

# CITIIS 2.0 OPERATIONAL GUIDELINES





फ - मेरा स्वच्छ शहर

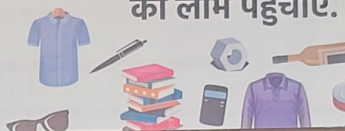
**RRR**  
**CENTRE**

Reuse. Recycle

at Mission - Urban 2.0 Initiative



अपने घरों का अनुपयोगी सामान "RRR सेंटर" पर जमा कराएं और जरूरत को लाभ पहुंचाएं.



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## नगर पालिक निगम, इन्दौर

LDPE	LLPE	PP	LD	Natural PP	SH LDPE	MLP
PETE Rapper	Glucose Bottle	E-Waste Plastic	Kasta Pipe	Conduit Pipe	CPVC	Poly Styrene
HD Baddhi	Glucose Drip	Laminated Glass	Toughened Glass	Mirror	Stained Glass	Cast Glass
Bulb Comb	Tooth Brush Green	Beer Bottle	Beer Can	Tin	Razor	Hair
Black Beer Bottle	Milk Bottle	Carlon	Grey Board	Record Paper	Milk Pouch	White Grey Board
PVC Sole	Shed Sole	Wood Sole	Tyre	Plastic Ball	Wallets	Cloth Shoes
Copper Wire	Aluminium Wire	Cotton Cloth	HD Cloth	Tyre	Rubber Tube	Wood
Foil Paper	Lighter	Mobile Cover	Mobile Charger	Headphone	Painting Brush	Domestic Hazardous Waste
Stainless Steel	Glass Bangles	Match Box	Bone China Cup	Wine Bottle	Lock	Metal bangles
Woolen cloth	Tube Light	Wiper	Plastic mug	Thermocol Bags	Thermocol Disposal	X-Ray plates

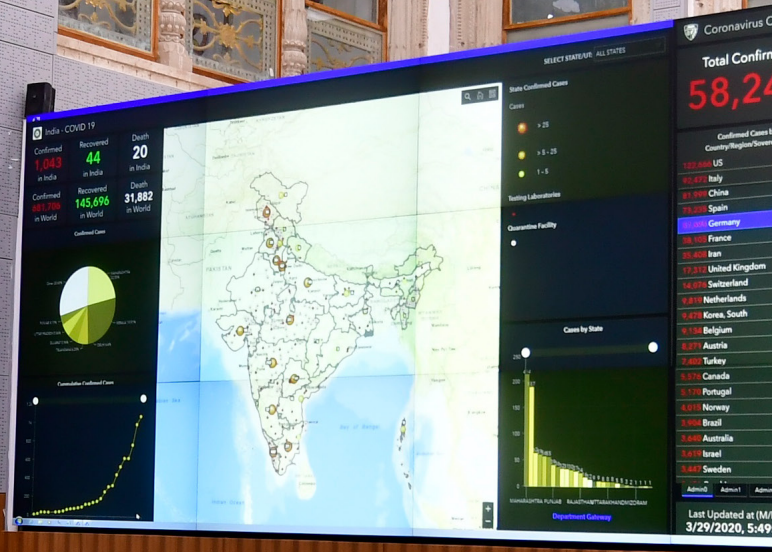


## ABBREVIATIONS

AFD	French Development Agency
CFA	Credit Facility Agreement
CITIIS	City Investments To Innovate, Integrate and Sustain
CMP	CITIIS Management Platform
DEA	Department of Economic Affairs
DPR	Detailed Project Report
E&S	Environmental & Social
EU	European Union
GFA	Grant Financial Agreement
GoI	Government of India
ICT	Information and Communication Technology
KfW	Kreditanstalt für Wiederaufbau
MoF	Ministry of Finance
MoHUA	Ministry of Housing & Urban Affairs
M&E	Monitoring & Evaluation
NIUA	National Institute of Urban Affairs
NOC	No Objection Certificate
PLF	Project Logical Framework
PMU	Program Management Unit
ULB	Urban Local Body
UT	Union Territory
SCM	Smart Cities Mission
SCP	Smart City Proposal
SPV	Special Purpose Vehicle
TA	Technical Assistance
ToR	Terms of Reference



# 1. BACKGROUND





## 1.1. The Smart Cities Mission

- 1.1.1. The Smart Cities Mission was launched in 2015. It has helped develop and nurture innovative practices in areas like affordable housing, urban mobility, water, sanitation, renewable energy, and social services such as health and education.
- 1.1.2. It focuses on sustainable and inclusive development with the idea of looking at compact areas, and creating replicable models that will act as lighthouses for other areas in the city and other aspiring cities.

## 1.2. CITIIS 1.0

- 1.2.1. The City Investments to Innovate, Integrate and Sustain (CITIIS 1.0) program was launched by the Ministry of Housing and Urban Affairs (MoHUA) in March 2018 with an aim to put in place a complementary instrument to India's Smart Cities Mission (SCM) by providing financial assistance through a EUR 100 million loan from the French Development Agency (AFD) and EUR 6 million grant from the European Union (EU).
- 1.2.2. The three components of the CITIIS 1.0 program are:
  - 1.2.2.1. **Component 1:** It entails project financing for 12 projects under four thematic areas of urban infrastructure development viz., Sustainable Mobility, Public Open Spaces, E-Governance and ICT, and Social and Organisational Innovation in Low-Income Settlements. 12 projects selected through a rigorous competitive process are being implemented.
  - 1.2.2.2. **Component 2:** It entails capacity development activities at the State level. This has been operationalised through a partnership between the State Government of Odisha, MoHUA, and NIUA.
  - 1.2.2.3. **Component 3:** A PMU established at NIUA is responsible for the overall management of the program. The PMU provides support to the cities on key areas such as Project Management, Environmental & Social Safeguards, Monitoring & Evaluation, Knowledge Capitalisation and Communications & Outreach.



## 2. Introduction



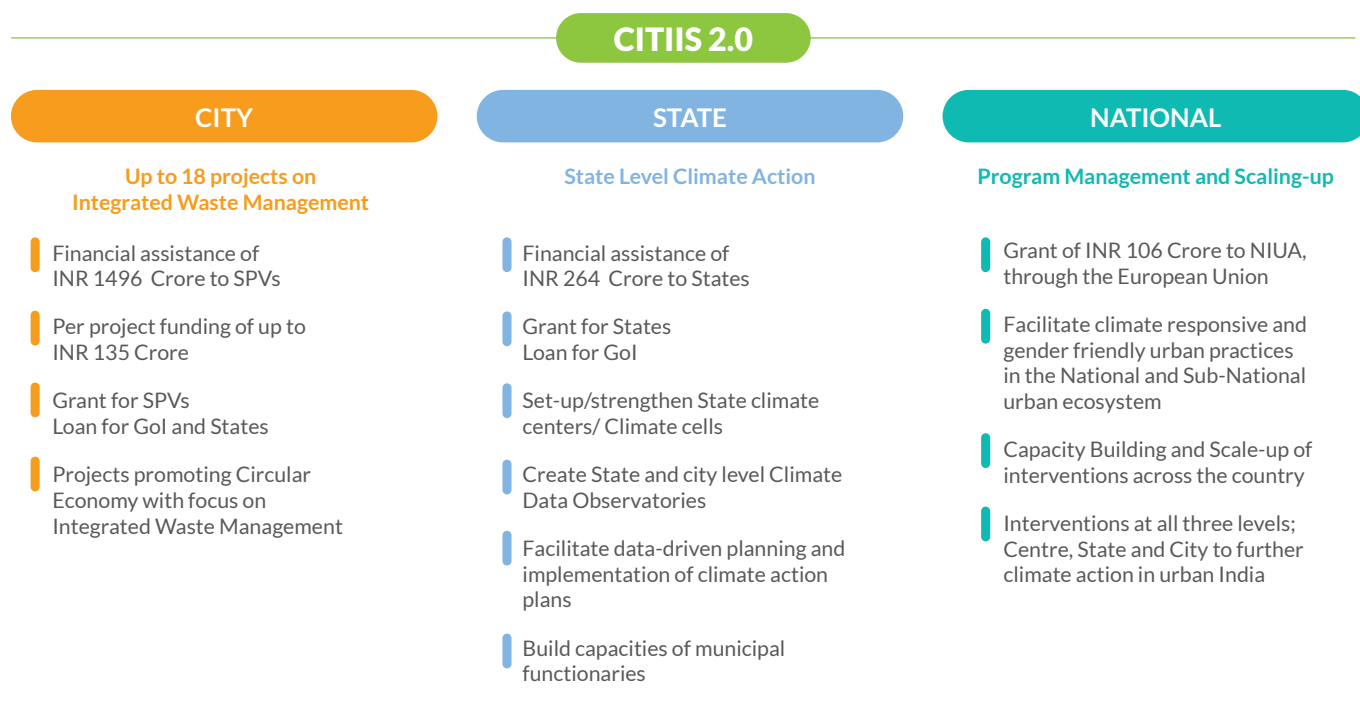


## 2.1. Background

- 2.1.1. The Government of India has undertaken various initiatives to promote climate-sensitive planning and development. During COP26 under the United Nations Framework Convention on Climate Change held at Glasgow in November 2021, the Honourable Prime Minister of India presented the five nectar elements (Panchamrit) of India's climate actions, which include achieving the target of net zero emissions by 2070. Moreover, there are eight National Missions under the National Action Plan on Climate Change which are focused on climate change adaptation and mitigation. One of them is the National Mission on Sustainable Habitat (NMSH) anchored at MoHUA.
- 2.1.2. CITIIS 2.0, the second phase of the CITIIS program, has been conceived by MoHUA in collaboration with AFD, KfW, EU, and NIUA to supplement such climate initiatives of Gol and MoHUA through its unique model. The program builds upon the learnings and successes of CITIIS 1.0 and is designed to supplement MoHUA's actions undertaken through ongoing national programs, while deepening the values of innovation, inclusion, and sustainability.

## 2.2. Objectives of CITIIS 2.0

- 2.2.1. **Foster climate-sensitive planning and action** – The program will nurture climate planning and action in States and cities through evidence-driven approaches.
- 2.2.2. **Drive investments into urban climate action** – The program will provide financial assistance for competitively selected projects promoting circular economy with focus on integrated waste management.
- 2.2.3. **Build institutional mechanisms, leverage partnerships and anchor capacity building** – The program will help put into place a climate governance framework at the State and City levels as well as provide a three-tier technical assistance structure with domestic, international, and transversal experts to support capacity development for climate action in cities and States.





## 2.3. Components of CITIIS 2.0

### 2.3.1. Component 1:

#### City Level Action on Promoting Circular Economy with Focus on Integrated Waste Management

- 2.3.1.1. Urbanisation has resulted in a monumental increase in waste generation. Solid waste contributes directly to greenhouse gas (GHG) emissions. Increased construction activity in cities also generates waste, which can lead to air pollution. According to the World Bank, “an estimated 1.6 billion tonnes of carbon dioxide–equivalent (CO<sub>2</sub>-equivalent) greenhouse gas emissions were generated from solid waste management in 2016. This is about 5 percent of global emissions. Without improvements in the sector, solid waste–related emissions are anticipated to increase to 2.6 billion tonnes of CO<sub>2</sub>-equivalent by 2050”. A World Bank report titled ‘What a Waste 2.0’ further states that “solid waste management is a critical—yet often overlooked—piece for planning sustainable, healthy, and inclusive cities and communities for all” ([World Bank, 2018](#)).
- 2.3.1.2. Rapid urbanisation in India in the last few decades has put immense pressure on infrastructure and municipal services. According to the Report of the Task Force on Waste to Energy, as of 2011, an estimated 62 million tonnes of municipal solid waste is generated annually by 377 million people in India’s urban areas, which is projected to be 165 million tonnes by 2031 and 436 million tonnes by 2050 ([Planning Commission, 2014](#)) ([SBM Urban, 2017](#)).
- 2.3.1.3. NITI Aayog has identified 11 priority areas in waste management to promote sustainable practices and address environmental challenges. Along with municipal solid and liquid waste, the focus areas include plastic waste management, wherein policies are promoted to reduce single-use plastics, encourage recycling and proper disposal, and explore eco-friendly alternatives. Additionally, NITI Aayog focuses on e-waste management, developing strategies for responsible recycling of electronic products to prevent environmental contamination and health hazards. Waste-to-energy technologies are also being explored to generate electricity or heat from non-recyclable waste, contributing to waste reduction and sustainable energy production.
- 2.3.1.4. Component 1 of CITIIS 2.0 strives to support the interventions of the Government of India to promote a circular economy with focus on integrated waste management by providing financial and technical support to projects from up to 18 Smart Cities selected through a competitive process. The projects would inter-alia focus on different components of Integrated Waste Management. However, interventions related to Solid Waste Management shall be prioritised.

### 2.3.2. Component 2:

#### State-Level Action on Strengthening Climate Governance Mechanisms for Climate Action Through Data-Driven Planning & Capacity Building

- 2.3.2.1. State capacities for climate action are often constrained. The climate governance structure in India is driven by two main policies, the National Action Plan on Climate Change (NAPCC) and the State Action Plans for Climate Change (SAPCC). The NAPCC adopts the “co-benefits” model which entails measures that promote the development objectives while also yielding co-benefits for addressing climate change effectively.
- 2.3.2.2. Some commonly raised concerns with the implementation mechanisms put in place through the NAPCC are institutional, systemic and process barriers, including financial restrictions, inter-departmental coordination and lack of technical expertise.
- 2.3.2.3. Component 2 of the CITIIS 2.0 program shall plug these gaps by providing assistance to States for strengthening existing climate governance mechanisms for climate action through:
  - i. Setting-up/strengthening existing State climate centres/climate cells/ equivalent departments.



- ii. Creating State and City-level Climate Data Observatories.
- iii. Facilitating data-driven planning and implementation of climate action plans. The plan shall lay special emphasis on (a) solid waste management, waste water management and water security plan, (b) Streets & Public realm plan, and (c) State/ city contextualized heat island effect management plan OR urban flooding management plan - focusing on low-lying slums, urban infrastructure such as underpasses etc. OR rejuvenation of water bodies such as water channels, natural and man-made drainage channels OR for coastal areas - development of plans addressing cyclones, mangroves protection, creek development etc. through integration with the master plans of the cities. Emphasis shall be laid on integration of the Climate Action Plans developed through this process with the Master Plans/ Development Plans of the respective cities. The plan shall take into consideration the estimated need for water, its current availability, future projections and subsequent measures to ensure the water balance is maintained.
- iv. Building the capacities of municipal functionaries through programs such as Leadership in Climate Change Management (LCCM).

### 2.3.3. Component 3:

#### **National-Level Action on Institutional Strengthening, Climate Research, Knowledge Capitalisation and Capacity Building**

- 2.3.3.1. The main objective of Component 3 is to empower the national and sub-national urban ecosystem through the dissemination of climate-responsible urban management practices. It aims at scaling up the key learnings and innovations of CITIIS 2.0 to all urban local bodies in the country. It includes capacity-building activities, mentoring activities, knowledge dissemination as well as monitoring and evaluation of the program.
- 2.3.3.2. An integrated PMU for the CITIIS Program (CITIIS 1.0 and CITIIS 2.0) shall be set-up within NIUA. Its focus will be on institutional development of NIUA and capacity building for all three levels (Central, State and Local) to further climate governance in urban India. The knowledge, research, templates and best practices developed through the program shall be made available to all urban local bodies in India.



# 3. COVERAGE AND DURATION





### 3.1. Coverage of the Program

3.1.1. Under Component 1, projects from up to 18 Smart Cities will be selected through a challenge process. All 100 Smart Cities selected under the Smart Cities Mission of the Government of India shall be eligible to apply. The projects should be conceptualised and operationalised in close coordination and collaboration with the ULB. **The program shall ensure regional equity; at-least one city from each of the regions of the country, i.e., North, North-East, East, Central, West and South, shall be selected. A maximum of one project from a SPV shall be selected.**



- **Northern**
  - Haryana ● Himachal Pradesh ● Uttar Pradesh ● Delhi ● Punjab ● Uttarakhand ● Ladakh ● Chandigarh ● Jammu & Kashmir
- **Western**
  - Gujarat ● Dadra and Nagar Haveli and Daman and Diu ● Goa ● Rajasthan ● Maharashtra
- **Eastern**
  - Bihar ● Jharkhand ● West Bengal
- **North- Eastern**
  - Arunachal Pradesh ● Assam ● Sikkim ● Manipur ● Meghalaya ● Tripura ● Mizoram ● Nagaland
- **Central**
  - Chhattisgarh ● Madhya Pradesh ● Odisha
- **Southern**
  - Andhra Pradesh ● Karnataka ● Lakshadweep ● Kerala ● Tamil Nadu ● Andaman & Nicobar Islands ● Telangana ● Puducherry

3.1.2. Under Component 2 of the program, all States and UTs will be eligible for support on a demand basis.

3.1.3. Under Component 3, the scheme will benefit all ULBs in the country through peer-to-peer learning, knowledge dissemination, partnerships, capacity building, and research and development.

### 3.2. Duration of the Program

3.2.1. The duration of the program shall be four years from 2023 to 2027.



# 4. FUND ALLOCATION





- 4.1. The program will be funded through an external funding of INR 1,866 Crore (EUR 212 million)<sup>1</sup> viz. a loan of EUR 100 million each from AFD and KfW, i.e., a total loan of INR 1,760 Crore (EUR 200 million), and a technical assistance grant of INR 106 Crore (EUR 12 million) from the EU.
- 4.2. **The CITIIS grant amount for each project under Component 1 will be limited to 80% of the total project cost, up to INR 135 Crore (90% of the total project cost, in the case of North-Eastern and Hill States). The additional funds, i.e., 20% of the total project cost will be mobilised by the selected city through own source funding by the State/ Local Governments (10% of the total project cost, in case of North-Eastern and Hill States).**
- 4.3. The allocated funds shall be made available by MoHUA to the State Government, in accordance with the Credit Facility Agreement (CFA) signed between the funding agencies and the DEA. **Funds will be transferred to SPVs as a grant by the State Government through the SNA mechanism.** However, the repayment of the loan and interest incurred will be shared between the Central and State Governments on a 50:50 basis. Funds allocated to the SPV will be transferred in the proportion of 10:40:40:10. The fund disbursement mechanism will be detailed in the Quadrilateral Agreement to be signed between MoHUA, State Government, SPV and the ULB.
- 4.4. **Under Component 2**, EUR 30 million will be utilised and 100% of the amount (i.e. EUR 30 million) will be repaid by Gol. The fund will be used for providing assistance to States and UTs, on a demand basis, for strengthening existing climate governance mechanism for climate action.
- 4.5. **Under Component 3**, external aid of INR 106 Crore (EUR 12 million) in the form of a grant will be provided by the EU to Gol. This will be made available for the technical assistance component of the program and for managing the PMU at NIUA.
- 4.6. **The funding structure is detailed in the table below:**

CITIIS 2.0 Component	Total Loan Amount	Amount to be repaid by Gol	Amount to be repaid by States	Remarks
Component 1 - City Level	INR 1496 Crore	INR 748 Crore	INR 748 Crore	To be passed on as grant to the cities
Component 2 - State Level	INR 264 Crore	INR 264 Crore	-	Grant for the States
<b>Total Loan Repayment</b>	<b>INR 1760 Crore</b>	<b>INR 1012 Crore</b>	<b>INR 748 Crore</b>	-
Component 3 - National Level	INR 106 Crore grant from the EU to NIUA			Technical assistance component of the program and management of the PMU

<sup>1</sup> 1 EUR= INR 88



# 5. COMPONENT 1: CITY LEVEL ACTION



NEPIA RESOURCE MANAGEMENT PVT. LTD. (IIT) (P) LTD.  
**TROMMEL**  
SCREENING OF DRY WASTE MATERIAL  
ACCORDING TO SIZE  
0-50 MM 50-300 MM 300 Above

LINE 3



Component 1 aims to support the interventions of the Government of India to promote a circular economy with focus on integrated waste management by providing financial and technical support to projects from up to 18 Smart Cities chosen through a challenge process.

Under Component 1, the selected projects will undergo four phases:



## 5.1. Preparation Phase (4 months)

- 5.1.1. During this phase, the 100 Smart City SPVs under SCM will be invited to submit applications, presenting innovative projects that promote a circular economy with focus on integrated waste management. Projects from up to 18 Smart Cities will be selected through a competitive process. The projects should be conceptualised and operationalised in close coordination and collaboration with the ULB.
- 5.1.2. A maximum of one project from an SPV shall be selected. The awarded grant for the project shall be a minimum of INR 20 crore and a maximum of INR 135 crore or 80% of the total project cost, whichever is lower (90% of the total project cost, in the case of North-Eastern and Hill States). The additional funds, i.e., 20% of the total project cost will be mobilised by the selected city through own source funding by the State/ Local Governments (10% of the total project cost, in case of North-Eastern and Hill States).
- 5.1.3. The key objective of the Preparation Phase is to support the preparation of project applications by the SPVs. SPVs shall submit the application in collaboration with the Municipal Corporation and/or other State/ local agencies. They should also include inter institutional coordination mechanisms in the application (organisational model).
- 5.1.4. The project proposal must clearly define any/all aspects such as lifecycle model, financial model, operational model, organisational model, technology utilisation, environmental and social aspects and any other applicable frameworks for the proposed project.
- 5.1.5. The CITIIS program will place specific emphasis on the environmental and social safeguard aspects of the projects. High-risk projects shall not be eligible for financing under the program. The eligibility criteria are based on the categorisation of environmental and social impacts, depending on the location, nature of activities, and the severity of impacts, as per the [World Bank ESF \(Environmental and Social Framework\)](#) and the Government of India [EIA Notification, 2006](#) and its subsequent amendments. A project is classified as “high risk” if it can cause significant negative environmental or social impacts.
- 5.1.6. While preparing project proposals, SPVs are required to take into cognisance the requirement of necessary approvals as applicable.
- 5.1.7. **Support to SPVs : Helpdesk & Regional Workshops by the PMU**
  - 5.1.7.1. A helpdesk will be made available to applicant cities by the Program Management Unit (PMU) at NIUA. The helpdesk will be staffed with in-house experts of the PMU as well as external experts.
  - 5.1.7.2. SPVs may reach out to the helpdesk, however, the support will be restricted to the application process. For SPVs in the North-Eastern and Hill States, stronger support on demand can be organised (through peer-review, mentoring, etc.).
  - 5.1.7.3. **In addition, two types of workshops will be organised:**
    - a. **Regional Preparatory Workshops**

To support the SPVs and facilitate their participation, six regional preparatory workshops will be organised across India. The target audience for the regional preparatory workshops shall be Municipal Commissioners, SPV CEOs, engineering staff, waste and water management staff, other relevant staff members from State/ local agencies.



## b. National Preparatory Workshop

After the completion of the six regional preparatory workshops, a two-day national preparatory workshop will be held. It will be an opportunity for the SPVs to discuss their proposed projects and ensure that their proposals adhere to the program's values and objectives.

### 5.1.8. Project Application Requirements

5.1.8.1. The SPVs will have to submit the **general application form** as attached in Annexure 2. Applications will be accepted through the CITIIS Management Platform (CMP) only. No other means of submission will be accepted.

5.1.8.2. The applications are expected to be as detailed as a pre-feasibility report.

### 5.1.9. Component 1: Selection Criteria

5.1.9.1. Only cities with the State Finance Department's endorsement, indicating agreement with the condition of sharing the repayment of the loan with Gol in a 50:50 ratio, will be eligible for participation in the challenge.

5.1.9.2. The assessment will be based on the following parameters:

#### a. Excellence in Sustainable Development and Impacts (25% weightage)

- **Convergence** with existing programs and schemes such as the Smart Cities Mission, Swachh Bharat Mission 2.0 and AMRUT 2.0, among others. The emphasis will be on the augmentation of resources.
- **Environmental protection & climate co-benefits** - improvement of climate resilience, climate adaptation, reduction in GHG emissions.
- **Social inclusion** with a focus on impacts on specific gender and vulnerable groups and the informal economy.
- **Project Logical Framework (PLF)** for the proposed project.

#### b. Innovation and Integration (25% weightage)

- **Plan of saturation** - Detailed plan of action on achieving full coverage and maximum implementation of waste management services through integration with the proposed project.
- **Integration** with the City Sanitation Action Plan/City Solid Waste Action Plan.
- Proposed use of **digital technologies** for planning, implementing and monitoring project activities and outcomes.
- **Level of innovation** in the project components and approaches, process innovation, e.g. innovative financing mechanisms such as green bonds and green credits, and upscaling potential.

#### c. Participatory Approaches and Partnerships (25% weightage)

- **Engagement of all stakeholders** in the design, development and implementation of the program, with emphasis on integration with the informal sector and employment generation. The detailed stakeholder engagement plan will be assessed.



- **Operational model** for the implementation of the project through partnership with the Municipal Corporation, other State/local agencies or Public Private Partnerships (PPP). The detailed organisational structure and staffing plan will be assessed.
- Proposed engagement with **academia and research institutions** working on circular economy and integrated waste management, with emphasis on engaging young professionals through TULIP.

**d. Relevance and Feasibility (25% weightage)**

- **Relevance** of the project to the needs and specific challenges of the city and citizens and alignment with city planning.
- **Prioritizing while assessing the Proposals:** The projects would inter-alia focus on different components of Integrated Waste Management. However, interventions related to Solid Waste Management shall be prioritised.
- **Pre-Environmental Screening** to understand the category and various risks of the project. Projects shall be screened against the Category Matrix defined by the World Bank. High risk projects i.e. projects with potential significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented with high environmental and social impacts are not eligible.
- **Financial model** of the project including the lifecycle management plan with focus on financial sustainability through user charges among other means and resources for future assets O&M.

Scoring Division of the Selection Criteria			
<p><b>25%</b></p> <p><b>Excellence In Sustainable Development</b></p> <ul style="list-style-type: none"> <li>• Convergence</li> <li>• Environmental protection &amp; climate co-benefits</li> <li>• Social inclusion and gender</li> <li>• Project Logical Framework</li> </ul>	<p><b>25%</b></p> <p><b>Innovation And Integration</b></p> <ul style="list-style-type: none"> <li>• Plan for saturation</li> <li>• Integration with CSAP/CSWAP</li> <li>• Technology Integration</li> <li>• Level of Innovation</li> </ul>	<p><b>25%</b></p> <p><b>Participatory Approach And Partnership</b></p> <ul style="list-style-type: none"> <li>• Stakeholder Engagement Plan</li> <li>• Organisational structure</li> <li>• Operational Model</li> <li>• Engagement with academia &amp; research institutions</li> </ul>	<p><b>25%</b></p> <p><b>Relevance And Feasibility</b></p> <ul style="list-style-type: none"> <li>• Lifecycle Management Plan</li> <li>• Pre-Environmental Screening</li> <li>• Financial Model etc</li> </ul>

**5.2. Selection Phase (2 months)**

- 5.2.1. An independent jury of 8-10 leading subject matter experts will review the projects. The jury will scrutinise the applications with regard to the selection criteria (refer to **Component 1: Selection parameters**).
- 5.2.2. The jury will shortlist up to 36 projects for face-to-face interviews with the Municipal Commissioner and the SPV CEO of the shortlisted Smart Cities. It will be mandatory for the Municipal Commissioner and the SPV CEO, along with their project team, to attend the interview. The jury will then provide a list of around 24 projects to the Apex Committee for final selection which will then decide on the final list of up to 18 confirmed and up to 6 wait-listed projects.
- 5.2.3. The selection process will last two months.



### 5.3. Maturation Phase (12 months)

- 5.3.1. Once projects are officially selected, a quadrilateral agreement will be signed between MoHUA, the respective State Government, the awarded SPV, and the respective Urban Local Body specifying the financing plan, reporting cycle as well as the terms and conditions of the CITIIS 2.0 grant contribution.
- 5.3.2. **The SPV shall open a dedicated SNA-designated project bank account for CITIIS 2.0.** All funds disbursed from Gol and the State as well as the own source contribution will be maintained in this dedicated SNA enabled project bank account. **While the projects are to be conceptualised and operationalised in collaboration with the ULB, transfer of funds to the ULB is not permissible within CITIIS 2.0, including the grant amount as well as the own source contribution. Payments to consultants, contractors, service providers etc. shall be made directly by the SPV. The CITIIS project bank account shall be audited annually by the SPV and the audit report shall be submitted to the CITIIS PMU at NIUA.**
- 5.3.3. After project selection, a preliminary meeting will be arranged between the PMU and each SPV to outline expected deliverables during the Maturation Phase, establish the project monitoring procedure through CMP, and emphasise the elaboration of the Project Logical Framework (PLF).
- 5.3.4. Up to 10% of the total approved grant will be dedicated to the Maturation Phase (e.g., costs related to DPR and E&S safeguards preparation, additional studies, etc.). A minimum of 2% of the total project cost will be earmarked for communication and outreach activities to enhance the participatory and visibility aspects of the project. A minimum of 5% of the total project cost will be dedicated to human resources and capacity building/training-related costs.
- 5.3.5. An assessment of the technical assistance needs of each city will also be carried out by the PMU. According to the assessment results, one Domestic Expert will be assigned to each SPV. SPVs will also be able to rely on transversal experts for specific expertise. The payment to the Domestic Expert and transversal experts shall be done by the PMU at NIUA through the technical assistance grant from EU under Component 3 of the program.
- 5.3.6. The SPV shall appoint a dedicated Project Coordinator (not below the rank of a General Manager/ Executive Engineer) who will be in charge of the implementation of the project and act as the point of contact for the PMU. The project team is expected to be established or hired at the earliest, in accordance with the organisational/team structure submitted in the application form.
- 5.3.7. The Project Coordinator will be required to attend all virtual and in-person meetings, trainings, excursions and exposure visits as per the directions of the PMU. The SPVs shall also mandatorily recruit a dedicated E&S Nodal Officer and a Public Engagement Officer for the CITIIS project. These two positions shall be dedicated to the CITIIS project and cannot be deputed for other works.
- 5.3.8. It shall be mandatory for each SPV to ensure timely reporting on their project's progress, as defined by the PMU, and provide all necessary support during on-field missions organised by the PMU.
- 5.3.9. **Steps in the Maturation Phase**
  - 5.3.9.1. Upon the signing of the Quadrilateral Agreement, the first advance of funds will be transferred to the SPVs for the project maturation costs. A list of the mandatory compliance documents from the SPVs for triggering the first disbursement shall be included in the Quadrilateral Agreement.
  - 5.3.9.2. During the Maturation Phase, the SPVs will work with the Domestic Experts and Transversal Experts to develop the project documents and enhance the quality of the project proposal. Each SPV will thus comply with the eight mandatory steps of the Maturation Phase (listed below). The mandatory deliverables will be reviewed and endorsed by the Domestic Experts. Each SPV will monitor its progress through the CMP and update its level of advancement.



5.3.9.3. The duration of this phase for the selected projects will last for a maximum of 12 months. The Maturation Phase will end with the Maturation Phase Final Report (MPFR) validated by the Apex Committee. If a SPV fails to complete the Maturation Phase requirements within this timeframe, it will not be able to proceed to the Implementation Phase.

### 5.3.10. Maturation Steps and Validation Process

5.3.10.1. The table below lists the eight mandatory deliverables (six for low-risk projects) that will be part of the Maturation Phase:

Key Deliverables	Template Mandatory	Justification
Baseline Study and Report	No	Updated baseline for the project and results from various studies undertaken to re-confirm and update the baseline
PLF – Project Logical Framework (Draft and Final)	Yes	First draft (prepared during the Maturation Phase Initiation) will evolve into the final version at the conclusion of the Maturation Phase with the assistance of the Domestic Expert
Feasibility Study	Yes	As per the provided template
Detailed Project Report	Yes	As per the provided template, including the M&E Plan
E&S Screening	Yes	As per the provided template
Stakeholder Engagement Plan	Yes	As per the provided template Samples will also be made available for stakeholder mapping and contacts identification
E&S Impact Assessment & Mitigation Measures	Yes	As per legal obligations and following World Bank standards (not applicable for low-risk projects)
E&S Management Plan and additional plans	No	As per legal obligations and following World Bank standards. A specific process is to be followed as defined by the PMU. This will include the development of risk-adequate E&S management plan and when needed RAP, SEA/SH or additional plans This may also include the development of a Gender Action Plan

#### Maturation Phase Endorsement Process



5.3.10.2. The Domestic Experts will validate the mandatory deliverables of the SPV.

5.3.10.3. The SPVs will be required to report on the M & E aspects of the projects on CMP.

5.3.10.4. The Maturation Phase will end with the MPFR, drafted by the Domestic Expert in close collaboration with the SPV. This deliverable will confirm that the project meets the CITIIS 2.0 requirements and will trigger the Implementation Phase and related financial disbursements.



5.3.10.5. The MPFR must be validated by the Apex Committee. These steps may be followed:

- Step 1 – Drafting of the MPFR by the Domestic Experts in coordination with the SPV.
- Step 2 – Discussion between AFD and NIUA on the contents of the MPFR.
- Step 3 – Discussion between AFD, NIUA, and SPV on clarification/technical details.
- Step 4 – Analysis of the final MPFR by the Apex Committee and final approval.
- Step 5 – Upon issuance of the minutes of the Apex Committee meeting, the Implementation Phase and its subsequent financial disbursements will be triggered.

5.3.10.6. The evaluation approach by the Apex Committee aims at both assessing the quality of the projects (design, comprehensive feasibility assessment, impacts, risks, etc.) and ensuring that the projects stick to the initial objectives and core values of CITIIS 2.0.

#### 5.3.11. Technical Assistance

5.3.11.1. CITIIS 2.0 will provide technical assistance (TA) to the selected SPVs. Each SPV will be supported by:

- One Domestic Expert (DE) (each DE will assist a maximum of 2 projects).
- A pool of transversal experts.

5.3.11.2. The Domestic Expert will be mobilised for approximately 100 days per year for each city, including online/off-site support as well as on-site missions conducted every alternate month.

5.3.11.3. The role of the TA is detailed in Component 3 and summarised below:

- **Domestic Experts:** Domestic Experts shall provide guidance and day-to-day assistance to the SPVs with in-depth knowledge of the local context and of the thematic areas. Their support will focus on aspects such as integrated waste management, general stakeholder engagement and capacity building, monitoring and evaluation of projects, etc.
- **Transversal experts:** This pool of sectoral experts will provide punctual specific technical support, according to the needs of the cities. The transversal experts will be recruited before the start of the Maturation Phase.

## 5.4. Implementation Phase (up to 30 months)

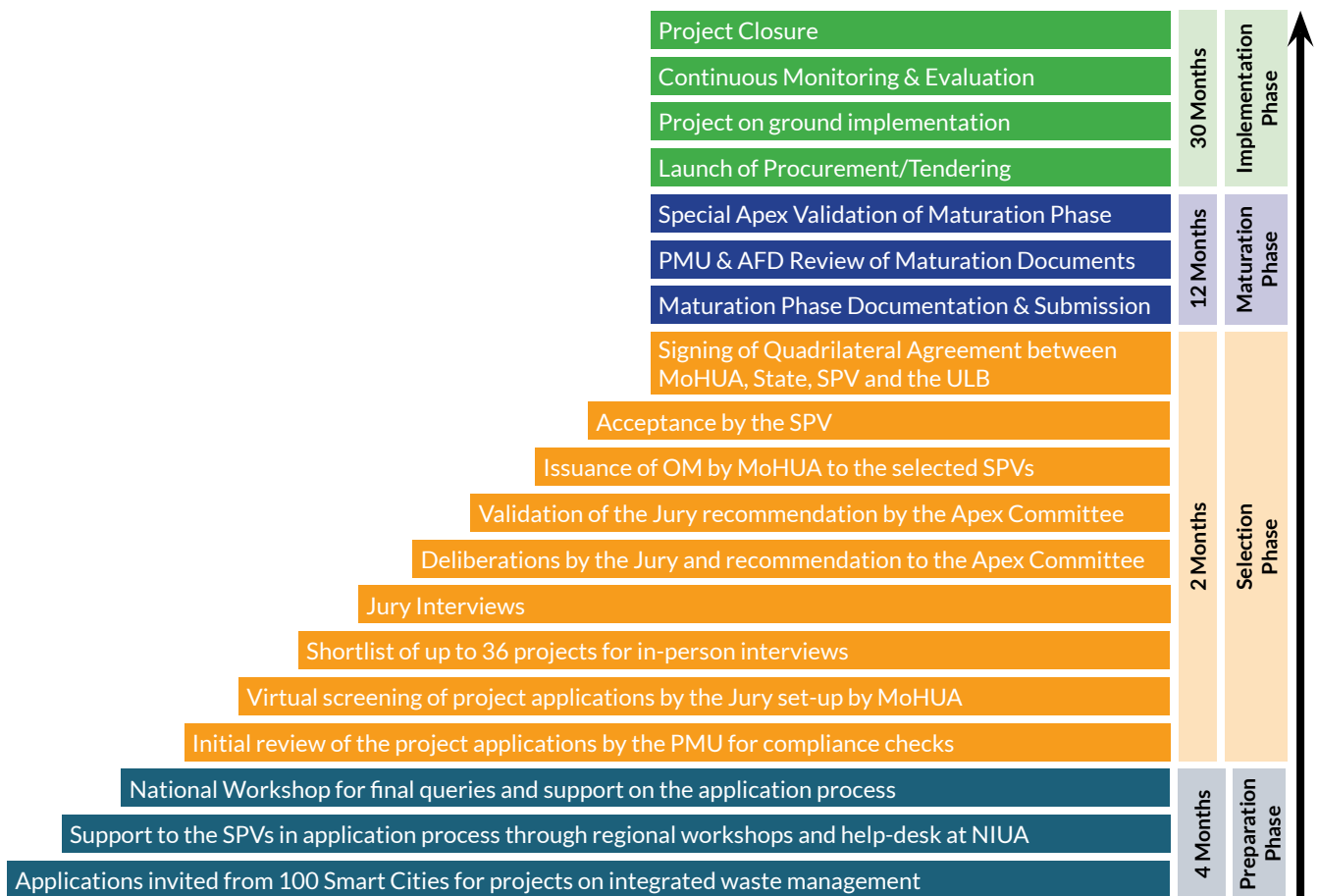
5.4.1. This phase will start with the launch of the procurement process and proceed to the implementation of the projects. Like the Maturation Phase, the monitoring of the implementation process will be done by the PMU through CMP. In addition, biannual progress reports and E&S documents/progress and monitoring reports will be developed and submitted to the PMU.

5.4.2. The SPVs will have up to 30 months for implementing the projects. Disbursement modalities shall be detailed in the quadrilateral agreement.

5.4.3. All parties contracted in the CITIIS program by the SPV, State and the PMU shall have to sign the “Covenant of Integrity” attached as Annexure 1. These include contractors, service providers, vendors and any other agencies engaged under CITIIS.

5.4.4. During the Implementation Phase, SPVs will continue to benefit from the Domestic Experts’ support.

## 5.5. Component 1 – Process Chart for Preparation and Selection of Projects





# 6. COMPONENT 2: STATE LEVEL ACTION





**6.1. Component 2 of the CITIIS 2.0 program envisages to strengthen climate governance mechanisms for climate action through data-driven planning and capacity building. Under Component 2, INR 264 crore (EUR 30 million) will be utilised to support States and UTs on a demand basis and 100% repayment (i.e. EUR 30 million) will be done by GoI. The fund will be utilised for providing assistance to States for strengthening existing climate governance mechanism for climate action through:**

- i. Setting-up/strengthening existing State climate centres/climate cells/ equivalent departments.
- ii. Creating State and city-level Climate Data Observatories.
- iii. Facilitating data-driven planning and implementation of climate action plans. The plan shall lay special emphasis on (a) solid waste management, waste water management and water security plan, (b) Streets & Public realm plan, and (c) State/ city contextualized heat Island effect management plan OR urban flooding management plan - focusing on low-lying slums, urban infrastructure such as underpasses etc. OR rejuvenation of water bodies such as water channels, natural and man-made drainage channels OR for coastal areas - development of plans addressing cyclones, mangroves protection, creek development etc. through integration with the master plans of the cities. Emphasis shall be laid on integration of the Climate Action Plans developed through this process with the Master Plans/ Development Plans of the respective cities.
- iv. Building capacities of municipal functionaries through programs such as Leadership in Climate Change Management (LCCM).

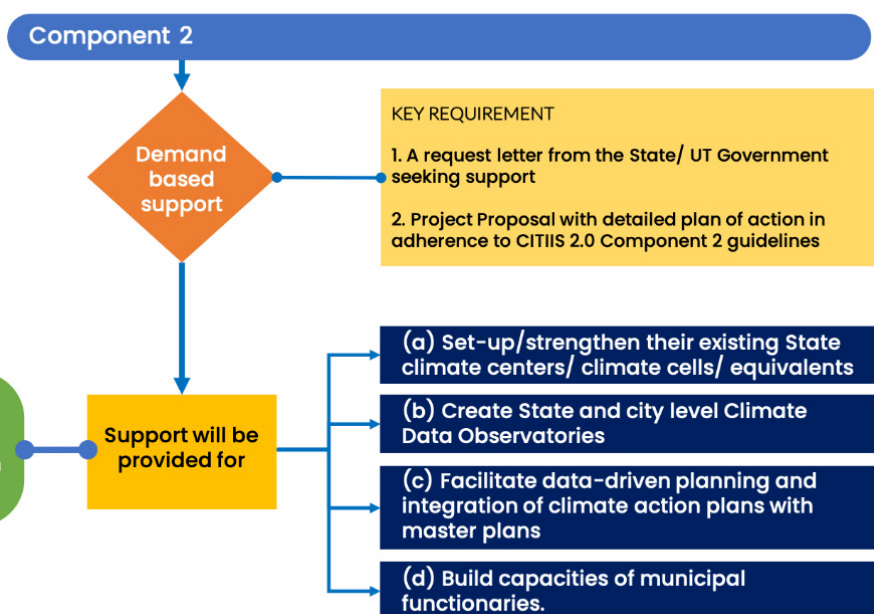
## CITIIS 2.0 Component 2

Institutionalization of appropriate governance mechanisms, reforms, policies and capacity to support climate action at the state level

The assistance would be provided as per the provisions of the guidelines.

All States and Union Territories are eligible

PMU at NIUA will coordinate provision of technical assistance and strategic support through a pool of experts and organizations in consultation with State Governments.



Overview of Component 2 of CITIIS 2.0



## 6.2. Implementation Matrix for Component 2

Specific actions to be undertaken by the National PMU at NIUA	0 - 6 months	07-18 months	19-30 months	31 - 48 months
<ol style="list-style-type: none"> <li><b>Setting-up of a National Climate Data Observatory (NCDO)</b> through the National Urban Digital Mission (NUDM), it shall include the 28 indicators of Climate Smart Cities Assessment Framework (CSCAF). It will be a stack-based approach where States will have a sub-domain for collating data from their respective cities. The data sets will be aggregates at the National level.</li> <li><b>Centralized empanelment of expert agencies</b> for developing Integrated State Climate Action Plans (ISCAP). It shall be an integrated contract for hazard mapping, vulnerability assessment, area/risks and specific recommendations</li> </ol>		<ol style="list-style-type: none"> <li><b>Continuous Management at the PMU level</b> for the empaneled agencies/ resources for the State Climate Centre for Cities and preparation of State level Climate Action Plans</li> <li><b>Operationalization of the National Climate Data Observatory</b></li> <li><b>Monitoring the activities</b> being undertaken for the preparation of State level Climate Action Plans</li> </ol>		

Specific actions to be undertaken by the State Governments	0 - 6 months	07-18 months	19-30 months	31 - 48 months
<ol style="list-style-type: none"> <li><b>State Cabinet approval for the establishment of a State Climate Centre for Cities (S-C3)</b> under the State Ministry of Urban Development/ equivalent; or designating the existing the State Climate cell/ equivalent department as S-C3; as per the program guidelines.</li> <li><b>Setting-up of the State Climate Centre for Cities (S-C3)</b> with appointment of a dedicated Chief Climate Action Officer and at least 2-3 key personnel.</li> <li>States to <b>draw a list of key personnel to undergo the LCCM program</b>. It shall include officials from relevant departments such as Solid Waste Management, Water &amp; Sanitation, Environment, Urban Forestry, Mobility and Finance among others.</li> </ol>	<ol style="list-style-type: none"> <li><b>Institutionalizing the functioning of Climate Action across all Municipal Corporations</b> and appointing a city-level Climate Action Officer along-with 2-3 key personnel, as per the program guidelines.</li> <li><b>Identify key areas of concern/ priority areas</b> such as urban flooding, urban heating, droughts, cyclones etc.</li> <li><b>Mobilization of the expert agencies for developing the integrated State Climate Action Plans (ISCAP)</b></li> <li>At least <b>25% of the identified key personnel to undergo the LCCM program</b></li> <li><b>Operationalization of the State Climate Data Platform (SCDP)</b>, including the 28 indicators of Climate Smart Cities Assessment Framework for all Municipal Corporations across the State</li> </ol>	<ol style="list-style-type: none"> <li><b>Development of Integrated State Climate Action Plans and City Climate Action Plans</b> with three key components: (a) Water security plan (b) Streets &amp; public realm plan, and (c) State/ city contextualized heat island effect management plan OR urban flooding management plan - focusing on low-lying slums, urban infrastructure such as underpasses etc. OR rejuvenation of water bodies such as water channels, natural and man-made drainage channels OR for coastal areas – development of plans addressing cyclones, mangroves protection, creek development etc...</li> <li><b>Emphasis shall be laid on integration of the Climate Action Plans developed through this process with the Master Plans/ Development Plans of the respective cities.</b></li> <li><b>Issuance of notification by the State Government for formulating Climate Budget at UDD</b> as well as Municipal Corporations through integration with the existing budgeting process, as per the program guidelines.</li> </ol>	<ol style="list-style-type: none"> <li><b>Preparation of the first Climate Budget</b> through integration with existing budgeting process at State (UDD) level as well as Municipal Corporations across the State.</li> <li><b>At-least 25% of actions identified in the ISCAP are included in the Climate Budget</b>, implemented and data updated on the State Climate Data Platform (SCDP)</li> <li><b>Successful organization of State-level Climate Investments Summit</b> with participation from all Municipal Corporations, other State departments and the private sector.</li> </ol>	

Specific actions to be undertaken by the Municipal Corporations	0 - 6 months	07-18 months	19-30 months	31 - 48 months
	<ol style="list-style-type: none"> <li><b>Setting-up of a Department of Climate Action across all Municipal Corporations</b> and appointing a city-level Climate Action Officer along-with 2-3 key personnel, as per the program guidelines.</li> <li><b>Development of City-level climate action strategies</b> by the appointed Climate Action Officers, as per the program guidelines.</li> </ol>	<ol style="list-style-type: none"> <li><b>Continued updating of the SCDP</b>, including the 28 indicators of Climate Smart Cities Assessment Framework (CSCAF) for all Municipal Corporations across the State on an annual basis.</li> <li><b>At-least 25% of the senior city officials</b>, including the city-level Climate Action Officers and officials from relevant departments are trained and certified under LCCM.</li> </ol>	<ol style="list-style-type: none"> <li><b>Development of the first Climate Budget by the Municipal Corporation</b></li> <li><b>At-least 25% of the senior city officials</b>, including the city-level Climate Action Officers and officials from relevant departments are trained and certified under LCCM.</li> </ol>	<ol style="list-style-type: none"> <li><b>At-least 25% of actions identified in the ISCAP are included in the Climate Budget</b>, implemented in the data updated on the State Climate Data Platform (SCDP)</li> <li><b>At-least 50% of the senior city officials</b>, including the city-level Climate Action Officers and officials from relevant departments are trained and certified under LCCM.</li> </ol>

### 6.3. Process for Seeking Assistance under Component 2

- 6.3.1. All States/UTs will be eligible to apply for support under Component 2 on a demand basis.
- 6.3.2. Interested State/UTs is required to submit:
  - a. A request letter seeking support under Component 2 of the program.
  - b. A proposal along with a detailed plan of action.
- 6.3.3. Interested States/UTs may seek the support of the helpdesk at NIUA for support and clarification during the preparation of the proposal and detailed plan of action.
- 6.3.4. The CITIIS 2.0 Apex Committee will approve the plan of action of the State. Thereafter, a Memorandum of Understanding (MoU) will be signed between MoHUA, the State Government and NIUA.
- 6.3.5. The Apex Committee will be the final authority on all matters and will undertake periodic evaluations to review the progress of the interventions undertaken by the States under this component.



# 7. COMPONENT 3: NATIONAL LEVEL ACTION

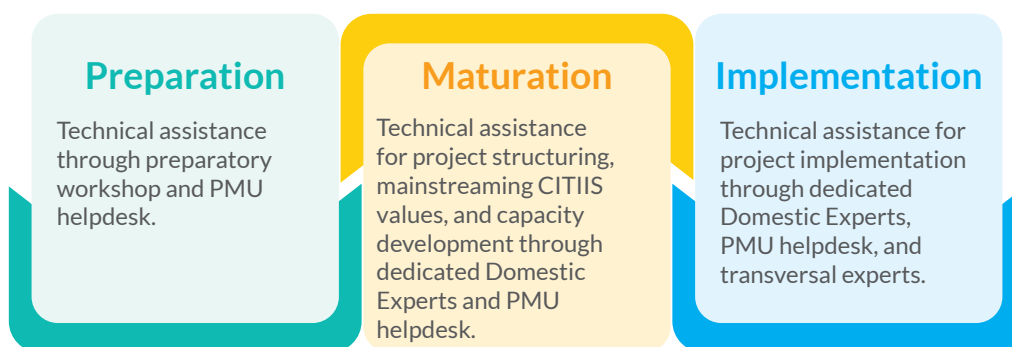




The National-level component aims at capacity building for all three levels (Central, State and City) to further climate governance in urban India. The knowledge, research, templates and best practices developed through the program will be made available to all ULBs in India, thus, contributing positively to India's Nationally Determined Contributions (NDCs), and commitments made at COP26 and COP27.

## 7.1. Technical Assistance – Mentorship Model

7.1.1. CITIIS 2.0 aims at taking a different approach to project planning and implementation with regard to a circular economy with focus on integrated waste management. The typical approach includes the approval of project proposals, submission and approval of DPRs, disbursement of funds, tendering and implementation. Under CITIIS, technical assistance (through PMU helpdesk, Domestic Experts and a pool of transversal experts) will be provided to each selected SPV through three key phases:



7.1.2. CITIIS 2.0 will provide technical assistance to the selected SPVs under Component 1. The SPVs will be supported by:

- One Domestic Expert (DE) per city (each DE will assist a maximum of 2 projects).
- A pool of transversal experts.

7.1.3. The Technical Assistance will also collaborate to develop an e-repository of global best practices.

### 7.1.4. Domestic Experts

- Domestic Experts shall provide guidance and day-to-day assistance to the SPVs with a strong knowledge of the local context and the thematic areas. Their support will focus on aspects such as integrated waste project management, general stakeholder engagement and capacity building, monitoring and evaluation of projects.
- The Domestic Expert shall be mobilised for 100 days per year for every city, including online/offsite support along with onsite missions conducted every alternate month.

### 7.1.5. Transversal experts

- The pool of sectoral experts will provide specific and timely technical support, according to the SPV's needs. Their support will focus on aspects such as integrated waste project management, general stakeholder engagement and capacity building, environmental and social, gender, monitoring and evaluation of projects.
- The selected SPVs under the program can avail the services of the transversal experts identified through a procurement process conducted by the PMU at NIUA.



## 7.2. Monitoring and Evaluation

- 7.2.1. Going beyond the business-as-usual practice of monitoring the physical and financial progress of projects, M&E activities will be carried out at the program level, focus area level and project-specific level.

## 7.3. Technology Integration – CITIIS Management Platform

- 7.3.1. Technology integration in the program will be achieved through the expansion of the open source urban project management tool, the CITIIS Management Platform (CMP), already being undertaken in CITIIS 1.0.
- 7.3.2. CMP is a dedicated one-of-a-kind management tool where effective integration with urban systems such as sustainable infrastructure, social mobilisation, sound procurement and institutional systems, quality human resources, scope for capacity building, M&E, etc. is achieved through the program.

## 7.4. Knowledge Capitalisation

- 7.4.1. Knowledge capitalisation aims to a) capture the learnings gained from the selected projects, b) develop toolkits, guidelines, and good practices and c) disseminate them to amplify the positive impacts.
- 7.4.2. The SPVs will be provided hand-holding from the beginning of the project preparation stage through project development frameworks, tools and templates such as the Project Lifecycle Framework.
- 7.4.3. The program will also develop frameworks, templates and tools to serve as a ready reckoner for projects across the urban sector. These will include all key areas of urban systems such as environmental and social safeguards, stakeholder engagement, project lifecycle management, project readiness, monitoring & evaluation, communications, etc. as well as theme/sector-based frameworks.
- 7.4.4. The program shall also lay special emphasis on developing awareness campaigns for solid waste management, waste water management and water security. Specific frameworks shall be prepared taking into consideration the varied precipitation patterns of the country and capacity building activities shall be undertaken.
- 7.4.5. Developing an E-Repository of Best Practices**
- 7.4.5.1. An e-repository of best practices will be created to capture the best practices on circular economy with a focus on integrated waste management. The repository will be available on the CITIIS Management Platform and CITIIS website.
- 7.4.6. Knowledge Capitalisation at the Program Level**
- 7.4.6.1. CITIIS 2.0 emphasises that all selected projects imbibe the key values of the program, i.e., Sustainability, Innovation, Relevance and Participation. The knowledge capitalisation activities will include encapsulating these values into studies that would help the wider network of stakeholders in learning and replicating these practices. The capitalisation studies may be conducted by external agencies/consultants through primary and secondary data collection.
- 7.4.7. Knowledge Capitalisation at the Project Level**
- 7.4.7.1. The DEs will be required to prepare knowledge capitalisation reports at the project level for both the Maturation and the Implementation Phases, with the aim of:
- Capturing learnings and evolution of each project.
  - Presenting key outcomes of the projects and other recommendations.

#### 7.4.8. Peer Learning among the Selected Cities

- 7.4.8.1. **Peer learning:** Since the Smart Cities have unique ways of approaching the process of project planning, design and implementation, they offer a variety of learning opportunities. As part of the capitalization process, peer learning activities will be organized through a combination of online and offline learning.
- 7.4.8.2. **E-learning:** To reach a wider range of partners and experts in the sector, webinars on a variety of subjects regarding sustainable urban development will be organized. These will serve the dual purpose of capacity building at a macro level and peer learning at a micro level. The National Urban Learning Platform (NULP) may be explored as a platform for this component.
- 7.4.8.3. **Structured Classroom Learning:** A series of workshops will be organized over the course of the program at the National and State levels to enable peer learning. These workshops will bring together SPVs and technical experts on to a common platform to share, learn, un-learn and re-learn sustainable urban development practices.

### 7.5. Communications & Outreach

- 7.5.1. Communications and outreach activities under the CITIIS 2.0 program aim to bring visibility to the program and generate awareness about the projects – most importantly, their goals and outcomes – among general and specific target audiences.
- 7.5.2. Communications and outreach under CITIIS 2.0 will also showcase the values, approaches and stakeholders of the program, ensure consistent messaging, branding and visibility for CITIIS, AFD, KfW, EU, MoHUA and NIUA across all platforms, create awareness of program components, and highlight project experiences with a human-centric approach. It will be mandatory for all SPVs to follow the communication and branding guidelines issued by the PMU at NIUA.





# **8. INSTITUTIONAL ARRANGEMENT AND PROGRAM MONITORING**

## 8.1. Program Institutional Arrangement

- 8.1.1. **The Department of Economic Affairs (DEA), Ministry of Finance (MoF)**, is the financial counterpart of the French Development Agency (AFD) and Kreditanstalt für Wiederaufbau (KfW) within the Government of India (GoI). DEA is the representative of the GoI, according to the Credit Facility Agreement/ Loan Agreement (EUR 200 million) and Grant Financing Agreement (EUR 12 million) signee.
- 8.1.2. **The Ministry of Housing and Urban Affairs (MoHUA)**, Government of India, is the line ministry in charge of rolling out the Smart Cities Mission, the City Investments To Innovate, Integrate and Sustain (CITIIS), and CITIIS 2.0. MoHUA will manage the two budget lines to allocate the Credit Facility Agreement (CFA) and Grant Financing Agreement (GFA) funds according to the procedures of GoI, the CFA and the GFA. The MoHUA will request for the credit and grant disbursement requests to AFD and KfW through the Controller of Aid Accounts and Audits (CAAA) of the DEA.
- 8.1.3. **The French Development Agency (AFD) and Kreditanstalt für Wiederaufbau (KfW)** are the counterparts of the Credit Facility Agreement (CFA) / Loan Agreement to be signed with the GoI to fund the activities under Component 1 and 2 of the program.
- 8.1.4. **The European Union** and AFD have signed a delegation agreement to finance the technical assistance program worth EUR 12 million and will thus be the counterpart of the Grant Financing Agreement (GFA) to be signed with the GoI to fund the activities under Component 3.
- 8.1.5. **The Apex Committee** provides guidance and senior-level leadership, oversight and control over the program. Its main responsibility is to ensure the program meets the initial expected outcomes as defined in the CFA. The Apex Committee is composed of the representatives of MoHUA, AFD, KfW, Delegation of the European Union and NIUA. Secretary, MoHUA shall be the Chair of the Apex Committee and the Secretary, MoHUA shall appoint an Additional Secretary/ Joint Secretary as a Deputy Chair. Program Director, CITIIS at NIUA serves as the Secretary of the Apex Committee.
- 8.1.6. **The National Institute of Urban Affairs (NIUA)** hosts the Program Management Unit (PMU) to operate CITIIS 2.0 to supervise the program activities at the City and State levels and coordinate all activities at the National level.
- 8.1.7. **The States** of India are the primary stakeholders of the AFD/KfW loan along with GoI. They will receive the funds awarded by MoHUA and transfer them as a grant to the awarded SPVs within two weeks. The awarded States shall pay back their share of the loan amount, i.e., 50% of the total CITIIS 2.0 grant, to the Government of India as per the conditions defined in the Quadrilateral Agreement.
- 8.1.8. **The Special Purpose Vehicles (SPVs)** established under Smart Cities Mission are the city-level agencies that will implement the awarded projects in the selected cities. They are limited companies incorporated under the Companies Act, 2013 at the city level, in which State Governments/UT and ULBs own equal and major shares.
- 8.1.9. **The Urban Local Bodies (ULBs)** - As per Article 243Q of the Constitution of India, every State should constitute three types of municipalities in urban areas. Provided that a Municipality under this clause may not be constituted in such urban area or part thereof as the Governor may, having regard to the size of the area and the municipal services being provided or proposed to be provided by an industrial establishment in that area and such other factors as he may deem fit, by public notification, specify to be an industrial township. The Nagar Panchayat: Nagar Panchayat (by whatever name called) for a transitional area, that is to say, is an area in transition from a rural area to an urban area; Municipal Council: A Municipal Council is constituted for a smaller urban area; and Municipal Corporation: It is constituted for a larger urban area. These are collective terms as Urban Local Bodies.
- 8.1.10. **The Domestic Experts** procured by the PMU at NIUA will provide contextualised guidance and coaching to the SPVs through the Maturation and Implementation Phases of the CITIIS projects under Component 1. Their responsibilities will be defined in the contract to be signed with the PMU.



**8.1.11. International Mentors**, procured by the PMU at NIUA, will provide guidance and coaching to the States under Component 2 and to the PMU for capacity building activities (Component 3). Their responsibilities shall be defined in the contract to be signed with the PMU.

**8.1.12. A pool of specialised experts** appointed by the PMU at NIUA, termed **Transversal Experts**, will provide expertise on several topics to assist SPVs with project design and implementation in collaboration with the Domestic Experts. Their responsibilities shall be defined in the contract to be signed with the PMU.

## 8.2. Program Monitoring

### 8.2.1. National-Level Monitoring

**8.2.1.1. Monitoring of the program will be done by the Apex Committee.** The Apex Committee provides guidance and senior-level leadership, oversight and control over the program. The committee's main responsibility is to ensure the program meets the initial expected outcomes as defined in the CFA. The Apex Committee is composed of representatives from MoHUA, AFD, KfW, Delegation of the European Union and the NIUA. Secretary, MoHUA shall be the Chair of the Apex Committee and the Secretary, MoHUA shall appoint an Additional Secretary/ Joint Secretary as a Deputy Chair. Program Director, CITIIS at NIUA serves as the Secretary of the Apex Committee.

8.2.1.2. The Apex Committee will:

- i. Act as the apex institution for management and operations of the program;
- ii. Review and approve the SPV and State proposals recommended by the jury;
- iii. Review the activities of the scheme, including the budget, and guide the SPVs, States and the PMU at NIUA to meet the expected outcomes defined in the program documents;
- iv. Validate the Maturation Phase of the SPVs.

8.2.1.3. The National Institute of Urban Affairs (NIUA) hosts the Program Management Unit (PMU) to operate the CITIIS program, supervise the program activities at the City and State levels, and coordinate activities at the National level. The PMU of the ongoing CITIIS 1.0 program is retained as the PMU for CITIIS 2.0 as well, and act as a holistic and integrated CITIIS PMU, headed by Program Director, CITIIS.

8.2.1.4. A final ex-post evaluation will be carried out as per the guidelines to improve future programmes through feedback received and lessons learnt, and to provide a basis for accountability to the public, including the provision of information.

### 8.2.2. State-Level Monitoring

8.2.2.1. At the State level, the **High-Powered Steering Committee (HPSC) formed under the Smart Cities Mission** shall review the proposed project applications to be submitted by the SPVs and review the project progress during the maturation and implementation phase of the program.

**8.2.2.2. For Component 1:** Projects proposed by SPVs shall be endorsed by the State Urban Development Department (or an equivalent agency with different nomenclature) in order to be eligible for submission. The SPV shall ensure that all statutory approvals, consent and clearances are submitted along with the application form.

**8.2.2.3. For Component 2:** An interested State will submit a request letter from the State/UT government seeking support under Component 2 along with a detailed proposal and action plan. After the approval and endorsement of the Apex Committee, an MoU will be signed between MoHUA, State Government and NIUA. The Apex Committee shall be the final authority on all matters related to the State-level Component and shall undertake periodic evaluations to review the progress of the proposed interventions.

### 8.2.3. City-Level Monitoring

**8.2.3.1. Local Level:** The SPV board at the city level will be responsible for the implementation of the projects under Component 1 and other mandatory requirements, in accordance with the Quadrilateral Agreement signed between the SPV, the State Government and the Government of India.

### 8.2.4. Monitoring Framework

8.2.4.1. A Project Logical Framework (PLF) will be developed for periodic monitoring and evaluation of the process of the proposed program, including project activities, outputs, outcomes, long-term vision, indicators, means of verification, risks and assumptions.

8.2.4.2. A Program Annual Monitoring report will be prepared, which will include the annual audit of the grant program account, the annual report and audit reports of the SPV executing the CITIIS 2.0 project, utilization of funds certificate, etc. The SPVs shall be required to submit Utilization Certificates on cash-basis at the end of each month.

8.2.4.3. The SPVs incorporated under the Smart Cities Mission are limited companies incorporated under the Companies Act, 2013. The selected SPVs will adhere to all statutory audit requirements as stipulated under the act.

8.2.4.4. A program mid-term independent audit report shall be commissioned by NIUA to ensure the enforcement of the program documents as defined in the Credit Facility Agreement.

8.2.4.5. CITIIS 2.0 has a strong mechanism for identification and mitigation of risks through internal meetings, real-time monitoring, partner reviews as well as third-party assessments.



# ANNEXURES





## Annexure 1: Covenant of Integrity to be mandatorily appended in each procurement document/EOI/RFP/Work Order/tender document, etc. by the SPVs under CITIIS 2.0

### COVENANT OF INTEGRITY

to the Promoter

from a Tenderer, Contractor, Supplier or Consultant to be attached to its Tender  
(or to the Contract in the case of a negotiated procedure)

I [Name], in my function as [function/position held] in [name of the company] and duly authorized representative for the signature of the contract to be signed for [title of the call for tender or the contract] hereby declare that we observe the highest standards of ethics during the procurement and, if we are successful in our tender, during the performance of the contract. We have not engaged nor will engage in, or have been convicted or sanctioned by any authority of, any fraud, corruption, collusion, coercion, obstruction, money laundering, financing of terrorism or other malpractice (hereafter referred to as "Prohibited Conduct")<sup>2</sup>. Where convictions occurred, details of the conviction and remedial measures are provided. If such events should occur in the future, including if any instance of Prohibited Conduct shall come to our attention, we hereby undertake to so inform [Promoter and AFD/EIB/KfW (whoever is MRI Lead Financier)] immediately.

Moreover, neither our company<sup>3</sup> nor any entity member of the joint venture or of the consortium or any one acting on our behalf, such as sub-contractors, is the subject of a current exclusion /has been the subject of any debarment, exclusion or other sanctioning decision by any of the Participating MRI Partners (AFD, EIB and/or KfW), EU institutions and/or any major Multi-lateral Development Bank (including World Bank Group, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development or Inter-American Development Bank) on the grounds of Prohibited Conduct and we further undertake to immediately inform [Promoter and AFD/EIB/KfW (whoever is MRI Lead Financier)] if this situation was to occur at a later stage. Where such a decision of exclusion has occurred, we commit to provide all necessary information and any remedial measures that have already been taken.

I also declare that neither our company nor any entity member of the joint venture or of the consortium is currently included /has been included on the list of financial sanctions (including in particular the fight against financing of terrorism) adopted by the United Nations, the EU financial or any national sanction<sup>4</sup> list which is binding for any of the MRI Partners and we further undertake to immediately inform [Promoter and AFD] if this situation were to occur at a later stage.

We acknowledge that in the event our company or any entity member of the joint venture or of the consortium (i) is, after this Covenant of Integrity or the contract have been signed, added to any financial sanctions list enumerated above or (ii) is, before the contract has been signed, subject to any debarment, exclusion or otherwise sanctioning decision enumerated above or (iii) made a false statement in the Covenant of Integrity, the contract may not be eligible for funding by one or more of the Participating MRI Partners (AFD, KfW). We commit not to procure goods and services from countries which are under an embargo which is binding upon AFD and KfW.

We also acknowledge that, in any of the afore-mentioned events, [Promoter] is entitled to exclude our company/the consortium from the procurement procedure and, if the contract is awarded to our company/the consortium, we undertake to take all necessary remedial actions in a manner satisfactory to [Promoter]. Such events may lead to termination of the contract, in accordance with the terms of the contract.

We declare that we have paid, or will pay, the following commissions, gratuities, or fees with respect to the Tendering process or execution of the Contract:<sup>5</sup>

<sup>2</sup> For KfW, please see "Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries" and FATF Recommendations;

For AFD, please see "AFD Group's policy to prevent and combat corruption, fraud, anti-competitive practices, money laundering and terrorist financing" and Guidelines for the procurement of AFD financed contracts in foreign countries".

<sup>3</sup> For the purposes of these provisions "company" or "entity" shall include directors, employees, agents.

<sup>4</sup> i.e. French sanction list for AFD, German sanction list for KfW.

<sup>5</sup> If none has been paid or is to be paid, indicate "none".



Name of Recipient	Address	Reason	Amount

We grant the Participating MRI Partners and auditors appointed by either of them, as well as any authority or European Union institution or body having competence under European Union law, the right to inspect and copy our books and records and those of all our sub-contractors, under the contract, as well as joint venture/consortium partners. We accept to preserve these books and records generally in accordance with applicable law but in any case, for at least six years from the date of tender submission and, in the event, we are awarded the contract, at least six years from the date of substantial performance of the contract.

I declare that our company / consortium undertakes to comply with labour laws and national and international standards of environmental protection, health and safety applicable in the jurisdiction / country of implementation of the Project, including those contained in any relevant International Labour Organization (ILO) conventions and international agreements on environmental protection, as well as with mitigation measures of the Environmental and Social Management Plan if applicable.

.....  
(Place)

.....  
(Date)

(Signature)

## Annexure 2: General Application Form

### Indicative Application Form Promoting Circular Economy with a Focus on Integrated Waste Management

Indicative Application Form – All Sections & Questions are Mandatory

[Name of the SPV]

[Name of the ULB]

#### Background Information

1. When was the SPV incorporated?
2. Provide the details of independent directors appointed in the SPV as per the requirements of the Companies Act 2013

Name	DIN

3. Provide the details of women directors appointed on the SPV Board

Name	DIN

4. Provide the details of Audit Committee constituted in the SPV and approved by the Board of Auditors

Board resolution of constituting the audit committee	Appointment letter for the statutory auditor	Last SPV Audit
Attach a copy	Attach a copy	Attach a copy

5. Project implementation by the SPV

Details	Value/ Inputs
What is the total value of projects (in INR Crores) completed by the SPV?	
What is the total value of projects (in INR Crores) currently under implementation by the SPV?	
What is the total amount (in INR Crores) of projects likely to be completed within the SCM timelines?	

6. Human Resources in the SPV

- 6.1. What is the total sanctioned staff strength of the SPV? Provide an organogram.
- 6.2. What is the current staff strength of the SPV?
- 6.3. Provide details of the staff members currently working full time and dedicatedly hired for the SPV (including the CEO, if applicable)

Designation	Name	Joining Date	Contract End Date/ Date of Superannuation

- 6.4. Provide the details of the staff members currently deputed to the SPV from the Municipal Corporation or other government agencies/ departments (including the CEO, if applicable)

Designation	Name	Deputation Date	End of Deputation/ Date of Superannuation



6.5. Provide details of vacant positions in the SPV

Designation	Vacant since (Provide date)

6.6. Does the SPV had/have a PMC/ PMU/ PMD supporting the implementation of the projects? If yes, provide the details

Name of the PMC	Is the Contract active?	Contract start date	Contract end date

7. Financial Information

- 7.1. What is the authorised capital of the SPV (in INR Crores)?
- 7.2. What is the paid-up capital of the SPV (in INR Crores)?
- 7.3. What is the maximum amount that can be sanctioned by the SPV CEO without approval of the SPV Board or the State Government?
- 7.4. What is the maximum amount that can be sanctioned by the Board of the SPV without approval of the State Government?

Summary of the Proposed Project

- 1. Project Name
- 2. Total Project Cost (INR Crores)
- 3. Requested Grant Amount (INR Crores)
- 4. Source of Own Source Revenue
- 5. Project Timeline
- 6. Total Built up Area of the proposed project (sq. meters/hectare), as applicable.
- 7. How will the proposed project benefit the city and the citizens? Provide details.
- 8. Project Components

Components	Estimated Cost (INR Crores)	Characteristics	Proposed Innovation, if any

9. Risk Assessment

Risk Type	Risk Anticipated	Likelihood (Low/ Medium/ High)	Impact (Low/ Medium/ High)	Risk Mitigation Measures

10. Staffing Plan- Provide a detailed organizational chart for implementation of the proposed project.

11. Staffing Plan – Provide the details of staff deployed/ to be deployed for the project.

Sr. No	Position	Name of the Team Member, if available	Education	Skillsets

12. Attach the Order from the State Finance Department regarding the repayment of 50% of the grant allotted to the SPV (Principal + Interest thereon).

13. Attach the Order/Resolution from the State Government that the SPV shall be kept operational till the end of the proposed project.

## Embedding CITIIS Values in the Proposed Project

### A. Excellence in Sustainable Development and Impacts

1. Does the proposed project have convergence with any of the ongoing missions of the Ministry of Housing & Urban Affairs, GoI such as Smart Cities Mission, Swachh Bharat Mission 2.0, AMRUT 2.0 etc? Please explain in detail.
2. Explain in detail the environmental protection and climate co-benefits of the project viz. improvement of climate resilience, climate adaptation, the estimated reduction in GHG emissions
3. Explain in detail how the project shall ensure social inclusion with a focus on informal economy, gender and other vulnerable groups? Describe in brief the gender status in your project area; the gender concerns within the sector and how the project aims to address the same and the gender inclusive features of the proposed project?
4. Explain the approach to Project Logical Framework (PLF) as per Application form Annexure B.

### B. Innovation & Integration

1. Explain in detail how full coverage and maximum implementation of waste management services will be achieved through integration with the proposed project?
2. How is the proposed project in line with the City Solid Waste Action Plan (CSWAP) / City Sanitation Action Plan (CSAP) developed? Please explain in detail?
3. How will the digital technologies be utilised for planning, implementation and monitoring of the project activities and outcomes?
4. Explain in detail the level of innovation in the project components and approaches; for example process innovation through PPP and/or innovative financing mechanisms such as green bonds and green credits. Explain the upscaling potential of the project.

### C. Participatory Approaches & Partnerships

1. Provide the list of all stakeholders involved in the design, development and implementation of the project and analyse their level of engagement as per the following matrix:

Stakeholder Name	Contact Person, if available	Impact How much does the project them? (Low, Medium, High)	Influence How much influence do they hand over to the project? (Low, Medium, High)	What is important to the stakeholder?	How could the stakeholder contribute to the project?	How could the stakeholder block the project?	Strategy for engaging the stakeholder
Eg: Aanganwadi workers	xxx	High	High	Maintaining working conditions of child care centres	Agree for retrofit interventions proposed	Going on strike	Monthly group meetings

2. How does the proposed project is in line with the City Solid Waste Action Plan (CSWAP) / City Sanitation Action Plan (CSAP) developed? Please explain in detail.
3. Explain the Operational model for the implementation of the project through partnership with the Municipal Corporation, other State/local agencies or Public Private Partnerships (PPP).
4. Explain the proposed engagement with academia and research institutions working on circular economy and integrated waste management.



## D. Relevance & Feasibility

1. Explain in detail how the proposed project is needed for the city based on existing challenges and how will it benefit the citizens? Outline how the project is in alignment with city planning?
2. Explain the Environmental Screening of the project .
3. Explain the financial model of the project including the lifecycle management plan with a focus on financial sustainability through user charges among other means. Present the resources for the O&M of the future assets.
4. Present the level of preparedness of the project by outlining existing documents, studies etc.

## Detailed Project Information

### 1. Context/Background

This section should provide a brief description of the sector/sub- sector as well as a general description of the project being posed.

### 2. Problems to be addressed

This section should elaborate the problem to be addressed through the project at the ward/ city/ district level. Evidence regarding the nature and magnitude of the problems should be presented, supported by baseline data/survey/reports etc. The format of a Baseline report is available as Application Form Annexure A.

### 3. Needs Assessment

A detailed needs assessment to identify and evaluate the requirements and challenges of the project. It involves gathering data, analysing information, and understanding the existing conditions to determine the gaps between the current state and the desired outcomes. This will address the specific needs and priorities of the people or stakeholders involved, allocate resources efficiently, and foster positive and sustainable change.

### 4. Detailed Project Description/ Plan for Saturation

This section should indicate the development objectives proposed to be achieved, ranked in order of importance. The outputs/deliverables expected for each development objective should be spelt out clearly. Please provide a detailed description of the project and respective deliverables.

### 5. Strategy

This section should present an analysis of alternative strategies available to achieve the development objectives. Reasons for selecting the proposed strategy should be brought out. Basis for prioritization of locations should be indicated (wherever relevant). Opportunities for leveraging government funds through public-private partnership or savings through outsourcing must be explained. This section should also provide a description of the ongoing initiatives, and the manner in which duplication can be avoided and synergy created with the proposed project.

### 6. Target Beneficiaries

There should be clear identification of target beneficiaries. Stakeholder analysis should be undertaken, including consultation with stakeholders. Any options regarding cost sharing and beneficiary participation should be explored and incorporated in the project. Impact of the project on weaker sections of society, positive or negative, should be assessed and remedial steps suggested in case of any adverse impact.

### 7. Applicable Frameworks

- **Lifecycle Model** – Provide details of how the entire lifecycle of the proposed project shall be managed, from conceptualization to operations & maintenance.
- **Technology integration** – Provide details on the proposed use of digital technologies, such as the ICCC for monitoring of project activities and outcomes.

### 8. Environmental and Social Impact

Each SPV shall sign the Environmental & Social Safeguards Commitment Plan (ESCP) and conduct a pre- Environmental

& Social Screening during the application stage as per the E&S pre-screening checklist to understand the category and risks of projects. The detailed Impact Assessment will be undertaken in the Maturation phase as per the identified category in compliance with local regulation and WB ESF.

## 9. Social Inclusion

Each SPV shall conduct a detailed assessment of social safeguards measures to be undertaken through the project with an emphasis on the informal economy and women. Gender Action Plan (GAP), Resettlement Action Plan (RAP) and Livelihood Restoration Plan (LRP) should be provided wherever applicable.

## 10. Project Management

Responsibilities of different agencies for project management or implementation should be elaborated. The organization structure at various levels, human resource requirements, as well as monitoring arrangements should be clearly spelt out as follows:

- The organization structure at the SPV and the Municipal Corporation
- Operational model for the project
- Human resource planning
- Monitoring arrangements
- Public Private Partnerships (PPP), if any

## 11. Project Finance

This section should focus on the cost estimates, budget for the project, means of financing and phasing of expenditure. Options for cost sharing and cost recovery (user charges) should be explored. Issues relating to project sustainability, including stakeholder commitment, operation-maintenance of assets after project completion and other related issues should also be addressed in this section. Provide a detailed financial feasibility plan of the project.

## 12. Project Timelines

This section should indicate the proposed zero date for commencement and also provide a PERT/CPM chart.

## 13. Cost Benefit Analysis

Financial and economic cost-benefit analysis of the project should be undertaken wherever such returns are quantifiable.

## 14. Risk Analysis

This section should focus on identification and assessment of implementation risks and how these are proposed to be mitigated. Risk analysis could include legal/contractual risks, environmental risks, revenue risks, project management risks, regulatory risks, etc.

## 15. Outcomes

Success criteria to assess whether the development objectives have been achieved should be spelt out in measurable terms. Base-line data should be available against which success of the project will be assessed at the end of the project (impact assessment). Success criterion for the project deliverables/outcomes should also be specified in measurable terms to assess achievement against proximate goals. **Format of the PLF is available as Application Form Annexure B.**



## Application Form Annexure A

### Baseline Report Format

- a. Executive Summary- main findings and recommendations
- b. Background of the project
  - Demography- State and city levels
  - Detailed description of the project, project components and project sites
- c. Objectives of the Baseline study
- d. Methodology
- e. Findings
  - Socio-economic information (process description of primary and secondary data collection through surveys) and consolidation of survey results through appropriate presentation tools.
  - Section-specific information (data consolidation of various surveys and investigations rolled out as a part of the study)
  - Findings from Public opinion survey (listing of observational data, feedback, poll results)
- f. Information Synthesis: Assessment of data to identify
  - Core problem areas
  - Available local resource and opportunities
  - Constraints or threats
- g. Conclusions and Way Forward
8. Annexures

May also refer: <https://citiis.niua.in/web/sites/default/files/2023-02/CITIIS%20Toolkit%20on%20Urban%20Infrastructure%20Project%20Development%20copy.pdf>

## Application Form Annexure B

### Project Logical Framework

Name of the project	Description	Means of Verification	Indicators	Targets	Risks	Assumptions
Long Term Goal						
Outcomes						
Outputs						
Activities						

May also refer: [https://citiis.niua.in/web/sites/default/files/2023-02/Final\\_WorkBook\\_Digital.pdf](https://citiis.niua.in/web/sites/default/files/2023-02/Final_WorkBook_Digital.pdf)







Ministry of Housing and Urban Affairs  
Government of India