



# AMDA NEWS

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## EDITORIAL

*AMDA NEWS, the newsletter of Association of Urban Management and Development Authorities (AMDA), is the means of dissemination of information to our members and other professional organizations on varied urban issues. This is the first issue of AMDA NEWS programmed for 2006. We request our members to send us news, which they wish to share for the next issue of March – April 2006.*

*This issue, in its first section of policy and strategy reports one viewpoint on the much publicized Jawaharlal Nehru National Urban Renewal Mission Programme (JNNURMP) which is to offer increasing opportunities in the urban infrastructure segment. A brief on the National Rural Employment Guarantee Act (NREGA) that was processed in February 2006 and a note on the new policy to promote use of renewable energy have been incorporated in this section. We also focus on views on land titles; and on government's attempts to address rural sanitation issues.*

*In the section dealing with initiatives by states, we report on attempts by different states towards infrastructure development. Initiatives through joint venture by the states of Andhra Pradesh, Tamil Nadu, Karnataka and Pondicherry on desalination projects have also been reported.*

*In the city initiatives section, reports on Jodhpur's initiative to improve traffic junctions with the involvement of public private participation, Jaipur Municipal Corporation's initiative to privatize Street light maintenance and commissioning of modern carcass utilization plant for a clean environment in the city are included. Besides, there are reports on DMRC's plans for metro link between Delhi railway station and the airport, introduction of semi-low floor buses by Pune Municipal Transport Corporation and Chandigarh Administration's efforts for mass rapid transit system in the city.*

*In the final section we highlight several news and facts from around the world and of interest to readers. A book review and highlighting some forthcoming events complete this newsletter.*

*We hope that this issue provides our members and readers with valid and useful information. We look forward to comments and suggestions in improving the newsletter.*

*The AMDA NEWS is a publication of the Association of Urban Management and Development Authorities - an apex body active in providing information and capacity building support to its members.*

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**AMDA NEWS — INFORMATION, DOCUMENTATION & DISSEMINATION**

## 1 POLICY AND STRATEGY ISSUES

### 1.1 MISSIONARY ZEAL - THE URBAN RENEWAL MISSION IS LIKELY TO BYPASS OR SHORT CHANGE THE URBAN POOR

On December 3, 2005, Prime Minister of India launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The ambitious mission, worth Rs.100, 000 crore, promises to reform and rebuild 63 Indian cities, which will be identified subject to the willingness of the state governments to 'reform'.

The Union ministry of urban development (MOUD) has acknowledged the inadequacy of existing urban development schemes - eligibility for them is determined by population size. Hence, more comprehensive schemes such as JNNURM and the Urban Infrastructure Development of Small and Medium Towns (UIDSMT). The financial allocations for existing schemes fell sharply during the current financial year.

The Joint Secretary to MOUD said that JNNURM focuses on efficiency in urban infrastructure and service delivery mechanisms, community participation and accountability of urban local bodies (ULBs) towards citizens and it will have two sub-missions:

1. Urban infrastructure and governance: It'll focus on water supply, sanitation, sewerage, solid waste management, roads, urban transport and redevelopment of old city.
2. Basic services to the urban poor: This will work on integrated slum development and providing to urban poor basic services like housing and land tenure at affordable prices. This will include the Integrated Housing and Slum Development Programme (IHSDP), which combines ongoing schemes. Guidelines envisage provision of housing near the place of occupation.

#### Conditionality

Critics of the mission say the ministry has imposed conditionalities to push through its reform agenda. Ministry officials argue this is to bring in sustainability. The reforms include the full recovery

of the costs of operation and maintenance and creation of a revolving fund for maintenance of assets. The guidelines prescribe two categories of reforms: mandatory and optional. Most are similar to those in URIF. They include decentralization, improving property tax collection, full cost recovery through user charges - the list goes on.

Cities under JNNURM would opt for any two reforms from the optional category during each year of implementation and in a way, optional reform are mandatory. This would mean states and ULBs would have to encourage public-private partnerships (PPP) in JNNURM projects.

To get Central aid, the first step is preparing a city development plan (CDP) and there is Central assistance to prepare this. A number of states have started making CDPs without seeking Central funds. JNNURM guidelines are unclear on how the Centre will assess community participation in CDP preparation. MOUD has already invited expression of interest from the consultants to prepare CDPs. State governments and ULBs are expected to sign memoranda of agreement (MoA) with the Centre, committing to a timeframe for reforms. Only after this can detailed project reports be submitted.

#### Funds flow

In the current financial year, urban infrastructure will get Rs.3,500 crore and basic services to the urban poor will get Rs.1900 crore. Sixty three cities will get Rs.50,000 crore as Central assistance based on their urban population over next seven years. States and the ULBs will have to contribute a matching share. A beneficiary contribution would be collected for basic services to the poor (especially for housing: 12 percent). It seems the same will not apply to projects like water supply and sanitation. What services will the poor be entitled to is not clear right now.

The Economic Survey 2004-05 has estimated a requirement of Rs.53,719 crore for just water supply, sanitation and solid waste management during the Tenth Plan. JNNURM includes roads and public transport. On the question of what would be the basis of decisions on projects the priority would be decided by the states and a funding criteria would be finalized.

But it isn't just government grants that will finance the JNNURM. To help ULBs raise funds from



market, MOUD is working on a pooled finance development fund with the help of the FIRE (Financial Institutions Reform and Expansion) project, a joint effort of the Union government and USAID, the funding arm of the US government. It helps ULBs raise funds through tax-free municipal bonds with some guarantees from the Union or state governments. Bangalore is a case in point; USAID given credit assistance to the extent of 50 percent principal in lieu of a fund created out of 40 percent revenue surplus of ULBs

But the funding debate undermines larger governance issues. Most crucial, it does not take into account increasing migration from villages to cities, which is the reason for uncontrolled urbanisation. Does the mission consider the need for counter magnets to slow down migration to overburdened cities? The Centre is working on such a project in the National Capital Region, and the learning would be adopted by MOUD later on. A question still remains that when will JNNURM take off?

On the issue of land tenure to urban poor, an urban governance expert cautions that with rights, land becomes bankable and as seen in Mumbai and other places one must be careful in keeping the land mafia out. He added that the Bangalore experience shows that there are 12 different types of land tenure and in actual there will be only 30 percent bearers. In that case the remaining can be chucked out. Experts also argue that the reduction in stamp duty and GIS information on revenue land holdings will facilitate private land acquisitions. Already there is a scheme for foreign direct investment in housing and township development.

The mission has no guidelines on standards of service delivery; only basic services are mentioned. An urban governance expert said that the government does not want to involve people to develop and specify performance indicators. He said there are deeper flaws in JNNURM and the Model Municipal Law (MML), drafted by MOUD under the influence of the FIRE project. MML, was to be a way of decentralizing. Several state governments and municipalities have hired the FIRE project to look into municipal law reforms. He alleged that MML does not make the local government responsible for providing services to the urban poor. There is a nexus to stop all the

subsidies and to explore market funding options.

*Source: Down to Earth, Vol. 14, No. 17 Jan. 16-31, 2006*

## 1.2 INCREASING OPPORTUNITIES IN INFRASTRUCTURE SEGMENTS

In August 2004, the prime minister announced there was a requirement of \$150 billion additional investment in infrastructure. It is estimated that around Rs. 9 trillion of investment is needed in power by 2012 for projected capacity additions of 100,000 MW, in roads, the figure is estimated to be Rs.1.6 trillion for the ongoing national-level projects NHDP and PMGSY. In telecom, Rs.700 billion of investment is needed by 2006 while in the port sector, this figure stands at Rs.900 billion. A range of policy initiatives, some new and some revived, have contributed to a sense of optimism about the infrastructure sector.

### Power

Prospects for the power sector seem better than in recent years. The deterioration in the performance of the SEBs appears to have been arrested for now and the emergence of nationwide power trading has been a very significant development allowing surplus utilities and generators to sell to deficit areas. The door has been opened to greater competition in the power sector. It is a matter of time before various state governments follow up on the framework for reform encapsulated in the Electricity Act, 2003. Meanwhile, investment demand in the sector is already picking up with 4,000 MW of new capacity having been commissioned in 2004-05 and prospects for privatisation of power distribution looking more promising.

### **ELECTRICITY (AMENDMENT) BILL, 2005**

*The cabinet has approved a bill to amend the Electricity Act. The Electricity (Amendment) Bill, 2005 will empower the police, at the instance of the government or appropriate commission or authorised persons, to investigate cognisable offences such as power theft and interference with meters.*

*Source: Indian Infrastructure, Vol. 8, No. 5, December 2005*

## Telecom

To facilitate the future growth of this sector and help meet its substantial capital needs, the government increased the FDI ceiling in a wide range of telecom services from 40 percent to 74 percent. A fresh wave of consolidation and increased demand for acquisition as well as capital expenditure financing can be expected in this sector.

## Roads

The success of Phase-I of the NHDP is paving the way for accelerated completion of Phase-II and initiation of Phase-III, which will focus on upgrading of over 10,000 km of national highways under the BOT format. In parallel, an initiative has also been launched to restructure NHAI to become a more effective facilitator of public-private partnership. The government has thus clearly signalled its desire to attract private capital into road development and this can be expected to generate significant new financing opportunities.

## Ports

In the port sector, a draft policy covering development of major and minor ports, shipping and inland waterways as well as private sector participation is being formulated in consultation with stakeholders. The National Maritime Development Programme envisages setting up new ports, modernizing existing ones and connecting major ports with main road arteries including the Golden Quadrilateral. Meanwhile, given the rapid growth in shipping traffic, private investment in minor ports continues to gain momentum. Importantly, the need for containerization is generating growing opportunities for privatisation of container handling facilities. The introduction of the tonnage tax regime has also led to increased fleet acquisitions.

## Aviation

Civil aviation has seen significant reform momentum in the past year. Entry barriers have been lowered in the airline industry and this has already resulted in growing competition with new entrants. The policy of liberalization has contributed to a marked acceleration in domestic as well as international air traffic, which grew by 25 percent and 18 percent respectively in fiscal year 2004-05. Two greenfield airport projects in Bangalore and Hyderabad have been offered to bidders and the initiative to modernize the Delhi and Mumbai airports with

private sector support has also made significant progress.

## Urban Infrastructure

The year 2004-05 saw significant policy initiatives in the areas of industrial and commercial infrastructure primarily through a relaxation of requirements for FDI participation in real estate development and passage of the SEZ bill. This is already generating very significant interest from private investors looking for opportunities in areas such as the development of townships and IT parks.

*Source: Indian Infrastructure, Vol. 8, No. 5, Dec. 2005.*

## 1.3 NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (NREGA) IN PLACE

The Prime Minister Manmohan Singh has called for leveraging the "historic and revolutionary" National Rural Employment Guarantee Act (NREGA) for creating new rural infrastructure, improving road connectivity, school buildings and water supply to villages.

The implementation of NREGA will allow rural households in the notified districts to exercise various rights under the act:

- The right to demand employment
- The right to get employment within 15 days of their demand
- The right to get unemployment allowance if the employment is not given within 15 days.
- The right to be paid statutory wages prevalent in a State
- The right to worksite facilities like drinking water, sheds for children and first aid.

The application of employment may be given to the gram panchayat or to the Programme Officer at the Block level.

This massive programme under the NREGA was launched on 2<sup>nd</sup> February 2006. The Prime Minister described the event as a landmark in the history in removing poverty from the face of the nation. The Act, which came into effect from 2<sup>nd</sup> February, 2006 guarantees 100 days of wage employment in a year to every rural household in 200 districts across the country.



### **Salient features of NREGA**

- *NREGA is not just a scheme but an Act providing legal guarantee to work.*
- *Panchayati Raj institutions (PRIs) will have principal role in planning and implementation.*
- *Transparency, accountability, social audit and people's participation will be ensured through institutional mechanism.*
- *Grievance redressal mechanism will be put in place.*
- *One third beneficiaries will be women.*
- *Any adult person in the notified area willing to do unskilled manual work, can apply for registration with Gram Panchayat. He/She will then be issued a job card.*
- *The job card is the legal instrument that will entitle the registered person to apply for employment under the Act.*
- *Registration will be open throughout the year.*
- *Employment will be given within 5 km, of the applicant's residence; else additional wages will be paid.*

### **CENTRE TAKES UP RURAL SANITATION ON WAR FOOTING**

*Rural sanitation is a major problem in villages across the country. Now, the Central government has taken a crucial step towards resolving this problem. At a two-day conference in the national capital, the Centre announced that it would construct 464 lakh individual household latrines for BPL families. In addition, the programme also includes, among other schemes, the construction of 5.79 lakh toilets for schools, 428 lakh toilets for APL families and 1.79 lakh toilets for balwadis/AWS.*

*The announcement came in the light of the rural sanitation programme, which is being implemented in 540 districts, will be covered 2006-07.*

*The conference was attended by ministers in charge of rural drinking water supply and rural sanitation in states and union territories. The main purpose of the conference was to have an appraisal of the rural water supply and rural sanitation programme.*

*Source: Project Monitor, Vol 5, Issue 40, Jan. 30, 06.*

Laying emphasis on plugging leakages, the Prime Minister said the NREGA transferred power to the people, making the Government accountable and responsible for providing employment wherever there was a need. He suggested use of the Right to Information Act for effective implementation of NREGA.

He said that the implementation of the NREGA offered the Government an opportunity to strengthen the grass roots democratic processes. With a clear focus on the poorest of poor, it provided livelihood security and reduced distress migration. It will help to get rid of the scourge of poverty, disease and indebtedness.

*Source: Hindustan Times, Delhi edition, February 2, 2006 and The Hindu, Delhi Edition, February 3, 2006.*

### **1.4 90 % OF INDIA'S LAND TITLES ARE DISPUTED**

Construction activities in most Indian cities normally require 25 to 40 multiple-authority clearances, each boasting a 'single window' system. Procedural delays, obsolete laws and opaque regulations lead

to corruption, cost escalations and illegal construction.

In April, 2005 the Bombay High Court, quoting a 1999 Supreme Court ruling, held that an "unauthorized construction, if it is illegal and cannot be compounded, has to be demolished." Since then, lower courts have refused to provide relief to violators. However, the Maharashtra Government's ordinance to save the illegal buildings of Ulhasnagar has encouraged illegal townships elsewhere in the country to push for a similar solution.

Existing municipal laws provide inadequate empowerment to local bodies, despite the path breaking 74<sup>th</sup> Amendment aimed at decentralizing power and strengthening local democracy in urban areas. Adhoc state level amendments, unclear power sharing mandates and archaic legislations have undermined its implementation.

Deepening the crisis, improper land use changes from agricultural to residential and commercial purposes has resulted in proliferation of illegal and semi-legal habitations and speculative activity.

The Urban Land (Ceiling and Regulation) Act (ULCRA) and its patchy implementation have



### LANDMARK COURT INTERVENTIONS

**PERIPHERY** - In 2002, the Punjab High Court directed a State Level Committee to examine bottlenecks in the development of the periphery areas of Mohali

**SLUM EVICTIONS** - In 1985, the Supreme Court, responding to petitions filed by pavement dwellers facing eviction, said they must get alternative shelter if they are to be evicted.

**OPEN PUBLIC SPACES** - In 1991, when the Bangalore administration leased land meant for a public park to a nursing home, the high court intervened to restore the public park.

**SOLID WASTE** - In 2004, the Supreme Court ordered state pollution control boards to formulate a time-bound action plan for management of Municipal solid waste in metros.

**PUBLIC AMENITIES** - In 1980, the Supreme Court directed the municipality of Ratlam in Madhya Pradesh to construct public latrines, drains, and provide drinking water to its residents.

**TRANSPORT** - In 2004, the Delhi High Court directed the State to give a detailed plan for augmenting public transport as a means to control the increasing number of vehicles in the city.

By 2015, there will be 33 super cities in the world, 27 of them in the developing world alone including Delhi and Mumbai, with population exceeding 20 million each.

Source: Hindustan Times, Delhi Edition, Jan. 23, 2006

skewed the urban land market. Failing in its objectives, ULCRA has locked vast urban tracts, inflated prices, exacerbated housing shortages and triggered litigations. Its repeal has the potential to facilitate release of 2.2 lakh hectares of frozen urban land.

A 2001 Mc Kinsey report says that removing land market barriers can contribute an additional 1 percent to India's GDP growth rate. The report estimates that 90% of India's land titles are disputed.

Lal Dora, the line separating urban and rural land in Delhi, was last extended in 1983 creating 'urban villages' under MCD jurisdiction. This has created contradictions in law enforcement and led to exploitation by property developers.

Limits are placed on built-up floor space through by-laws. Uniformly applied by laws fall to account for the needs of different sections of an urban area. City master plans that envisage generous expansion of the periphery often provide inadequately for land within existing settlement boundaries.

To prevent future confusion and misuse, sweeping legal and regulatory changes are required. Procedures should be made simple, swift and transparent to better manage our urban areas.

Source: Hindustan Times, Delhi Edition, January 23, 2006.

### 1.5 "SAARC" POVERTY ALLEVIATION FUND

SAARC has decided to establish the "SAARC" Poverty Alleviation Fund and expedite efforts to remove irritants in setting up free-trade area, as part of the efforts to move towards a South Asian Economic Union.

An eight-page Dhaka declaration adopted at the conclusion of the 13<sup>th</sup> SAARC Summit, said the operational modalities of SPAF shall be decided by finance and planning ministers and it will function within the reconstituted South Asian Development Fund (SADF).

SADF, which would not be known as SAARC Development Fund (SDF), will serve as the umbrella financial institution for all SAARC projects and programmes and comprise three windows – social, infrastructure and economic windows with a permanent secretariat.

### POLICY ON RENEWABLE ENERGY

The government is working on a comprehensive policy to promote use of renewable energy sources such as micro hydel, solar and wind power turbines. It is aiming to raise the capacity utilisation of the wind energy sector to at least 25 percent by 2011-12 from the current level of 20 percent. The new policy will aim to speed up mini and micro hydel projects by ensuring faster clearances and quicker turnaround times.

Source: Indian Infrastructure, Vol. 8, No. 5, December 2005.



The seven heads of Governments of India, Bangladesh, Pakistan, Nepal, Sri Lanka, Maldives and Bhutan, agreed to examine the Indian proposal to establish a Regional Food bank.

*Source: Small Change, Vol 1, No 4, December 2005.*

## 1.6 CRAZY VIOLATIONS

*The Tsunami has forced the government to re-evaluate the CRZ rules and its implications for India's 5,680-kilometre long coastline.*

India is probably the only country in the world that has legislation in place to protect the entire coastline of the country. And it is not only the actual coastline that is protected but also the land between the high tide line (HTL) and the low tide line (LTL) as well as the land extending to 500 meters from the highest HTL.

Briefly, the Coastal Regulation Zone (CRZ) notification stipulates that the coastal zone should be divided into four categories: CRZ 1 is defined as

- (i) areas that are ecologically sensitive and important such as national parks/ marine parks, sanctuaries, reserve forests, wildlife habitat, mangroves, coastal/ coral reefs, areas close to breeding and spawning grounds of fish and other marine life, areas of outstanding natural beauty, historical/ heritage areas, areas rich in genetic diversity, areas likely to be inundated due to rise in sea level consequent upon global warming and such other areas as may be declared by the central government or the concerned authorities at the state/ union territory level from time to time;
- (ii) areas between the low tide line and the high tide line.

It is now clear that violations of the Coastal Regulation Zone played a major role in the loss of human lives and property. Any reconstruction and rehabilitation shall have to take care of both the ecological and peoples livelihood needs.

*Source: Down to Earth (Gobar Times), Vol 14, No 18, February 1-15, 2006.*

## 2. STATE INITIATIVES

### 2.1 STATE INITIATIVES ON INFRASTRUCTURE DEVELOPMENT

The states play a significant role in infrastructure development because of the federal structure of the Indian republic. Initiatives at the state level often possess significant advantages in terms of both ownership and flexibility in the design of programmes due to better knowledge of local conditions. The states' role varies across sectors. In some cases the states act simply as financing vehicles while in others, they are involved in actual delivery and implementation.

Gujarat, Maharashtra and Andhra Pradesh have been among the more proactive states in industrial and infrastructure development. However, most states have started focusing on playing the twin roles of "investor" and "facilitator" in attracting private funds for project development. A few pioneering public-private projects in the transport and urban infrastructure sectors kickstarted this process. State development agencies have also joined hands with financial institutions to promote infrastructure development and facilitate private participation. Here is a brief on the role of states across specific sectors.

#### Civil aviation

There are 450 airports and airstrips in India. All, except one, namely, Kochi International Airport Limited, are administrated by the union government and held under national ownership.

Lately, state governments have conceived and started action on some greenfield airports. These include the Bangalore and Hyderabad airports, which have 13 percent equity participation from the Karnataka government and the Andhra Pradesh, government respectively. An airport at Kannur, Kerala has recently been approved by the Kerala state cabinet with a proposed equity participation of 26 percent. Other states including Rajasthan, Goa, Karnataka and Gujarat have also submitted plans to build new airports.

#### Ports

Major ports are under the jurisdiction of the union government and minor and intermediate ports are controlled by respective state governments.

In all, the state government exercises control over 185 minor and intermediate ports. These minor ports handle roughly 26 percent of the total cargo. Over the years, their contribution to total traffic has been increasing steadily. In 1991-92, minor ports handled a minuscule 13.2 million tonnes (8 percent of total traffic). By 2004-05, cargo by throughput at minor ports increased to 137.5 million tonnes (26.3 percent).

Maharashtra has the maximum number of minor ports (53), followed by Gujarat (42). Only 48 state ports are active and operational. These are in Gujarat (21), Maharashtra (9), Tamil Nadu (8), Karnataka (3), Kerala (3), Andhra Pradesh (2), Orissa (1) and Goa (1). The rest are seasonally operational and cater to local cargo requirements, passenger ferrying and fishing activities.

States began to attract private investment in ports in the mid-1990s. Gujarat has been most proactive in inviting private participation. In Gujarat, Gujarat Pipavav Port Limited (Maersk, PSA), Gujarat Adani Port Limited (Adani Group) and Gujarat Chemical Port Terminal Limited (PCL, etc.) have been developed through public-private partnerships. Further, the container terminals at Pipavav and Adani ports have been concessioned to PSA Corporation of Singapore and P&O Ports of Australia respectively.

Other states have found it difficult to replicate Gujarat's success. There have been considerable delays in Maharashtra, Kerala, Orissa and Andhra Pradesh in attracting private partnership in greenfield port projects. However, private interest in these states is also beginning to pick up.

### **Integrated transport**

Mass transit metro projects are gaining popularity. Phase-1 of the Delhi Mass Rapid Transit Service is scheduled to be completed by March 2006 and the detailed project for phase-II is under preparation. The Delhi government owns 14 percent equity stake.

Another ambitious project is the Mumbai Urban Transport Project, which combines rail with road transport. Work on all 14 rail projects under the MUTP is under way with the help of World Bank loans.

Other cities are initiating similar projects. Bangalore is working out the details of a Rs.50 billion mass rapid transit system. The MRTS is planned with east-west (18.1 km) and north-south

(14.9 km) metro corridors. The Ministry of Urban Development and Poverty Alleviation is currently preparing the project report for a Hyderabad project, with an initial cost estimate of Rs.41.5 billion.

### **Urban Infrastructure**

The urban infrastructure sector is undergoing legislative reforms. In order to provide a legislative framework for the implementation of the 74<sup>th</sup> Amendments, state governments are deliberating on a model municipal law to assist urban local bodies (ULBs) in the areas of accounting reforms, resource mobilisation and the entry of the private sector in the commercial provisioning of urban services. ULBs in Ahmedabad, Nashik, Bangalore and Pune have started undertaking financial and structural reforms. Market-based financing for small- and medium-sized ULBs in Karnataka is a notable development.

Several initiatives are under way in Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Madhya Pradesh and Tamil Nadu. These include the issue of municipal bonds, the rating of municipalities, tax reforms, the creation of the Urban Infrastructure Development Fund. The Municipal Corporation of Ahmedabad has undertaken property tax reforms while that of Hyderabad has introduced transparency and reengineered its financial and accounting policies.

The union government announced the Urban Reform Incentive Fund (URIF) in the Union Budget 2003-04 to create incentives for state governments to undertake reforms in housing and real estate.

To date, 24 states and three union territories have signed the MoA to undertake first-generation urban reforms to meet the eligibility criteria for the URIF. However, only a few states have taken advantage of the fund.

### **Water**

Water sector is managed by state urban local bodies. The 74<sup>th</sup> Amendment makes ULBs responsible for service delivery like water supply and sanitation. Many initiatives have been taken in the water sector, mostly in south and west India. The successes seem to be the Visakhapatnam industrial water supply project and the Tiruppur water supply project. Several other projects have been undertaken in Karnataka and Rajasthan for water sector improvement.





In waste water management, ULBs have been making efforts to attract private participation. A few cities like Bangalore and Delhi have undertaken state-of-the-art waste management projects.

### SEZs

Several states are promoting special economic zones (SEZs). These include the Maha Mumbai SEZ project (developed by the Sea King consortium) and the Navi Mumbai project (developed by the Maharashtra government through CIDCO). Similar projects are coming up in Chennai (Ennore), Delhi, Indore, Kochi and Visakhapatnam.

Source: *Indian Infrastructure Volume 8 No.6 January, 2006*

## 2.2 THREE DESALINATION PLANTS IN THE SOUTH

Saudi Arabia's Bushnak Group will form a joint venture (JV), Bushnak-Pallava Water Services, with Pallava Water and Power, Hyderabad, to undertake three desalination projects in Tamil Nadu, Andhra Pradesh, Karnataka and Pondicherry. In phase-I, the JV will invest \$80 million over the next three to four years.

The first project for desalination of seawater is planned at Karaikal, Pondicherry, and will be ready in 2007. The 5-mld capacity plant will require investment of \$8 million. This plant will be expandable to 10 million litre.

The second desalination project is planned in south Chennai, the exact location is still to be finalized. It will be completed by December 2007 followed by another one in Visakhapatnam by mid 2008.

The Bushnak group has provided technical support for the Chennai Petroleum Corporation Ltd and BHEL. The company is pioneer in developing desalination technology in the private sector in Saudi Arabia.

Source: *Project Monitor, Vol 5, Issue 40, January 30, 2006.*

## 2.3 ULBS TO APPROVE BUILDING PLANS

All urban local bodies (ULBs) including municipal corporations in the state of Bihar have been empowered to sanction building plans. Earlier, this function was performed by the Regional Development Authorities.

Source: *Nagarpalika Update, Vol 3, No 6, Nov-Dec. 2005.*

## 3. CITY INITIATIVES

### 3.1 PUBLIC PRIVATE PARTICIPATION FOR DEVELOPMENT OF STREET INTERSECTION

Jodhpur Municipal Corporation and the Urban Improvement Trust of Jodhpur collectively took the initiative to improve traffic junctions and traffic islands in the city. With the involvement of private agencies 20 junctions and traffic islands in the city were developed.

#### Situation before the initiative

Jodhpur city lacked proper, well managed and aesthetic road intersections. There was no provision for developing aesthetically appealing intersections or greening of roundabouts.

All major crossroads are maintained by the Municipal Corporation or by the Urban Improvement Trust.

#### Description of the initiative

To give the city of Jodhpur an aesthetic and beautiful look, the Municipal Corporation and Urban Improvement Trust of Jodhpur together decided to contract out around 20 crossroads and triangles to different organizations for maintenance and design. The contracts, which are renewed yearly, stipulate that any type of change in the landscape plan, new construction that is contemplated etc. has to be intimated to the corporation first.

#### Results Achieved

Consequent to the introduction of this scheme involving private agencies, intersections in Jodhpur city are now well managed and look beautiful. Moreover, these intersections are being maintained without any interference from the Municipal Corporation. There is also increased competition between the different organizations involved in the initiative, which has benefited the city ultimately.

#### Lessons Learned

Privatization of the maintenance of public utilities can produce better results. It leads to financial savings, which can be allocated to other priority areas.

Source: *Urban Finance, Vol. 8 No. 2, April-June 2005.*



### 3.2 PRIVATIZATION OF STREET LIGHT MAINTENANCE

For improving the level of illumination in the city, Jaipur Municipal Corporation decided to privatize the maintenance of streetlights. The initiative in its first phase was experimented in six municipal wards only. As a result of privatization the municipal corporation is now able to provide a better level of service using less of its internal resources.

#### Situation before the initiative

The area of Jaipur Municipal Corporation encompasses around 46,000 acres and to illuminate this, it has around 62,014 tube lights and around 28,016 sodium lights.

In case of a complaint, a driver with one vehicle and two helpers, and a lineman would visit the fault point, diagnose the fault and then report to the junior engineer. The junior engineer would in turn report this fault to the store keeper for the particulars of the material required for carrying out the repairs. The store keeper would issue the material to the lineman who would then go to the fault point and carry out the repairs.

The whole process was too lengthy and cumbersome. The cost of maintenance, including cost of material and establishment, of one tube light per year was more than Rs. 80. The efficiency level was 70 to 75 percent in the maintenance of the tube lights. The corporation procured material worth almost Rs. 150 lakh annually.

#### Description of the initiative

The Jaipur Municipal Corporation decided to privatize maintenance of streetlights and issue contracts ward wise. In the first phase of the project, only 6 out of the 70 wards were given on contract. The contract includes materials, labour and other services like transport, etc. Payment by the corporation is based on the maintenance of each tube light.

#### Results Achieved

The results of the privatization are overwhelming. The efficiency level in the maintenance of the tube lights and sodium lights has increased from 70 to 99 percent, while expenditure has reduced by more than 50 percent.

After the success of the pilot testing in the first

phase, further privatization of maintenance of streetlights was undertaken in phases and till date 52 wards have been privatized and given on contract. There are around 9 control rooms spread all over the city for redressal of complaints regarding the streetlights. Twenty contractors are involved in maintaining the streetlights.

The initiative of privatizing the maintenance of streetlights has remarkably increased the efficiency. Taking these efforts ahead, a street light policy is also under formulation for other cities of Rajasthan State.

Further to the privatization initiatives of the maintenance of street lights, the corporation has introduced solar timers in the city to bring about energy efficiency and cost savings. A total of 706 street light timers have been installed. These timers have been set according to the time of sunrise and sunset. The maintenance of these solar timers has also been given on contract.

#### Lessons Learned

- Privatization of maintenance of streetlights has reduced operation costs.
- An efficient complaint redressal system can impart 100 percent efficiency to the system.
- Significant energy saving can be achieved by implanting timers and through timely switching on/off of the same.

*Source: Urban Finance, Vol. 8 No. 2, April-June 2005.*

### 3.3 MODERN CARCASS UTILIZATION PLANT AND SLAUGHTER HOUSE

Schedule XII of the 74<sup>th</sup> Constitution Amendment Act states that provision of slaughter houses is one of the mandatory functions of any urban local body. However, since many cities do not have a proper facility with modern technology for the purpose, illegal slaughtering is widely rampant in cities. Rajasthan is famous for its leather products. The provision of a modern carcass plant that provides a clean environment to the workers and which is not a nuisance to the nearby area is a good initiative.

#### Situation before the initiative

Before the commissioning of the carcass plant, Jaipur Municipal Corporation had contracted the lifting of carcasses from all parts of the city to a

private contractor. For this the Corporation was taking a leasing amount of about Rs.50,000 to Rs.1 lakh per year. Despite several measures, illegal slaughtering of animals was widely rampant. On an average, about 40 carcasses are lifted from the city per day. Even though the process was contracted to a private party, the contractor did not have a proper place to de-skin the animals or for further treating the hides. The carcasses could lead to serious health and environment hazards. The carcasses emanated a foul smell; they were also being attacked by other animals. All this added to their nuisance value.

### Description of the Initiative

A carcass utilisation plant costing Rs.2.33 crore has been set up at Chainpur, 17 kms from Jaipur, to solve the problem of disposal of dead animals. Of the total budget the State Agricultural Department provided financial support of Rs.148 lakh and the remaining Rs.85 lakh was funded by the Jaipur Municipal Corporation.

The plant has been operational since 2000. A contractor has been appointed for processing and maintenance of the carcass plant. The contractor gives the leasing amount to the Jaipur Municipal Corporation.

Jaipur city has 8 points from where a request for lifting of any carcass lying in public places can be lodged.

For lifting the carcasses the Jaipur Municipal Corporation has provided the contractor with 3 vehicles, covering the 6 zones in the city, and each vehicle has about 10 persons. After the carcasses are collected from different part of the city, their skin is removed and after cleaning, they are put for sale. The sale proceeds are kept by the contractor. The remaining carcass is then crushed and reduced to a dry powder form. During this process, the fat of the dead animal is sold for the manufacture of soaps and detergents. The dry powder is used as feed in poultry farms, etc. The money from the sale of the fat and the dry powder also goes to the contractor. The contractor is required to lift the carcass within 12 hours, failing which he is charged a fine of Rs.1,000 per day. Regular inspection of the carcass plant is carried out by the health department of the corporation

### Results Achieved

- The city has benefited as it now has a clean environment, free from foul smell.
- For Jaipur Municipal Corporation, after the recovery of the initial investment in the commissioning of the plant, this initiative would in future be one of the sources of revenue generation, as the contract will be renewed every year.

### Lessons Learned

Commissioning of a proper plant with modern technology can give the city a clean environment.

Source: *Urban Finance*, Vol. 8 No. 2, April-June 2005.

## 3.4 INTRODUCTION OF SEMI LOW FLOOR BUSES

Pune Municipal Transport Corporation launched 15 semi low floor buses in the city. The induction of these new buses has been a great draw for the commuters. These buses are built for easy access by person with disability.

Source: *ASRTU News*, Vol 11, No 4, Oct.-December 2005.

## 3.5 GLOBAL BID FOR CHANDIGARH MONORAIL

The Chandigarh Administration, on 22 January 2006, floated a global tender for development of a mass rapid transit system, namely monorail, on concession basis. The administration has invited Expression of Interest from national and international companies with experience in monorail/

### WORLD BANK LOAN FOR 'BMP'

The World Bank has extended a loan of Rs.1.4 billion to the Bangalore Mahanagara Palike for the strengthening and restoration of 40 arterial and sub-arterial roads in the city covering a length of 130 km. These would be taken up under the Karnataka Municipal Reforms Project, aimed at decongesting city roads. The project is being executed through the Karnataka Urban Infrastructure Development Corporation in four phases and is likely to be completed by the end of 2006.

Source: *Indian Infrastructure*, Volume 8, No.5, December 2005



MRTS technology. The project is to be implemented on a concession of a minimum period of 30 years, including three years of implementation. The two main corridors will be planned for a minimum carrying capacity of 10,000 persons per hour per direction. The last date of submitting EOIs is March 22, 2006.

The monorail will be constructed in phases. Work will commence early next year with phase-1 due for commissioning two-and-a-half years thereafter. This phase will consist of 25 km. of monorail system on Madhaya Marg and Himalaya Marg corridors. These corridors will cover areas like PGI, ISBT-17, Punjab University, Punjab and Haryana Civil Secretariat, Punjab and Haryana High Court, Rock Garden, Sukhana Lake, railway station, sector 34, ISBT-43 and Manimajra.

The monorail project can be extended to Panchkula in Haryana and Mohali in Punjab. Chandigarh Administration is seeking clearance from both the state governments. If both the governments agree, then phase-1 will be extended up to 35 km.

Phase-II is yet to be identified. The administration will consider offering incentives and concessions such as permission for property development on floor space basis at stations and depots, viability gap funding and certain tax and duty exemptions.

*Source: Project Monitor, Vol 5, Issue 40, January 30, 2006.*

### **3.6 DMRC PLANS DPR FOR RAILWAY-AIRPORT LINK**

DMRC is preparing a DPR for the metro link between New Delhi railway station and Delhi airport through Connaught Place. The route has been requested by the civil aviation ministry.

The DPR would soon be submitted to the government for approval. The proposed 2 km underground link would reach passengers from New Delhi station to the airport within 15 minutes. The line will have around five to six stations in route.

This link would be integrated with the modernization plan of the Delhi airport and would be completed before 2010 Common Wealth Games.

*Source: Project Monitor, Vol 5, Issue 40, January 30, 2006.*

## **4. NEWS IN BRIEF**

### **4.1 YEAR 2005 SETS RECORD FOR FINANCIAL LOSSES DUE TO DISASTERS**

The year 2005 witnessed the largest financial losses ever as a result of weather-related natural disasters. Accordingly to statistics presented to the United National Climate Change Conference, currently meeting in Montreal, Canada, the magnitude of such losses is more than \$200 billion as compared to \$145 billion in 2004.

This year's figures, partly as a result of the higher number of hurricanes in US or tropical storms ever seen since records began in 1850, are part of a climbing trend being linked by many in the industry with climate change as a result of human-made emissions.

The year was also marked by the highest ever rainfall recorded in India (in Mumbai); the first ever hurricane to emerge that approached Europe, the appearance of the strongest hurricane on record and earthquake in Kashmir covering both India and Pakistan.

According to preliminary estimates presented by Munich, \$70 billion of this year's losses were insured compared to \$45 billion last year.

*Source: Socio-Economic Development Record, Vol. 12, No.6 November-December 2005.*

### **4.2 WORLD TOILET DAY**

World toilet day was observed on 10 November. The National Sample Survey (NSS) indicates that some 15 percent of the urban and over 80 percent of the rural population do not have access to toilets. A flagship programme – 'Bharat Nirman' – will pump Rs. 1,74,000 crore into rural areas over the next four years. The programme was launched on 16 December 2005, by the Prime minister.

Provision of sewerage and sanitation in cities is an integral part of the JNNURM programme launched earlier in the month. The Maharashtra government is reported to be considering a legislation whereby persons who do not have toilets in their residences will be ineligible to contest local body elections. The government feels that unless elected representatives take this initiative, it will be difficult



for the state to achieve total sanitation coverage. This is worthy of emulation by other states. Karnataka already has such a law.

*Source: Nagarpalika Update, Vol 3, No 6, November-December 2005.*

## **5. BOOK REVIEW**

### **5.1 GLOBAL REPORT ON HUMAN SETTLEMENTS 2005**

**Published by UN HABITAT**

In a world on the more, where already about 3 billion people, or 50 percent of the world's population, live in urban areas, UNHABITAT predicts that over the next 25 years, over 2 billion people will be added to the growing demand for housing, water supply, sanitation and other urban infrastructure services. What is critical when considering the number is the order of magnitude. Close to 3 billion people, or about 40% of the world's population by 2030, will need to have housing and basic infrastructure services. This translates into completing 96, 150 housing units per day or 4,000 per hour.

**UN-HABITAT's "Global Report on Human Settlements 2005: Financing Urban Shelter"** examines the challenges of financing urban shelter development, focusing on the shelter needs of the poor and within the overall context of the United Nations Millennium Development target on slums. If adequate financial resources are not invested in the development of urban shelter and requisite services, this additional population will also be trapped in urban poverty, deplorable housing conditions, poor health and low productivity, thus further compounding the enormous slum challenge that exists today.

The housing crisis comes at a time when the global economy has demonstrated a consistent growth of 4 percent in 2004; however, despite this impressive growth, poverty remains an "enduring problem" as approximately 64 percent of the population in Africa and South Asia still live below US\$2 a day. Most critically, such low incomes prevent the poor from accessing better shelter.

In many developing countries, it is unlikely that conventional sources of funds will be available for investment on the scale needed to meet the projected demand for urban infrastructure and housing. Most poorly-performing countries continue to face deficits in public budgets and weak financial sectors.

The report shows that mortgage finance has been expanding during the last decade and is increasingly available in many countries, which was not the case 20 years ago. New mortgage providers have emerged, including commercial financial institutions and mortgage companies. However, the report emphasizes that only the middle and upper income households have access to such finance while the poor are generally excluded. The Report points out that the problem in many developing countries and even in some developed countries is not that housing is too expensive, but that incomes are too low. Therefore the report argues for the continuing and necessary contribution of the public sector towards financial shelter for the urban poor, as many households, even in developed countries, cannot afford home ownership or market rents.

Poor people's access to shelter finance may depend upon social networks based on religion, family or ethnicity. In this situation, the majority of urban poor households can only afford to build incrementally in stages, as and when financial resources become available. In response to this, microfinance institutions have started lending for low-income shelter development and have become very important in the last decade or so. The report also shows that guarantee schemes can, by providing credit enhancement, go a long way in broadening the appeal of microfinance institutions to lenders.

Constraints to mobilizing financial resources for investment in shelter development are both financial and non-financial in nature. Non-financial constraints include land legislation that makes it difficult to use real estate as effective collateral, as well as inappropriate national and local regulatory frameworks governing land use, occupancy and ownership. In light of this the report analyses the need for legal and institutional reform designed to protect the rights of both lenders and borrowers as well as to enhance access to credit.



Finally, the Report emphasizes the fact that finance is only one dimension of securing sustainable solutions that can fill the gap between the two extreme outcomes of current systems and processes: affordable shelter that is inadequate; and adequate shelter that is unaffordable. The report therefore concludes that the locus of policy attention should be on both the cost of housing (the supply side) and the level of payment received

by workers (the demand side). The Global Report on Human Settlements 2005 will help governments, local authorities and all Habitat Agenda Partners to identify opportunities for addressing the shelter affordability gap and to put in place financing mechanisms that are more able to meet the shelter needs of the urban poor.

Source: U News October 2005, Vol 60 No.10

## 6. FORTHCOMING EVENTS

- **Conference and Exhibition on "Alternative Technologies for Public Transport"**  
Hotel Le Meridian, New Delhi  
March 21-23, 2006  
For details contact,  
Email : [inurbtpt@bol.net.in](mailto:inurbtpt@bol.net.in)  
Web: [www.iutindia.org](http://www.iutindia.org)
- **IIT Bombay Course: Urban Drainage Management – State-of-the-Art 2006**  
IIT Bombay, Powai  
4-6 May 2006  
For details contact,  
Prof. Kapil Gupta  
Department of Civil Engineering  
IIT Bombay, Powai Mumbai 400078  
Phone: 022-25767324, Mobile: 09820409433  
Fax: 022-25723480 Email: [kgupta@civil.iitb.ac.in](mailto:kgupta@civil.iitb.ac.in)
- **Third International Conference on Waste Management and the Environment**  
21-23 June, 2006  
Malta  
The conference will address the need for the exchange of scientific information among experts in this rapidly growing area of research and applications.  
For details contact,  
Senior Conference Secretariat  
Waste Management 2006  
Wessex Institute of technology, Ashurst Lodge, Ashurst  
Southampton, SO40 7AA  
Phone: 44 (0) 238 029 3223  
Fax : 44 (0) 238 029 2853  
Email : [kbanham@wessex.ac.uk](mailto:kbanham@wessex.ac.uk)

- **International Conference on Urban Transport and Environment**  
Prague, Czech Republic  
12-14 July, 2006  
For details contact,  
Senior Conference Co-ordinator  
Urban Transport 2006  
Wessex Institute of technology, Ashurst Lodge, Ashurst  
Southampton, SO40 7AA  
Phone: 44 (0) 238 029 3223  
Fax : 44 (0) 238 029 2853  
Email : [rgreen@wessex.ac.uk](mailto:rgreen@wessex.ac.uk)



*A very warm and prosperous New Year to all our members and readers.*



## FACTSHEET

- The world's poorest countries face a dramatic rise in deaths from disease and malnutrition as a direct result of climate change caused by wealthier, more polluting countries, according to a research published in Nature. It says the global average temperatures are projected to increase by 1.4° C to 5.8° C by the end of this century.
- A rise of 40 centimetres in the sea level is envisaged by the 2080s. As a result, the number of people at risk from flooding caused by coastal storm surges is projected to increase from the current 75 million to 200 million.
- About 100 people in the south Pacific island nation of Vanuatu have become one of the world's first examples of "climate change refugees", after being forced to relocate because of rising seas and storm surges.
- World Health Organisation estimates that warming and precipitation trends due to anthropogenic climate change over the past 30 years claim 150,000 lives annually. The poorest countries can expect doubling of deaths from some ailments by 2030.
- Regions at highest risk of adverse health effects from climate change include coastlines along the Pacific and Indian oceans and sub-Saharan Africa.
- Africa and the Indian subcontinent have some of the lowest carbon dioxide emissions (below one tonne per capita per annum). Yet, some of their regions face high risk from warming related diseases.
- Asia, the largest continent, is by far the largest cement producer. In 2004, it accounted for 67.6 per cent of the global production.
- India is the world's second largest cement producer (6 per cent share of world cement production), after China (44 per cent), surpassing developed nations like the US (4.5 per cent) and Japan (3.2 per cent)
- In India, the production of flyash based cement (called Portland Pozzolana Cement, or PPC) has increased dramatically over the last two years, In 2004-2005, PPC accounted for as much as 48 per cent of the total cement production.

*Source: Down to Earth, Vol 14, No 16 & 20, January 15, 2006 & March 15, 2006.*

# GUEST HOUSE AND CONFERENCE FACILITIES

AMDA has a Guest House in its building at 7/6, Sirifort Institutional Area, August Kranti Marg, New Delhi 49. The basic aim of running the guest house is to provide accommodation facilities to the officers of Member organizations who visit Delhi. The Guest House has 10 Air-Conditioned rooms i.e. 3 single bedded, 5 double bedded, 1 tripple bedded and 1 four bedded. All the rooms have attached bathrooms with 24 hour hot/cold water supply. There is one common sitting/dinning lobby where a Colour T.V. has been provided. The Guest House also has one Kitchenette to provide bed tea/coffee to the occupants. Break-fast / lunch / dinner can be arranged on request. Good quality restaurants are situated at 5-minute walkable distance. The **REVISED TARIFF** for the Guest Rooms (w.e.f. April 1, 2003), is as under :-

S. No.	Category	Charges for rooms for each 24 hours or part thereof			
		Room with Single Bed	Room with Double Bed	Room with Three Beds	Room with Four Beds
A	Guests not on duty	500	700	800	900
B	Guests on duty from member Authorities and from ASRTU.	250	350	400	450

1. For Category B, a letter of authority for room allotment from the member organisation is required.

AMDA also has a Conference Room with a seating capacity of 25. The Conference Room is compact and provided with Overhead Projector and Slide Projector. It also has a dining lobby with small Kitchenette to serve lunch / tea / coffee etc. to the users of the Conference room. The tariff for Conference room is as under:-

1. Full Day : Rs. 1200/- per day\*
2. Half Day (pre lunch or post lunch) : Rs. 800/-
3. For Members and ASRTU : 50% of above rates

\*Sunday and holidays 15% extra.

For booking of the above Guest House and Conference Room facilities, requisition can be sent to Shri S.R.Kashyap, Administrative Officer at AMDA office.

## CURRENT PUBLICATIONS OF AMDA

1. Urban Services Delivery in India : Toolkit for Contract Management. (Rs.250/-)
2. Simplification of Urban Development Control Regulations and Incorporation of Heritage Regulations in Urban Development Plans; AMDA Annual Conference 2000. (Rs.500/-)
3. Urban Governance and Management of Urban Environment. Proceedings of Consultation Organised by AMDA (Rs.300/-)
4. Infrastructure Financing : Mechanisms and Issues Proceedings and Papers Presented at Seminar Organised by AMDA (Rs.300/-)
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7. States/UTs of India - a Profile - an AMDA in house research study (Rs.1,000/-)
8. Catering to a Metropolitan Area Vision - 2021 - AMDA Annual Conference 2003 proceedings (Rs.300/-)
9. The Municipal Ward as the basic Urban Planned Development Area - an AMDA seminar proceedings (Rs.200/-)
10. The Municipal Ward as The Basic Platform for The Integated and Participatory Planned Development of The Urban Settlement - an AMDA Proceedings of The Brainstorming Session (Rs.125/-)
11. Innovative Planning Process for Socio-Economic Development - an AMDA seminar proceedings (Rs.200/-)

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Phone: 26494486, 26496487, 26497973, 26496837 Fax: 91-11-26491675

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