

ASIAN DEVELOPMENT BANK

**TA NO. 7055-IND: CAPACITY DEVELOPMENT OF NATIONAL CAPITAL REGION
PLANNING BOARD (NCRPB) – PACKAGE 1 (COMPONENTS A AND C)**

VOLUME I: INCEPTION REPORT

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In association with

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Abbreviations and Acronyms

ADB	Asian Development Bank
BCBS	Basel Committee on Banking Supervision
BE	Budget Estimates
BIS	Bank for International Settlements
CRAMEL	Capital adequacy, Resources, Assets Quality, Management Quality, Earnings and Liquidity
CA	Chartered Accountant
CA&G	Comptroller & Auditor General of India
CII	Confederation of Indian Industry
CMA	Counter Magnet Areas
CoA	Chart of Account
ERP	Enterprise Resource Planning
FIs	Financial Intermediaries
FICCI	Federation of Indian Chambers of Commerce and Industry
FMS	Financial Management System
FRBM	Fiscal Responsibility and Budget Management
FY	Fiscal Year
GoI	Government of India
IPSAS	International Public Sector Accounting Standards
IEBR	Internal and Extra Budgetary Resources
IRDA	Insurance Regulatory Development Authority
MoF	Ministry of Finance
MoUD	Ministry of Urban Development
MIS	Management Information System
MTEF	Medium Term Fiscal Framework
NGOs	Non-Governmental Organizations
NIC	National Informatics Centre
NCRPB	National Capital Planning Regional Board
NCT	National Capital Territory
PEFA	Public Expenditure and Financial Accountability
PMC	Project Monitoring and Coordination
PSMG	Project Sanction and Monitoring Groups
REs	Revised Estimates
TA	Technical Assistance
TNUDF	Tamil Nadu Urban Development Fund
UP	Uttar Pradesh
WACC	Weighted Average Cost of Capital

I. INTRODUCTION

A. Project Background

1. The National National Capital Region Planning Board (NCRPB) was created as a special purpose body for promoting a balanced development of the National Capital Region (NCR). It was first conceived in accordance with the first Master Plan for Delhi (1961-81), which envisaged development of Delhi in its regional context. Besides identifying the Delhi Metropolitan Area, the Master Plan for Delhi also identified the NCR comprising the National Territory of Delhi and eight adjoining districts and additional Tehsils of Meerut, Hapur, and Bulandshahr. It recommended creating a statutory National Capital Region Planning Board and preparing a Regional Plan for the NCR. The Government of India therefore initially created a High Powered Board chaired by the Union Minister of Home Affairs with the Chief Ministers of Haryana and Uttar Pradesh, representatives of the Planning Commission, and the Mayor and the Commissioner of Delhi as its members. Subsequently, the Parliament enacted the National National Capital Region Planning Board Act, 1985 that provided for constitution of the NCRPB with a mandate to prepare the Regional Plan and perform other functions incidental to the implementation of the Regional Plan.

2. In accordance with its mandate to promote development in the national National Capital Region, NCRPB has formulated regional plans and established the NCRPB Fund to provide concessionary financing to infrastructure projects in the region. At this critical stage of its evolution, NCRPB is re-examining its role in development in infrastructure in the national National Capital Region. NCRPB Board Members and other stakeholders are asking themselves whether NCRPB has maximized its potential. If not, then how can NCRPB fulfil its mission?

3. **TA Objective:** In this context, the Government of India sought technical assistance from the Asian Development Bank to enhance the organisational capacity of the NCRPB and the implementing agencies involved in the implementation of the NCR Regional Plan. The objective of this TA is to strengthen the capacity of NCRPB, state level NCR Planning and Monitoring Cells, and other implementing agencies in the area of planning for urban infrastructure and to impart necessary skills to conceive, design, develop, appraise, finance and implement good quality infrastructure projects for planned development of the NCR. 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.

B. Getting Started

4. Infrastructure Professionals Enterprise Pvt. Ltd. (IPE) in partnership with the Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) (hereinafter referred to as 'Consultant') was appointed as the Technical Assistance (TA) Consultants for the Capacity Development of National Capital Region Planning Board (NCRPB) – Package 1 (Components A and C) on 11 August 2008. The TA will be implemented from 13 October 2008 to 17 October 2010. As scheduled, the kick-off meeting for the TA was held in the NCRPB office in Delhi on 13 October 2008.

C. Our Approach

5. Our approach to this assignment is based on the current development trends in the NCR in the context of the Project requirements and our understanding of international experience of

similar capacity building assignments. The cornerstone of our approach is based on the following principles:

- (i). **Consultative approach:** In the context of federal structure of NCR and its National Capital Region activities it is essential to incorporate support from all stakeholders including GoI, Development Authorities, Urban Local Bodies, and State Governments.
- (ii). **Creating change in ‘working environment’:** The team will work closely with NCRPB and staff members to understand their aspirations and align organizational goals with staff aspirations.
- (iii). **Hands-on approach:** The team understands that success of such initiatives are possible only through a ‘hands-on’ approach wherein consultants can become an intrinsic part of the target organization during the capacity building phase.
- (iv). **Sustainable Approach:** The team believes that capacity building support has to be sustainable. The team will facilitate: (i) development of in-house capacities through identification of resource persons (master trainers); (ii) wrap-up training for master trainers; and, (iii) a plan for ongoing (sustainable) training efforts.
- (v). **Revision of Regional Plan and development of future urban development strategy:** In view of the rapidly changing development scenario, TA will culminate in NCRPB laying the groundwork for interim revision of Regional Plan-2021.
- (vi). **Facilitating access to technology.** In addition, this TA will facilitate NCRPB in accessing state-of-art technology (i.e., ERP, GIS database).

D. Inception phase

6. The team was mobilized on 13 October 2008 and is operating from a project office in NCRPB. The team has had a series of meeting with officials of NCRPB, starting with a kick-off meeting held to formally launch the TA for component A & C. The kick-off meeting was attended by the ADB Project Officer, the Member Secretary, the Chief Regional Planner, the Director Finance, and heads and officials from other departments.

7. Based on detailed discussions with focus groups, the team has compiled this inception and diagnostic report. The outputs of the inception phase TA comprise of two parts:

- **Volume I:** Inception Report – Presents a detailed work plan outlining the activities, timing of deliverables and indicative budget for undertaking training activities; And,
- **Volume II:** Diagnostic Study of NCRPB - Presents a detailed review and diagnosis of the business activities related to components A (which covers Business Process Reengineering of NCRPB’s operations and financial management systems); and, Component C (which deals with strengthening integrated regional planning and human resource management).

8. Findings of the inception phase were presented to key officials of NCRPB on 25 November 2008, wherein the existing processes and operational procedures were validated and a tentative work plan for future phases was discussed.

E. Key Inception Findings

9. **SWOT Analysis for preliminary assessment of NCRPB:** In order to assess the current situation at NCRPB, a detailed analysis of its strengths, weaknesses, opportunities and threats have been carried out. Based on interviews with NCRPB management, staff members, and

stakeholders, the findings from this Strength, Weakness, Opportunities, Threat (SWOT) exercise are summarised below:

Table No. 1: SWOT Analysis of NCRPB

<p>STRENGTHS</p> <ul style="list-style-type: none"> • High Powered Board and Committed Leadership; • Competent and Professional Staff; • Strong Government Support; • Reasonably Strong Act and Legal basis; • Comprehensive Regional Plan with growth and thrust areas identified; • AAA Rating from Credit Rating Agencies; • Loan Portfolio with No Delinquency; • Strong knowledge base about NCR - Cumulative lessons from experience that are very valuable; • Established track record of 23 years in enabling projects to be developed and financed in NCR; • Well-managed and large NCRPB Fund (Corpus) for promoting infrastructure development. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • No hierarchy of plans; • Limited proactive development of projects; • Lack of diversified funding sources; • Huge workload on existing staff; • Rudimentary MIS; and, • Low level of support from NCR cells;
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Huge Market for Infrastructure Development; • Government mandate for reducing pressure on urban settlements; • Strong Multi-Lateral and bi-lateral interest in NCRPB; • Expanding cities and towns and the inevitable urbanization; • Technological advances and newer tools available for regional planning and financing of urban infrastructure projects; • Important role for NCRPB is fostering balanced development in NCR; and • Huge opportunity for infrastructure development in rural areas of the NCR. 	<p>THREATS</p> <ul style="list-style-type: none"> • Current pressure in macro-economic environment; • Competition from other financiers in infrastructure; and, • Possible Political interference.

10. The SWOT analysis presents a portrait of NCRPB's current operational status. Basic diagnostics are discussed in Vol-II: NCRPB Diagnostic Report. Briefly stated, NCRPB has strong and committed management backed by the Government of India. However, SWOT indicates that the full potential of NCRPB has not been realized. Converting a hierarchy of plans into programmes, activities and into bankable projects constitutes an extremely complex task. There is limited implementation of planning hierarchy, leading to development that is not aligned to the regional plan. On the financing side, there is limited project origination activity and little leveraging of NCRPBs financial and good will resources. Enhancing the scope and mandate of the revolving fund represents an ongoing challenge.

11. Notwithstanding the current limitations, NCRPBs presence as a National Capital Region planning and financing body presents many opportunities. With Technical Assistance, NCRPB should be able to delineate a more robust business model. The team asserts that the NCRPB business model presented in a final business plan will entail increasing project origination skills and encouraging innovative financing structures. Furthermore, NCRPB should build on its well-established planning skills to ensure that National Capital Region development smoothly dovetails into the overarching regional plan.

12. This Inception Report strives to diagnose the nature of complexities and problems and the modalities of addressing them in the following chapter and annexes.

II. KEY ISSUES AND REFORM AREAS

13. This section details key issues that NCRPB faces and potential areas for reforms.

14. Clearer vision and strategic direction: NCRPB is performing two primary operations: 1) planning; and, 2) lending. While modestly successful in its two pronged approach, there appears to be a lack of strategic multi-year direction. A well-focused business plan would facilitate the implementation of its vision.

15. Financial Management and Treasury Operations needs to be aligned to best practices: NCRPB financial management and treasury operations serve the basic requirements of a compact revolving financial fund. While NCRPB treasury operational practices are consistent with government guidelines there is substantial scope for realigning the treasury operations with best practices in the market and RBI recommended operations. Briefly stated, the treasury lacks a well conceived financial plan – as such the budget is not realistic (i.e. the budget is not geared for achieving realistic outcomes).

16. Modest Project Development and Appraisal Capacities: Though NCRPB prepares the regional plan and finances projects for its implementation, it suffers from lack of in-house capacity for project appraisal, monitoring and evaluation. The existing one-man window for promoting project formulation and development, project evaluation, monitoring of project implementation and feedback is insufficient. This has led the Board to outsource some of the project appraisal functions to the national level institutions. The process of project appraisal by these institutions is time-consuming. Perusal of a few reports has revealed gaps in project appraisal. Further, the Board does not have an effective computer based monitoring system of projects.

17. Need for effective implementation of Regional Plan: The Regional Plan needs to be disaggregated into Sub-Regional Plans, Master Plans and projects by the implementing agencies in the constituent states. Preparation of hierarchy of plans by constituent states is presently constrained by the inter-state nature of the NCR, wherein effective coordination and compliance to the requirement of disaggregating the Regional Plan is difficult. Even after 3 years, after approval of the Regional Plan 2021, constituent states have not commenced preparation of sub-regional plans despite offer for financial assistance for procurement of consultants by the Board. Assisting NCRPB in reviewing international best practices on this issue may serve as starting point for facilitating better regional planning efforts.

18. Limited Loan Products: NCRPB currently has a single product offering on the financial assistance side – concessionary loans with a tenure of ten years and a moratorium period of two years. Further, interest payments and principal repayments are on an annual basis. There is definitely a need to look at using the revolving fund corpus available with NCRPB more effectively to achieving organisational goals by designing financial products ranging from project development grants, annuity support for PPP projects, concessionary loans with different maturities, quasi equity products to facilitate state government participation in PPP projects, and some loans at market rates.

19. Limited Risk Management Capacity: As a government controlled revolving fund, NCRPB does not have a well-documented risk management framework. If it intends to expand its lending portfolio and offer additional products, it needs to install a pre-emptive (and well documented) risk management policy.

20. Under-leveraged NCRPB Fund: The NCRPB Fund has largely been built up from grants from the Government of India and the Government of Delhi. Borrowing has also been in the form of bonds, which require government permission. Even the proposed borrowings from ADB and other multilateral agencies would require government support. Given competing demands from other stakeholders, the Government of India may not be in a position to increase grant allocations or provide guarantees for a large amount of multilateral borrowings to NCRPB significantly. Therefore, NCRPB needs to leverage its AAA credit rating and explore other sources of financing from the domestic market in order to meet its stated objective of supporting Rs.15000 crore of projects as proposed for the 11th Five-year plan ending in 2012.

21. Little Flexibility in Deployment of Funds. Surplus funds have to be deployed in accordance with the Ministry of Finance guidelines. Therefore, it may be sufficient to look at improving existing processes in the treasury function rather than suggest sophisticated treasury management systems and use of derivatives etc. NCRPB clearly would not get the government support to deviate from the guidelines given by the Ministry of Finance to all entities owned/controlled by the government. NCRPB currently lends to states and state agencies at concessionary rates decided by the Board with Government approval and rate revisions are not linked to movement in interest rates in the financial markets. This leads to a situation where demand for NCRPB funds shoots up significantly when there is a huge differential between NCRPB's own rates and market rates and vice-versa. This clearly indicates a need to align even the concessionary lending rates with movement in market rates.

22. Proactive development in Public Private Partnership (PPP) capacity: The demand for resources – both human and financial – being very large, the Board needs to adopt public-private partnership (PPP) as a tool for leveraging its resources and enhancing service delivery. This again requires skills for procurement and management of PPP. The Board needs to develop these skills. While NCRPB is constrained to fund private operators, they could still act as facilitators of developing PPP projects in the NCR and could fund states in their share of contribution to the PPP projects. Public private partnerships should also be explored by the NCRBP for strengthening its own operations (e.g. outsourcing asset management to public private entity).

23. Skill Constraints at NCRPB and Action Agencies: Besides the complexities posed by a multi-state jurisdiction and the accompanying state-federal relationships, lack of capacity of NCRPB and their action agencies for preparation of Sub-Regional Plans, Master Plans, and Project Plans constitutes another factor that adversely affects an effective implementation of the Regional Plan. The skills required to conceive, design and develop the hierarchy of plans and convert them into programmes, activities and projects is inadequate amongst the action agencies. They also lack capacity in project management and the processes involved in project planning and management. This results in lack of well structured bankable projects. The number of well-structured and bankable projects is limited in relation to the Board's ability to provide finance for implementation of projects.

24. Ineffectiveness of NCR Planning and Monitoring Cells: Anecdotal evidence suggests that the NCR Planning and Monitoring Cells have not effectively promoted NCRPB's agenda in their respective state governments. Though the salaries for the staff at these cells are borne by NCRPB, staff members do not appear to be assisting state governments and their agencies in preparation of relevant plans and identification of projects. NCR Planning and Monitoring Cells do not appear to be effective in sourcing data for the planning function at NCRPB.

25. **Process and Procedural Bottlenecks:** While it may not be feasible to make amendments to the NCRPB Act, it is necessary to effect process improvements aligned with good market practice in the country. This may be done by amending the Rules and guidelines followed by NCRPB.

26. **Rudimentary Management Information Systems (MIS):** At the outset, it must be mentioned that NCRPB has managed quite effectively despite its basic MIS. However, a lot of time is spent on data collection, reconciliation, updating and analysis. There are several issues with regard to the existing MIS, including, but not limited to:

- Multiple and diverse systems are used (packages, manual data and a combination of these) and a lot of time is spent on data entry, updating, reconciliation and verification;
- Packages are very basic and cannot easily handle complex and diverse data (such as those at NCRPB);
- Data retrieval and analysis are also quite laborious as they are not pre-programmed and the same or similar operations may have to be done each time (on excel) when the same/similar information is required. This makes the task of data manipulation and analysis quite tedious;
- Physical records are growing, space is becoming a constraint and data retrieval is a problem. There is no reliable and valid means to collect, store and transmit data from field, especially at the state level. There is a need to address this since a lot of data has to be collected locally from the field; And,
- Standard data back-up procedures are lacking.

27. **No In-house Legal Cell:** At present NCRPB is dealing with approximately 400 legal cases dealing with a cornucopia of legal issues pertaining to the regional plan. NCRPB planners spend a considerable amount of time in court and with other legal related issues. It may be advantageous for NCRPB to consider hiring full-time in-house legal advisory services.

28. Based on the review of NCRPB's current business models and constraints highlighted above, the team has developed a detailed work plan to address current constraints and to enable the organization to achieve its potential.

III. THE WAY FORWARD

29. Based on detailed review of NCRPB's operational realities, we have drawn up a proposed strategy and work plan, which we believe, will be effective in achieving the stated goal of this TA.

A. Interim Phase (December 2008-May 2009)

30. **Financial Management and Treasury Operations:** The Treasury Manual will facilitate the Board in effectively managing its liquidity over short, medium and long term. In addition, the Financial Management Manual will facilitate the Board in developing its asset book in accordance with the available/projected liability profile. In this exercise, the team will implement improvements to establish best practice financial and treasury management systems. This will result in the following outputs:

Treasury Operations

- Financing Plan (Draft)- February 2009;
- Guidelines for Treasury Operations (Draft) - March 2009;
- Final Financing Plan- May 2009;
- Final Treasury Operations Manual- May 2009;

Financial Management

- Financial Management Manual (Draft) - February 2009;
- Finalise criteria for credit assessment of implementing agencies- February 2009;
- Financial Management Manual (Final) - May 2009;

31. **Improving Risk Management Operations.** The complexity associated with infrastructure projects leads to an increased risk exposure for stakeholders involved during project implementation. An understanding of such risks is critical. This appraisal process shall not be limited to financial appraisal and will include undertaking an environmental assessment, socio-economic assessment, and technical feasibility. For projects proposed in a PPP framework, the appraisal process shall include a legal due diligence, institutional assessment and identification of a suitable PPP option. This will lead to the following outputs:

- Project Appraisal Process and Procedures Toolkit (Draft) - April 2009;
- Risk Management Framework (Draft) - May 2009;
- Final Project Appraisal and Procedures Toolkit (with models from Component B and from current pipeline) - May 2009;

32. **Facilitate a Pipeline for PPP Initiatives in the NCRPB.** The team proposes to identify suitable opportunities for developing projects under PPP framework in consultation with stake holders and then select two projects for development and project structuring. As part of this exercise, the team will also review the current legal impediments, market appetite as well as suitable changes in NCRPB's lending policies to facilitate assistance to such projects.

33. A pipeline of projects amenable to implementation in PPP framework will be identified and a mechanism established which would facilitate the board to screen projects. A toolkit will be developed which will outline the tools and techniques to be followed for developing / implementing projects under PPP framework. This will lead to the following outputs:

- Strategy (ies) for mainstreaming PPP Initiatives into NCRPB Project Pipeline (Draft) - March 2009;

- Selection/identification of Project Opportunities- March 2009; And,
- PPP Toolkit - May 2009.

34. Improving Regional Planning. The team will strengthen the interventions suggested in the diagnostic study with relation to the GIS system as it relates to regional and sub-regional planning, and specify the inputs required for the operation of the system. We will also address the organizational structure to operate the GIS efficiently. In conjunction with this, we will investigate best practices elsewhere in the world, specifically in inter-jurisdictional locations. This will result in the following outputs:

- Draft Action Plan and GIS Recommendations- February 2009; and
- International study tour for best practices in “National National Capital Region Planning”- Mar-April 2009.

35. Capacity / Human Resource Development. The team will address discrepancies- both existing and potential – by enhancing knowledge and skills, and bringing about a perceptible change in the attitudes of officials and staff of the Board, through capacity building training workshops in reputed training institutions in India and abroad. This will be supplemented by visits to good practices sites. Moreover, the team will work out a plan for human resource management for enhancing productivity of the officers and the staff of the Board, aligning the individual and institutional interests.

- HR Gap Analysis and Findings- March 2009;
- Training Calendar and Identification of Partner Institutions- March 2009; and,
- Human Resource Management and Development Plan (Draft)- May 2009.

36. Business Process Reengineering and Development of an Enterprise Resource Planning Facility (ERP). In this exercise, the team will identify business process requirements for various functions, based on the current and proposed business plan and document process improvements to facilitate operations. The business process re-engineering will suggest improvements in the treasury, financial management and risk management functions, based on best practices. This will lead to following outputs:

- Document work flow through core processes- February 2009; and
- ERP Process Mapping (Draft)- May 2009.

B. Draft Final Phase (June 2009 – October 2009)

37. In this phase, the team proposes to facilitate implementation of the suggested process changes by oversight of a few pilot initiatives. Based on this experience, the suggested modifications would be carried out in the draft Operations Manual, and Standard Operating Procedures will be finalized.

38. Based on the actual experience with the pilot implementation phase, the scope of ERP system will be comprehensively derived and detailed implementation plan for the same will be developed. Following this, an actionable RFP document for ERP will be prepared and submitted. Key deliverables at final phase will be:

- Could Be Maps of Piloted Re-Engineered Processes - October 2009
- SRS and Implementation Plan (Draft)- October 2009;
- ERP Tender Document (Draft) - October 2009; and,
- NCRPB Strategic Business Plan (Draft)- September 2009.

39. **Regional Planning.** The team proposes conducting the International Conference to August/September 2009 instead of June 2009. This will facilitate the NCRPB officials to showcase their own best practices, which are likely to be in place through this TA. Several of the planned invitees and speakers will be identified during the study tours in March and April 2009. It would not give them much needed time to prepare papers and firm up travel plans if the event is held in August/September.

- Action Plan for implementation of GIS- February 2009;
- International Study Tour- March 2009;
- International conference on National National Capital Region planning- August 2009

40. **Capacity / Human Resource Development.** The team will conduct training needs assessment at NCRPB, planning cells and sample implementing agencies to gain insights into the gap between the existing knowledge and skills of the staff and the required level of skills. Based on gap analysis, a training plan will be prepared for the officers and staff for addressing the existing performance discrepancies. This will be supplemented by visits to the best practices in innovative infrastructure financing systems and project development.

41. In order to conduct capacity building training workshops, reputed training and professional institutes will be identified on the basis of their credibility. The training plan provided in annex-4 is only an impressionistic based on initial discussion with the officials and staff. This will be firmed up on the basis of outcome of the TNA and available budget.

42. The training plan that will evolve at the end of TNA findings will be based on the overall requirement of NCRPB officials for skill up-gradation, which will be further categorised into various components (A,B and C) based on discussions with project director and ADB.

- HR Gap Analysis- March 2009;
- Training Calender and identification of partner organisations- March 2009;
- Human Resource Management and Development Plan- May 2009

C. Final Phase (November 2009 – March 2010)

43. In the final phase, we propose to consolidate the recommendations of the implementation phase and carry forward the hand-holding activities. The Team Leader and the Deputy Team Leader will finalize the exit strategy for the TA consultants and prepare an evaluation report of the reforms carried out by NCRPB and the implementing agencies as part of this TA.

44. We also propose to complete the wrap-up training for master trainers and facilitators. The wrap-up training will include updating of learning from the entire TA to the facilitators. The final phase will culminate with the preparation of a report by the Team leader and the Deputy Team Leader on the key achievements of this TA in terms of lessons learnt and outcomes based on the pilots to enable ADB to facilitate further support to NCRPB.

- Final ERP Tender Document- January 2010;
- Final SRS and Implementation Plan- January 2010; and,
- Final Strategic Business Plan- January 2010.

IV. CAPACITY BUILDING

A. International Best Practice Visit¹

45. As a result of investigations of the planning situation in the NCR as part of the Inception Report, the suggested topics for the Study Tour would be “best practices”, ideally in a Capital City location, covering the following topics/areas:

- Inter-jurisdictional issues related to planning and implementation over the region;
- Overall development authority (or other means) for managing complex infrastructure related projects/issues, e.g. transportation; and,
- GIS applications for regional, sub-regional and development planning.

46. The current plan is that they take place in March 2009 and perhaps into early April 2009 as per the dates given in the ToR. Given the limited number of planning staff (6), the NCRPB would like to arrange two trips so that more staff can gain exposure while office functions should not be disrupted. The request from the Board is for each trip to be up to 2 weeks duration. Much, of course, will depend on the available budget which can be allocated to international study tours from the overall allocation for training programmes.

47. It would be relevant to include as wide a geographical exposure of different approaches/issues as possible within the available time, taking into account costs and travel times ex-Delhi. Accordingly, the following trips are proposed.

48. Itinerary 1 would focus on the Asia-Pacific region and include an Australian example (probably Sydney), a developed Asian example (Tokyo region) and a developing Asian situation (Kuala Lumpur). Itinerary 2 would entail travel to Europe and include a mainland example (Berlin as a regional centre), London and a Scandinavian 2 city example (Copenhagen/Stockholm). Specific details of the Itineraries and the 7 short-listed cities are shown below. All except Sydney are capital cities.

Table No. 2: Travel Plan for Study Tour

Date	March/April	29	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6			
Day		S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M			
Location	Topic																																									
Travel	DEL-SIN-SYD																																									
Sydney	Visits																																									
Travel	SYD-SIN-KUL																																									
KL	Visits																																									
Travel	KUL-SIN-Tokyo																																									
Tokyo	Visits																																									
Travel	Tokyo-DEL																																									
Travel	DEL-Berlin																																									
Berlin	Visits																																									
Travel	Berlin-LHR																																									
London	Visits																																									
Travel	LHR-Copenhagen																																									
Copenhagen	Visits																																									
Travel	Copenhagen-Stockholm																																									
Stockholm	Visits																																									
Travel	Stockholm-DEL																																									

¹ Detail of itinerary and budget are appended in annex 3 and 5 respectively. The places indicated have been identified based on initial discussion held with NCRPB and considering the budget approved in the TA. However, it may be noted that the plan is tentative and may require modifications and alteration after establishing contact with local institutions.

B. Training Program

49. The proposed training interventions will consist of two approaches, viz. (i) preparation of Training Needs Assessment (TNA) based Training Plan fulfilling the training needs in the short run, and (ii) institutionalizing training within the NCRPB as a long term strategy.

50. Training Plan: As short term training strategy, a Training Plan will be prepared based on a formal TNA. In view of a large number of implementing agencies (about 30 in number) coupled with the training needs of the NCRPB and the four NCR Planning and Monitoring Cells in the constituent states, TNA will be conducted for the NCRPB, the NCR Cells and a sample of implementing agencies (IAs). The sample of implementing agencies has been already selected in consultation with the NCRPB. These IAs (see below) have been selected in a manner that will also help in preparing the training plan for Component B of the TA..

Table No. 3. Sample Implementing Agencies for TNA

S.N.	Cities/Towns	Implementing Agencies	Potential Projects for DPR
1	Ghaziabad	U.P.Jal Nigam	Drainage
		Ghaziabad Municipal Corporation	Solid Waste Management
		Ghaziabad Development Authority	Traffic
2	Panipat	Public Health Department, State Government of Haryana	Water Supply
3	Hapur	U.P.Jal Nigam	Sewerage
		Hapur-Pilukhwa Development Authority	Sewerage
		Hapur Municipal Council	Sewerage

51. TNA will be conducted to assess performance discrepancy both existing and potential². Performance discrepancies will be assessed at the following levels:

- Job Level: The employees do not know how to do the job assigned to them;
- Project Team Level: The functionaries have little knowledge of handling the team or conducting group meetings; And,
- Department Level: Employees have not been trained in the use of particular equipment installed recently at work stations in the department.

52. At the organization level: Employees not conversant with performance requirements of a new policy introduced in the organization. Scanning of performance discrepancies will be done by

- Studying records and reports;
- Direct observation; and,
- Asking questions.

² Existing Discrepancy will help understand the concerned employee does not know what to do or has developed poor work habits, or just does not want to do what is expected. Potential Discrepancies can not be observed because it is yet to happen. Potential discrepancies are gaps in knowledge or skill that result from changes in policy or actions instituted by management

53. Scanning of performance discrepancies will shed light on training needs of the NCRPB, NCR cells and the IAs. This will form the basis for preparation of a Training Plan that will serve as the road map for conducting capacity building training workshops.

54. **Potential Training Institutions:** Having identified the subject areas of training, the potential training institutions will be identified that are best placed to conduct training workshops as identified through TNA. Preliminary discussions with the NCRPB, the NCR Cells and some of the sample IAs have given direction on the subject areas of training required under this TA. These along with the potential training institutions are mentioned in the annex-4 given below. The list of courses and number of participants is tentative at this stage. These will be firmed up later on the basis of the results of the proposed formal TNA and institutional analysis of the training and professional institutions.

55. **Study Visits.** Capacity building training workshops will be supplemented by conducting study visits to the best practices in financing of urban infrastructure projects and the projects developed innovatively. These are detailed out in the Work Plan.

56. **Institutionalizing Training in NCRPB.** Capacity development is intended to be a continuous process. NCRPB would need to internalize capacity building through training. This will address the much needed training on (i) induction, (ii) transfer, and (iii) promotion. This will have to be done on a sustained basis. As part of this TA, ways and means of creating capacity within the NCRPB itself for TNA, training and human management will be explored and institutionalized.

C. International Conference

57. The original plan for the International Conference was that it would be held around June 2009. However, after some more thought it is now recommended that it be moved to August/September 2009. The reason, apart from the often intense Delhi heat in June, is that several of the planned invitees and speakers would be identified during the Study Tours in March and April 2009. It would not give them much time to prepare papers and firm up travel plans if the event is held in June 2009.

58. Ideally it would be possible to invite representatives from all the cities visited during the Study Tours to ensure that a wide range of issues and opportunities could be discussed at the conference. Other international participants could be identified from academic institutions while locally most participants would be from the NCRPB and the various State Cells in addition to other interested agencies and organizations.

59. The budget has initially based upon the assumption of 100 participants over 2/3 days although this would need to be reviewed depending on interest evinced at the time. The conference would include presentations by the invited speakers together with site visits to locally selected examples of capital city issues.

60. A tentative budget for the international conference is appended in Annex-5.

ANNEXES

Annex I: Timelines for Deliverables

Project Management Reports

- Inception Report - 27 November 2009;
- Study Tour Documentation-15 May 2009
- Interim Report- 15 May 2009;
- International Conference/Paper Compilation- September 2009
- Draft Final Report- 30 October 2009;
- Final Report- 15 December 2009

Treasury Operations

- Financing Plan (Draft)- 16 March 2009;
- Guidelines for Treasury Operations (Draft) – 27 March 2009;
- Final Financing Plan- 15 May 2009;
- Final Treasury Operations Manual- 15 May 2009;

Financial Management

- Financial Management Manual (Draft) – 27 March 2009;
- Finalise criteria for credit assessment of implementing agencies- 27 February 2009;
- Financial Management Manual (Final) – 15 May 2009;

Business Process Reengineering and Development of an ERP Facility

- Document work flow through core processes- 27 February 2009;
- User Requirements and Good Practice MIS Manual- 27 March 2009;
- ERP Process Mapping (Draft)- 17 April 2009.
- Could Be Maps of Piloted Re-Engineered Processes – 25 September 2009
- SRS and Implementation Plan (Draft)- 30 October 2009;
- ERP Tender Document (Draft) – 30 October 2009;
- NCRPB Strategic Business Plan (Draft)- 28 August 2009.
- Final ERP Tender Document- 30 November 2009;
- Final SRS and Implementation Plan- 15 December 2009;
- Final Strategic Business Plan- 15 December 2009.

Improving Risk Management Operations

- Project Appraisal Process and Procedures Toolkit (Draft) – 17 April 2009;
- Risk Management Framework (Draft) – 17 April 2009;

- Final Project Appraisal Process and Procedures Toolkit – 15 May 2009;
- Final Risk Management Framework – 15 May 2009;
- Final Project Appraisal and Procedures Toolkit (with models from Component B and from current pipeline) – 15 May 2009;

Facilitate a Pipeline for PPP Initiatives in the NCRPB

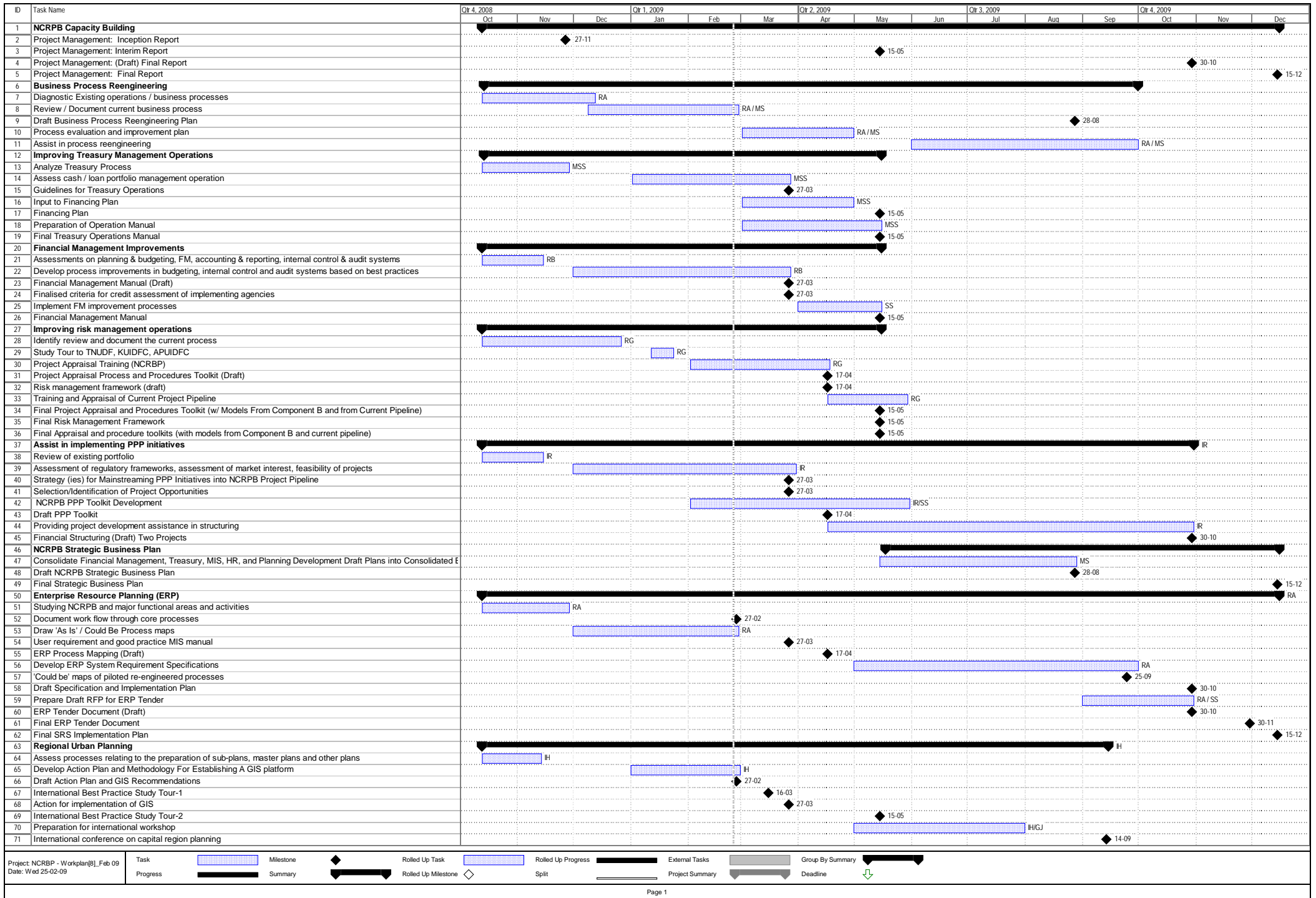
- Strategy (ies) for mainstreaming PPP Initiatives into NCRPB Project Pipeline – 27 March 2009;
- Selection/identification of Project Opportunities- 27 March 2009;
- PPP Toolkit – 17 April 2009.
- Structuring sample PPP projects- 30 October 2009

Improving Regional Planning

- Draft Action Plan and GIS Recommendations- 27 February 2009;
- International study tour for best practices in “National National Capital Region Planning”- Mar & May 2009.
- Action Plan for implementation of GIS- 27 March 2009;
- International Study Tour- March/May 2009;
- International conference on National Capital Region planning- September 2009

Capacity / Human Resource Development

- HR Gap Analysis and Findings- 27 February 2009;
- Training Calendar and Identification of Partner Institutions- 27 February 2009;
- Human Resource Management and Development Plan (Draft)- 15 May 2009
- Final Human Resource Management and Development Plan- 30 October 2009

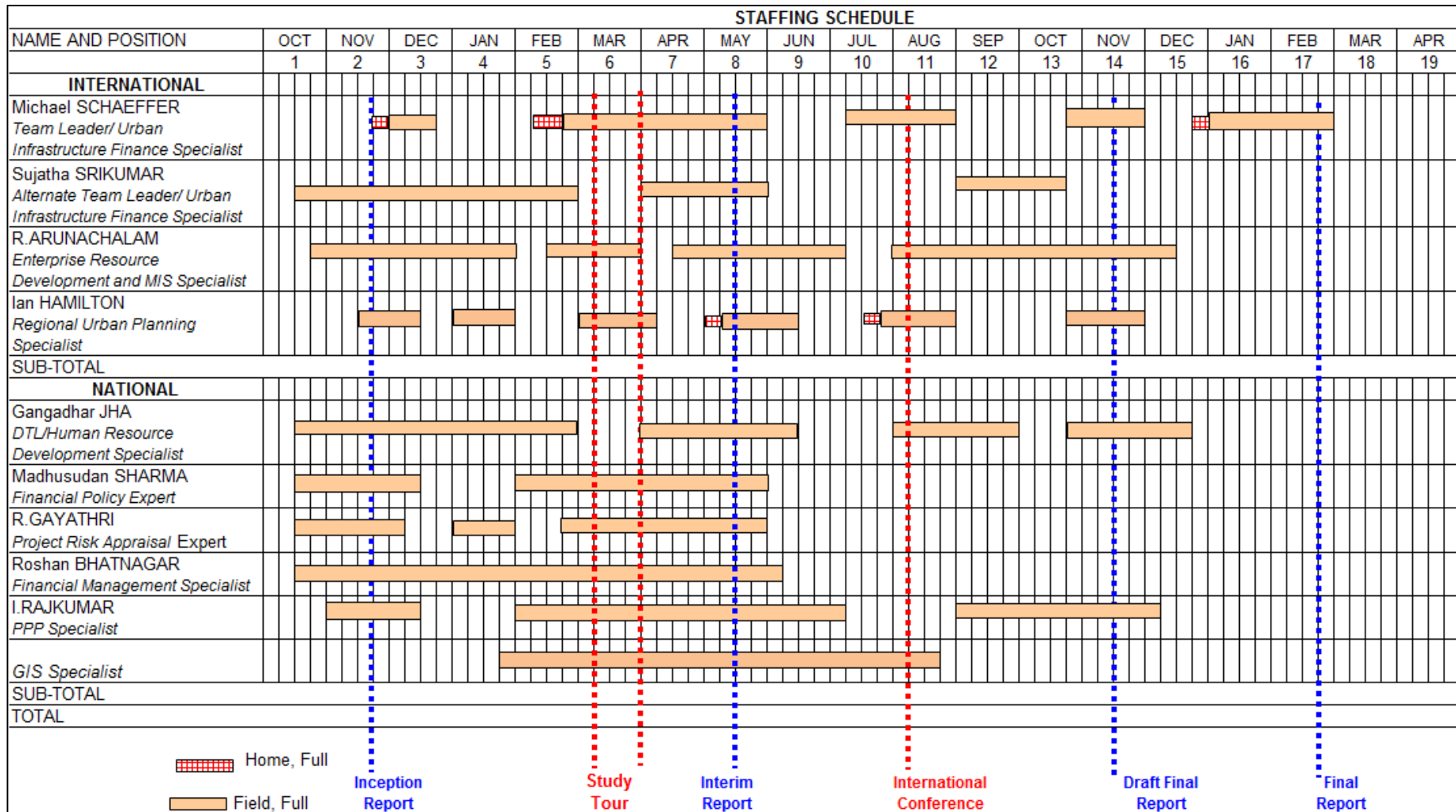


Project NCRBP - Workplan[8]_Feb 09
Date: Wed 25-02-09

Task Milestone Rolled Up Task Rolled Up Progress External Tasks Group By Summary
Progress Summary Rolled Up Milestone Split Project Summary Deadline

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	Human Resource Development															
73	Assess human resource management	GJ														
74	Training needs assessment	GJ														
75	HR Gap Analysis and Findings	27-02														
76	Training Calendar and Identification of Partner Institutions	27-02														
77	Development of Human resource Management Plan	GJ/SS														
78	Human Resource Management and Development Plan (Draft)	15-05														
79	Training of NCRPB team as per calendar and identified training plan	GJ/SS														
80	Final Human Resource Management and Development Plan	30-10														

Annex II: Proposed Consultants' Inputs



Annex III: Detail Itinerary of Best Practice Visits

TRIP 1: DELHI → SYDNEY → KUALA LUMPUR → TOKYO → DELHI

Tokyo

- Capital City Planning with governmental, business and financial/administration, distribution and transportation, manufacturing and R&D, service, education and research and media functions.
- Inter-jurisdiction. Tokyo Metropolitan Government (2,000+km²) established in 1991 as a prefecture level public entity encompassing 23 special wards that constitute central Tokyo, 26 cities (shi), with populations in excess of 300,000, and 13 smaller entities, towns (cho) and villages (son). Pressures to devolve powers. Some suggestions to move capital functions..
- Regional Planning. Fifth National Capital Metropolitan Regional Plan published in 1998 for planning up to 2015. Comprises Tokyo and seven surrounding prefectures: Chiba, Saitama, Kanagawa, Gunma, Tochigi, Yamanashi, and Ibaraki. De-concentration and independent centres strategies. Green areas. Population currently 34 million. Area 37,000 km². Similar size to Delhi NCR.
- Centrality. Region to have 30% of total population by 2015. The so-called “Tokyo Problem”. Rural in-migration and from other cities.
- Transport Planning. e.g. railway network 2300km and occupy 73% of regional passenger travels.

Kuala Lumpur

- Capital City Issues. Relocation of Federal Government to Putrajaya.
- Regional Planning (Klang Valley) 2800+km². Link to National Physical Plan and State Structure Plans.
- Administration. Klang Valley Development Committee chaired by the Prime Minister and contains representatives from all local authorities in the region. Coordinates and advises but has no legal powers.
- GIS Usage. Klang Valley GIS Application (AGISwtk). Environmental Analysis to Klang Valley Regional Plan and plan monitoring. Coordinating GIS development for 6 Local Authorities in the region.
- Transportation. 500km rail-based transit network fully developed by 2020, to address connectivity between different train services, unreliable bus services and common ticket for all systems. To have 380 stations, which would place most residents within easy reach of public transport. (Currently 182km with 110 stations and only covers 48% of the area). Klang Valley Integrated Public Transport System and Land Use Development Plan, was the result of a study conducted by the Federal Territory and Klang Valley Development Division of the Prime Minister's Department since 2001. The newly-formed Federal Territories Ministry has now taken over the final stages of the study.
- Projects. Multimedia Super Corridor (MSC), Government Administrative Centre in Putrajaya, Cyberjaya and the Kuala Lumpur International Airport (KLIA).

Sydney

- Regional Planning 4 + million people (58% of the State's population). 12,000+ km². No regional level government. All 38 local government areas in State administered by Department of Planning. Sydney Greater Metropolitan Region. North West and South West Growth Areas. Concerns that restricting Sydney's growth would drive population inter-State or overseas. Population to increase to 5.3 million by 2031. Strategy from 2005. Proposed expansion of five regional cities (CBD, North Sydney, Parramatta, Liverpool and Penrith). 22 other strategic centres will be rejuvenated or developed. The Sydney region together with the Central Coast, Lower Hunter and Illawarra form the Greater Metropolitan Region (17,000+ km²).
- Infrastructure Planning. State Infrastructure Strategic Plan (SISP) (2002). 10 year Plan. For projects or packages of projects over A\$20 million. Planned A\$29 billion of investment and 300 project proposals over ten years (across the state)
- Water Issues. 2006 Metropolitan Water Plan. Water consumption has dropped significantly over the last 20 years (from 506 litres per person/day to 403). Due in large part to pricing reforms, improved appliance efficiency (eg dual flush toilets) and water conservation programs.

Trip 2: Delhi→Berlin→London→Copenhagen→Stockholm→Delhi**Berlin**

- Capital City Planning. Reunification issues.
- Regional Planning. 6 million people within 30,000 km² including surrounding Brandenburg State. Unification with East Germany 1990. City and surrounds clashes over development and administration. The official inter-state planning and cooperative mechanism, 'Berlin-Brandenburg Joint Spatial Planning Department' was established in Potsdam in 1996. This planning department is unique in Germany. As a component both of 'Senate Urban Development Department' of Berlin and 'Infrastructure and Regional Planning Department' of Brandenburg, the joint department has direct political right to make and execute planning decisions in federal state level.
- European Metropolitan Regions as 'motors of the societal, economic, social and cultural development' that ought to preserve the achievement potential and competitiveness of Germany and Europe and contribute to the acceleration of the European integration process. Linked to reunification and globalization.
- International Planning. Part of Baltic-Adriatic Development Corridor from Stockholm in north to Rome in the south.

London

- Capital City Planning. London identified in the Spatial Vision for North West Europe (which elaborates upon the European Spatial Development Perspective) as a part of its Central Zone, 'a world powerhouse'. Most important city in Central Zone, but seen as creating 'bottleneck' to long distance movements essential to sustain competitiveness of North West Europe.
- Regional Planning. Greater London 6,000 km² with a population of 7+ million. London Plan dated 2004 for issues of strategic importance. It integrates other strategies such as Transport, Economic Development and Waste. London is centre of a metropolitan region of 18 million+ people. Polycentric development across the mega-city region. The strategy for this wider region is set out in Regional Planning Guidance for the South East (RPG9). London contributes to the objective of sustainable development, e.g. plan for 30,000 new homes in London every year.
- Transport Planning. Congestion Charges for central area. "Transport for London" responsible for transport strategy (surface, tube, rail) and operations.
- Large Project Planning (Olympics 2012). Olympic Park in east London to regenerate the area. Part of Thames Gateway with 5 involved local authorities.

Copenhagen

- Capital City Planning. Copenhagen seen as part of the Oresund Region, including southern Sweden.
- Regional Administration. Planning Act Reform 2007. 12 Regional Plans became 5 Regional Spatial Development Plans. They bind together regional strategies.
- Regional Planning. Greater Copenhagen Region. Finger Plan 2007 & 34 Municipal plans replace Regional Plan 2005. Fingers of development served by public transport with green wedges between. 1.8 million population over 2,700km².
- Project implementation. Orestad. New urban area (6th Finger) to be developed over 30 years and served primarily by public transport (Metro).
- GIS Usage. Interface for public use and monitoring of development.

Stockholm

- Capital City Planning
- Regional Planning. 1.8 million people in 6,500+ km². regional Development Plan for Stockholm Region in 2002 (RUFs 2001). Emphasizes regional nodes and green wedges. 6 year Development Plan approved in 2002. Prepared by Regional Planning and Transport Office of Stockholm. Methods and tools development (36 examined).
- Regional Energy & Climate Change. Impacts for energy use and transportation.
- GIS and Habitats. Monitoring of Land Use changes and Ecology.
- Sociotop Model. Linking open space with public needs (47% of Stockholm (land & water) is undeveloped).

Annex IV: Subject Areas of Training and the Potential Training Institutions

S.N.	Subject Areas of Training	Target Group	Est. Part.	Potential Training Institutions
1	Project Development Cycle for Infrastructure Projects	Engineers & Planners	30	NICMAR, Pune, ASCI, Hyderabad, CEPT, Ahmedabad
2	Project Planning & Management	Engineers & Planners	30	NICMAR, Pune, ASCI, Hyderabad, CEPT, Ahmedabad
3	Computer Based design of Distribution System for Water Supply Projects	Engineers	20	Chennai Metro Water Supply and Sewerage Authority Training Institution, Chennai
4	Preparation of Detailed Project Report	Engineers	30	IIT, Chennai,
5	Project Appraisal	Engineers and Finance Functionaries	15	CRISIL, New Delhi
6	Public Private Partnerships for Infrastructure Projects	Engineers, Planners & Finance Functionaries	30	P-3, Washington, D.C., ASCI, Hyderabad
7	GIS and Spatial Data Base for Regional and regional Planning (with modules on Remote Sensing, Data Base Organisation, and Data Analysis)	Planners	15	CEPT, Ahmedabad, HIS, Rotterdam
8	Approaches and Techniques for Regional and regional Planning	Planners	15	CEPT, Ahmedabad
9	Project Monitoring and Review	Planners and Officials of NCR Cells in constituent States	15	NICMAR, Pune, ASCI, Hyderabad
10	Introduction to Financial Management	Finance functionaries	10	RBI Institute, Pune, IIM, Ahmedabad, UTI Capital Market, New Mumbai
11	Introduction to Cash Flow and Treasury Management	Finance Functionaries	10	RBI Institute, Pune, IIM, Ahmedabad, UTI Capital Market, New Mumbai
12	Infrastructure Financing	Finance Functionaries	10	RBI Institute, Pune, IIM, Ahmedabad, UTI Capital Market, New Mumbai
13	Debt Portfolio Management	Finance Functionaries	10	RBI Institute, Pune, IIM, Ahmedabad, UTI Capital Market, New Mumbai
14	Risk Management	Finance Functionaries	10	RBI Institute, Pune, IIM, Ahmedabad, UTI Capital Market, New Mumbai
15	Accounting Policies and Procedures	Finance Functionaries	10	Institute of Chartered Accountants, New Delhi
16	Municipal Financial Management	Finance Functionaries	30	ASCI, Hyderabad, IIPA, New Delhi
17	Credit Rating of Urban Local Bodies and Municipal Entities	Finance Functionaries	30	CRISIL, New Delhi
18	Team Building, Leadership and Communication	Planners, Engineers and Finance Functionaries working at top and middle levels	20	IIM, Bangalore

Annex V: Budget of Best Practice Study Tour and International Workshop

No	Item	Unit Cost	Days	Person	Total	Notes
1	Tickets Trip 1	2500	1	8	20,000	Depending on locations/flights/fuel costs
2	Hotel Nights Trip 1	150	10	8	12,000	To be agreed with NCRPB/ADB
3	Per Diem Trip 1	100	10	8	8,000	To be agreed with NCRPB/ADB
4	Operations Costs Trip 1	500	1	8	4,000	Costs of local transport, airport taxes
	Sub-total (A)				44,000	
1	Tickets Trip 2	2500	1	11	27,500	Depending on locations/flights/fuel costs
2	Hotel Nights Trip 2	150	10	11	16,500	To be agreed with NCRPB/ADB
3	Per Diem Trip 2	100	10	11	11,000	To be agreed with NCRPB/ADB
4	Operations Costs Trip 2	1000	1	11	11,000	As above plus land travel COP-STO and perhaps Berlin-London
	Sub-total (B)				66,000	
1	Visa Costs	50		35	1,750	7 Nationals for 5 locations (Schengen Visa covers 3 countries)
	Total for 2 trips				111,750	
	Conference					
1	Hall/Food/Drink	50		200	10,000	Based on package for 100 per/2 days
2	Hotel Nights Speakers	60	3	21	3,780	Assume 1 speaker from each city visited/3 nights
3	Travel Costs Speakers	1500		7	10,500	Depending on locations/flights/fuel costs
4	Per Diem Costs Speakers	50	3	21	3,150	3 nights/speaker
5	Local Transport Trips Delhi	100		100	10,000	Airport pickups, Delhi planning locations
	Sub-total Conference				37,430	
	Total				149,180	
	Contingencies	7%			10,443	
	Total				159,623	

Deliverables	Attendees
Study Tours: Dissemination of findings of the visits	Staff from NCRPB Planning (6), State Cells (8), ADB Project (2)
Conference: Report of Proceedings	International visitors from Study Trips, other identified, National Planners

Locations

Trip 1 Sydney, Tokyo, Kuala Lumpur
 Trip 2 Berlin, London, Copenhagen, Stockholm
 See annex-III for justifications

Annex VI: List of People Met

Dr. Noor Mohammed, IAS

Member Secretary, National National Capital Region Planning Board, New Delhi

Mr. Rajiv Malhotra,

Chief Regional Planner, National National Capital Region Planning Board, New Delhi

Mr. R.K. Karna

Director, Finance and Administration, National National Capital Region Planning Board, New Delhi

Mr. J.N. Burman,

Joint Director, (Planning) National National Capital Region Planning Board, New Delhi

Mr. R.C.Shukla,

Joint Director, (Planning), National National Capital Region Planning Board,, New Delhi.

Ms. Meenakhi Singh,

Assistant Director, (Transport), National National Capital Region Planning Board, New Delhi

Ms. Anjali Pachauri Roy

Assistant Director, (Demography), National National Capital Region Planning Board, New Delhi.

Mr. Abhijit Samant, Assistant Director,

Project Management & Coordination, National National Capital Region Planning Board, New Delhi.

Mr. P.K.Jain,

Finance and Accounts Officer, National National Capital Region Planning Board, New Delhi.

Mr. Jitendra Agarwal,

Deputy Director, (Administration), National National Capital Region Planning Board, New Delhi.

Mr. Shireesh Sharma,

Assistant Director (Finance), National National Capital Region Planning Board, New Delhi

Mr. J.C.Adarsh,

Vice Chairman, Hapur – Pilukhwa Development Authority, Hapur.

Mr. D.R.Yadav,

Chief Engineer, Hapur – Pilukhwa Development Authority, Hapur.

Mr. Kalyan Singh,

Controller of Finance, Hapur – Pilukhwa Development Authority, Hapur.

Mr. A. Mahmood,

Executive Engineer, Hapur Municipal Council, Hapur.

Mr. Asiem Khanna,

Executive Engineer, Public Health Department (Water Supply), State Government of Haryana, Panipat.

Mr. Chetan Vaidya,

Director, National Institute of Urban Affairs, Lodhi Road, New Delhi.

Mr. R.S.Kaushal,

Former Chief Architect, Central Public Works Department, Ministry of Urban Development, Government of India, New Delhi