

Jawaharlal Nehru National Urban Renewal Mission

Framework and Process

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JNURM

Ministry of Urban Employment and
Poverty Alleviation



Government of India

Ministry of Urban Development

JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION

Framework and Process

Contents

I.	THE JNNURM FRAMEWORK	3
1.	Framework for the JNNURM Scheme	3
2.	Institutional Arrangement for Policy Oversight	3
3.	Institutional Arrangements for Mission Operationalisation	4
4.	Institutional Arrangement for Advisory Support	6
II.	THE JNNURM PROCESS	8
1.	Process Flow	8
2.	Sanction and Disbursement of Assistance	8
3.	Revolving Fund	10
4.	Monitoring Framework	10
III.	SUBMISSION OF APPLICATIONS FOR FUNDING	13
	Application Form: City Development Plan (CDP), Detailed Project Report (DPR)	14
	Application Form: Investment Support Component	17
IV.	PROCESSING FUNDING REQUESTS	19
V.	List of Figures	
	Figure 1: Project Proposal and Policy Directive Flow	11
	Figure 2: Process of Sanction and Disbursements	12

I. The JNNURM Framework

I. Framework for the JNNURM Scheme

(1) The institutional framework for the JNNURM shall address the following:

- (a) Policy Oversight
- (b) Appraisal and Sanction of Proposals
- (c) Operational Oversight and Monitoring
- (d) Advisory Support

The framework has been evolved to provide incentives for reforms in urban development and thereby facilitate sustainable investments in urban infrastructure.

2. Institutional Arrangement for Policy Oversight

(1) **National Steering Group (NSG):** At the national level, the JNNURM shall be steered by the NSG.

The NSG shall be chaired by the Minister of Urban Development (MOUD) and co-chaired by Minister of State (Independent charge) Urban Employment and Poverty Alleviation (MoUEPA). The NSG shall comprise the following members:

Minister of Urban Development	Chairperson
Minister of State (Independent Charge) for Urban Employment & Poverty Alleviation	Co-chairperson
Secretary, Urban Employment & Poverty Alleviation	Member
Secretary, Planning Commission	Member
Secretary, Expenditure	Member
National Technical Advisor	Member
Secretary, Urban Development	Member-Convener

The NSG, a coordinating arm of the Government of India, shall provide policy oversight and evolve policies to facilitate the achievement of JNNURM objectives. The NSG shall review the agenda of reforms and may add additional reforms to the identified reforms.

The NSG shall review the progress of the Mission. Besides, the NSG shall monitor the progress status of urban development and associated reforms in eligible cities.

Under the Sub-Mission on Basic Services for Urban Poor, there will be a high level committee chaired by Minister for Urban Employment & Poverty Alleviation with Joint Secretary (UEPA) as Member-Convener.

3. Institutional Arrangements for Mission Operationalisation

- (1) **Sub-Mission Directorates (SMD):** At the national level, the Mission shall be operationalised through two Sub-Mission Directorates one under the charge of Joint Secretary in Ministry of Urban Development (MoUD) and other under Ministry of Urban Employment and Poverty Alleviation (MoUEPA) for ensuring effective co-ordination with State Governments and other agencies for expeditious processing of the project proposals. The Joint Secretary in-charge of each Mission Directorate would be designated as Mission Director. National Technical Advisor will be a member of both the Directorates.

The two Sub-Mission Directorates established are:

(a) **Sub-Mission Directorate for Urban Infrastructure and Governance**

The Sub-Mission of Urban Development and Governance has the charter of achieving development of urban infrastructure with a focus across sectors in the urban context. The focus sectors and projects identified to be taken up under the Sub-Mission are enumerated in the document titled, “Overview of the JNNURM Scheme”.

(b) **Sub-Mission Directorate for Basic Services to the Urban Poor**

The Sub-Mission for Basic Services to the Urban Poor shall focus on access to infrastructure for the urban poor. This Sub-Mission shall have a seven-point charter: security of tenure, housing, water supply, sanitation, education, health and social security cover.

- (2) **Central Sanctioning and Monitoring Committee:** There will be two Central Sanctioning and Monitoring Committees headed by respective Secretaries, for Urban Infrastructure and Governance, and Basic Services to the Urban Poor. The CSMCs shall be entrusted with sanction and monitoring of the projects and associated reforms.

(a) **CSMC for Urban Infrastructure and Governance**

The CSMC for Urban Infrastructure and Governance shall comprise the following members:

◆ Secretary, Urban Development	Chairperson
◆ Secretary, Urban Employment and Poverty Alleviation	Member
◆ Principal Advisor, (HUD) Planning Commission	Member
◆ Joint Secretary & Financial Advisor	Member
◆ Chief Planner, Town and Country Planning Organisation (TCPO)	Member
◆ Advisor, Central Public Health & Environmental Engineering Organisation (CPHEEO)	Member

- ◆ Chairman & Managing Director, Housing and Urban Development Corporation (HUDCO) Member
- ◆ Joint Secretary (Urban Development) Member Secretary

(b) **CSMC for Basic Services to the Urban Poor**

The CSMC for Basic Services to the Urban Poor shall comprise the following members:

- ◆ Secretary, Urban Employment & Poverty Alleviation Chairperson
- ◆ Secretary, Urban Development Member
- ◆ Principal Advisor, (HUD) Planning Commission Member
- ◆ Joint Secretary & Financial Advisor Member
- ◆ Chief Planner, Town and Country Planning Organisation (TCPO) Member
- ◆ Advisor, Central Public Health & Environmental Engineering Organisation (CPHEEO) Member
- ◆ Chairman & Managing Director, Housing and Urban Development Corporation (HUDCO) Member
- ◆ Joint Secretary, Urban Employment and Poverty Alleviation Member Secretary

(c) The Chairpersons may co-opt any member/ expert as and when it is considered necessary.

(d) The CSMC(s) may meet as often as required for review and sanction of project(s). The CSMC shall undertake monitoring of the projects sanctioned and the associated reforms.

- (2) **State-Level Steering Committee (SLSC):** In order to identify, decide and prioritise the projects for inclusion in JNNURM, an apex body in each State, namely the SLSC shall be constituted. The SLSC shall screen and prioritise the identified projects. The identified projects shall be recommended to the respective CSMCs for sanction. Besides recommending projects for sanction, the SLSC shall monitor the implementation of the projects and review the progress of urban reforms in the State. In pursuing these tasks, the SLSC shall be assisted by the State Level Nodal Agency (SLNA), to be appointed for the said purpose.

The SLSC shall comprise the following members:

- | | |
|---|------------------|
| Chief Minister/Minister of Urban Development/
Minister of Housing of the State | Chairperson |
| Minister of Urban Development/Housing of the State | Vice-Chairperson |
| Concerned Mayors/Chairpersons of ULBs | Member |
| Concerned MPs/MLAs | Member |
| Secretary, (PHE) of the State government | Member |
| Secretary, (MA) of the State government | Member |

Secretary, (Finance) of the State government	Member
Secretary, (Housing) of the State government	Member
Secretary, (Urban Development) of the State government	Member- Secretary

(3) **State Level Nodal Agency (SLNA):** The scheme would be implemented by a SLNA designated by the respective State governments. The SLNA would, *inter alia*, perform the following functions:

1. Assisting ULBs/Parastatal agencies in the preparation of CDPs and DPRs and in training and capacity building, and in Information, Education and Communication (IEC)
2. Appraising projects submitted by ULBs/ Parastatal agencies.
3. Obtaining sanction of State Level Sanctioning Committee for seeking assistance from the Central Government under NURM
4. Managing grants received from the Central and State governments.
5. Releasing funds to ULBs and Parastatal agencies either as grant, or soft loan or grant cum loan.
6. Managing Revolving Funds.
7. Monitoring of physical and financial progress of sanctioned projects and ensuring receipt of utilisation and completion certificates.
8. Monitoring the implementation of reforms as committed in the MoA.
9. Submitting quarterly reports to MoUD/ MoUEPA.
10. Submitting project completion reports through the State Government

4. Institutional Arrangement for Advisory Support

(1) For successful deployment of assistance targeted through JNNURM, advisory support is envisaged. Advisory assistance is expected for the following:

Macro Level (to NSG and SMDs):

- (a) Policy, legal and financial structuring of assistance to NSG.
- (b) Implementation and management of urban sector reforms.

Micro Level (to CSMC, SLSC, SLNA and ULB):

- (a) Support for appraisal.
- (b) Planning for undertaking reforms.
- (c) Preparation of detailed project report.
- (d) Guidance to SLNAs and ULBs for managing the process of seeking assistance.

Window of Central assistance (5% of Central grant) available under JNNURM for capacity building could be utilised for the above-mentioned services.

- (2) **Technical Advisory Group:** The TAG comprising professionals across the legal, environment, social and urban infrastructure sectors would assist the CSMCs, SLSC, SLNA and ULBs. The TAG shall provide advisory support as outlined above at the macro and micro level for obtaining financial assistance within the provisions of JNNURM as detailed in Section II 2. (2) C.

The TAG shall be headed by a Technical Advisor drawn from the civil society with proven experience in mobilising collective action for reforms in urban governance.

The TAG shall enable the mission to create similar voluntary Technical Corps in each identified city. It would encourage private sector participation, citizen's involvement in urban governance at the grass-root level and transparency in municipal governance.

II. The JNNURM Process

I. Process Flow

This section provides an overview of the process for accessing funds under the JNNURM. It reflects on the path that a project proposal originated by the ULB shall take for its sanction by the CSMC. The flow chart also reflects on the JNNURM policy directives that shall flow from the NSG across the institutional framework. The process flow for the same is presented in Figure 1: Project Proposal and Policy Directive Flow.

The Government of India believes that the process of formulating the policy framework for JNNURM would continuously evolve depending upon the feedback from the institutional entities established for JNNURM. Figure 1 also presents the policy directive flow.

2 Sanction and Disbursement of Assistance

(1) **Funding Pattern:** Eligible cities proposing projects for investment support shall be eligible for Central assistance not exceeding the following:

a. **Projects under appraisal by Sub-Mission Directorate for Urban Infrastructure and Governance**

Category	Population (2001 census)	No. of Cities	Funding Pattern ¹ (%)		
			Grant		ULB/parastatal share/loans from banks/FI
			Central Govt.	State Govt.	
A	> 4 million	7	35*	15	50
B	1-4 million	28	50	20	30
C	Selected cities / UAs < 1 million	28			
	For NE states & J&K		90	10	0
	Others		80	10	10
	Desalination plants within 20 km of sea shore and other urban areas predominantly facing water scarcity due to brackish water and non-availability of surface source		80	10	10

* Note: In the case of urban transport projects, the standard pattern of assistance of 35 per cent will not apply. The Cabinet Committee on Economic Affairs (CCEA), while considering any such project proposal, may decide the level of equity and/or loan to be provided by the central government.

¹ This funding pattern is proposed for public financed projects. In case of projects incorporating public-private partnerships, the Central government's share shall not exceed the amounts prescribed.

b. Projects under appraisal by the Sub-Mission Directorate for Basic Services to the Urban Poor

Category	Population (2001 census)	No. of Cities	Funding Pattern ² (%)	
			Grant	State/ULB/Parastatal share, including Beneficiary contribution
			Central Govt.	
A	> 4 million	7	50	50
B	1-4 million	28	50	50
C	(For cities in NE states & J & K	28	90	10
	Other selected cities/ UAs < 1 million		80	20

** Housing should not be provided free to the beneficiaries by the State Government. A minimum of 12% beneficiary contribution with bank loan should be stipulated (10 per cent in case of SC/ST/BC/OBC/PH and other weaker sections).*

Notes for Tables a & b:

- i. Percentage is with respect to the total project cost. .
- ii. In case any JNNURM project is also approved as externally aided project (EAP), the EAP funds can be passed through as Accelerated Central Assistance to the State Government as funds contributed by States, ULBs, FIs and JNNURM funds can be used as GoI contribution.
- iii. If necessary, internal resources of implementing agencies, MP or MLA Local Area Development (LAD) Funds and MLA LAD funds may be substituted for institutional finance or State share.

- c. In order to enable cities to prepare a City Development Plan (CDP), Detailed Project Reports (DPRs), training and capacity building, community participation, information, education and communication, a provision of 5 percent of the Central grant or actual requirement, whichever is less, is available for cities covered under the Mission.
- d. In addition, not more than 5 percent of the Central grant or the actual requirement, whichever is less may be used for Administrative and Other Expenses (A&OE) by the States

(3) **Sanction and Disbursement of Funds:** The MoUD and MoUEPA shall be the repository of funds targeted for the JNNURM scheme. On approval and sanction of assistance by the CSMC, funds shall be released by the MoUD and MoUEPA.

The funds would be released as far as possible in four instalments by the MoUD and MoUEPA as Additional Central Assistance (100 per cent grant in respect of Central share) to the State Government or its designated State-level agencies.

The first instalment of 25 per cent will be released upon signing of a Memorandum of Agreement (MoA) by the State Government, ULB or parastatal agency. The balance amount of assistance shall be released as far as possible in three installments upon receipt of Utilisation

² This funding pattern is proposed for public financed projects. In case of projects incorporating public-private partnerships, the Central government's share shall not exceed the amounts prescribed.

Certificates to the extent of 70% of the Central fund and also that of the State/ULB/parastatal agency share and subject to achievement of milestones agreed for implementation of mandatory and optional reforms at the State and ULB/Parastatal agency level as envisaged in the MoA.

The process for sanction and disbursement of funds is presented in Figure 2: Process of Sanction and Disbursements.

3. Revolving Fund

- (1) **Sub-Mission for Urban Infrastructure and Governance:** wherever SLNA releases Central and State funds to the implementing agencies as soft loan or grant-cum-loan, it would ensure that at least 25 per cent of the funds released are recovered and ploughed into a Revolving Fund, maintained by the nodal agency. This fund will be utilized to leverage market funds for financing of further investment in infrastructure projects. At the end of the Mission period, the Revolving Fund may be upgraded to a State level Urban Infrastructure Fund.
- (2) **Sub-Mission for Basic Services to the Urban Poor:** wherever SLNA releases Central and State funds to the implementing agencies as soft loan or grant-cum-loan, it would ensure that at least 10 per cent of the funds released are recovered and ploughed into a Revolving Fund. This fund will be utilized to meet the O&M expenses of the assets created under the Sub-Mission. At the end of the Mission period, the Revolving Fund may be upgraded to a State level Basic Services to the Urban Poor Fund.

4. Monitoring Framework

- (1) The MoUD/MoUEPA would periodically monitor the schemes through designated representatives.
- (2) SLNA would send quarterly progress report to the MoUD/MoUEPA
- (3) Upon completion of the Project the SLNA through the State Government shall submit a completion report of activities undertaken as a part of JNNURM
- (4) The CSMC may meet as often as required to sanction, review and monitor the progress of projects sanctioned under the Mission
- (5) Monitoring of progress and implementation of reforms would be outsourced to specialized/ technical agencies.

Figure 1: Project Proposal and Policy Directive Flow

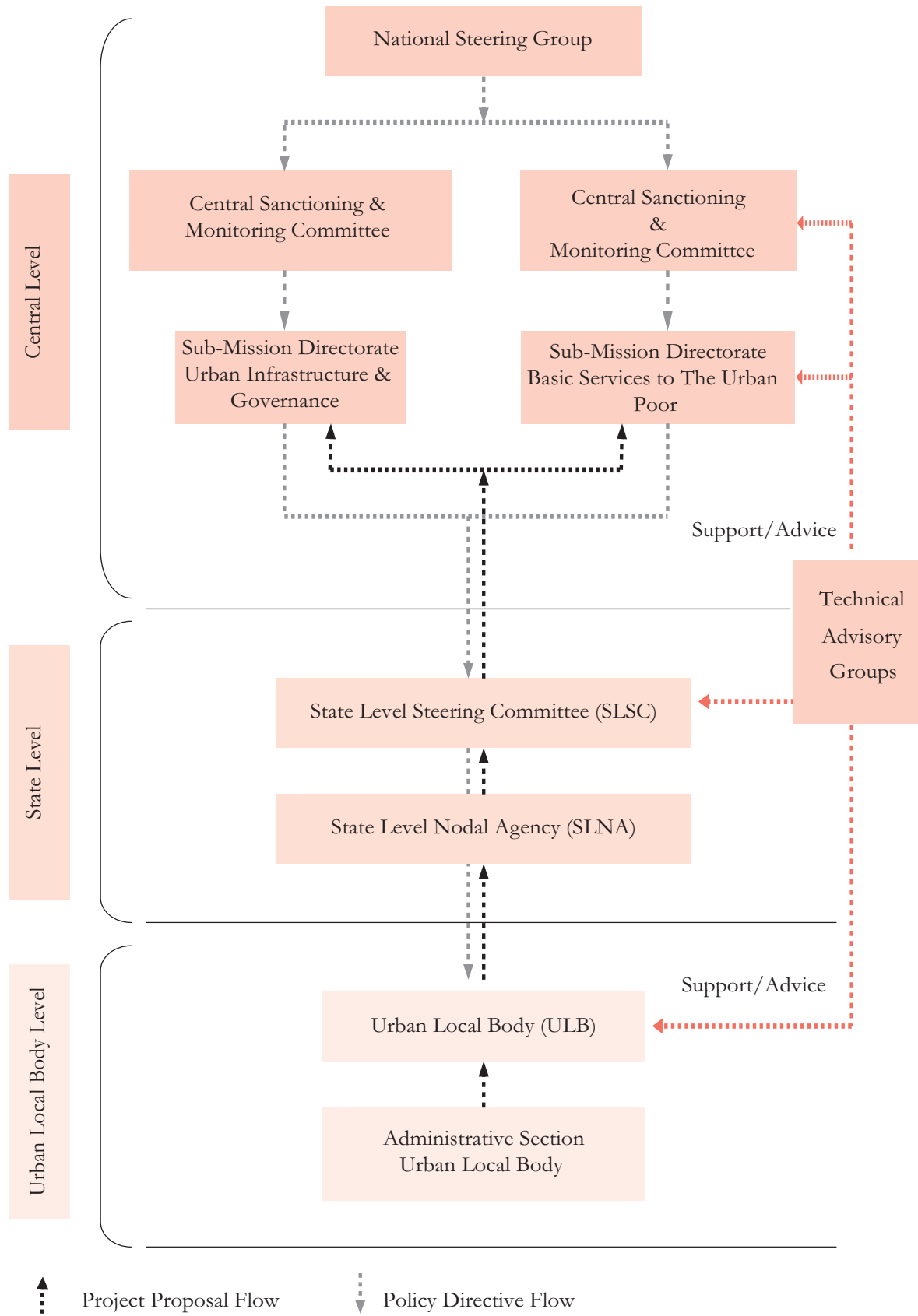
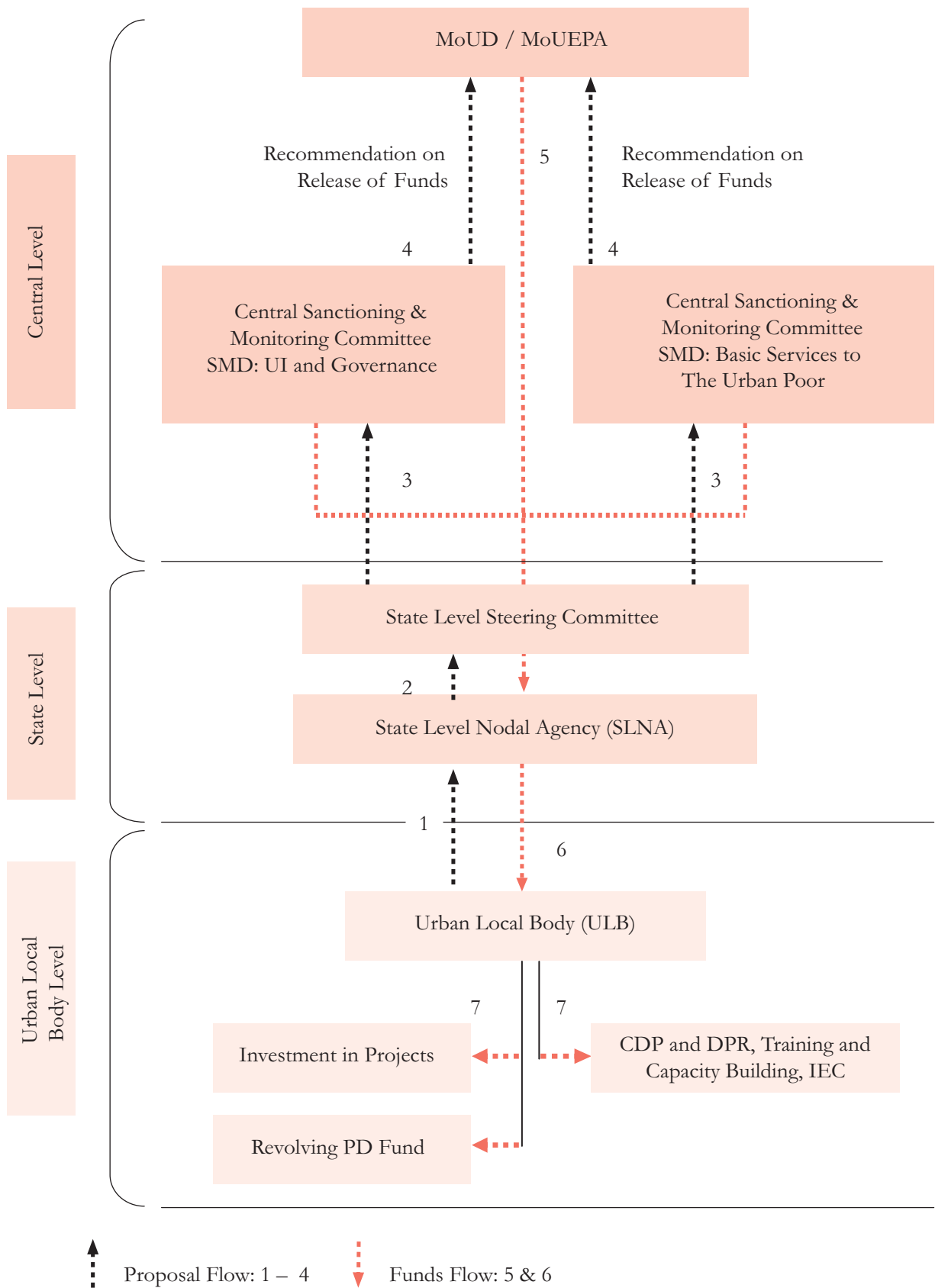


Figure 2: Process Sanction and Disbursements



III. Submission of Applications for Funding

- (1) In accordance with the process envisaged, the ULB/parastatal agency may seek assistance from the JNNURM for the following:
 - (a) To prepare a City Development Plan (CDP), Detailed Project Report (DPR)
 - (b) Training and Capacity Building, community participation, information, education and communication,
 - (c) Investment Support Component: Grant for project implementationApplicants should refer to the Toolkit “Overview of the JNNURM Scheme” for details.
- (2) Applicants seeking JNNURM assistance are required to submit their request in the specified formats. Application forms for accessing assistance under JNNURM are provided in the section below. These are required to be submitted separately for accessing assistance for (a) & (b) above and (c) above respectively.
- (3) Complete application forms along with supporting documentation (original + ten copies) should be submitted to the MoUD/MoUEPA at the following address.

Mission Director

Ministry of Urban Development/ Ministry of
Urban Employment and Poverty Alleviation
Government of India
Nirman Bhawan
New Delhi – 110 001

For details regarding supporting documents, applicants should refer to application forms and Toolkit 4: Guidelines for Project Appraisal.

Application Form: City Development Plan (CDP), Detailed Project Report (DPR)³

[Please strike out whichever is not applicable]

Form for preparation of CDP	Yes/No
Form for preparation of DPR	Yes/No

1 Name of city		
2 Type of city government	Municipality	Corporation
3. Whether Elected Council is in place	Yes / No	
4. Date of election of the council		
5. Basic statistics of the city/town		
i) Population (2001 census)		
ii) Area		
iii) Year of establishment of ULB		
iv) No. of slums and slum population		
6. Financial data for last three years ⁴	Budget provision	Actual expenditure
i) Revenue receipts (Rs. Crore)		
ii) Property tax (as % of revenue receipts)		
iii) Revenue expenditure (Rs. Crore)		
iv) Establishment expenditure (as % of revenue expenditure)		
v) O&M expenditure (as % of revenue expenditure)		
vi) Capital income (Rs. Crore)		
vii) Capital expenditure (Rs. Crore)		
viii) Annual debt servicing including contributions to sinking fund (Rs. Crore)		

³ Please provide all supporting documents with the application form.

⁴ Please provide the detailed income and expenditure statements for previous three years.

7. Total loans taken by ULB so far source-wise (Rs. Crore)					
Source	Year of lending	Total loan taken	Outstanding amount	Purpose	Annual Rate of interest
8. i) Loan repayment details for the previous two years (Rs. Crore)					
Lender		Due date	Actual payment due	Amount paid	
ii) Details of other outstanding liabilities					
9. Annual accounts status					
i) Up to which year annual accounts are prepared					
ii) Up to which year annual accounts are audited					
iii) System of accounting			Single/Double entry		
10. Ongoing urban development programmes					
Scheme		Programme	Funds release	Expenditure incurred	Unspent funds
i) GoI Supported					
ii) State Government					
iii) Urban Local Body					
iv) Any other					
Grand Total					
11. Service status					
i) No. of water tap connections					
ii) Duration of supply					
iii) No. of sewerage connections					
iv) No. of street lights					

v) No. of parks	
vi) No. of playgrounds	
vii) No. of hospitals	
viii) No. of commercial complexes owned by ULB	
12. Enclosures for CDP application	Attachments as may be necessary with the application form
13. Enclosures for DPR application	1. CDP
	2. Timelines with copy of MoA
	3. Milestones achieved as per MoA

Application Form: Investment Support Component

Nature of assistance													
Project name													
Sector													
State													
Project sponsor (If SPV)													
Implementing agency (ULB)													
Compliance to Reforms	<p>1. Steps taken by project Sponsor to comply to JNNURM</p> <ul style="list-style-type: none"> ● MoA signed ● Commitment to reforms (Provide list of reforms ULB proposes to undertake) (Provide list of reforms state proposes to undertake) ● Progress on committed reforms <p>2. Any other reform programme outside JNNURM (Provide details)</p>												
Project structure (EPC/variant of PPP)													
Stakeholders involved	Participating ULBs/ state govt. /GoI / DFIs												
Project description													
Project implementation Milestones	List key Milestones												
Project status	Provide list of approvals / clearances												
Likely impact(s) of the project													
Project financial structure	<p>A) Details of project costs</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Item</th> <th style="text-align: right;">Rs. crore</th> </tr> </thead> <tbody> <tr> <td>Land *</td> <td></td> </tr> <tr> <td>Building</td> <td></td> </tr> <tr> <td>Equipments</td> <td></td> </tr> <tr> <td>Any other</td> <td></td> </tr> <tr> <td>Total project cost</td> <td></td> </tr> </tbody> </table> <p><i>* Specify whether Govt. or Pvt.</i></p>	Item	Rs. crore	Land *		Building		Equipments		Any other		Total project cost	
Item	Rs. crore												
Land *													
Building													
Equipments													
Any other													
Total project cost													

	B) Proposed means of financing		
	Source	Rs. crore	
	Total		
Project IRR⁵			
Provision of revolving fund account⁶	(Yes/No) Please tick as appropriate		
Steps for sustainability			
Steps to financial closure	(Please indicate in brief along with commitment letters from state government/financial institutions /others on the balance funding required to undertake the project).		
Eligibility for disbursement	SPV led Project		
	Terms	Eligibility Criteria⁷	Project Parameters
	Project size		
	Financial IRR		
	Economic IRR		
	JNNURM exposure		
	Environmental & social		
	Debt service reserve		
	Maintenance reserve (if required)		
	ULB led Project		
	Terms	Parameter	
	Operating ratio	(at least 1.00)	
	Debt service coverage ratio	(at least 1.25)	
	Revolving fund		
Enclosures :			

⁵ Please mention the relevant section that outlines the financial viability (along with basic spreadsheet) in the DPR.

⁶ Please mention the relevant section that outlines the provision for revolving fund (along with resolution of ULB) for the said purpose.

⁷ Applicant should refer to Toolkit 4 for benchmark eligibility criteria.

IV. Processing Funding Requests

- (1) Requests for assistance under JNNURM shall follow the process of appraisal prior to sanction, as summarised in the earlier section. Depending on the nature of the project and coverage, the project proposal shall be appraised by the Mission Directorates accordingly.
- (2) All requests for assistance under the JNNURM shall be forwarded to the Mission Director in the MoUD/MoUEPA. The requirements for submission are detailed in Toolkit 4, which should be referred to by the ULBs/ Parastatal agencies seeking assistance under the JNNURM.
- (3) The process for request of assistance from JNNURM shall be originated by the ULB/ Parastatal agency. The ULB/ Parastatal agency shall submit the required documents along with the respective application form for recommendation of the SLSC. The SLSC shall seek assistance from the SLNA and/ or TAG for screening and prioritising projects.
- (4) Recommended proposals, conforming to eligibility requirements of JNNURM shall be appraised by the Technical wing of the respective Ministry/ Technical agency and recommended to the respective CSMC, which shall review and sanction the recommended proposals.
- (5) The monitoring and policy oversight function shall be steered by the NSG with assistance from Mission Directorates at the centre. At the State level, the Steering Committee would review and monitor progress at the State level.