCRPB staff by recommending changes in project contours and use of suitable credit enhancements. We expect this handholding exercise over the next few months by the Project Appraisal expert to be more effective in institutionalizing robust credit appraisal frameworks apart from providing toolkits.

### **3.6 Develop framework for screening project pipeline under PPP models**

47. While PPP projects are new to NCRPB, they offer an effective mechanism for leveraging resources and harnessing private sector capacity. Our recommended strategy for mainstreaming PPP initiatives at NCRPB is to focus on sectors such as power and transportation where use of PPP models is already demonstrated in the country. In this context, we will assist NCRPB in identifying suitable projects for further development under PPP model from the transport plan. We will also assist NCRPB in fine-tuning its strategy for promoting PPP projects in the power sector in the region. We will also examine the feasibility of taking up few projects in the water supply, sewerage and sanitation sector for project development under PPP frameworks through proposed Project Development Fund.

### **3.7 Learning from international best practice**

48. Unofficial feedback from the first study tour delegates suggests that some lessons learnt from several of the agencies/locations visited may be appropriate for the NCR context. In particular these include: collection and distribution of water supplies through various means; GIS applications to assist in overall planning and monitoring of development; and environmental initiatives which have a major impact on urban liveability.

### **3.8 Preparation of Model City Development Plans**

49. NCR cities lack a proper pipeline of projects including a long term vision to strategically undertake investments in infrastructure improvement. Most of the City Development Plans (CDPs) prepared till date focus on the minimum requirements of JNNURM and targets to meet limited projects through Government of India or state funding.

50. After discussion with ADB and agreement with NCRPB, it is proposed to prepare three model CDPs for selected towns within National Capital Region in order to identify projects based on local requirements (including local economic development) and priorities which can then be taken up for further development and financing. This will lead to a pipeline of projects derived from stakeholder's consultations and infrastructure assessment of the town. These CDPs will also screen all the project opportunities to identify bankable projects which can be implemented in PPP model. Potential CDPs evolved after an initial discussion with NCRPB are (i) Ghaziabad-Loni, (ii) Gurgaon-Manesar, and (iii) Sonapat-Kunduli.

51. Detailed terms of reference, timelines and key outputs to be delivered are appended in annex-4.

### **3.9 Planning for human resource**

52. Recommendations on Human Resource Planning suggest management of human resources of NCRPB through recruitment, career development, performance management and institutional incentives as suggested also by the Sixth Central Pay Commission. It suggests recruitment and outsourcing in the context of project development facility and related to the conceived transformation of NCRPB into a financial intermediary.

53. NCRPB needs to recruit positions for strengthening its project management and coordination cell, which is currently the weakest and yet crucially important for translating the RP2021 into action. Besides, it would also be to create in the planning wing for strengthening for planning of infrastructure projects such as water supply and sanitation, roads and transport, power and telecom.

### **3.10 Capacity Building and Training**

54. Based on the TNA identified in the interim phase, we now propose to conduct a series of training programmes on project appraisal and project development and structuring involving external experts from IIMs and other premier organisations. The idea is to expose NCRPB staff to the latest developments in the field and make them aware of best practices in different areas. These forums will be beneficial as

NCRPB staff will work on actual appraisals and will be given feedback on submitted appraisal documents.

55. Apart from this exposure, we also propose to send a few key staff members to specialized finance related training programs at IIMs.

56. Tentative training areas evolved during TNA exercise and outlined in training plan is appended in annex-5.

## 4 OUTCOMES OF TA

57. Based on approach outlined above, we expect the TA would have an impact on current operations and future business strategies of NCRPB. The proposed **Business Plan** will encapsulate our vision for transforming NCRPB into an important player in infrastructure planning, development and financing in the region. This in turn would facilitate NCRPB to achieve its larger objective of fostering economic development in the region. We hope that the process of translating of the vision into practice would have achieved significant progress at NCRPB by the end of this TA.

58. The **Business Process Re-engineering** exercise as well as the intermediate software solutions currently under development and implementation would lead to measurable process improvements and enhance operating efficiencies at NCRPB. Further documentation of all processes as well as facilitating implementation would enable NCRPB to go in for ISO certification at a later date.

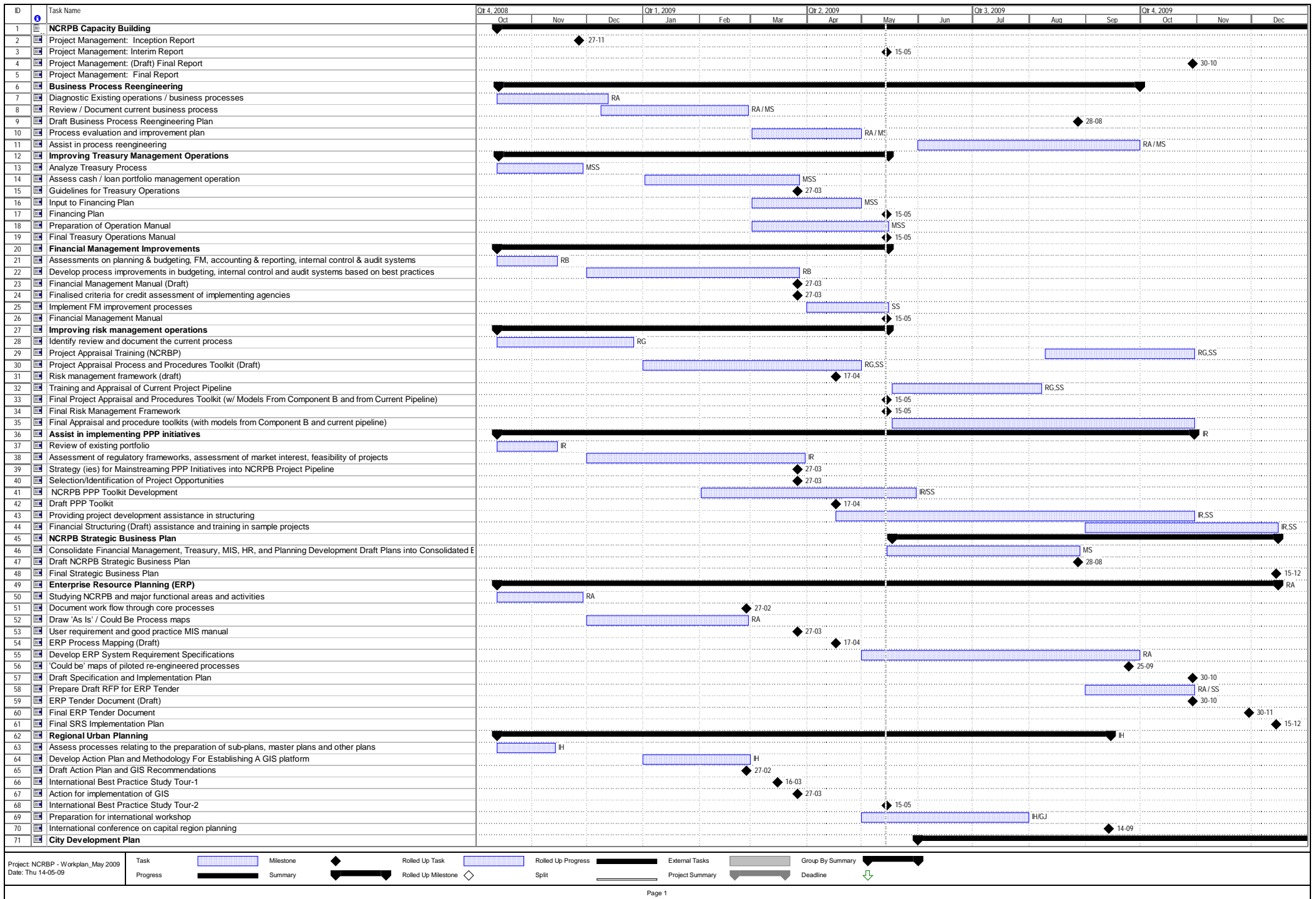
59. The on-going **training programmes**, hand-holding during implementation and best practice study tours are expected to enhance staff skill and awareness on recent trends and practices in planning and financing.

60. This TA is expected to foster use of **GIS tools** for better implementation and monitoring of the Regional Plan 2021. This TA is also expected to deliver a web-based information system for use by the planning function which would again have an impact on functioning of the planning departments and NCR cells.

61. One of critical issues impacting NCRPB's functioning is the failure to translate the regional plan into implementable project ideas. In line with the strategies proposed in the business plan which recommends identification of critical infrastructure gaps in the plans and supporting project development for the same through the PDF, the TA will demonstrate the use of city development plans as tools for project identification and prioritisation based on stakeholders' consultation. This approach will also screen projects for suitability of implementation under PPP modules and restrict conventional debt financing from NCRPB fund to those projects which are not amenable for private sector participation. Investment sustainability will also be realistically assessed as part of this exercise. Based on this experience NCRPB can use **city development plans as tools for building a project pipeline**.

## **ANNEXES**

### **Annex 1: Work Plan and Personnel Inputs**





ID	Task Name	Qtr 4, 2008			Qtr 1, 2009			Qtr 2, 2009			Qtr 3, 2009			Qtr 4, 2009		
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
72	<b>Human Resource Development</b>	[Summary bar]														
73	Assess human resource management	[Task bar]														
74	Training needs assessment	[Task bar]														
75	HR Gap Analysis and Findings	[Task bar]														
76	Training Calendar and Identification of Partner Institutions	[Task bar]														
77	Development of Human resource Management Plan	[Task bar]														
78	Human Resource Management and Development Plan (Draft)	[Task bar]														
79	Training and capacity building of NCRPB team	[Task bar]														
80	Final Human Resource Management and Development Plan	[Task bar]														

NAME AND POSITION	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MONTHS
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
<b>INTERNATIONAL</b>																				
Michael SCHAEFFER <i>Team Leader/ Urban Infrastructure Finance Specialist</i>			■			■														2.50
Sujatha SRIKUMAR <i>Alternate Team Leader/ Urban Infrastructure Finance Specialist</i>	■	■	■	■	■	■	■	■	■	■	■	■	■	■						9.25
R.ARUNACHALAM <i>Enterprise Resource Development and MIS Specialist</i>		■	■	■	■	■	■	■	■	■	■	■	■	■	■					12.00
Ian HAMILTON <i>Regional Urban Planning Specialist</i>		■	■	■	■	■	■	■	■		■	■	■	■						7.00
<b>SUB-TOTAL</b>																				30.75
<b>NATIONAL</b>																				
Gangadhar JHA <i>DTL/ Human Resource Development Specialist</i>	■	■	■	■	■	■	■	■	■			■		■						8.00
Madhusudan SHARMA <i>Financial Policy Expert</i>	■	■	■	■	■	■	■	■	■			■		■						6.00
R.GAYATHRI <i>Project Risk Appraisal Expert</i>	■	■	■	■	■	■	■	■	■			■		■						6.00
Roshan BHATNAGAR <i>Financial Management Specialist</i>	■	■	■	■	■	■	■	■	■			■		■						4.00
I.RAJKUMAR <i>PPP Specialist</i>	■	■	■	■	■	■	■	■	■			■		■						8.00
3 Model City Development Plans										■	■	■	■	■	■	■	■	■	■	
<b>SUB-TOTAL</b>																				32.00
<b>TOTAL</b>																				62.75



**Annex 2: Deliverable Status**

<b>Deliverable</b>	<b>Status</b>	<b>Presentation Held/ Discussion</b>	<b>Comments</b>	<b>Action</b>
Financing Plan (Draft )	Draft Submitted March 2009	2-Apr-09	NCRPB requested a increasing the funding amount. Changes incorporated	Revised report submitted
Financial Management Manual (Draft)	Draft Submitted April 2009	14-Apr-09	Suggestions received	Suggested improvements to be implemented in the draft final phase
Criteria for credit assessment of implementing agencies	Draft Submitted April 2009	8-Apr-09	Included as separate deliverable and in project appraisal manual. No comments from NCRPB.	Have submitted with revised Project Appraisal Manual – April 10, 2009.
ERP Process Mapping (Draft) with document on work flow through core processes and BPR Suggestions	Draft Submitted February 27, 2009	5-May-09	Document Accepted by NCRPB and No Further Action Required.	No further action with respect to this analysis required
Draft Action Plan and GIS Recommendations	Submitted March 27, 2009	N/a	Under Implementation	Committee constituted on GIS by NCRPB. TOR for a GIS expert being developed through NRSA assistance.
HR Gap Analysis and Findings	Submitted April 3, 2009	21-Apr-09	Reviewed and suggestions incorporated	To be included in the draft business plan to be submitted in October 2009.
Training Calendar and Identification of Partner Institutions	Submitted March 27, 2009	N/a	Reviewed and suggestions incorporated	Training initiated and MOU for partner institutions to be finalised by NCRPB
International study tour	Seoul/Singapore/Kuala Lumpur Completed	N/a	Trip Report under preparation;	Study Tour Completed - Trip Report Expected May 15, 2009 from NCRPB
Guidelines for Treasury Operations (Draft)	Submitted March 27, 2009	14-Apr-09	No comments	To be implemented by NCRPB over long-term in line with its funding strategy.
User Requirements and Good Practice MIS Manual	Submitted March 27, 2009	n/a	No comments	No further action required
Strategy (ies) for mainstreaming PPP Initiatives into NCRPB Project Pipeline	Submitted March 27, 2009	6-Apr-09	Reviewed and suggestions incorporated.	Review of existing pipeline by PPP expert

<b>Deliverable</b>	<b>Status</b>	<b>Presentation Held/ Discussion</b>	<b>Comments</b>	<b>Action</b>
Project Appraisal Process and Procedures Toolkit (Draft)	Submitted March 27, 2009	8-Apr-09	Comments received from ADB/NCRPB and changes incorporated	Have adjusted Project Appraisal Manual for donor compliance. Training initiated
Risk Management Framework (Draft)	Submitted March 27, 2009	6-Apr-09	NCRPB commented that they would like to see one risk management framework as per the annex. IPE has developed a Risk Management Matrix as per NCRPB's request and inserted in annex to manual. Other elements of manual.	Training will be conducted in the draft final phase.
PPP Toolkit	Submitted March 27, 2009	6-Apr-09	NCRPB commented that they would like to have more details regarding institutional framework and processes for their institution. Further, they wanted a PPP evaluation criteria matrix, contracts, and NCRPB specific examples.	Reviewed and suggestions incorporated including a separate volume for model contract documents.  No further action required

### Annex 3: Outputs under MIS and ERP

S No	Outputs	Deliverables and feedback
1	Integrating GIS with ERP and other Systems at NCRPB: Strategic Issues and a Suggested Framework for Implementation	<ul style="list-style-type: none"> <li>Submitted, Revised and Re-Submitted in Jan 2009</li> </ul>
2a	Excel based Loan Tracking with data on 169 loans entered	<ul style="list-style-type: none"> <li>Submitted in March 2009</li> </ul>
2b	Excel based Financial Model	<ul style="list-style-type: none"> <li>Submitted in March 2009 – Will Revise in Period August to October based on user feedback</li> </ul>
3	Process Documentation with Maps, Work Flow Document and BPR Suggestions	<ul style="list-style-type: none"> <li>Submitted</li> </ul>
4	Web Site	<ul style="list-style-type: none"> <li>Being developed and revised as per feedback from NCRPB/ADB and Will go live by June 30<sup>th</sup></li> <li>Presentation made to the board and revisions are being incorporated</li> <li>User Manuals to be Prepared and Training Provided by July/August 2009</li> <li>The website pilot is live at <a href="http://www.ncrpb.in">www.ncrpb.in</a></li> </ul>
5	Web Based Project Information System	<ul style="list-style-type: none"> <li>Being developed and revised as per feedback from NCRPB/ADB and Will start to be piloted between June 15<sup>th</sup> – June 30<sup>th</sup></li> <li>Demonstration made and revisions are being incorporated</li> <li>Pilot for 2 months and then revisions based on pilot and feedback from NCRPB and ADB. Revisions to be completed by November 2009</li> <li>User Manuals to be Prepared and training to be provided by November 2009</li> <li><a href="http://ncrimis.ncrpb.in/ncrimis/login.html">http://ncrimis.ncrpb.in/ncrimis/login.html</a></li> <li>This should significantly reduce the work of the PMC wing and others looking for information on projects</li> </ul>
6	Web Based Project Monitoring System	<ul style="list-style-type: none"> <li>Being developed and revised as per feedback from NCRPB/ADB and Will start to be piloted between June 15<sup>th</sup> – June 30<sup>th</sup></li> <li>Several rounds of demonstrations and presentations made and revisions are being incorporated</li> <li>Pilot for 2 months and then revisions based on pilot and feedback from NCRPB and ADB. Revisions completed by November 2009</li> <li>User Manuals to be Prepared and Training Provided by November 2009</li> <li><a href="http://ncrimis.ncrpb.in/ncrimis/login.html">http://ncrimis.ncrpb.in/ncrimis/login.html</a></li> <li>This should significantly reduce the work of PMC wing and others looking for monitoring information on projects</li> </ul>

7	Loan Tracking VB Based System	<ul style="list-style-type: none"> <li>• Being developed and revised as per feedback from NCRPB/ADB and will start to be piloted between June 15<sup>th</sup> – June 30<sup>th</sup></li> <li>• Several rounds of demonstrations and presentations made and revisions are being incorporated</li> <li>• Pilot for 2 months and then revisions based on pilot and feedback from NCRPB and ADB. Revisions completed by November 2009</li> <li>• User Manuals to be prepared and training to be provided by November 2009</li> <li>• This should significantly reduce the work of the Finance wing and others looking for information on loans to projects including tracking etc</li> </ul>
8	MIS Good Practices Manual with over 48 briefing notes	<ul style="list-style-type: none"> <li>• Submitted in March 2009</li> </ul>
9	Web Based Planning Data Collection Module	<ul style="list-style-type: none"> <li>• Being developed and will be revised as per feedback from NCRPB/ADB and Will start to be piloted between July 20<sup>th</sup> – July 30<sup>th</sup></li> <li>• Pilot for 2 months and then revisions based on pilot and feedback from NCRPB and ADB. Revisions completed by December 2009</li> <li>• User Manuals to be prepared and training to be provided by December 2009</li> </ul>
10	SRS Document and Implementation Plan and RFP Document	<ul style="list-style-type: none"> <li>• Will be delivered in October as per committed timelines</li> </ul>
11	E Group	<ul style="list-style-type: none"> <li>• Moderated on an on-going basis</li> </ul>

## **Annex 4: Terms of Reference for City Development Plans**

### **Background**

NCR cities lack a proper pipeline of projects including a long term vision to strategically undertake investments in infrastructure improvement. Most of the City Development Plans (CDPs) prepared till date focus on the minimum requirements of JNNURM and targets to meet limited projects through Government of India or state funding.

After discussion with ADB and agreement with NCRPB, it is proposed to prepare three model CDPs for selected towns within National Capital Region in order to identify projects based on local requirements (including local economic development) and priorities which can then be taken up for further development and financing. This will lead to a pipeline of projects derived from stakeholder's consultations and infrastructure assessment of the town. These CDPs will also screen all the project opportunities to identify bankable projects which can be implemented in PPP model.

Potential CDPs evolved after an initial discussion with NCRPB are

- i. Ghaziabad-Loni,
- ii. Gurgaon-Manesar,
- iii. Sonapat-Kunduli.

### **Objectives**

The objectives of preparing these model City Development Plans are to:

- i. Define growth directions and service up-gradation in relation to the activity mix;
- ii. Look at the demand-supply gap in services to estimate and prioritise project requirements;
- iii. Define specific rehabilitation and capital improvement needs with regard to priority city infrastructure in both slums and other areas;
- iv. Define revenue enhancement and revenue management improvements required to sustain the investment proposed;
- v. Reform required in local administration and service delivery to ensure financial sustainability and improvements in service levels;
- vi. Suggest changes required at the local level to improve O&M of assets including use of different institutional and PPP models, and
- vii. Address common growth and infrastructure issues.

### **Scope of work**

The scope of work covers but is not limited to the following:

- i. Assess the demand-supply gaps for identified projects;
- ii. Provide financial assessment of the ULBs<sup>2</sup>;
- iii. Suggest measures to increase the general level of service, coverage and quality of municipal services in both poor and non-poor localities;
- iv. Improvements in staffing and management arrangements in delivery of services;

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<sup>2</sup> An assessment of local finances (past 5 years) in terms of sources and uses of funds, base and basis of levy, revision history and impacts, state assignments and transfers- base and basis of transfer and its predictability; uses of funds outstanding liabilities (loans, power dues, pension etc) and, a review of revenue and service management arrangements.

- v. Outlining issues in revenue realizations, quality of existing assets in relation to service levels and coverage, and institutional constraints.
- vi. Developing quick indicators of performance, based on current coverage and additional population in the medium term (10 years) and unit costs,
- vii. Estimating city level investment requirement for upgradation of city wide infrastructure;
- viii. Preparing a comprehensive Asset Management Plan for existing and proposed investment and use fiscal notes and policy analysis to assist in making informed investment choices to achieve sector/ city goals;
- ix. Defining priority assets and indicative costs of rehabilitation;
- x. Conducting fiscal impact analysis of investments: life-cycle O&M costs, revenues from project, and costs/ impacts on finances and of not doing the project;
- xi. Exploring funding options for rehabilitation of facilities; and,
- xii. Preparing a realistic financial and operating plan (FOP) based on availability of resources and ability to leverage additional resources

**Detailed tasks to be performed**

- The role of the consultant is to assist and encourage full participation and consensus within the city to arrive at an adequate, appropriate and agreed rehabilitation strategy;
- The consultant will facilitate in ensuring that the process receives adequate and appropriate methodological and technical guidance in examining the full range of environmental, social, economic and health issues in the city and through communication, consultation and consensus building.
- In early stages, consultant will inform, consult and assist the ULBs' in assessment and consultations with stakeholders.
- The consultant will support establishment of a representative and effective operational working group (OWG) through a nodal officer to manage, drive, and guide the process.
- The consultant will develop and support appropriate participatory methodologies to ensure communication, consultation, and consensus building among stakeholders.
- The consultant will review all studies, plans and previous experience in the city, government, quasi- or non-government, academic or private sector. This will include economic development, urban and financial management, environmental protection, municipal service delivery, slum improvement, social development and any other relevant initiatives or studies.
- The consultants will analyse findings and draw out useful lessons to inform the city action plan. The process shall primarily focus upon the areas of concern that emerge out of the CDP process, including: (i) Urban economic development; (ii) Social assessment/ poverty reduction; (iii) Land use planning and urban management; (iv) Urban infrastructure; (v) Human resources and institutional issues; (vi) Financial management, and, (vii) Environmental management and adverse social impacts (loss of habitat and sources of income).
- The consultant will carry out analysis to consolidate findings towards the development of priorities, identifying a program or strategy for institutional and policy reform and/or defining a program of short and long term investment.



- Additional primary data collection should be undertaken only if required. The consultants will support any such process but it will be commissioned or undertaken separately from this contract.
- Consultant will provide technical and professional support in the analysis of problems and constraints facing the city, identification of necessary outline investments, determining priorities, identifying interventions that have the greatest potential impact and identifying immediate actions, which could be implemented.
- At all stages, the consultant will work closely with the implementing agency in order to institutionalize planning methodologies and processes building constructive relationships with key stakeholders.

### Data inputs from the client

The Rapid Urban Assessment (RUA) will lead the study and liaison and coordinate with relevant central, state and quasi-governmental agencies. ULBs shall appoint nodal officers for consultation, and furnishing relevant data and documentation for consultant's information and review.

### Outputs, reporting and timing

While the objective of Phase I is to arrive at a demand-supply gap, the objective of Phase II is to derive a comprehensive infrastructure improvement plan for the city, supported by a financial and operating plan outlining the quantum of investments the ULBs can sustain and revenue enhancement measures required. The outputs, schedule and related payment schedule are as follows:

Outputs	Time from Start	Payments
<p><b>PHASE I: INCEPTION REPORT</b></p> <p><b>Demand assessment of identified projects</b> Demand would be assessed for the existing pipeline of projects identified by respective city urban local bodies</p> <p><b>Rapid Urban Assessment (RUA) including surveys</b> Review of town's economic development, physical planning and growth management issues, physical infrastructure status, social infrastructure status, and municipal fiscal status. The O&amp;M requirements, capacity assessments to operate and maintain systems Identification of infrastructure and financial improvement requirements of the town and Capital Investment needs for consultation with local stakeholders.</p>	<p>10 Weeks ( 3 weeks per city+ 1 week for consultation and dissemination of findings)</p>	<p>30%</p>
<p><b>PHASE II: INTERIM REPORT</b></p> <p><b>Strategic Plan</b> Identifying areas of development and physical requirement with special attention would be given to Local Economic development/ poverty reduction measures.</p> <p><b>Capital Investment Needs</b> This phase will conduct system performance assessment, demand assessment, and project identification and costing. The Capital Investment Plan (CIP) will broadly comprise of water supply systems, sewerage and sanitation, solid waste management, storm water drainage, roads, slum infrastructure, traffic and transport planning.</p> <p><b>Priority Asset Management Plan</b> O&amp;M plan for services and for lands vested with the ULB's shall be prepared for the first <u>five (5)</u> years.</p>	<p>20 Weeks ( 3 weeks per city + 1 week for consultation and dissemination of findings)</p>	<p>30%</p>

Outputs	Time from Start	Payments
<b>Project Risk, Environmental and Social Assessment (ESA)</b> Project structuring options and associated risks, environmental and social impacts.		
<b>DRAFT FINAL REPORT</b> <b>Financial and Operating Plan (FOP)</b> Outlining the revenue enhancement measures required to sustain proposed investments after accounting for O&M and debt servicing requirements. Suitable actions would be suggested for project sizing and/or project implementation, and action plans to sustain investments based on capital investment needs listed above. <b>Policy Interventions</b> Institutional changes and policy reforms required for effective governance and financial management. <b>Technical Assistance</b> Outline of the technical assistance requirements for effective implementation of the Capital Investment Plan	29 Weeks ( 3 weeks per city)	20%
<b>FINAL REPORT</b>	32 Weeks	20%

### Team Structure

Position	Months	Minimum Qualification
Senior Town Planner and Urban Infrastructure Specialist (Peer Review)	1	Masters in Planning with around 30 years experience in design/ implementation City Investment Plans/ Development Strategies.
Team Leader/Urban and Regional Planning Specialist	6	Masters in Planning with around 10 years experience in design/ implementation City Investment Plans/ Development Strategies.
Urban Infrastructure Specialist	4	Bachelors in Civil / Public Health Engineering with at least 10 years in rapid assessment / design of municipal infrastructure.
Municipal Finance Specialist	4	Masters in Planning/Economics/ Management with around 10 years experience in Municipal finance assessments.
Environment and Solid Waste Management Specialist	2	Masters in Civil Engineering / Environmental Science with at least 7 years experience in Environmental Impact Assessment/ with adequate exposure to National Environmental Clearances
Social Development and safeguard specialist	4	Masters in Social Science with at least 7 years experience in Social assessment and public consultation with adequate exposure to social safeguards of the Bank.
Urban Service Delivery for Poor and Poverty Alleviation Expert	4	Masters in Planning with around 7 years experience in spatial planning/ poverty alleviation schemes/ institutional development.
Support Staff/ Research Associates (2)	4	Specialisation in Planning/GIS with around 3 years of experience in map digitisation, satellite imagery and remote sensing.

**Annex 5: Subject Areas of Training and Identified Target Groups**

S.N.	Subject Area of Training	Target Group
<b>A: Regional Planning, Project planning and Project Development</b>		
1.	Concepts, Tools and Technology for Regional Planning	Planners of NCRPB, NCR Cells & Asstt. Director (AD)
2.	GIS (Arc GIS, Map Info etc)	Planners of NCRPB, NCR Cells, AD of PMC of NCRPB
3.	Remote Sensing & Photogrametry	Planners of NCRPB, and NCR Cells
4.	Environmental Planning	Planners of NCRPB and NCR Cells
5.	Population of Database, Database, Database Upkeep, and Data Management (Storage, retrieval etc.)	Planners of NCRPB and NCR Cells
6.	MIS: Concept and Tools	AD of PMC, Director (F), AFO, DD & AD(Admn) & AD (Estt) and Planners including AD (Planning)
7.	Use of ERP System	Planners including AD (Planning), AD of PMC, Director (F), AFO(F), DD & AD(Admn) & AD (Estt)
8.	Transport Planning Techniques and Financial Options	Planners of NCRPB and NCR Cells
9.	Planning for Power (Energy)	Planners of NCRPB and NCR Cells
10.	Planning and Management for Water Supply and Waste Water Disposal	Planners of NCRPB and NCR Cells
11.	Solid Waste Management	Planners of NCRPB and NCR Cells
12.	Project Planning & Development	Planners of NCRPB, NCR Cells & Asstt. Director (AD), PMC of NCRPB
13.	Project Appraisal (Technical, Financial, Environmental, Social, and Institutional)	Planners of NCRPB, NCR Cells, Director (F), AFO, AD, & PMC of NCRPB
14.	Financial Resource Mobilisation for Infrastructure Financing	Planners, Director (F), AFO of NCRPB
15.	Financial Structuring and Development of Projects	Planners of NCRPB, NCR Cells, AD of PMC of NCRPB
16.	Demographic Analysis and Projections – Tools and Techniques	AD (Planning) of NCRPB
17.	Project Monitoring & Evaluation	AD(PMC), Planners-NCR Cells, Director (F) & AFO, NCRPB
18.	Auto Cad	Planning Asstt. and Draughtsman of NCRPB
19.	Data Base Management	Planners of NCRPB & NCR Cells
20.	Design Software (Photo Shop, 3D Max Studio etc.)	Planning Asstt and Draughtsman of NCRPB
<b>B: Finance and Financial Management</b>		
21.	Introduction to Financial Management (Ratio Analysis, Treasury Management, Working Capital)	Director(F) AFO and Asstt Director (F) of NCRPB
22.	Project Monitoring Tools and Techniques	AFO and AD (PMC) of NCRPB
23.	Risk Management	Director (F), AFO, and AD (F) of NCRPB
24.	Projects Finance	Director (F), AFO, & AD(F) of NCRPB
25.	Financing Urban Infrastructure Projects	Director (F), AFO, & AD(F) of NCRPB

S.N.	Subject Area of Training	Target Group
26.	Credit Assessment (Credit Profiles of Borrowers and Projects)	Director (F) & AFO of NCRPB
27.	Treasury Management	Director (F), AFO, & AD (F) of NCRPB
28.	Accounting Principles (including DEAS)	AFO, AD (F), and Accounting Assistants of NCRPB
29.	Computerized Financial Accounting System: Use of Tally	AFO, AD(F) & Accounting Assistants of NCRPB & Accounts Officers in NCR Cells
30.	MIS	AFO, AD(F) & Accounting Assistants of NCRPB & Accounts Officers in NCR Cells
31.	PPP for Infrastructure Projects	AD(Planning), AD (PNC) AFO & AD(F) of NCRPB
<b>C: Administration</b>		
32.	Office Management	DD(Admn), AD (Estt), AD(Admn) of NCRPB, Administration staff of NCR Planning Cells
33.	Use of IT in Record Management	DD(Admn), AD (Estt), AD(Admn) of NCRPB
34.	Inventory Management	Director, AD (Admn) & Store Manager of NCRPB
35.	Vigilance and Disciplinary Procedures	Director, AD(Admn) and AD(Estt) of NCRPB
36.	Basic Computer Skills (MS Office, Accessing the Web, E-Mailing)	Assistants and Clerical Staff who do not have these skills
37.	Management Information System	
38.	Training of Trainers in Human Resource Development	DD (Admn) of NCRPB
39.	Retirement & Terminal Benefits	DD, AD(Admn) & AD(Estt) of NCRPB
<b>D: Behavioural</b>		
40.	Communication Skills	AD (Planning), DD, AD(Admn) & AD(Estt) of NCRPB
41.	Motivation, Team Building & Leadership	CRP, Director(Finance), FAO
42.	Leadership & Change Management	CRP, Director (F)
43.	Improving Communication and Inter-personal Effectiveness	AFO, DD(Admn) of NCRPB