

OPERATIONAL GUIDELINES OF NULM FOR INNOVATIVE & SPECIAL PROJECTS (I&SP)

Introduction

1. In keeping with the mission's need to learn from, support and inculcate innovative initiatives, the National Urban Livelihoods Mission (NULM) will promote novel approaches in the form of innovative and special projects. The objective of projects under this component will be to implement a time-bound programme to demonstrate an approach that is likely to have wide implications for sustaining urban poverty alleviation efforts

2. A project taken up under this component may include pioneering approaches, innovations to strategies under NULM, or catalysing efforts in geographical areas where these have not been undertaken before. These projects may also include activities not possible to address through the normal course of NULM implementation. Further, special projects to address livelihood issues of most vulnerable sections like physically-challenged, rag pickers, domestic workers, rickshaw pullers, sanitation workers and other such vulnerable groups may also be taken up.

3. Innovative / special projects may be undertaken on a partnership mode involving CBOs, NGOs, semi-government Organisations, private sector, industry associations, government departments/ agencies, urban local bodies, national/state/city resource centres or international organisations.

4. The proposals for Innovative & Special Projects must be situated in the cities covered by NULM.

Project Proposal

5. Government departments / agencies, urban local bodies, and registered bodies such as CBOs, NGOs, semi-government organisations, the private sector, industry associations, educational and/or research institutions, and national / state / city resource centres may propose projects under this component to the State/UT Government / SULM in the prescribed format at Annexure I with an advance copy of the proposal to the National Mission Directorate, NULM

6. The State Government / SULM will examine the proposal in terms of profile and experience of the agency proposing the project, justification and feasibility of the project, funding details, modalities for implementation, time schedule for completion

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etc., and send their recommendations/comments along with the proposal to the National Mission Directorate, NULM.

7. The consent of the State Government / ULB or any other agency who will be required to maintain the assets, or sustain the project after the project period is required to be produced at the time of recommending the project to the National Mission Directorate, NULM.

8. All proposals received from the State Government / SULM will also be screened by the National Mission Directorate, NULM. For projects requiring professional appraisal, the National Mission Directorate, NULM may engage an agency for this purpose, and the cost of appraisal will be paid to such agency out of the A&OE funds under NULM.

Sanction of Projects

9. The project proposals recommended by the State/UT Governments/SULM will be considered by the ***Project Approval Committee (PAC)***, constituted by the Ministry of HUPA for approval of the projects. The PAC, at the time of sanction of the project, will also prescribe the time schedule within which the project will be completed. However, this may be revised taking into account unforeseen factors or other such circumstances by the National Mission Directorate, NULM.

10. The composition of the Project Approval Committee (PAC) will be as follows:

| S. No. | Designation | Membership |
|---------------|---|-------------------|
| 10.1. | Secretary, M/o HUPA | Chairperson |
| 10.2. | Joint Secretary i/c of NULM, M/o HUPA | Member |
| 10.3. | Joint Secretary & Financial Advisor, M/o HUPA | Member |
| 10.4. | Joint Secretary(JNNURM & RAY), M/o HUPA | Member |
| 10.5. | Mission Director(s), SULM of the concerned states which have submitted proposals under I&SP component | Member(s) |
| 10.6. | Any other person(s) invited by the Chairperson | Member(s) |
| 10.7. | Director / Dy. Secretary i/c of NULM, M/o HUPA | Member-Convenor |

11. Representatives of the agencies proposing projects may be called to make presentations or provide clarifications at the meetings of the PAC, if considered necessary.

12. The PAC may also invite technical experts and the appraisal agency as attendees to the meetings to provide inputs on the proposals received under this component.

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Funding Pattern

13. Under NULM, up to five (5) percent of the total Central Funds will be used for Special & Innovative Projects. This component will be centrally administered and no state share will be required for the projects sanctioned under this component. The funding support for a project under this component will depend on the nature of projects and will not be subject to the funding norms under other existing components of NULM.

14. On approval of the project by the PAC, the National Mission Directorate, NULM will release the funds to the State Government / SULM for onward release to the implementing agency. The Funds will be released to the State/UT Government/SULM in appropriate number of installments as approved by the PAC. Second and subsequent installments will be released only after submission of Utilization Certificate for at least 75% of the funds already released.

15. A bi-partite agreement will be signed for the implementation of the project between the concerned State Government (SULM) and the agency undertaking the project. This agreement must have clear project outputs and deliverables, and must clearly indicate payment milestones. A sample agreement is given at **Annexure II**; this may be modified to suit the context of the project approved.

16. The SULM will be required to maintain a separate account for funds released under this component. As funds released to the State/UT Governments/SULM under this component are meant for particular projects, therefore the release of Grants-in-Aid to States for implementation of other components of NULM will not depend on the utilisation of funds released for projects under I&SP component.

17. Audit of the approved I&SP project is required to be carried by an Auditor (Chartered Accountant) appointed for the purpose. The audit may preferably be done through a Chartered Accountant empanelled by the CAG or the Income Tax Department.

18. The interest amount accrued on the deposits of the I&SP Project funds in Banks at State and Implementing Agency levels shall be treated as part of the Project funds and shall be utilized on Project activities only. Accordingly, the interest earned on funds should be shown separately and should be added to the available funds while claiming subsequent installments.

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Monitoring & Evaluation

19. The implementing agencies shall report quarterly progress in formats prescribed from time-to-time, indicating achievements and any key issues in implementation.

20. On completion of the project, the implementing agency shall submit a report on the implementation, learning and suggestions for scaling-up and incorporation of the learning into NULM State Government and NULM Mission Directorate.

21. Normally, project proposals will have a provision of evaluation by a professional agency on completion of the project. The cost of evaluation will be incorporated in the project cost itself. However, for the purpose of evaluation of these projects, the National Mission Directorate, NULM may also engage a separate agency if needed and the cost of evaluation will be paid to the selected agency from out of A&OE funds under NULM.

FORMAT FOR THE SUBMISSION OF PROPOSALS

PART I: PROJECT SUMMARY

1. Name of the Project:
2. Name of the city and state in which this project will be implemented:
3. Project Objectives:
4. Project period:
5. Background of the project & features which make it special / innovative:
[include here the justification for why the project is being proposed as innovative or special project]
6. Details of the target beneficiaries to be covered by this project:
 - a. Total number of beneficiaries to be covered:
 - b. Profile of the beneficiaries: *[these may be SCs, STs, minorities, female-headed households, persons with disabilities, the destitute, migrant labourers, and especially vulnerable occupational groups such as street vendors, rag pickers, domestic workers, beggars, construction workers, etc.]*

PART II: IMPLEMENTING AGENCY DETAILS*

7. Name of the Implementing Agency:
8. Name & Contact details of the Representative, Implementing Agency:
9. Legal status of the Implementing Agency:
[e.g. registration status and details]
10. Last 3 years audited financial statements (in annexure):
11. Bank details of the Implementing Agency to which funds are to be released:
12. Experience of the agency in implementation of similar projects:
*[*include a detailed profile of the implementing agency in annexure to the proposal]*

PART III: PROJECT IMPLEMENTATION & MONITORING DETAILS

13. Project Strategy:*[Specify here the manner in which the project will achieve the goals and key outcomes proposed]*
14. Key outcomes of the project:
[specify here the expected benefits / impact of the project in terms of indicators such as increased reach of social mobilization, increase in income of the target group, increased retention in jobs of the target group, sustainability of enterprise of the target group, increased reach of credit facilities to the target group, increase in efficiency (time and cost), , etc.]
15. Role of partner agencies (if any):
[this could include line departments, NGOs and any other stakeholder institution – clearly indicate their responsibilities and their impact on the project]
16. Modalities for implementation of the project:
[describe here how various inputs such as technical inputs, raw materials, infrastructure development, marketing, training, etc., will be secured and managed]

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17. Benchmark survey for indicators on the basis of which the project would be implemented, monitored and evaluated
18. Quarter-wise Action Plan / Milestones for implementation:
19. Consent of the State Government / ULB / Other relevant agency who will be required to maintain assets / sustain the project after completion of the project:

PART IV: FUNDING DETAILS

20. Estimated total project cost:
[Please include in an annexure to this, a detailed budget statement indicating all (sub-) components of the project. Separate details of capital expenditure, funding of machinery and equipment, construction costs and HR costs as applicable must be included.]
21. Per capita cost for beneficiaries being covered:
22. Economic viability of the project (where applicable):
[include the report in annexure to the proposal where applicable]
23. Whether partial funding for this proposal is being sought from other sources? If yes, kindly provide details:
24. Whether the project, or part thereof, has been submitted to any other agency? If yes, the results thereof. If the project or its part has/had been rejected, the reasons should be indicated clearly.
[If the project is partially being funded by another agency, then a letter certifying that funding has been received / is likely to be received. If not, then a self-attestation by the agency that additional funds are not being sought and will not be sought for the project]
25. Funding milestones proposed:

| Installment No. | Installment % | Installment Amount | Milestones against which installment is to be released | Expected date of completion of milestone |
|-----------------|---------------|--------------------|--|--|
| (1) | (2) | (3) | (4) | (5) |
| | | | | |

PART V: PROJECT LEARNINGS

26. Expected project learnings to be recommended to NULM:
[include here key lessons that the project would like to demonstrate to NULM and features from the project that can be recommended for inclusion after the project completion]
27. Likely issues in scaling-up the project to the rest of the country and how the project seeks to overcome this:
28. Describe how the project will be taken-up on a longer-term basis by the city and state:
[include here details of the partnership with ULB and state governments and expected commitments including funding support required to sustain the project in the long-run].
29. How capital assets used are to be disposed off after the project completion:

Annexure II

SAMPLE BI-PARTITE AGREEMENT FOR PROJECTS UNDER I&SP
COMPONENT OF NULM

Memorandum of Agreement (MoA)

Between

The State Government of _____
Through _____ (SULM)

And

Agency) (Implementing

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This agreement is signed on the ____th day of _____(month), of the Year Two Thousand and _____, between the following parties:

State Urban Livelihood Mission (SULM), Government of _____, (which expression shall, unless repugnant to the context of its meaning thereof, include its successors, nominees and assignees), located at _____(address), which has the mandate of implementing and expediting Central, State and local sector schemes pertaining to urban development, local self government, housing and urban poverty alleviation, including the National Urban Livelihoods Mission in the state of _____, hereafter referred to as the **FirstParty**;

AND

_____, (which expression shall, unless repugnant to the context of its meaning thereof, include its successors, nominees and assignees), located at _____(address). *<Include a brief one paragraph description of the implementing agency here>*, hereafter referred to as the **SecondParty**;

The First Party and Second Party shall collectively be known as “**Parties**” to this agreement.

WHEREAS the **First Party** is responsible for implementation of the National Urban Livelihoods Mission in the state of _____, in accordance with the requirements of the National Mission Directorate, National Urban Livelihoods Mission (NULM), Ministry of Housing & Urban Poverty Alleviation, Government of India;

AND WHEREAS the **Second Party** with expertise in the areas of _____ and _____ proposes the project to be implemented under the Innovative & Special Projects Component of the National Urban Livelihoods Mission (NULM) in the city(ies) of _____ in the state of _____;

AND WHEREAS the **Parties** agree that the activities shall be undertaken without discrimination – direct or indirect, because of, but not limited to, caste, race, ethnicity, religion or creed, status of nationality, political belief, gender, or handicapped status.

NOW THEREFORE, on the basis of mutual trust and in the spirit of mutual cooperation the parties have entered into this present Agreement.

1. **DEFINITIONS:** For the purpose of this Agreement, the following definitions shall apply:

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- 1.1. “NULM” shall mean the National Urban Livelihoods Mission;
 - 1.2. “NULM Mission Directorate” shall mean the implementation arm of NULM of the Government of India located within the Ministry of Housing and Urban Poverty Alleviation;
 - 1.3. “Project Approval Committee” or “PAC” shall refer to the committee constituted under the Innovative & Special Projects (I&SP) component of NULM with the mandate to approve I&SP projects and recommend their sanction to NULM;
 - 1.4. “SULM, _____” shall mean the nodal office for implementation of NULM by the State Government of _____ located within the _____, Government of _____;
 - 1.5. “Implementing Agency” shall refer to the institution / agency responsible for implementing the project under the Innovative & Special Projects component of NULM and within the terms of this agreement, also referred to as the Second Party;
 - 1.6. “Project” shall refer to the proposal approved by the PAC under the Innovative & Special Projects component of NULM;
 - 1.7. “Expenditure” shall mean the sum of disbursements made and valid outstanding obligations incurred in respect of goods and services rendered;
 - 1.8. “Assets” shall mean cash, supplies including physical assets such as constructions or purchased machinery and equipment purchased by the Second Party in the course of and with the funds of this Project;
 - 1.9. “To advance” shall mean a transfer of Assets, the accounting of which must be rendered by the Second Party at a later date, as herein agreed upon between the Parties;
 - 1.10. “Income” shall mean the interest on Project funds and all revenue derived from the use or sale of capital equipment, and from items purchased with funds provided by the First Party, or from revenues generated from Project outputs;
 - 1.11. “Site” or “Sites” shall mean the city or cities where the Project will be implemented and agreed upon in the context of this Agreement;
 - 1.12. “Reporting Quarter” shall mean a period of three (3) Reporting Months for which progress has to be reported through quarterly progress reports;
 - 1.13. “Fiscal Year” shall refer to the period between 1st April of the first year and 31st March of the year immediately thereafter the first year;
 - 1.14. (any other definitions pertinent to the context of the proposal)
- 2. PROJECT:**
- 2.1. The Second Party, shall develop a detailed results-based framework for the Project subject to the terms and conditions mentioned in this agreement and Terms of Reference (ToR) attached as ***Annexure I***;

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- 2.2. The result-based framework shall be developed within ____ days of signing of this Agreement and approved by the SULM, _____, within _____ calendar month(s) of submission. This framework shall be used to implement and monitor the project;
- 2.3. The Project will be implemented in the following sites:
 - 2.3.1. (list the city / cities where the project will be implemented here)
- 2.4. The Project will be implemented by the Second Party in the sites mentioned in this Agreement;
- 2.5. The Second Party shall undertake, as per the conditions of this Agreement, the complete responsibility for the successful commissioning and implementation of the Project;
- 2.6. The Second Party shall designate its representative to act as a Focal Point of the Project, in consultation with the SULM, _____, who shall act as the overall coordinator of the Project and assume primary responsibility for all aspects of it;
- 2.7. The Second Party may be called upon by the NULM Mission Directorate and / or SULM, _____ for meetings at their respective Headquarters to discuss the progress of the Project and make presentations thereon;

3. DURATION:

- 3.1. This Agreement shall come into effect on _____ (OR the date of signature of this agreement by all Parties) and shall be valid for a period of _____ month(s).
- 3.2. This Agreement may be extended by mutual consent of all Parties in writing.

4. PAYMENTS:

- 4.1. A total of Rs. _____ (Rupees _____ only) shall be paid to the Second Party by the First Party.
- 4.2. The payment will be made as per the following schedule:

| Installment No. | Milestones | % Payment | Amount (Rs. In Lakh / '000s) |
|-----------------|------------|-----------|---------------------------------|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |

- 4.3. The First Party shall ensure that payment of second and subsequent installments will be made subject to utilization of at least 75% of the payment released earlier and achievement of the milestones as explained in above table. The Second Party shall provide all necessary documentation, including Utilization Certificates, in the formats specified by the First Party as supporting proof of this fact.

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- 4.4. The Second Party shall ensure that the funds provided are used for the purpose for which they were given and should not be mixed with other funds.
- 4.5. In the event of a breach regarding the terms and conditions of this Agreement, the First Party shall be entitled to withhold subsequent installments;

5. GENERAL PROVISIONS:

- 5.1. The Second Party shall implement the Project under this Agreement with due diligence and efficacy and with due regard to the judicious use of funds;
- 5.2. The Second Party shall act at all times so as to protect and not be in conflict with the interests of the First Party;
- 5.3. The First Party undertakes no responsibilities in respect of life, health, accident, travel or any other insurance coverage which may be necessary or desirable for the purpose of this Agreement or personnel performing services under this Agreement;
- 5.4. The Second Party shall be solely liable for the claims by the other parties arising from the negligent acts of the Second Party to admission in the course of implementing this Agreement and under no circumstances shall the First Party be held liable for such claims by other parties.
- 5.5. In the event that the Second Party defaults on the deliverables, the First Party shall be entitled to recover the funds advanced to the Second Party as per extant rules;

6. RECORD, INFORMATION AND REPORTS:

- 6.1. The Second Party shall keep accurate and up-to-date records and documents in respect of all expenditures incurred with the funds made available to it under this Agreement;
- 6.2. The Second Party shall ensure that all expenditure made is in conformity with the provisions of this Agreement and for each disbursement, adequate supporting documentation shall be maintained, including original invoices, bills, and receipts pertinent to the transaction;
- 6.3. The Second Party shall maintain a record of all Income and Assets generated under the project and make this record available to the other Parties of this Agreement on a demand basis;
- 6.4. The Second Party shall compile, furnish and make available to the First Party, any reasonable request in respect of the information and reports of services undertaken in the course of implementation of the Project by the Second Party;
- 6.5. Upon completion of the Project or Termination of the Agreement, the Second Party shall maintain all Project-related records for a period of at

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- least four (4) years from the termination of the Agreement or completion of the Project, unless otherwise agreed upon between the Parties;
- 6.6. The Project will be monitored at the state level by the SULM, _____. The Second Party will be required to submit duly filled quarterly progress reports to the SULM in formats prescribed by the SULM, _____ no later than _____ calendar days after the end of the Reporting Quarter;
- 6.7. On completion of the Project, the Second Party will be expected to submit a Project Completion Report no later than _____ calendar month after termination of the project. Inter alia, this report will cover:
- 6.7.1. Achievements against the result-based framework of the Project;
 - 6.7.2. Impact assessment of the Project on the lives of the intended beneficiaries, including, where applicable, details of the improvement of their livelihood opportunities;
 - 6.7.3. Key learnings from implementation of the Project;
 - 6.7.4. Suggestions for sustainability of the Project in the Site(s) mentioned in this Agreement;
 - 6.7.5. Suggestions for scaling-up the initiative;
 - 6.7.6. Recommendations for inclusion of the initiative within the wider policy and programme implementation of NULM;
 - 6.7.7. Audited statement of funds released for the project;
- 6.8. The Project will be monitored at the national level by the NULM Mission Directorate. The First Party will be required to submit duly filled quarterly progress reports to the NULM Mission Directorate in the prescribed format no later than 15 calendar days after the end of the Reporting Quarter;
- 6.9. The Parties agree that all records, information and reports generated by the Second Party in the course of implementing this Agreement will be the Intellectual Property of the NULM Mission Directorate and the permission to use any such material generated must be confirmed in writing by the NULM Mission Directorate;
- 6.10. The Second Party agrees to indemnify the NULM Mission Directorate and the First Party against all claims and damages for any infringement of any Intellectual Property Rights while providing their services under the activities covered under this Agreement;

7. TERMINATION OF THIS AGREEMENT:

- 7.1. This Agreement shall be deemed to be "Terminated" if the duration of the Agreement has ended without further extension of the period of the Agreement or if any of the Parties have terminated the agreement by mutual consent in writing subject to paragraph 7.2 of this Agreement;
- 7.2. If the Second Party terminates the Agreement in writing prior to the completion of the duration of the Agreement, the Agreement will be deemed

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to be "Terminated" only upon subsequent written confirmation of the same by the First Party

7.3. Upon such termination, the Second Party shall submit to the First Party all records, information and reports specified in Section 6 of this Agreement

7.4. None of the Parties to this Agreement shall be held responsible for non-fulfilment of their obligations under this Agreement due to the exigencies of one or more of **Force Majure** events such as, but not limited to Floods, Earthquates, Strikes, Lockouts, Epidemics, and Riots, provided that on the occurrence and cessation of such an event(s), the affected Parties shall give notice in writing to the other Parties within ___ calendar days of the occurrence and cessation of such an event(s). In such an event(s), the Parties will be expected to re-negotiate the timelines of this Agreement and agree upon the revised timelines in writing.

8. **DISPUTE:** This Agreement shall be governed by the Laws of the _____. In respect of all matters arising out of or relating to this Agreement, the courts at _____ shall have exclusive jurisdiction

IN WITNESS THEREOF the representatives of the Parties to this Agreement being fully authorised have hereunto signed in their respective names and have executed these present this _____th day of _____(month), _____(year).

AUTHORSIED SIGNATORIES

For an on behalf of the State Government of _____

Through _____ (SULM), **as the First Party**
Name: _____
Designation: _____

For an on behalf of _____
(The Implementing Agency),
as the Second Party
Name: _____
Designation: _____

In the presence of the following two witnesses

| | |
|----------------------------|----------------------------|
| Witness 1 signature: _____ | Witness 2 signature: _____ |
| Name: _____ | Name: _____ |
| Designation: _____ | Designation: _____ |

ANNEXURE 1: Include here the Terms of Reference of the Project