



Jawaharlal Nehru National Urban Renewal Mission

Guidelines on National
Mission Mode Project (NMMP)
on e-Governance in
Municipalities as
part of JNNURM

JNNURM



सत्यमेव जयते

Government of India
Ministry of Urban Development

**Jawaharlal Nehru
National Urban Renewal Mission**

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National Mission Mode Project (NMMP)
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Municipalities as part of
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1. INTRODUCTION

- 1.1** The Jawaharlal Nehru Urban Renewal Mission (JNNURM), launched by the Honourable Prime Minister of India on 3rd December 2005 aims at creating economically productive, efficient, equitable and responsive cities in an integrated framework with focus on economic and social infrastructure, basic services to urban poor, urban sector reforms and strengthening of Municipal Governments and their functioning.
- 1.2** Since local-government is a first interface between the citizens and the government, introduction of e-Governance in municipalities will assist municipal bodies to improve service delivery mechanism, achieve better information management & transparency and ensure utmost citizens' involvement in governance, etc.

2. OBJECTIVES

e-Governance in municipalities is expected to:

- (a) focus on clearly identified list of citizen services that would be covered with clearly laid down service levels and outcomes that would be achieved.
- (b) improve efficiency and effectiveness in interaction between local-government and its citizens and other stakeholders (i.e. Non-governmental organisations (NGOs), community based organisations (CBOs), residents welfare associations (RWAs), private sector, etc.);
- (c) improve quality of internal local-government operations to support and stimulate good governance;
- (d) bring about transparency and accountability in the governance of urban local bodies;
- (e) enhance interface between urban local bodies and citizens; and
- (f) help improve delivery of services to citizens.

3. COVERAGE

- 3.1** National Mission Mode Project (NMMP) on e-Governance in Municipalities envisages covering all Urban Local Bodies (ULBs) in 35 cities with population of above 10 lakh as per 2001 census. The list of cities/urban agglomerations to be covered under NMMP on e- Governance is appendix.
- 3.2** The coverage to other towns/cities will be expanded based on the outcome of NMMP in the above 35 cities.

4. SERVICES TO BE COVERED UNDER THE NMMP

- 4.1** Services/management functions to be covered in the first phase of the scheme are as under:

1. Registration and Issue of Births/ Deaths Certificate
2. Payment of Property Tax, Utility Bills and Management of Utilities that come under the ULBs.
 - 2.1. Property Tax
 - 2.2. Water Supply and Other Utilities
3. Grievances and Suggestions
4. Building Approvals
5. Procurement and Monitoring of Projects
 - 5.1. E-procurement
 - 5.2. Project/ward works
6. Health Programs
 - 6.1. Licenses
 - 6.2. Solid Waste Management
7. Accounting System
8. Personnel Information System

4.2 The cities which have already carried out the reforms relating to e-governance on above services may consider covering the remaining functions from the list of functions to be transferred to the Urban Local Bodies under the 74th Constitutional Amendment. Such cities may also consider setting up service centres at different locations in urban areas to provide different services under one roof.

5. FINANCIAL PATTERN

5.1 The NMMP on e-Governance in Municipalities would be implemented as part of the Jawaharlal Nehru Urban Renewal Mission (JNNURM) and the financing of projects would be as under:

| Category of cities | Grant | | ULB or para-statal share/loan from financial institutions |
|--|--------|-------|---|
| | Centre | State | |
| Cities/UA with 4 million plus population as per 2001 census | 35% | 15% | 50% |
| Cities/UA with million plus but less than 4 million population as per 2001 census. | 50% | 20% | 30% |

5.2 Central assistance, as aforesaid, would be the maximum assistance available under JNNURM.

5.3 In case any JNNURM project is also approved as Externally Aided Project (EAP), the EAP funds can be passed on through as ACA to the State Government as funds contributed by State/ULB/FIs and JNNURM funds can be used as Government of India contribution.

- 5.4** If necessary, internal resources of implementing agencies, Member of Parliament Local Area Development and Member of Legislative Assembly Local Area Development funds may be substituted for institutional finance.
- 5.5** In order to prepare Detailed Project Reports (DPRs), training and capacity building, community participation, information, education and communication (IEC), a provision of 5% of the Central grant or the actual requirement, whichever is less, may be kept for sanction to cities/towns covered under the Mission.
- 5.6** The capital and initial costs including Hardware with Software System Cost, Application Software, and Creation of Web Portal, data digitization, training and capacity building of personnel responsible for the project plus annual costs expenditure for the first two years after commissioning would be admissible costs under ACA available from the Central Government. Annual cost will include operation & maintenance cost/ongoing communication cost/ license fees, etc. The cost of land and building, site preparation, civil infrastructure, employees cost, electricity and communication costs, etc shall be borne by the State Government/ULB.
- 5.7** The State Govt./ULB will have to undertake all capital and recurring costs other than those mentioned above primarily out of the fees levied for providing e-services to the citizens and/or resources of the State Govt./ULB. State Govts. would need to give an undertaking to this effect.
- 5.8** The Central Government share would be met out from the earmarked funds under the Capacity Building Grants component of JNNURM.
- 5.9** To be eligible for central assistance under the NMMP, the States/ULBs will require to fulfil the following criteria:
- 5.9.1 Readiness to contribute State share (as prescribed in para-5.1)
 - 5.9.2 Institutional structure to implement the project
 - 5.9.3 Designate a State Nodal Organisation/Agency
 - 5.9.4 Examine on agreeing on adoption of PPP options
 - 5.9.5 Agree on achieving service level outputs/ outcomes defined in the scheme
 - 5.9.6 Provide necessary infrastructure such as space, manpower etc.
- 5.10** Public-Private Partnership is an important element of the NMMP. States/ULBs should examine possible PPP options and arrive at a cost effective and efficient way of implementing the scheme.

6. MEMORANDUM OF AGREEMENT

It is noted that all 35 cities in which NMMP on e-Governance is to be implemented in 1st phase have signed MoA with State and Central Governments. In addition to above, a tripartite agreement between ULB, State Government and the Central Government will be made to ensure ownership of implementation of e-Governance project by the State Governments and ULBs. This Agreement will further ensure that the NMMP objectives and timelines are met within the framework indicated.

7. RELEASE OF CENTRAL ASSISTANCE

7.1 Funds would be released as Additional Central Assistance (100% Central Grant in respect of Central share) to the State Government or its designated State-Level Nodal Agency (SLNA).

7.2 The first instalment of 25% will be released on signing of Tripartite Agreement by the State Government/ULBs/Para-Statal for implementation of NMMP on e-Governance project. The balance amount of assistance shall be released as far as possible in three instalments upon receipt of utilisation certificates to the extent of 70% of the grants (Central and State) and subject to the achievement of milestones agreed for implementation of mandatory and optional reforms at the State and ULB/Para-Statal level as envisaged in the Memorandum of Agreement already signed.

8. STATE LEVEL CONSULTANT & STATE LEVEL NODAL AGENCY

8.1 The SLNA identified by the State Government for implementation of JNNURM would be the nodal agency for implementation of NMMP. The SLNA would be supported by the State e-Governance Mission Team (SeMT) that have already been mandated to be created as part of NeGP.

8.2 The State Govt. will appoint a State Implementation Consultant (SIC) to help the State and ULBs in rolling out the e-Governance project. The Consultant would assist the SLNA and State Level Steering Committee in performing their task as and when necessary. The expenditure on the State-level Consultant will be borne out of the grant provided by Govt. of India under sub-para 5. I.

8.3 The nodal agency with the help of the State Implementation Consultant (SIC) will be responsible for the following:

(i) Techno-economic appraisal of the project either through in-house expertise or by outside agencies through outsourcing.

(ii) Management of funds received from the Central Government.

- (iii) Disbursement of the funds to ULBs as per the guidelines of the scheme.
- (iv) Implementation of terms and conditions of contract or agreement with solution providers and vendors.
- (v) Furnishing of utilization certificate periodically after release of funds in respect of different instalments of central assistance.
- (vi) Submission of quarterly physical and financial progress reports to the Ministry of Urban Development.
- (vii) Maintenance of audited accounts of funds released to ULBs and implementing agencies.

9 PREPARATION OF DETAILED PROJECT REPORT AND APPRAISAL

- 9.1** SLNA through the SIC and in consultation with the SeMT and the ULBs will prepare Detailed Project Report (DPR) for introduction of e-governance in each of the municipalities to be covered under the Mission Mode Project on e-governance
- 9.2** The DPR should include cost-assessment and funding arrangements as per financial pattern specified in para 5.1 and should also include arrangement for independent assessment and monitoring mechanism on a continuous basis of the service levels with reference to the targeted /contracted services during implementation and conclusion of the project and thereafter.
- 9.3** DPR would include the scope under various activities, monitorable outcome/performance levels for each municipality year-wise, timelines and milestones of services and financial plan to ensure long term sustainability of Scheme after two years of the commencement.
- 9.4** The State Level Nodal Agency will forward appraised project to State level Steering Committee for consideration and onward transmission to Ministry of Urban Development.

10. STATE LEVEL STEERING COMMITTEE

SLSC will ensure the following:

- i) Examine and approve projects for e-governance submitted by the State level nodal agency taking into account the Appraisal Report for submission to Government of India.
- ii) Periodically monitor the progress of sanctioned projects including fund mobilization.

II. IMPLEMENTATION AND MONITORING MECHANISM

II.1. Implementation Structure:

- (a) The National Mission Mode Project on e-governance will be implemented at the municipal level through a business model preferably by public-private partnership failing which the work will be undertaken by the ULB concerned.
- (b) The services delivery mechanism will be as under:
 - Through Internet
 - Citizens Facilitation Centres within the municipality offices or through third party service providers
 - Touch Screen Counters in the various Departments of ULBs
 - Integrated Service Delivery Centres

II.2 Monitoring:

- a) The National Steering Group constituted for JNNURM will provide strategic direction to the implementation of the project.
- b) The Mission Director of JNNURM will be the Mission Leader for Mission Mode Project on e-Governance for municipalities. The Mission Directorate under the charge of the Mission Director will process the project proposals received from State Governments and place them before Central Sanctioning and Monitoring Committee (CSMC) for consideration.
- c) The Central Sanctioning & Monitoring Committee constituted in the Ministry of Urban Development under JNNURM would appraise DPRs received from State Governments and also undertake Independent Assessment and Monitoring of project progress and achievements at State/ULB level either directly or through independent third party. Central Sanctioning and Monitoring Committee will be authorised to appraise and sanction projects costing up to Rs. 500 crore under the Mission with the approval of Minister of Urban Development and Finance Minister, in each case without further reference to the Expenditure Finance Committee/Cabinet Committee on Economic Affairs. All projects costing above Rs. 500 crore will be approved by the competent authorities as envisaged in Ministry of Finance (Department of Expenditure) O.M. No. 1(26)-EII(A)/2002 dated 21.12.2002 as amended from time to time.
- d) Ministry of Urban Development will periodically monitor the progress of implementation of e-Governance project through designated officers of this Ministry for each State/UT.

- e) State level nodal agency would send quarterly progress report to the Ministry of Urban Development.
- f) Upon completion of the project, nodal agency through the State Government would submit completion report in this regard.
- g) Central Sanctioning & Monitoring Committee may meet as often as required to sanction and review/monitor the progress of projects sanctioned under the NMMP, provide policy directions for implementation of NMMP, and identify problem areas and provide needed assistance to ULBs in implementation of NMMP.
- h) The State Government will also identify a Project Leader at the State level for implementation of e-Governance in municipalities who has reasonably long tenure of stay. The State Project Leader will work under the overall direction and control of State-level Steering Committee.
- i) The State Implementation Consultant would also support the progress monitoring and provide technical assistance to the ULBs in a State and the State Level Steering Committee.
- (j) At urban local body level, project implementation unit will be set up, who will be responsible for project implementation at the ULB.

12. CAPACITY BUILDING AND HANDHOLDING

- a. In order to prepare Detailed Project Reports, training and capacity building, community participation, information, education and communication, a provision of 5% of the Central grant or the actual requirement, whichever is less, may be kept for sanction to cities/towns covered under the Mission.
- b. Functionaries comprising executive and elected representatives from each municipal body may be provided training on various aspects of e-Governance.
- c. The training will be provided by network institutions of National Institute of Urban Affairs through the nodal agency.

The solution provider/vendor and the State Implementation Consultant will be responsible for providing hand-holding to ULBs in implementation of the project.

13. CONTRACT OF AGREEMENT

- 13.1** The State Govt. will enter into the contract of agreement with the solution provider/vendor for providing various services to the municipality concerned for rolling out of e-Governance in the areas as mentioned in para-4 above.

13.2 The contract of agreement will specify terms and conditions for providing training, hand-holding, operation and maintenance of the system etc.

14. MISCELLANEOUS

14.1 It will be the responsibility of Urban Local Bodies/implementing agencies to keep an inventory of assets created under NMMP.

14.2 The implementing agencies at the ULB level will be required to open and maintain separate bank account for the project in a commercial bank for receipt and expenditure of all money to be received and spent. ULBs/implementing agencies should maintain registers for utilization of funds received from Central Govt.

14.3 The nodal agency in the State will maintain local body-wise accounts under the NMMP.

15. OUTCOMES

15.1 Use of ICT for sustained improvement in efficiency and effectiveness of delivery of municipal service to citizens.

15.2 The Scheme would assist the municipal bodies across India to improve service delivery mechanism, achieve better information management & transparency and ensure utmost citizen's involvement in participative governance.

15.3 All the Application core modules (as mentioned in section 4.1) should be implemented in all the 35 municipalities.

15.4 Mentioned below are the key outcomes that would benefit the various stakeholders:

- i. Citizens: to get timely services and correct information about the performance of the ULB, ability to provide feedback on the quality of services received and methods to participate in matters concerning them;
- ii. Executives/Staff of ULB: to have proper operating guidelines, appropriate technology/infrastructure, efficient processes, quality training mechanisms, effective supervision to carry out responsibilities and correct and complete information for decision making;
- iii. Service providers/suppliers: to have a clear-cut and quality service delivery mechanism and payment arrangements;
- iv. Funding agencies/NGOs/Partners/Media: to have correct, updated and reliable information on the performance of the ULB;

- v. Policy makers: Key Performance Indicator based decision support systems to take decisions related to appropriate policies, guidelines, institutional mechanisms, technology, infrastructure, and resources, including finance for achieving the objectives of various plans and programmes.
- vi. Improvement in urban governance and financial position of ULBs.

15.5 The State Government/Urban Local Bodies will commit itself to the following outcomes as part of the National Mission Mode Project for e-Governance in Municipalities principles. The proposed measurable outputs/outcomes against the key objectives of the programme are mentioned in the tables below:

Key measures against objectives and Outcomes

| Stakeholders & Objectives | Key Measures | Illustrative Targets |
|---|---|---|
| Citizens (Quality of Service) | <ul style="list-style-type: none"> ▪ Minimizing the number of customer visits ▪ Reducing the time required to request the service ▪ Reducing the time required to deliver a service ▪ Reducing the fees and charges associated with a service ▪ Reducing the time spent by the customer to follow-up and track the progress of the requested service | <ul style="list-style-type: none"> ▪ Six monthly independent citizen survey/feedback for a period of five years from the time of go-live with 95% satisfaction level with respect to meeting specified service levels ▪ 95% resolution of grievances received through the Grievances Redressal Model within the defined service level |
| Municipalities (Process efficiency and effectiveness) | <ul style="list-style-type: none"> ▪ Enhancing existing revenues ▪ Setting up new revenue streams ▪ Reducing cost of processing transactions ▪ Delivering intangible benefits (Boosting image of municipalities as a service oriented organization) | <ul style="list-style-type: none"> ▪ Growth in municipality own revenues by at least 25% on a year to year basis for first three years ▪ Banning of manual records ▪ Accrual based accounting system |
| Service providers/suppliers (Monitoring & Evaluation of Quality of Service) | <ul style="list-style-type: none"> ▪ Service Level Agreements (Internal & External) | <ul style="list-style-type: none"> ▪ Deployment of a system for meeting the requirements contained in the Right to Information Act |
| Funding agencies/PPP players (Economy) | <ul style="list-style-type: none"> ▪ Sustainability and Government investment optimization through PPP models ▪ Return on Investment (ROI) ▪ Cost benefits | <ul style="list-style-type: none"> ▪ Revenue surplus |

| Stakeholders & Objectives | Key Measures | Illustrative Targets |
|--|---|---|
| Policy makers (Decision making support system) | <ul style="list-style-type: none"> Integrated view of performance of Municipalities at the Central & State Govt. level | <ul style="list-style-type: none"> Integrated State Wide Municipal Information Management System |
| Programme Office (Progress tracking) | <ul style="list-style-type: none"> %age of customers of each type using e-Governance services %age of municipal services transformed into e-Governance %age of municipal service information published over e-Governance %age of transactions of each service executed electronically | <ul style="list-style-type: none"> Over 75% citizens using alternate channels for accessing services of ULBs Over 75% citizen facing services delivered using ICT |

Service Levels

| Key Objectives | Key Goals | Verifiable Indicators | Means of Verification |
|---|--|--|--|
| <ul style="list-style-type: none"> Financial Sustainability | <ul style="list-style-type: none"> Revenue enhancement Use of PPP | <ul style="list-style-type: none"> Growth in municipality own revenues by at least 25% on a year to year basis for first three years | <ul style="list-style-type: none"> Financial statements of the municipality |
| <ul style="list-style-type: none"> Enhanced Transparency and Accountability | <ul style="list-style-type: none"> Effective citizen redressal system Operational right to information | <ul style="list-style-type: none"> 80% resolution of grievances received through the Grievances Redressal Model within the defined service level Deployment of a system for meeting the requirements contained in the Right to Information Act Banning of manual records. | <ul style="list-style-type: none"> Government order System audit. |
| <ul style="list-style-type: none"> Process Reform | <ul style="list-style-type: none"> Online financial and management information system Implementation of standards and guidelines suggested in the design document. | <ul style="list-style-type: none"> Accrual based accounting system Legislative changes. | <ul style="list-style-type: none"> System audit Government order |
| <ul style="list-style-type: none"> Clearly Defined Citizen Services and Service Levels | <ul style="list-style-type: none"> Web Site / Common state wide portal for municipalities Availability of forms, citizen charters etc | <ul style="list-style-type: none"> Updated at least every 15 days, time stamp Online, updated within 24 hours of changes in forms, rules etc, if any | <ul style="list-style-type: none"> Time stamp monitoring and SLA with hosting agency SLA with hosting agency |

| Key Objectives | Key Goals | Verifiable Indicators | Means of Verification |
|----------------|--|---|--|
| | <ul style="list-style-type: none"> ▪ Online submission of forms ▪ Birth and death registration <ul style="list-style-type: none"> - Registered Hospitals - Others ▪ Calculation and payment of property tax ▪ Payment of utility bills water supply and sewerage ▪ Building approvals <ul style="list-style-type: none"> - Residential - Commercial and others ▪ Health programme <ul style="list-style-type: none"> - License (New) - Renewal ▪ Financial Accounting System ▪ Development projects <ul style="list-style-type: none"> - Approved projects and fund allocations by wards - Physical and financial progress - Request for public comments before closure | <ul style="list-style-type: none"> ▪ Online, immediate acknowledgement ▪ Online and through service points (< 15 minutes) <ul style="list-style-type: none"> ▪ < 5 days ▪ Online tax calculator <ul style="list-style-type: none"> ▪ < 15 minutes through identified service points ▪ Online through e-Biz portal ▪ e-Bills to be available online; <ul style="list-style-type: none"> ▪ Payment online ▪ < 15 minutes through identified service points ▪ < 7 days <ul style="list-style-type: none"> ▪ < 15 days ▪ < 5 days <ul style="list-style-type: none"> ▪ < 30 minutes ▪ Double accounting, finalization of A/Cs within 3 months ▪ Online & at service centres, within 1 day of project approvals <ul style="list-style-type: none"> ▪ Online & at service centres, updated within 15 days ▪ Online & at service centres, 7 days after completion | <ul style="list-style-type: none"> ▪ System audit ▪ System audit - monitoring and evaluation framework ▪ System audit monitoring and evaluation framework ▪ System audit monitoring and evaluation framework ▪ System audit monitoring and evaluation framework ▪ System audit monitoring and evaluation framework ▪ System Audit monitoring and evaluation framework ▪ Date of finalization of accounts |

| Key Objectives | Key Goals | Verifiable Indicators | Means of Verification |
|----------------|---|---|---|
| | <ul style="list-style-type: none"> ▪ e-Procurement ▪ Grievances handling - Acknowledgement - Resolution monitoring. | <ul style="list-style-type: none"> ▪ Integration with state e-procurement module ▪ Immediate (through service points or online) ▪ Online (<7 days for all other than specified for which it would be <1 month. | <ul style="list-style-type: none"> ▪ System Audit Monitoring and evaluation framework ▪ Online ▪ System audit monitoring and evaluation framework. |

Appendix

List of identified cities/urban agglomerations (UA) as per 2001 Census

City/UA Name of the State Population (in lakh)

a) Mega Cities/UAs

| | | |
|----|----------------------------|--------|
| 1. | Delhi Delhi | 128.77 |
| 2. | Greater Mumbai Maharashtra | 164.34 |
| 3. | Ahmedabad Gujarat | 45.25 |
| 4. | Bangalore Karnataka | 57.01 |
| 5. | Chennai Tamil Nadu | 65.60 |
| 6. | Kolkata West Bengal | 132.06 |
| 7. | Hyderabad Andhra Pradesh | 57.42 |

b) Million-plus Cities/UAs

| | | |
|-----|------------------------------|-------|
| 1. | Patna Bihar | 16.98 |
| 2. | Faridabad Haryana | 10.56 |
| 3. | Bhopal Madhya Pradesh | 14.58 |
| 4. | Ludhiana Punjab | 13.98 |
| 5. | Jaipur Rajasthan | 23.27 |
| 6. | Lucknow Uttar Pradesh | 22.46 |
| 7. | Madurai Tamil Nadu | 12.03 |
| 8. | Nashik Maharashtra | 11.52 |
| 9. | Pune Maharashtra | 37.60 |
| 10. | Cochin Kerala | 13.55 |
| 11. | Varanasi Uttar Pradesh | 12.04 |
| 12. | Agra Uttar Pradesh | 13.31 |
| 13. | Amritsar Punjab | 10.03 |
| 14. | Visakhapatnam Andhra Pradesh | 13.45 |
| 15. | Vadodara Gujarat | 14.91 |
| 16. | Surat Gujarat | 28.11 |
| 17. | Kanpur Uttar Pradesh | 27.15 |
| 18. | Nagpur Maharashtra | 21.59 |
| 19. | Coimbatore Tamil Nadu | 14.61 |
| 20. | Meerut Uttar Pradesh | 11.61 |
| 21. | Jabalpur Madhya Pradesh | 10.98 |
| 22. | Jamshedpur Jharkhand | 11.04 |
| 23. | Asansol West Bengal | 10.67 |
| 24. | Allahabad Uttar Pradesh | 10.39 |
| 25. | Vijayawada Andhra Pradesh | 10.39 |
| 26. | Rajkot Gujarat | 10.03 |
| 27. | Dhanbad Jharkhand | 10.65 |
| 28. | Indore Madhya Pradesh | 16.40 |

