City Development Plans: An Agenda for Urban Renewal

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Present Urban Scenario

- India - % urban population to total population
  2001 - 27.8%
  1991-25.7% – i.e. increase of 2.1%

- Though proportion appears low, significant net addition every year: 285.3 million in 2001 from 217.6 million in 1991 (67.8 million in absolute terms)

- Gigantic effort required to accommodate and service population in urban areas

- By 2021 - 40% of the total population of the country is expected to live in cities

- The contribution of the urban sector to India’s GDP - 29% in 1951 to 60% in 2001 and is expected to grow further

- As centres of education, health care, technological innovation, entrepreneurship, governance and major generators of economic growth, urban centres provide access to large markets for goods and services and communication with the rest of the world
Present status of infrastructure in urban areas

- Access to safe drinking water - (Piped water in house)- 60%
- Households having toilets - 46%
- Connected to public sewerage system - 28%
- Garbage collection Municipal Authorities - 60%
- Living in squatter settlements - 21%
- City roads inadequate/poor for traffic regulations, leading to congestion
Shortfalls....

- Estimates of Rakesh Mohan Committee – “requirement of urban infrastructure development covering backlog, new investments, and O & M costs for the next ten years is Rs. 2,50,000 crores (US $57 Billion)

- Funds for Urban infrastructure investments fall short by more than 10 times the requirement
Why JNNURM?

- wide gap between the requirement and allocation of funds
- assistance provided by the Central government has been unevenly spread and failed to bring about any noticeable improvement in urban infrastructure
- shortcomings in existing programmes - Central government has drawn up a comprehensive programme of urban renewal, in keeping with the commitment given in the Common Minimum Programme of the UPA Government
Objectives of JNNSURM

- Launched December 3, 2005
- Aims to create ‘economically productive, efficient, equitable and responsive cities’
- Improve and augment the economic and social infrastructure of cities
- Ensure basic services to the urban poor including security of tenure at affordable prices
- Initiate wide-ranging urban sector reforms to eliminate legal, institutional and financial constraints that have impeded investment in urban infrastructure and services
- Strengthen municipal governments and their functioning in accordance with the provisions of the Constitution (seventy-fourth) Amendment Act, 1992
## Estimated investment requirement under JNNURM for 63 cities

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of Cities</th>
<th>Inv. Req (7 yrs)</th>
<th>Annual Req</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities with over 4 million population</td>
<td>7</td>
<td>57,143</td>
<td>8,163.3</td>
</tr>
<tr>
<td>Cities with over 1-4 million population</td>
<td>28</td>
<td>57,143</td>
<td>8,613.3</td>
</tr>
<tr>
<td>Selected Cities with less than 1 million population</td>
<td>28</td>
<td>6,250</td>
<td>892.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>63</strong></td>
<td><strong>1,20,536</strong></td>
<td><strong>17,219.5</strong></td>
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3 key components

a. infrastructure
b. basic services to the urban poor
c. wide-ranging urban sector reforms

2 sub-missions

a. Sub-mission for urban infrastructure and governance
b. Sub-mission for Basic Services for Urban Poor
Integrated development of infrastructure

- providing adequate funds to meet the deficiencies in urban infrastructure services
- funding infrastructure projects relating to water supply and sanitation, sewerage, solid waste management, road network, urban transport, and redevelopment of old city areas
- special emphasis on urban renewal programme for the old city areas to reduce congestion
- planned development of cities including peri-urban areas, outgrowths and urban corridors leading to dispersed urbanisation
Provision of Basic services to the urban poor

- up-scaling the delivery of civic amenities and provision of utilities
- emphasis on universal access
- security of tenure at affordable prices
- improved housing
- water supply and sanitation
- delivery of other existing services of the government for education, health and social security.
Urban Sector Reforms

Reforms

Mandatory

State Level
ULB/parastatal Level

Optional

State Level
ULB/parastatal Level
Reforms contd..

Mandatory reforms at ULB/Parastatal level

- Accounting reforms- accrual based-double entry accounting system
- E Governance using MIS and GIS
- Property tax reforms with GIS
- Levy of user charges – full recovery of O & M and recurring cost in 7 years
- Budget for urban poor
- Basic services for the urban poor
Mandatory reforms at State Level

- Implementation of Seventy Fourth Constitution Amendment Act
- Repeal Urban Land Ceiling Act
- Reform of Rent Control Laws
- Rationalise stamp duty
- Enactment of public disclosure law
- Enactment of community participation law
- Assigning or associating elected ULBs with “city planning function”.
Reforms contd..

Optional reforms – Common to State / ULBs / Parastatals

• Revision of bye laws
• Simplification of legal and procedural frameworks relating to conversion of agricultural land for non-agricultural purposes
• Property title certification
• Cross subsidization for EWS/LIG Housing
• Computerized land & property registration
• Rainwater harvesting
• Administrative reforms (staff rationalisation, etc.)
Crosscutting Reforms

Reforms can be grouped under Key objectives

• Decentralization through implementation of 74th Amendment and assigning to or associating elected ULBs with city planning
• Increase participation and transparency
  • Accounting reforms and e-governance – (ULB level)
  • Public disclosure law and community participation law – (State level)
• Increase ULB revenue
  • Through property tax reform
  • Levy of reasonable user charges
## Desired Outcome of reforms

<table>
<thead>
<tr>
<th>Desired Outcome</th>
<th>ULB Responsibilities</th>
<th>State Responsibilities</th>
</tr>
</thead>
</table>
| Financially self-sustainable cities | - Adoption of accrual based accounting system  
- Property Tax reforms  
- E Governance  
- Levy user charges to achieve full cost recovery  
- Explore VRS scheme to reduce establishment cost | - Devolve revenue sources  
- Transparent, predictable framework for transfers of grants |
| Well functioning, efficient and equitable urban land market | - Professionalise property mgmt  
- Simplify rezoning, construction  
- Computerize land titles  
- Earmark 20-25% land for EWS and LIG | - Repeal ULCRA  
- Reform Rent Control Act  
- Rationalize stamp duty  
- Devolve land management |
| Transparent accountable governance and service delivery | - Introduce Area Sabhas and Ward Committees  
- Publish Performance Reports  
- Introduce service scorecards  
- Monitor service quality | - Public disclosure law  
- Community participation law  
- Integrate all civic infrastructure agencies under ULB |
Timeline for reform agenda

- Where are we with respect to each reform agenda
- When does the State/City plan to undertake the reform

Timeline is crucial for the success of the mission and for making urban transition a smooth process
Key elements of the JNNURM process

- Prepare a City Development Plan (CDP)
- Prepare Detailed Project Reports (DPRs)
- Memorandum of Agreement (MoA) for state and local-level reforms
Key role of CDP in JNNURM

- *It is essential for a city to think of the future, and determine how it wishes to shape that future*” - Toolkit #2
- A CDP is both a perspective and a vision for the future development of a city
- *Where are we now?*
- *Where do we want to go?*
- *How do we get there?*

CDP (along with MoA on reforms) is central to the JNNURM process
Components of a CDP

- Critically analyze current situation (demographic, economic, financial, infrastructure, physical, environmental and institutional aspects)
- Develop a shared and collective vision for the future development of a city
- Formulate a strategy for getting from ‘here’ to ‘there’
- Prepare a city investment plan (CIP) and financing strategy (from which DPRs follow)
CDPs appraised by NIUA

- Gujarat - Ahmedabad, Surat, Vadodara, Rajkot
- Chattisgarh – Raipur
- Andhra Pradesh - Visakhapatnam, Vijaywada and Hyderabad
- Nagaland – Kohima
- Tamil Nadu - Madurai and Coimbatore
- J & K – Srinagar (in progress)
- Assam – Guwahati
- Karnataka – Mysore
- Chandigarh
- Rajasthan – Ajmer – Pushkar (in progress)
Caveats/qualifiers to the appraisal process

- Desk exercise
- Interactive and ‘friendly’ appraisal
- CDPs ‘living’ documents—revise update
- “Learning by doing”—developing guidelines for appraisal...
The Assessment Process – Main headings

- Description of baseline (current situation)
- Vision
- Strategies to achieve vision / goals
- Financial Plan / City Investment Plan
Description of baseline (current situation)

■ Demography
  • core/periphery population
  • components of growth
  • methodology for population projection

■ Economic base
  • main economic activity
  • occupational structure

■ Institutional Set-up
  • institutions involved – ULBs / parastatals / others
  • functional overlaps
  • private sector participation
Financial Health

- Revenue income/expenditure
- Revenue receipts (tax, non-tax, transfers)
- Revenue expenditure - establishment, O&M, interest payment, others,
- Capital receipts – state govt., FIs, market
- Capital income/expenditure

Land-use

- Area – core, peripheral areas, municipal / development authority / non-municipal
- Maps

Sectoral Analyses

- Water supply
- Sewerage facility
- Storm water drainage
- Solid Waste Management
- Roads and transport
- Lakes and water bodies
- Social infrastructure
- Overall environmental status
- Heritage sites (if any)
Urban poor
- Population / households
- Access to basic services
- Status of urban poor with respect to infrastructure facilities, programmes for urban poor

Stakeholder consultation
- Spatial spread and socio-economic diversity
- Convergence between CDP and stakeholder consultation
- Various forms of stakeholder consultations - group discussions, workshops, interviews, festivals or melas, essay competitions, other innovative forms
Vision and the strategies to achieve it

- Overall vision for the city
- Sectoral vision and strategies
  - Water supply
  - Sewerage facility
  - Storm water drainage
  - Solid Waste Management
  - Roads and transport
  - Lakes and water bodies
  - Social infrastructure
  - Overall environmental status
  - Heritage sites (if any)

- Prioritization of strategies
Urban Poor
- Plans for improvement in access to basic services
- Integration of needs of urban poor with overall vision of city
- Involvement of urban poor in stakeholder consultation

Financial Plan (City Investment Plan)
- Funding Capacity of ULB / fiscal health of ULBs and parastatals
- Prioritization and phasing of projects
- Financial operating plan.
- Financial profile

Vision continued..
Final evaluation

Five groups of CDPs

- Outstanding -
- Excellent - Existing scenario well analyzed (sector-wise); recommendations follow in a rational manner from the present status; scenarios of proposed financial profile well presented wrt advantages and drawbacks under each;
  e.g. Hyderabad, Vijaywada, Vadodara
- Very Good – comprehensive covering all services and all aspects. each sector dealt with in detail with SWOT analysis and performance assessment; strategies given clearly with outcomes, outputs and inputs; detailed analysis of financial aspects
  e.g. Ahmedabad, Surat, Rajkot, Visakhapatnam, most of these cities already had City Development Strategies (CDS) in place
- Good - comprehensive picture of the city's existing status, vision, strategies and investment plans, which have been done sector-wise.
  e.g. Madurai
- Fair – not upto the mark; major revisions required
  e.g. Raipur (now revised, much improved and cleared)
Looking Back…

- Overall quality of ‘1st generation’ CDPs has been good (given constraints of time and budgets) but uneven
- Analysis of baseline scenario generally well articulated
- Most cities present an ambitious vision (but is it shared/collective…?) - most of these cities with City Development Strategies (CDS) in place, consultative process better (e.g. Hyderabad)
- Strategies and investment plans generally sound (issues about coordination with other policies such as National Urban Transport Policy)
Detailed Project Reports

Projects eligible for assistance under urban infrastructure and governance

- Urban renewal – redevelopment of inner (old) city areas
- Water supply & sanitation
- Sewerage & solid waste management
- Construction & improvement of drains & storm water drains
- Urban transport including roads, highways, expressways
- Parking lots & spaces on PPP basis
- Development of heritage areas
- Preservation of water bodies
- Operation & maintenance of assets
Projects eligible for assistance under basic services to the urban Poor (BSUP)

- Integrated development of slums, housing and development of infrastructure projects in slums in the identified cities
- Projects involving development, improvement and maintenance basic services to the urban poor
- Projects related to water supply, sewerage, drainage, community toilets and baths etc.
- Projects for providing houses at affordable costs to slum dwellers, urban poor, EWS and LIG categories
- Construction & improvement of drains & storm water drains
- Environmental improvement of slums and solid waste management
- Street lighting
- Civic amenities like community halls, child care centres etc.
- Operation and maintenance of assets
- Convergence of health, education and social security schemes for urban poor
- Preservation of water bodies
- Operation & maintenance of assets
Memorandum of Agreement (MoA)

- **Tripartite MOA** to be executed by the State Governments and Urban Local Bodies with Central Government

- Signing of MOA to be a necessary condition to access funds under the Mission

- MOA would, inter-alia, indicate *milestones*, commitment and actions to be taken to implement mandatory and optional reforms at the State & ULB level
Expected outcomes of JNNURM

• On completion of the Mission period, it is expected that ULBs will achieve the following:

• Modern and transparent budgeting, accounting, financial management systems, adopted for all urban service and governance functions

• City-wide framework for planning and governance will be established and become operational

• All urban services will be able to obtain access to a basic level of urban services

• Financially self-sustaining agencies for urban governance and service delivery established through reforms

• Local services and governance will be transparent and accountable to citizens

• E-governance will be introduced in core functions of ULBs resulting in reduced cost and time of service delivery processes