

## **Case study / exercise: Project management**

### **Indian City (Indity)**

Indity is a mid-sized city. It has good resources. It has potential for development but has been a laggard as its potential has not been unlocked. It is time and again recognized as a tier-2 city. It had good old architecture. It had good planning in its initial evolved stages. The planning of the roads, drainages, water facilities, public places, etc., were of initial planning they are not much expanded or modernized. However, the roads are widened and water facilities have been reasonably improved. Sewage and drainage are not given much priority since major disturbance from inadequateness of these are felt most only during rainy season. The bus connectivity is good but has scope for further improvement. The power supply is good but has scope for further improvement. Recently, due to a new national highway formation nearby to this city, connectivity to major metro cities and other locations is established.

The city is safe and has great legacy. Being an old city, it lacks infrastructure, and has low business volumes. The advanced commercial led businesses are still dominated by traditional businesses.

The utilities are not charged due to mid profile and mid income category of people living in the city. However, with the newly established national highway connectivity and industries under planning, the income levels are expected to increase, businesses are expected to increase multi-fold, modern real estate projects are under planning, and colonies are under formation, new schools are being established, and eateries, etc., are also seen coming up. This city has political balance and is not identified with any specific political party or ideology. The existing river connectivity can be developed further, the existing lakes can be restored, and the hillocks and green spaces can be maintained properly.

The 60,000 people of the city are good cultured, traditional, secular, harmonious, and receptive to gradual development.

This is a near-true city but is not a completely imaginary city. It is coincidental that same or many features of tier-2 cities of India are found in the above referred city same like those in Aurangabad, Jabalpur, Jalgaon, Jodhpur, Kalaburagi, Kannur, Kozhikode, Ludhiana, Lucknow, Nagpur, Ranchi, Solapur, Vadodara, Vellore, etc.,

With the increase of the urban developments in the city, the people are evidencing commercial developments, undoing of traditional cultures, increase of population, sewage and drainage congestions and health issues, traffic issues, increase in pollution, etc.

Due to the newly faced problems, the people, trade and commerce, media and policy makers (Government) has been sensing that infrastructure needs to be developed in the city to address the challenges and to avoid uncontrollable issue in the days to come.

It is imminent that Indity needs immediate attention and development projects have to be taken up. As the full-scale urban transformation due to national highway connectivity will happen in 2 to 3 years, there is a flexibility to take up one project immediately and followed by other projects in due course.

The limited financial resources also can be best used if only one project is immediately commenced rather than commencing multiple projects without having sufficient resources.

### Project Management: Propositions & Policy Decisions

Group	Policy Proposition	Observations, Justification, and Decision
A	Which project will you take up first.	
B	What needs will be met from the project chosen	
C	What teams will be selected for the project implementation	
D	Determine broad cost for the project	
E	Suggest pricing methodology for the project	
F	How do you intend to achieve financial closure	
G	What is your preferred project structure (Govt, Private, PPP, etc)	
H	What are your Project branding & promotion strategies	

**Suggestions (you may adopt this suggestion or may have your own preference)**

State the preference of your group and briefly state the expected challenges for your preference, the studies you will undertake, stakeholders you will consult and involve in your decision making, capacity building you will plan, and collaborations / partnerships you will plan.

**A) Which Project:**

Consultants and media have been claiming the following projects for implementation:

road projects,

park projects,

sewage & drainage project,

public monuments project,

tourism projects,

modern bus station project,

airport upgradation project

City branding & publicity project.

Of the above, better choice should be between sewage and drainage projects and road projects. One of these two may serve the critical needs while other projects may be adopted in due course after due evaluation of their need, scope, and viability.

You are required to choose one among the above or any other project for immediate implementation in the city.

**Being the policy making body and implementation authority, please suggest your proposition:**

**Suggestions (you may adopt this suggestion or may have your own preference)**

State the preference of your group and briefly state the expected challenges for your preference, the studies you will undertake, stakeholders you will consult and involve in your decision making, capacity building you will plan, and collaborations / partnerships you will plan.

**B) What needs will be met:**

From the chosen Sewage & Drainage project, multiple needs could be met. India has close to 120,000 MLD waste water generation and hardly 5% is properly recycled. 80% plus portion of the waste-water is entering the fresh water rivers and canals. This is one of the major reason for the health endemics in the country.

Please list out the possible benefits this project may yield to the city. What issues could be addressed with this project. Also, what challenges may be faced due to this project.

**Being the policy making body and implementation authority, please suggest your proposition:**

**Suggestions (you may adopt this suggestion or may have your own preference)**

State the preference of your group and briefly state the expected challenges for your preference, the studies you will undertake, stakeholders you will consult and involve in your decision making, capacity building you will plan, and collaborations / partnerships you will plan.

**C) Selection of Teams:**

A project related to Sewage & Drainage and addressing the needs of public, health, sanitation, traffic, air pollution, water pollution, rivers cleaning, improvement in education of children, productivity of workforce, clean image for the city, etc., needs right team on job.

Therefore, the expert teams which are required shall be identified. List out the functional and advising teams (expertise wise / nature wise) which are required for implementing this project.

Please list out the teams you will involve / engage for this project. What issues could be addressed with this proposition. Also, what challenges may be faced due to this project.

**Being the policy making body and implementation authority, please suggest your proposition:**

**Suggestions (you may adopt this suggestion or may have your own preference)**

State the preference of your group and briefly state the expected challenges for your preference, the studies you will undertake, stakeholders you will consult and involve in your decision making, capacity building you will plan, and collaborations / partnerships you will plan.

**D) Cost determination:**

A project related to Sewage & Drainage and addressing the needs of public, health, sanitation, traffic, air pollution, water pollution, rivers cleaning, improvement in education of children, productivity of workforce, clean image for the city, etc., needs right team on job. The experts teams that one has to engage may include for purposes of population growth estimates, drainage volume estimates, flood and rain water estimates, sewage estimates, waste water generation estimates, specialist engineers to assess the gravitational flow, head creation for diverting the flows where required, drainage tanks, treatment tanks, etc.

The cost components may include: DPR studies, consultant fees, tendering costs, construction costs, promotion costs, etc. Construction of complete sewage system for a city like Indity will be Rs. 120 crs for every 25,000 population. Consultants may charge between Rs. 25 crs to Rs. 40 crs. Promotional expenditure will cost about Rs. 150 crs for 3 years. Tendering costs and financing costs will be Rs. 40 crs. There could be other costs.

List out the cost items that you would foresee as required for planning and implementing this project. What issues could be addressed with this proposition. Also, what challenges may be faced due to this project.

**Being the policy making body and implementation authority, please suggest your proposition:**

**Suggestions (you may adopt this suggestion or may have your own preference)**

State the preference of your group and briefly state the expected challenges for your preference, the studies you will undertake, stakeholders you will consult and involve in your decision making, capacity building you will plan, and collaborations / partnerships you will plan.

**E) Pricing determination:**

A project related to Sewage & Drainage and addressing the needs of public, health, sanitation, traffic, air pollution, water pollution, rivers cleaning, improvement in education of children, productivity of workforce, clean image for the city, etc., needs right team on job. The experts teams that one has to engage may include for purposes of population growth estimates, drainage volume estimates, flood and rain water estimates, sewage estimates, waste water generation estimates, specialist engineers to assess the gravitational flow, head creation for diverting the flows where required, drainage tanks, treatment tanks, etc.

The overall project outlay may be Rs. 800 crs. With 70% debt and 30% equity, the pricing can be made only to recover debt or even debt recovery can be subsidized partly until people will have willingness and capacity to pay full service charge.

Suggest a pricing mechanism: explain the theme, and if possible suggest a price per house hold considering 4 members in each household.

What issues could be addressed with this proposition. Also, what challenges may be faced due to this project.

**Being the policy making body and implementation authority, please suggest your proposition:**

**Suggestions (you may adopt this suggestion or may have your own preference)**

State the preference of your group and briefly state the expected challenges for your preference, the studies you will undertake, stakeholders you will consult and involve in your decision making, capacity building you will plan, and collaborations / partnerships you will plan.

**F) Financial Closure:**

A project related to Sewage & Drainage and addressing the needs of public, health, sanitation, traffic, air pollution, water pollution, rivers cleaning, improvement in education of children, productivity of workforce, clean image for the city, etc., needs right team on job. The experts teams that one has to engage may include for purposes of population growth estimates, drainage volume estimates, flood and rain water estimates, sewage estimates, waste water generation estimates, specialist engineers to assess the gravitational flow, head creation for diverting the flows where required, drainage tanks, treatment tanks, etc.

The overall project outlay may be Rs. 800 crs. With 70% debt and 30% equity, the financial closure has to be achieved. Debt can be mobilized from banks, financial institutions, multi lateral institutions such as IFC-World Bank, Asian Development Bank, etc. The equity can be partly own money of the Government or by investments from other government corporations, etc. If the project is given to private, the equity will be private party's responsibility. If project is implemented in Public Private Partnership (PPP) mode, then major equity can be from private party and some equity can be from Government.

Explain what composition do you prefer to mobilize the debt and equity for the project so that the financial closure can be successful.

What issues could be addressed with this proposition. Also, what challenges may be faced due to this project.

**Being the policy making body and implementation authority, please suggest your proposition:**



**Suggestions (you may adopt this suggestion or may have your own preference)**

State the preference of your group and briefly state the expected challenges for your preference, the studies you will undertake, stakeholders you will consult and involve in your decision making, capacity building you will plan, and collaborations / partnerships you will plan.

**G) Project Structure:**

A project related to Sewage & Drainage and addressing the needs of public, health, sanitation, traffic, air pollution, water pollution, rivers cleaning, improvement in education of children, productivity of workforce, clean image for the city, etc., needs right team on job. The experts teams that one has to engage may include for purposes of population growth estimates, drainage volume estimates, flood and rain water estimates, sewage estimates, waste water generation estimates, specialist engineers to assess the gravitational flow, head creation for diverting the flows where required, drainage tanks, treatment tanks, etc.

The overall project outlay may be Rs. 800 crs. With 70% debt and 30% equity, the financial closure has to be achieved. Debt can be mobilized from banks, financial institutions, multi lateral institutions such as IFC-World Bank, Asian Development Bank, etc. The equity can be partly own money of the Government or by investments from other government corporations, etc or from private party in case of complete private project or part equity from private in case of a Public Private Partnership (PPP) project.

Explain what project structure do you suggest. The usual project structures being Government project, Private project, PPP project, cooperative society structure, etc.

What issues could be addressed with this proposition. Also, what challenges may be faced due to this project.

**Being the policy making body and implementation authority, please suggest your proposition:**

**Suggestions (you may adopt this suggestion or may have your own preference)**

State the preference of your group and briefly state the expected challenges for your preference, the studies you will undertake, stakeholders you will consult and involve in your decision making, capacity building you will plan, and collaborations / partnerships you will plan.

**H) Project Promotion & Branding:**

A project related to Sewage & Drainage and addressing the needs of public, health, sanitation, traffic, air pollution, water pollution, rivers cleaning, improvement in education of children, productivity of workforce, clean image for the city, etc., needs right team on job. The experts teams that one has to engage may include for purposes of population growth estimates, drainage volume estimates, flood and rain water estimates, sewage estimates, waste water generation estimates, specialist engineers to assess the gravitational flow, head creation for diverting the flows where required, drainage tanks, treatment tanks, etc.

The overall project outlay may be Rs. 800 crs. With 70% debt and 30% equity, the financial closure has to be achieved. Debt can be mobilized from banks, financial institutions, multi lateral institutions such as IFC-World Bank, Asian Development Bank, etc. The equity can be partly own money of the Government or by investments from other government corporations, etc or from private party in case of complete private project or part equity from private in case of a Public Private Partnership (PPP) project.

Only if the project is purely private, then the promotion need not be the concern of the Government. However, a government or PPP project requires project branding and promotion contribution from the Government. In fact, it could be a part responsibility of the Government and also in its own interest to make the project a big success.

Explain what branding and promotional strategies you would adopt. What issues could be addressed with this proposition. Also, what challenges may be faced due to this project.

**Being the policy making body and implementation authority, please suggest your proposition:**