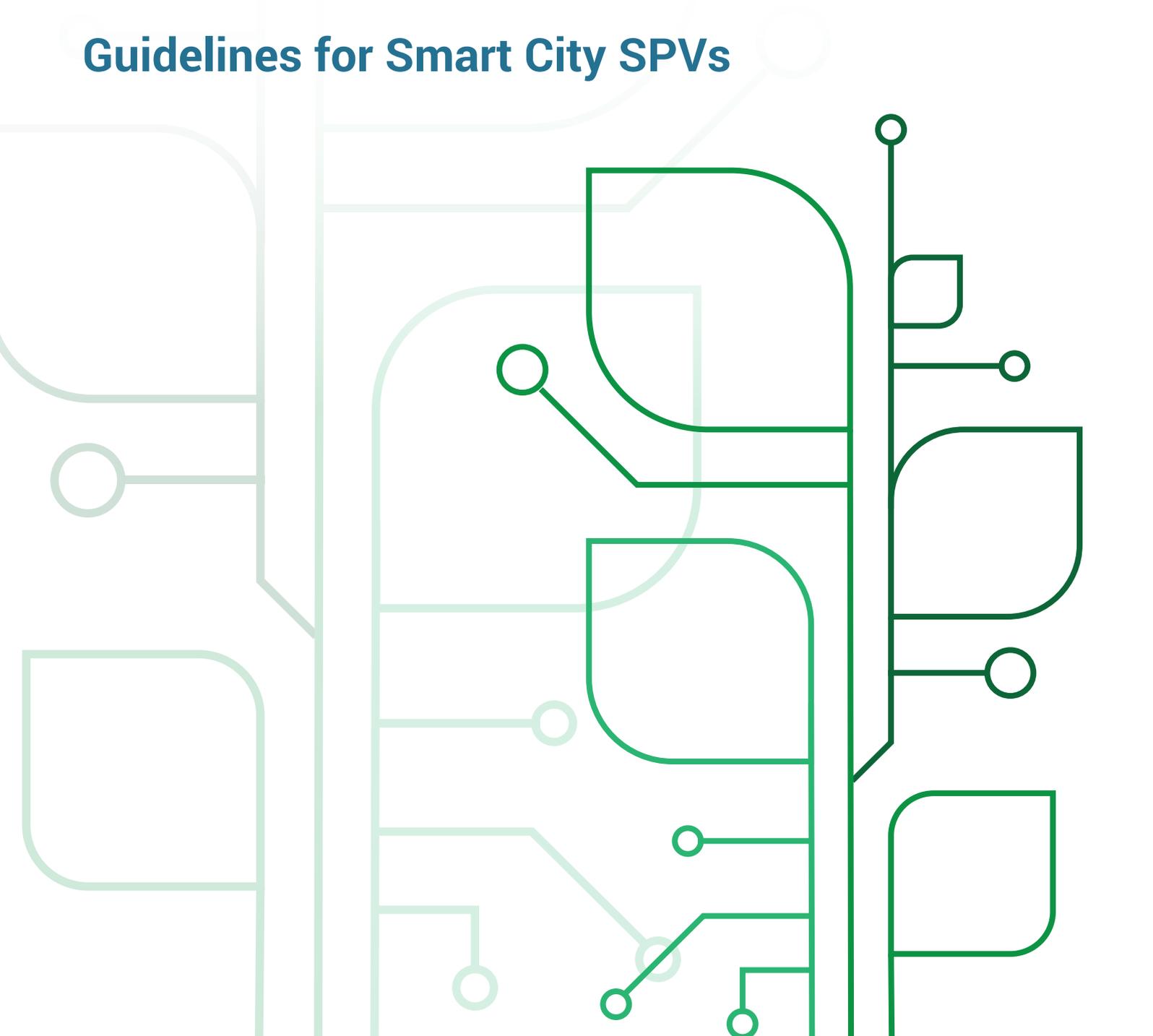


# CITIIS

City Investments To Innovate, Integrate and Sustain

## Guidelines for Smart City SPVs







# CONTENTS

1. Introduction.....	4
2. CITIIS .....	5
3. CITIIS Grant.....	7
4. CITIIS Expertise.....	9
5. CITIIS Projects .....	10
6. Application Process .....	12
7. Program Administration.....	14





# 1. INTRODUCTION

CITIIS (City Investments To Innovate, Integrate and Sustain) is the main component of the 'Program to fund Smart City projects through a Challenge Process' launched by the Ministry of Housing and Urban Affairs (MoHUA) in July 2018<sup>1</sup>. CITIIS aims to foster sustainable, innovative and participatory approaches to build four types of projects within the Smart Cities Mission. Under the CITIIS component, up to 15 projects will be selected through a challenge process. Selected Smart City SPVs will be provided financial assistance in the form of grant and technical support in the form of tailor-made mentorship (expertise), over a period of three years. This support will be managed and coordinated by a Program Management Unit (PMU) at the National Institute of Urban Affairs<sup>2</sup> (NIUA) in New Delhi.

CITIIS is financed by the French Development Agency (AFD) and the European Union (EU) and will consider Smart City Projects in the following four themes:

- Sustainable Mobility
- Public Open Spaces
- Urban E-governance and ICT
- Social and Organizational Innovation for Low-Income Settlements

The CITIIS will support selected Smart City SPVs in developing and implementing a new set of technical and practical tools that will benefit other cities in their State and the larger urban sector in the country. These tools will focus on the following:

- To enhance project sustainability through result-based monitoring and risk management system
- To strengthen public participation and project partnership through community based design and PPP
- To promote innovation through open innovation management system and urban experimentation methods.

In addition to the CITIIS grant and expertise, the selected Smart City SPVs will get access to a global network of cities and practitioners who have been part of best practices in their respective sectors to share their experiences and build city to city cooperation.

All information regarding the CITIIS component is uploaded on a dedicated microsite on the Smartnet portal<sup>3</sup>. The overall purpose of this document (the "CITIIS Guidelines") is to inform Smart City SPVs, State Urban Development Departments and other stakeholders about the application and selection process for the CITIIS challenge.

The SPVs will be able to apply until **15<sup>th</sup> October 2018** through an online application process on CITIIS microsite.

---

<sup>1</sup> Program Document is available on [smartnet.niua.org/citiis](http://smartnet.niua.org/citiis)

<sup>2</sup> See [www.niua.org](http://www.niua.org)

<sup>3</sup> CITIIS microsite URL is [smartnet.niua.org/citiis](http://smartnet.niua.org/citiis)

# 2. CITIIS

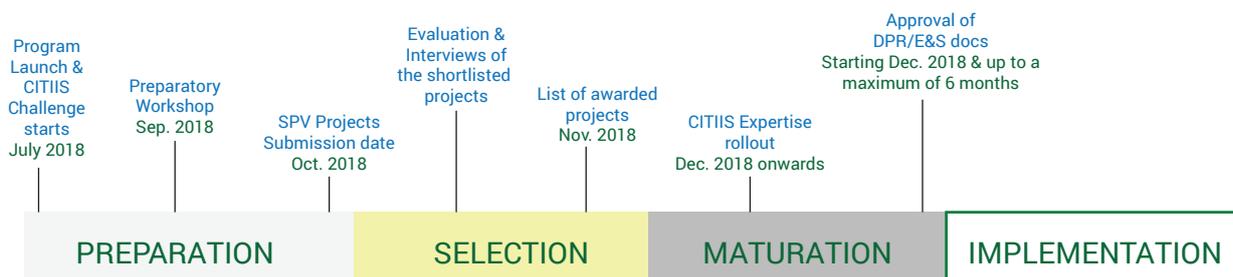


CITIIS is developed by the Smart Cities Mission, MoHUA with support from the National Institute of Urban Affairs (NIUA) and the French Development Agency (AFD) to provide additional funding and tailor-made technical support to some of the most innovative Smart City projects.

## 2.1. CITIIS Challenge phases

The CITIIS challenge will comprise of the following four (4) phases:

- **Project preparation (3 months<sup>4</sup>):** After the launch of the program (9th July 2018), the first phase (9th July – 15th October 2018) will be dedicated to the preparation of project applications by the Smart City SPVs. A Helpdesk will be made available to the Smart City SPVs by the Program Management Unit (PMU). MoHUA will organize a specific and dedicated preparatory workshop in September 2018 to support the cities with their applications.
- **Project selection (1 month):** Further to the submission of project applications by the deadline (15th October 2018), an independent jury will scrutinize the applications to select up to 15 projects.
- **Project maturation<sup>5</sup> (Up to a maximum of 6 months):** The maturation phase aims at strengthening and refining the selected projects through CITIIS expertise. A first advance of funds will be transferred to the SPVs to cover project maturation costs.
- **Project implementation (18 to 30 months):** Once maturation ends, project implementation will start and the procurement process will be launched. CITIIS expertise will continue to be mobilized to support the implementation of the projects.



— Milestones

<sup>4</sup> Preparation by SPVs is expected to start after the July 9th launch and continue between July 9th – 15th October 2018

<sup>5</sup> Maturation phase is the project development phase during which selected Smart City SPVs will work with the Mentors to develop the project documents and enhance the quality of the project proposal. Duration of this phase for any selected project will depend upon the readiness of the SPVs in terms of CITIIS component requirements. This phase shall be completed once the DPR and E&S safeguard documents are deemed satisfactory by the PMU.





## 2.2. CITIIS key values

Selected projects and SPVs will be part of a unique experimentation laboratory helping to highlight and address specific issues faced by SPVs across India in developing innovative approaches for urban renewal projects. Selected projects will embrace and embody CITIIS key values mentioned below:

- **Excellence in sustainable urban development** – the project would include actions contributing to the three dimensions of sustainable urban development: social inclusion, environmental resilience and project sustainability;
- **Innovation and integration** – the project would include promotion of innovative solutions in different forms (e.g. social, institutional, technical, financial) that addresses new uses, emerging or unfulfilled needs;
- **Participatory approaches** – the project would include a demonstrated cooperation between various stakeholders (public and private, organizations and civil society) and address the needs of urban dwellers;
- **Relevance and feasibility** – the project proposes appropriate, viable and achievable interventions in line with the local constraints and opportunities.



# 3. CITIIS GRANT



Each selected CITIIS project will benefit from a grant ranging from INR 20 to 80 Cr. In order to promote project co-financing, CITIIS grant is expected to cover from 50% up to 80% of the total project cost subject to a maximum of INR 80 Cr. Additional funding amount for at least 20% shall be secured by the selected SPVs through its own resources which can include funding already committed for the project under the Smart City Proposal (SCP). However, in case of North Eastern and Himalayan States, if an SPV is unable to raise 20% funding through its own revenues, then the additional funding of 20% could be provided by the State Government.

## For example:

Theme: Social and Organizational Innovation for Low-Income Settlements

SPV proposed project total cost: INR 20 Cr.

Eligible range of grant through CITIIS: from INR 10 Cr. (50%), to INR 16 Cr. (80%)

INR 4 Cr. to INR 10 Cr. has to be mobilized by SPV (partnership, State support)

---

Theme: Public Open Spaces

SPV proposed project total cost: INR 100 Cr.

Eligible range of grant through CITIIS: from INR 50 Cr. (50%) to INR 80 Cr. (80%)

INR 20 Cr. to INR 50 Cr. has to be mobilized by SPV (partnership, State support)

---

Theme: Sustainable Mobility

SPV proposed project total cost: INR 160 Cr.

Eligible range of grant through CITIIS: INR 80 Cr. (50% - this amount is both minimum percentage funding and maximum amount allocated).

INR 80 Cr. has to be mobilized by SPV (partnership, State support)

## 3.1. Mandatory allocations

Budget for the proposed projects should include the following mandatory allocations:

- Up to 10% of the total project costs will be dedicated to maturation (e.g. costs related to preparation of DPR, additional studies etc.);
- A minimum of 2% of the total project costs will be earmarked for communication programs in order to enhance the participatory, outreach and visibility aspects of the project;
- A minimum of 5% of the total project costs will be dedicated to Human Resources (HR) related costs.





The funding breakdown may vary from project to project, depending on the nature and support needs of the project. The details will be stated in the tripartite agreement to be signed between the MoHUA, the State and the SPV after selection of the project.

### 3.2. Eligible costs

The costs of the following components are eligible to be covered by the grant:

Project maturation costs<sup>6</sup> (up to 10% of the total CITIIS project costs):

- Additional studies, and project study amendments;
- Remuneration of additional (in house or external) key expertise and training linked to CITIIS objectives (digital officer, innovation manager, environmental & social expert etc.);
- Short term experiments or temporary initiatives to be tested before project implementation in order to ascertain a specific aspect of the proposed project.

Project implementation costs:

- Remuneration of additional (in house or external) key expertise and training for implementation of the project;
- Cost of work and supply of equipment (including Monitoring & Evaluation System equipment);
- Maintenance/consumables and all such expenditure that is needed to run the project during its implementation phase.

### 3.3. Funding mechanism

Refer to Program Document available at CITIIS microsite on Smartnet portal.

---

<sup>6</sup> Fully covered by CITIIS Grant first installment



# 4. CITIIS EXPERTISE



In addition to financial support, the CITIIS component will provide technical support and conduct other capacity-development activities to the selected SPVs.

A dedicated Mentor will be appointed to each selected CITIIS project for the three-year period. The appointed Mentor will work on a regular basis with the SPV CEOs and their teams to handhold them through the “maturation” and implementation of the selected projects and to develop tools and activities to address the governance issues linked to partnership, public participation and urban innovation.

At any point of the program implementation, selected Smart City SPVs under the guidance of the Mentor can reach out to the PMU at NIUA for specific expertise in addition to the mentor. The PMU will support the SPVs through a pool of experts recruited at the national level to review technical issues related to the specific project.

The Mentors will also guide selected Smart City SPVs CEOs and staff (including SPVs Key Management Professionals (KMPs), other professional staff and Urban Local Bodies (ULBs) staff working in functional areas linked to the theme of the project) to join nationwide training programs. Mentors will identify and endorse the needs and the PMU will support the process.

Additional activities will also be conducted at the national and international levels through (i) web-based communities of practitioners, and (ii) peer-to-peer learning events.

The scope of Mentorship will include the following:

- Developing methods and techniques to promote innovative and participatory approaches;
- Helping the SPVs mobilize the city ecosystem to facilitate partnerships and collaboration between main stakeholders of the project and to define common goals and road maps;
- Helping the SPVs ensure robust project planning and management through result-based monitoring and risk management systems;
- Providing recommendations throughout the development of the projects based on international benchmarks. This would cover sectoral topics (mobility, urban planning, etc.) but also cross-cutting topics (sustainable development, participatory approach, business model, data management, legal partnership framework, etc.);

At the national level, the Mentors will assist the PMU in the knowledge management process. In particular, the mentors shall carry out the following activities:

- Identification of innovative/outstanding practices
- Collection of relevant information and knowledge in urban development





# 5. CITIIS PROJECTS

The projects being supported by the CITIIS component will be drawn from the following four thematic areas:

## 5.1 CITIIS Themes and Sub Themes

### 5.1.1. Sustainable Mobility:

The proposed project of mobility infrastructure shall be well integrated in the urban landscape and contribute to rejuvenation of public open spaces. The program intends to support projects related to:

- New Mobility (e.g. e-vehicles, green fuel),
- Non-Motorized Mobility (e.g. pedestrian-friendly infrastructure, cycle tracks and bike sharing systems),
- ICT solutions related to mobility (e.g. systems for seamless mobility, systems improving efficiency of conventional public transports), and
- Multimodal facilities.

### 5.1.2. Public Open Spaces:

The proposed projects shall promote access to all to city heritage and/or nature. The program intends to support projects related to:

- Green and blue corridors (rejuvenation of canals, lakes and waterfronts, green fingers and connectors, parks),
- Activation of public spaces and “vibrant” place-making (such as plazas, public markets, vegetation in public space), and
- Improving quality of public spaces to enhance heritage sites.

### 5.1.3. Urban E-governance and ICT:

The proposed projects proposed should be related to digital infrastructure and facilities aiming at improving governance systems and/or boost local economy. The program intends to support projects related to:

- Urban services improvement (including smart metering systems, GIS based asset management, etc.),
- E-governance aiming at improving the municipal administration (including citizen facilitation centers, online voting, online bill payment, participatory budget), and
- Promotion of entrepreneurship through partnerships for development of incubation places and boost local economy.



#### **5.1.4. Social and Organizational Innovation in Low-Income Settlements:**

The projects proposed under this theme shall aim at improving universal access to basic services and demonstrate capacity to implement in-situ rehabilitation in a relatively short period through an effective partnership approach. The program intends to support projects related to:

- In-situ upgradation of the existing housing stock,
- Creation or rehabilitation of social and economic facilities (health, economic and education facilities),
- Improved access to primary services (waste collection, water supply, waste water collection, public transport and energy), and
- Improvement of public space /street lighting.

## **5.2 Criteria for evaluation**

As per the CITIIS key values, the applicant projects should focus precisely on:

### **5.2.1 Sustainability Aspects**

- Social inclusion and gender equality<sup>7</sup>
- Environmental protection & climate change co-benefits (mitigation and resilience)
- Project sustainability (O&M strategy and adaptability of the proposed investments)

### **5.2.2 Innovation and Integration Aspects**

- Level of innovation in the project components and approach<sup>8</sup>
- Bundling strategy to optimize the integration of different sectors
- Replicability of the innovative solutions included in the project

### **5.2.3 Participatory Approach**

- Approach to integrate the end users with the design/implementation and/or monitoring of the project
- Strategy to associate other public, private and community stakeholders in the design, implementation and monitoring of the project

### **5.2.4 Relevance and Feasibility**

- Relevance of the proposed project to the local context and the user's perspective
- Consistency with the SCP vision & SWOT analysis
- ULB and/or SPV experience in similar project
- Project Feasibility and mobilized expertise

<sup>7</sup> This criterion will be analyzed both through the expected positive impact that the project can bring and also the consideration of this issue in the Project team organization and management

<sup>8</sup> This criterion may include the experimental initiatives to be tested during the maturation phase





# 6. APPLICATION PROCESS

The project applications shall be prepared and submitted by the SPVs and the process will follow five steps as listed below. The application form and all additional information will be available on the Smartnet. To support SPVs with their project applications, a Help Desk will be operated by the PMU through the Smartnet portal.

## Step 1: Proposal Preparation

Smart City should study program document, CITIIS Guidelines and application available at [smartnet.niua.org/citiis](http://smartnet.niua.org/citiis). The SPVs that are interested in participated in the 'CITIIS Challenge' should ensure that they will meet the following criteria:

- (a) SPV eligibility criteria: Smart City SPVs must fulfil each of the eligibility criteria below to apply for CITIIS Challenge:
  - The SPV is incorporated and independent directors and women directors have been appointed as per requirement of Companies Act 2013;
  - The Audit Committee has been constituted and approved by the Board of Directors and the auditor has been appointed;
  - Complete Government of India (GoI) share has been transferred to the official bank account of the Smart City SPV (which will also receive the CITIIS grant);
  - Complete State Government share has been transferred to the official bank account of the Smart City SPV;
  - City Level Advisory Forum (CLAF) has been set up by the Smart City SPV;
  - Delegation of Powers by State HPSC to the SPV to approve and sanction the projects including their technical appraisal.
  
- (b) Project eligibility criteria: Each SPV can submit a maximum of four projects (one per theme), prioritized (from 1 to 4) in consultation with relevant stakeholders. Last date for submission is 15th October 2018. In order to apply, each project must fulfil the following eligibility criteria:
  - Link with the city's Smart City strategy;
  - The Environmental and Social Self-Assessment Form for the project<sup>9</sup> is submitted;
  - The procurement for works and supply of equipment has either not been commenced or has been stalled or is unsuccessful if tenders were invited;
  - The implementation phase is anticipated to last from 18 to 30 months;
  - State Government Order endorsed by State Finance Department indicating the agreement to the condition of sharing the repayment of AFD loan with GoI at 50:50 ratio.

## Step 2: National Handholding Workshop

A handholding workshop will be held in September 2018 to provide guidance to the interested SPVs in their project applications. This workshop will also facilitate discussions with national and international resource persons working in the four themes proposed by CITIIS.

<sup>9</sup> Format is available at CITIIS microsite application page





### Step 3: Proposal Submission

Following the preparatory workshop, the SPVs will have a month to complete their project application form and submit it at CITIIS microsite on the SmartNet. Projects proposed by the SPVs need to be endorsed by State High Powered Steering Committee (HPSC) constituted under the Smart Cities Mission before submitting the proposal. HPSC would ensure all mandatory approvals and clearances are arranged and submitted along with application form. In case any further requirements are identified in the winning proposals, SPVs would need to arrange the necessary approvals or clearances during the project development (maturation) phase to be eligible for any further disbursements.

The SPVs will need to finalize “priority 1” project application form before proceeding to the next application. In addition to the digital version, a printed version of all application forms should be submitted to MoHUA with State HPSC approval (Login credentials for access to application template on SmartNet will be shared with Smart City SPVs CEO in July 2018).

### Step 4: Application Review and Interviews

Once the application phase is completed, the proposals will be scrutinized, graded and ranked by a jury comprising urban experts, representatives of expert institutions and organizations. The scoring of proposals will be as per the following grid:

SCORING DIVISION OF THE SELECTION CRITERIA:			
<b>EXCELLENCE IN SUSTAINABLE DEVELOPMENT</b>			
<ul style="list-style-type: none"><li>• Social inclusion and gender</li><li>• Climate and environmental issues</li><li>• Sustainability</li></ul>	25%	<b>PARTICIPATORY APPROACH AND PARTNERSHIP</b>	30%
		<ul style="list-style-type: none"><li>• Participative approach</li><li>• Partnership</li></ul>	
<b>INNOVATION AND INTEGRATION</b>			
<ul style="list-style-type: none"><li>• Innovation</li><li>• Integration</li><li>• Replicability</li></ul>	20%	<b>RELEVANCE AND FEASIBILITY OF THE PROPOSED INTERVENTION</b>	25%
		<ul style="list-style-type: none"><li>• Relevance</li><li>• Feasibility</li></ul>	

The shortlisted projects will be invited for an interview to be conducted in New Delhi during October - November 2018. The Smart City SPV CEO will be asked to present the applicant project. This meeting aims at discussing the jury evaluation and finalizing the selection process. The interview details will be communicated to the shortlisted projects only.

### Step 5: CITIIS Projects

The final selection of the projects will be announced by the MoHUA. At least one project would be selected from North Eastern and Himalayan States. The financial and technical support will be formalized through the signature of a tripartite agreement between the SPV, the State Government and the MoHUA. A standard template will be made available on CITIIS microsite for the same in due course of time.



# 7. PROGRAM ADMINISTRATION

## 7.1 Project Management Unit (PMU)

The Program Management Unit at NIUA is the implementing agency of the 'Program to fund Smart City Projects through a Challenge Process' and is be the nodal point of contact for SPVs, States and all stakeholders involved.

The PMU's responsibilities include:

- Facilitating the CITIIS preparation phase process and managing the CITIIS Selection Process;
- Hiring and coordinating the CITIIS expertise;
- Reviewing the fund release requests from the SPVs to ensure conditions precedent are met;
- Validating the reporting with all selected SPVs.

## 7.2 Reporting

The CITIIS dashboard on Smartnet shall be updated by the participating SPVs on a monthly basis to reflect the project advancement, program progress, key activities and learnings, and main challenges encountered. The PMU, Mentors and pool of experts will capture the learnings for wider dissemination.

An annual project report will also be prepared by the SPV and submitted to the PMU. It will include: specific sections on Environmental & Social aspects, SMART Indicators<sup>10</sup>, as well as a specific audit report (signed by the company secretary) related to the project including its financial, administrative and other relevant aspects.

## 7.3 Policy Compliance

The SPVs benefiting from CITIIS shall comply with specific information undertakings and Indian regulations related to the procurement process, the management of accounts, the environmental and social risk management in conformity with the Smart Cities Mission Guidelines and the Companies Act 2013.

The CITIIS funds provided by the MoHUA to the SPVs through State Government will be in the shape of tied grants and kept in a separate Bank Account. These funds will be utilized only for the implementation of the selected project mentioned in the tripartite agreement. Any change to the project financial plan agreed and presented in the tripartite agreement shall be communicated to the PMU for approval.

<sup>10</sup> Refer to thematic application forms on CITIIS microsite at [smartnet.niua.org/citiis](http://smartnet.niua.org/citiis) for details





**Contact:**

National Institute of Urban Affairs (NIUA)

[citiis@niua.org](mailto:citiis@niua.org)

+91 11 2464 3284