



M. RAJAMANI
Joint Secretary

गणराज्य भारत
निर्माण भवन
GOVERNMENT OF INDIA
MINISTRY OF URBAN DEVELOPMENT
NIRMAN BHAWAN

नई दिल्ली-110011, नारीक 200
New Delhi-110011, भारत 200

D.O. No. : K-140011/50/2006-UD.I

Dated : April 10, 2007

Dear Shri

As you are aware that Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) was launched on 3rd December, 2005 as one of the sub-components of Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The erstwhile Scheme of Integrated Development of Small and Medium Towns (IDSMT) and Accelerated Urban Water Supply Programme (AUWSP) have been subsumed in UIDSSMT. During the last one year, the UIDSSMT Scheme has taken off and a number of States have accessed additional central assistance under the scheme. Based on the experience gained during the last one year, interaction had with the state government officers, discussion held in the meetings of various State Level Sanctioning Committees; the Ministry is of the view that there is a need to further streamline implementation of the Scheme. Para 3 of the UIDSSMT Guidelines also stipulate that before the commencement of the 11th Five Year Plan, the Scheme may be suitably calibrated, if necessary.

Accordingly, it is impressed upon that the State / UT Governments and SLNAs may kindly consider the following points for smooth implementation of the Scheme in addition to the provisions of the scheme guidelines.

1. As provided in para 4.4 of the Scheme Guidelines, the State / UT Government may prioritize the towns to be covered under the Scheme in the following order

- i) Towns with a population between 5-10 lakh,
- ii) District Head Quarters,
- iii) Growth Centers as identified by the state government,
- iv) Culturally significant cities, and
- v) other towns.

It will help in judicious use of central assistance and curb thin spread of resources.

2. Components to be covered under the Scheme may be taken up in the order of priority given below.

- i) Water supply
- ii) Sewerage,
- iii) Drainage
- iv) Roads
- v) Heritage areas
- vi) Preservation of water bodies
- vii) Parking lots
- viii) Other components.

This will ensure visible impact in the cities / towns and improve the basic services.

contd. 2/-

Towards enabling Sustainable Cities...

3. As per the Scheme Guidelines It may not be mandatory to prepare City Development Plan (CDP) before preparing detailed project reports, it would, however, be advisable to prepare City Development Plan as a vision document before working out detailed project reports. It will help in achieving the objective of the Scheme to promote planned integrated development of towns and cities. Such Vision Documents / City Development Plans (CDP) may be prepared as per the toolkit available under JNNURM and sent to this Ministry for appraisal. Appraisal of CDPs could be done by Town and Country Planning Organization (TCPO) of this Ministry or by outsourced agencies.
4. The population projection used for preparation of CDP / Detailed Project Reports should not only be trend based rather it should be realistic taking into consideration the relevant socio-economic factors.
5. Proposal for training and capacity building of the staff of Urban Local Bodies / SLNA should be integral part of the detailed project report for which 1.5% of the project cost is given as incentive for training and capacity building programme. The training programme may be organized through Regional Centres for Urban & Environmental Studies of this Ministry situated at Lucknow, Hyderabad, Mumbai, New Delhi and other state level institutions. TCPO will be the nodal agency to coordinate training activities.
6. State Level Nodal Agency (SLNA) should develop in-house capacity to advise and guide the Urban Local Bodies (ULBs) enabling them to prepare bankable detailed project reports. The SLNA may utilize the incentive given under the Scheme for this purpose. The SLNA will not only monitor the implementation and physical progress of the projects but also the reform agenda signed under the Scheme.
7. The SLNA will send quarterly physical and financial progress report to the Ministry through TCPO. SLNA will also ensure disbursement of the funds to the Urban Local Bodies (ULBs) as per the financing pattern given in the Guidelines and furnish Utilization Certificates within 12 months of the closure of the financial year. In case SLNA does not have in-house capacity to appraise the Detailed Project Reports, the assistance of State Level Departments / Agencies such as PWD, PHE, Jal Board / Sewerage Board should be taken for meaningful technical appraisal of the projects.
8. In the State Level Sanctioning Committee, representative of Central Public Health and Engineering Organisation (CPHEEO) of this Ministry may also be included as member on the Committee.
9. The State Government should ensure adequate budgetary provision every year in the State Budget to meet out the State / ULB share as stipulated in the Scheme Guidelines.
10. The State Level Sanctioning Committee (SLSC) and State Level Nodal Agency (SLNA) should ensure that projects not more than 3 times of the Central Share (subject to availability of funds) are sanctioned in a year. The entire scheme should be calibrated in such a way that all the projects sanctioned under the scheme are completed within the stipulated period of 7 years beginning from 2005-06 as indicated in the Scheme Guidelines.


11. The State Government should pass on the Central Assistance received under the scheme to the SLNA within 15 days. The SLNA will further release the funds to the ULBs within 15 days in the manner indicated in the Scheme Guidelines.
12. For monitoring the implementation of the projects and reform agenda at the local level, a Project Implementation and Monitoring Cell (PIMC) may be established within the respective Urban Local Bodies which will send quarterly progress report to SLNA for verification and onward transmission to the Government of India. The Ministry of Urban Development also proposes to set up a mechanism for third-party review and monitoring of the implementation of the project and reforms agenda. Subsequent releases of Central Assistance under the Scheme will be based on smooth progress of implementation of the projects and reforms agenda as well as timely submission of Utilization Certificates by the State Government / SLNA to the Ministry of Urban Development.
13. In the interest of the smooth implementation of the Scheme, it is advisable that the officers and staff engaged in project implementation of SLNA / ULB level continue till the completion of the project.
14. SLNAs may prepare a panel of consultants by following a transparent procedure to prepare the DPR for prioritized towns / components as identified by the State Government. The Consultant will prepare the DPR in consultation with Urban Local Bodies. DPRs so prepared should be sent by the ULB to the SLNA for appraisal either in house or by line departments or through outsourced agencies.

I request you to kindly direct the SLNA, Urban Local Bodies and other agencies concerned with the implementation of the Scheme to follow the above points for smooth implementation and monitoring of the Scheme in order to achieve envisaged outcomes.

With regards,

Yours sincerely,


(M. Rajamani)


11/4/07

No. K-14011/20/2008-UD-I
Government of India
Ministry of Urban Development

Nirman Bhawan, New Delhi-110108,
Dated the 12th November, 2008

To
The Principal Secretary / Secretary
All State Governments / UTs
(as per list attached)

Subject : Constitution of Project Implementation Unit (PIU) in the State for implementation of Projects sanctioned under UIDSSMT.

Sir / Madam,

In pursuance of the decision taken in the Ministry of Urban Development for constitution of Project Implementation Units (PIU) to enhance the capacity of Urban Local Bodies (ULBs) for monitoring and implementation of the projects sanctioned under UIDSSMT, State Government are advised to constitute PIUs in the State as per following criteria :-

- a. One PIU for or up to 15 ULBs covered under UIDSSMT by way of ACA released to the State,
- b. For more than 15 ULBs, one additional PIU over (a) above may be considered,
- c. For small States and NER States where number of ULBs to be taken up under UIDSSMT are few, one PIU for the State.

2. State Government may hire professionals on the models applicable to Basic Services for Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) of Ministry of Housing and Poverty Alleviation (maximum up to 03 professionals involving total expenditure not more than Rs. 18.00 lakh p. a.) and one time grant for office equipments (maximum up to 2 computers with legal softwares and furniture, 01 fax machine and 01 photocopier for each PIU involving total expenditure not more than Rs 3.00 lakh) and reimbursement of travel expenses as per actuals. The support of various components could be based on following ratio:-

(i).	Staff remuneration	60%
(ii).	Travel Expenses	20%
(iii).	System support	10%
(iv).	Overhead and Misc. exp.	10%

3. The total expenditure involved for the constitution of PIU(s) in the State will be within the allocation and incentive, etc., provided to the State by the Planning Commission under UIDSSMT for the entire Mission period of seven years.

Yours faithfully,

Nitin
(Nitin R. Gokarn)
Director (UIDSSMT)
Tel : 23052347

K-14011/12/2008-U.D.-I
Government of India
Ministry of Urban Development
U.D-I Desk

Nirman Bhawan, New Delhi,
Dated : 02nd April, 2009

To

The Secretary,
Urban Admn. & Development Department,
Govt. of Madhya Pradesh,
Mantralaya, Vallabh Bhavan,
BHOPAL: 462 004.
Fax No: 0755-2553717

Subject: Review of Urban Infrastructure Scheme for Small and Medium Towns (UIDSSMT) undertaken in CSMC meeting held on 06.03.09.

Sir,

A review of the UIDSSMT was undertaken under the Chairmanship of Secretary (UD), Ministry of Urban Development in CSMC meeting held on 06.03.09 wherein inter alia issues concerning State of Madhya Pradesh regarding progress / implementation of projects under UIDSSMT and reforms undertaken by the State / ULB were considered in the meeting.

The representative of State of Madhya Pradesh raised the specific issue of meeting the escalation part of the projects already sanctioned and the difference of cost due to different SOR at the time of sanctioning and release of funds. In this regard, Secy (UD) has decided that at the time of formulation of DPR and its approval by the SLSC all the factors like SOR, elections, seasonal difficulties should have been taken into account. Secretary (UD) mentioned that price escalation should be provided for by the States. A copy of the minutes of the meeting is enclosed for reference.

Encl : As above.

Yours faithfully,

Nitin
(Nitin R. Gokarn)
Director (UIDSSMT)
Tel : 23062374

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6/4/09

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K-14011/12/2008-U.D.-I
Government of India
Ministry of Urban Development
U.D-I Desk

Nirman Bhawan, New Delhi,
Dated : 02nd April, 2008

To

The Secretary,
Urban Development Department,
North Eastern Region States

Subject: Review of Urban Infrastructure Scheme for Small and Medium Towns (UIDSSMT) undertaken in CSMC meeting held on 08.03.08.

Sir,

A review of the UIDSSMT was undertaken under the Chairmanship of Secretary (UD), Ministry of Urban Development in CSMC meeting held on 08.03.08 wherein inter alia issues concerning NER States regarding progress / implementation of projects under UIDSSMT and reforms undertaken by the State / ULB were considered in the meeting.

During review, it has been observed that there are occasions where same project has been projected in different Schemes for funding by NER States leading to multiple funding and problem in Implementation of the project. In order to overcome such difficulties, Secretary (UD) has directed that State Level Sanctioning Committee of NER States should give a clear-cut certificate while recommending project proposal under UIDSSMT that the same project is not being considered by any other scheme / 10% lump sum / DONER, etc. A copy of the minutes of the meeting is enclosed for reference.

Yours faithfully,

Nitin

(Nitin R. Gokarn)
Director (UIDSSMT)
Tel : 23062374

Encl : As above.

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K-14011/12/2008-U.D.-I
Government of India
Ministry of Urban Development
U.D-I Desk

Nirman Bhawan, New Delhi,
Dated : 09th April, 2009

To

The Principal Secretary / Secretary,
Urban Development Department,
All State Governments / UTs

Subject: Review of Urban Infrastructure Scheme for Small and Medium Towns (UIDSSMT) undertaken in CSMC meeting held on 06.03.09.

Sir / Madam,

A review of the UIDSSMT was undertaken under the Chairmanship of Secretary (UD), Ministry of Urban Development in CSMC meeting held on 06.03.09 wherein inter alia issues concerning States / UTs and sanctioning / implementation of projects under UIDSSMT and reforms undertaken by the State / ULB were considered in the meeting.

During the review, it has, Inter alia, been decided that States / State Level Sanctioning Committees (SLSCs) should not sanction any project(s) unless the technical appraisal of the project(s) is complete by CPHEEO/ TCPO. You are, therefore, requested to kindly issue appropriate instructions to all concerned for compliance of this decision. A copy of the minutes of the meeting is enclosed for reference.

Yours faithfully,

Nitin

(Nitin R. Gokarn)
Director (UIDSSMT)
Tel : 23062374

Encl : As above.

Copy to :

1. All State Level Nodal Agencies (SLNA) of States / UTs.
2. The Advisor (HUD), Planning Commission, Yojana Bhawan, Parliament Street, New Delhi.
3. The Deputy Secretary (PF-I), Department of Expenditure, M/o Finance, North Block New Delhi.
4. The Joint Advisor, CPHEEO, M/o Urban Development, Nirman Bhawan, New Delhi.
5. The CP, TCPO, I.P. Estate, E-Block, Vikas Bhawan, New Delhi.

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15/4/09

K-14011/12/2008-U.D.-I
Government of India
Ministry of Urban Development
U.D-I Desk

Nirman Bhawan, New Delhi,
Dated : 21st April, 2009

To
The Principal Secretary / Secretary,
Urban Development Department,
All State Governments / UTs

Subject: Monitoring of implementation / progress of reforms and projects sanctioned under Urban Infrastructure Scheme for Small and Medium Towns (UIDSSMT).

Sir / Madam,

As per para 10 of Scheme guidelines of UIDSSMT, State Level Nodal Agency (SLNA) of the State are primarily responsible for continuous / periodical monitoring of the implementation of reforms undertaken by the States / ULBs alongwith progress of projects sanctioned and funds released to the States. For this purpose para 12 of Scheme guidelines also prescribe to hold State Level Sanctioning Committee (SLSC) meetings at least thrice in a year and required to provide report to Ministry of Urban Development on the issues pertaining to implementation of projects and reforms as well as the action taken on those issues. Interventions sought from Ministry of Urban Development may also be clearly specified.

With a view to have proper implementation and monitoring of UIDSSMT Scheme in your State, you are requested to kindly issue appropriate instructions to all concerned for compliance on the Guidelines of the Scheme and provide feed back reports to the Ministry periodically.

66-CP(S)
24/4/09

Encl : As above.

Yours faithfully,

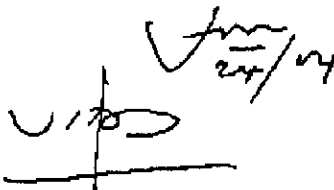

(P. K. Srivastava)

Joint Secretary and Mission Director (JNNURM)

Tel : 23061558

Copy to :

1. All State Level Nodal Agencies (SLNA) of States / UTs.
2. The CP, TCPO, I.P. Estate, E-Block, Vikas Bhawan, New Delhi.


24/4/09

No. K-14011/20/2008-UD-I
Government of India
Ministry of Urban Development
(UD-I Desk)

Nirman Bhawan, New Delhi-110108,
Dated the 22nd April, 2009

To

The Principal Secretary / Secretary,
Urban Development Department,
All State Governments / UTs
(as per list attached)

Subject: Constitution of Project Implementation Unit (PIU) in the State for implementation of Projects sanctioned under UIDSSMT.

Sir / Madam:

I am directed to invite your kind attention to this Ministry's letter of even no. dated 12.11.08 conveying the instructions / decision for constitution of PIUs under UIDSSMT in the States / UTs. However, no response / progress has been received from the States / UTs so far. The details of the decision on the subject are reproduced below:-

"For constitution of Project Implementation Units (PIU) to enhance the capacity of Urban Local Bodies (ULBs) for monitoring and implementation of the projects sanctioned under UIDSSMT, State Government are advised to constitute PIUs in the State as per following criteria :-

- a. One PIU for or up to 15 ULBs covered under UIDSSMT by way of ACA released to the State,
- b. For more than 15 ULBs, one additional PIU over (a) above may be considered,
- c. For small States and NER States where number of ULBs to be taken up under UIDSSMT are few, one PIU for the State."

2. It is further clarified that State Government may hire three professionals of which One Public Health Engineer for project implementation and one Municipal Finance Officer for accounting reforms and one from among Information Technology Officer, Social and community Development Officer, Urban Planning Officer, Procurement Officer, HRD Officer, Environment Officer depending upon needs and priorities of State Government for UIDSSMT Scheme. The qualifications of these professionals would be as per those stated in Annexure II in the Toolkit for PIU under UIG Scheme. Their period of contract would be for maximum period of 3 years and in any case not beyond the Mission period 2011-12. They may be taken on a fixed contract basis for an amount of upto Rs. 50,000 per month without any increase in remuneration thereby total expenditure per PIU would not exceed Rs. 15.00 lakh per annum. A one time grant for office equipments (Maximum 02 computers with legal software and furniture, 01 photocopier and 01 fax machine) not exceeding Rs. 3.00 lakh and travel expenses reimbursement as per actuals would be admissible and the support of various components could be in the following ratio:

i)	Staff remuneration	:	80%
ii)	Travel Expenses	:	20%
iii)	System Support	:	10%
iv)	Overhead and Misc. exp.	:	10%

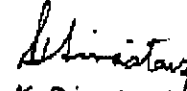
3. PIU's to be constituted would be approved by State Level Sanctioning Committee, the competent authority, as per UIDSSMT guidelines and contracts with individual professionals entered into with the SLNA's. Model Contract as per Annexure III in the Toolkit for PIU under UIG Scheme may be utilised by the SLNA. Selection and recruitment shall be undertaken by the SLNA as per their respective procurement practices consistent with Terms of Reference as per Annexure II of the Toolkit for PIU under UIG Scheme. SLSC at the time of granting approval for PIU will examine the recruitment process, financial support, office infrastructure, present status and spread of UIDSSMT projects in the State and projects to be implemented in future and decide on the headquarters of the PIU. Purchase of vehicles, regular salary, development / maintenance of websites construction / renovation of office space, would be ineligible for financial support.

4. The total expenditure involved in the constitution of PIUs in the State will be under the 1.5% funds available under UIDSSMT Guidelines clause 9 on Incentives for training and capacity building relating to project / scheme. Payments to professional fees of experts would be reimbursable based on actuals on six monthly basis on bills raised by SLNA's and flow of funds shall be in line with JNNURM Guidelines.

5. The total expenditure involved for the constitution of PIU(s) in the State will be within the allocation and incentive, etc., provided to the State by the Planning Commission under UIDSSMT for the entire Mission period of seven years.

This issues with approval of Secretary (UD).

Yours faithfully,



(P. K. Srivastava)

Joint Secretary and Mission Director (JNNURM)

Tel : 23081558

Copy to :-

1. The Joint Secretary (Plan Finance-I), Department of Expenditure, M/o Finance, North Block, New Delhi.
2. The Chief Planner, TCPO, I.P.Estate, Vikas Bhawan, E-Block, New Delhi.