



AMDA NEWS

*Newsletter of Association of Municipalities and
Development Authorities (AMDA)*

VOLUME 23 NUMBER 5 SEPTEMBER - OCTOBER, 2007

AMDA

The Association of Municipalities and Development Authorities (AMDA), established in 1983, is an association of 64 municipalities and development authorities in the country. As the name signifies, this institution addresses the issues pertaining to interface between the state, municipal bodies and urban development authorities in the realm of urbanization, urban development and urban governance. It offers (a) a valuable forum for members to exchange ideas of topical interest in the field of urbanisation; (b) information on good practices in the field of urban development through newsletters, workshops, seminars, training programmes, applied research and the kind; and (c) a valuable contribution in the field of planned urban settlements and their development. The Association has emerged as a knowledge-integration and experience exchange platform across the country, besides performing an advocacy and interfacing role to improve efficiency of urban local bodies and development authorities. For over two decades, AMDA has been working on issues of planned development and management of cities by sensitising local, state and central governments.

AMDA NEWS is a bi-monthly publication brought out by AMDA. The Newsletter covers major events in the field of urban development. The Newsletter seeks to promote exchange of information on common urban issues having a bearing on urban governance. It endeavours to provide substantive and well focussed information.

In this Issue

1. National Commission for Enterprises in the Unorganised Sector	1
2. National Policy on Rehabilitation and Resettlement, 2007	4
3. Land Acquisition: Supreme Court Guidelines	4
4. Community Participation Fund	5
5. Stress on 'PPP' Model in Infrastructure	7
6. Project Titled 'Capacity Building for Poverty Eradication' launched	7
7. Plan Panel Sounds Groundwater Alert	8
8. Implementation of 'Model Municipal Law'	9
9. Fastest Growing Indian Cities	12
10. Non-Metro Cities are Economic Hot Spots	12
11. 'New Industrial Policy' in Tamil Nadu	13
12. SEZs for Power	13
13. Digital Basic Map of 'NDMC'	14
14. Mega Housing Scheme around Bangalore	14
15. Inclusive Cities: Implementing Reforms under 'JNNURM'	15
16. JNNURM at a Glance	15

NATIONAL COMMISSION FOR ENTERPRISES IN THE UNORGANISED SECTOR

The National Commission for Enterprises in the Unorganised Sector (NCEUS) was set up mainly to look into the conditions of the unorganised workers. It is for the first time that a detailed report has been brought out that highlights the conditions of the unorganised labour in the country. As part of its mandate, the Commission has reviewed labour laws in the informal sector, consistent with labour rights, and with the requirements of expanding growth of industry and services, and improving productivity and competitiveness. Further, the Commission has reviewed the social security system available for labour in the informal sector, and made recommendations for expanding its coverage. Moreover, the Commission has recommended measures necessary for bringing about improvement in the productivity of enterprises and generation of large scale employment opportunities. The present report on comprehensive legislation to ensure minimum conditions of work and social security to unorganised workers addresses some of these issues related to the informal sector.

The Commission has followed a three-fold approach in its report:

- First, it has advocated a minimum level of protective social security for the workers, which can be both supplemented and progressively enhanced.

- Second, it has recommended a set of measures, most of which are incorporated, along with the proposed social security measures, in two comprehensive Bills, for regulation of minimum conditions of work in the unorganized agricultural and non-agricultural sectors.
- Third, it has examined and made recommendations for the enhancement of employment and incomes and livelihood promotion. The main recommendations, which in its opinion should get overriding and immediate priority in the scheme of things will be submitted soon to government in the form of an Action Programme for the Unorganised Sector, which also address issues relating to the Unorganised Sector in a holistic manner.

The Commission has examined the conditions of work of the Unorganised Sector Workers at great length. Its findings form part of a detailed **Report on Conditions of Work and Promotion of Livelihoods in the Unorganised Sector**. Some of the findings of this Report which have a bearing on the recommendations made as follows:

- a) The Commission has defined the unorganised sector in non-agriculture as consisting of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers. In the case of agriculture, the operational holding is treated as an enterprise. The Plantation sector is excluded from this definition.
- b) According to the Commission's definition, 64 per cent of the unorganised sector

workers are in agriculture, while the remaining are in non-agriculture. A majority of these workers – 64.8 per cent of agricultural workers and 62.8 per cent of unorganised sector in non-agriculture are self-employed. Casual wage workers comprise 34.6 per cent of the agricultural workers, and 19.8 per cent of the unorganised sector non-agricultural workers.

- c) Compared to the Commission's estimates, other official estimates, such as the Director General of Employment and Training (DGET) and the Annual Survey of Industries (ASI) indicate that a much smaller share of the workforce is in the organised sector. According to the DGET figures, the percentage of workers in the organised sector in 2004-05 is 5.8 whereas the Commission's estimate indicates that this percentage is 13.7. The difference arises largely because the DGET estimates do not reckon with *informal* employment in the organised sector. The Commission finds that while these unorganised/informal workers (casual, contract or even regular) may be employed in the organised sector, they share the characteristics of wage workers in the unorganised sector i.e., they do not have any employment or social protection. Since existing official data describes such workers as unorganised sector workers, and since they share all the characteristics of informality, the ambit of analysis and recommendations extends beyond *unorganised sector workers* to *unorganised/informal workers*.
- d) Unorganised workers constitute almost the entire universe of the poor. The



Commission's results show that there is layering of poverty, incomes and employment among the unorganised workers. Agricultural labourers are the most vulnerable, followed by other casual workers, marginal farmers in agriculture, the self-employed in own account enterprises in rural and then in urban areas etc.

- e) According to the findings, in 2004-05, 90.7 per cent of agricultural labourers and 64.5 per cent of rural and 52.3 per cent of casual non-agricultural wage received a wage below the national minimum wage designated by the Central government (Rs. 66 per day). Even 57.3 per cent of unorganised regular workers in rural areas, and 47.2 per cent in urban areas, received a wage below this minimum.
- f) Among workers in own account enterprises, the gross value added per worker in 1999-00 was lower than the comparable minimum wage level for 57 per cent of rural Own Account Workers (OAW) and 30 per cent of urban OAW. Returns were much lower among the self employed in rural areas, and among women headed enterprises.
- g) The Commission has noted that the socially deprived groups (SC, ST, women etc.) predominate in the most vulnerable occupations. For example, SC/ST workers are 43.5 per cent of casual labour. Women form a large (and growing) chunk of home-workers. Muslim workers, particularly low caste Muslims, predominate in low earning self-employment oriented activities (19.4 per cent of self-employed non-agricultural workers are Muslim).
- h) The Commission has also examined in depth the condition of farmers, focusing on marginal and small farmers. Although these farmers are efficient producers, due to small holdings and lack of support, their income from agriculture is less than their meagre consumption expenditure; the debt burden on them from informal lenders is very high; and the state support to them in terms of marketing support, extension services etc., is very meagre and much lower than that available to medium-large farmers. As with other unorganised workers, they do not have any social protection.
- i) Casual wage workers and home workers, as also low paid regular workers work for long hours, without health and safety regulations, and are not entitled to overtime rates, weekly holidays etc.

Meanwhile, the Unorganised Sector Workers Social Security Bill 2007 was introduced in the Rajya Sabha on 10 September, 2007 by the Minister of State (Independent Charge) for Labour and Employment. It provides legislative backing to all the social security schemes. These include the 'Aam Admi Bima Yojana', National Old Age Pension Scheme and the Health Insurance Scheme.

As regards the legislation on working conditions and social welfare, the Minister said that recommendations in this regard from the National Commission for Enterprises in the Unorganised Sector were being examined in consultation with stakeholders and state governments.

Source: [www.http://nceus.gov.in](http://nceus.gov.in) and *PIB Press Release*, 10 September, 2007

1. POLICY AND STRATEGY

1.1 NATIONAL POLICY ON REHABILITATION AND RESETTLEMENT, 2007

The Union Government has considered and approved the National Policy on Rehabilitation and Resettlement, 2007, to replace the National Policy on Resettlement and Rehabilitation for Project Affected Families, 2003. In a meeting held on 11 October, 2007, the Union Cabinet has also decided to bring legislation on the lines of the new Rehabilitation and Resettlement Policy, and to suitably amend the Land Acquisition Act, 1894. The new Policy and the associated legislative measures aim at striking a balance between the need for land for developmental activities and, at the same time, protecting the interests of the land owners, and others, such as the tenants, the landless, the agricultural and non-agricultural labourers, artisans, and others whose livelihood depends on the land involved.

The benefits under the new Policy shall be available to all affected persons and families whose land, property or livelihood is adversely affected by land acquisition or by involuntary displacement of a permanent nature due to any other reason, such as natural calamities, etc. The Policy will be applicable to all these cases irrespective of the number of people involved.

The benefits to be offered under the new Policy to the affected families include:

- land-for-land, to the extent Government land would be available in the resettlement areas;
- preference for employment in the project to at least one person from each nuclear family within the definition of the 'affected family, subject to the availability of vacancies and

suitability of the affected person;

- training and capacity building for taking up suitable jobs and for self-employment;
- scholarships for education of the eligible persons from the affected families;
- preference to groups or cooperatives of the affected persons in the allotment of contracts and other economic opportunities in or around the project site;
- wage employment to the willing affected persons in the construction work in the project;
- housing benefits including houses to the landless affected families in both rural and urban areas; and other benefits.

Adequate provisions have also been made for financial support to the affected families for construction of cattle sheds, shops, and working sheds; transportation costs, temporary and transitional accommodation, and comprehensive infrastructure facilities and amenities in the resettlement area including education, health care, drinking water, roads, electricity, sanitation, religious activities, cattle grazing, and other community resources, etc.

Source: *PIB, Press Release*, 11 October, 2007

1.2 LAND ACQUISITION: SUPREME COURT GUIDELINES

The Supreme Court has made a distinction between the land acquired by the government for public purposes and land acquired for a private enterprise stating that the land acquisition notification can not state both reasons simultaneously. It has also ruled that the government must ensure that good agricultural land is not acquired for the establishment of private enterprise.

According to the Supreme Court:

- Government can issue a land acquisition notification either for public purpose or for a company. It cannot be for both;
- When acquiring land for companies, government must make sure it is not good agricultural land;
- Good agricultural land is defined as any land with average productivity, including gardens and groves

The apex court's October 16, 2007 judgement has struck down the acquisition of land by the Punjab Government in Chak Gujuran village in Hoshiarpur district for an International Tractors Ltd. factory.

The Supreme Court Guidelines on land acquisition states that whenever a company makes an application to the appropriate government for acquisition of any land, the state government shall direct the collector to submit a report to it after satisfying that:

- The company made its best efforts to locate land in the locality suitable for acquisition;
- The company failed to acquire the land despite reasonable efforts to get such lands by negotiations with the persons concerned on payment of reasonable price;
- The land proposed to be acquired is suitable for the purpose;
- The area proposed to be acquired is not excessive;
- The company is in a position of utilising the land expeditiously; and
- Where the land proposed to be acquired is good agriculture land, no alternative suitable site can be found so as to avoid acquisition of that land.

Source: PTI, 16 October, 2007, *The Times of India*, 17 October, 2007 and www.googlenews.com, Oct. 16, 2007

1.3 COMMUNITY PARTICIPATION FUND (CPF)

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on 3 December, 2005 with the primary objective of creating economically productive, efficient, equitable and responsive cities in the country. One refreshing aspect of JNNURM is that it acknowledges that each city needs to evolve its own solutions and responses, although the underlying urban governance structures are not necessarily different. Cities will ultimately have to find their own destinies, harnessing their economic opportunities as well as the passion and energies of their residents. This approach ensures that local solutions emerge to address local issues; it is also consistent with calls for greater decentralisation, local democracy and citizen participation.

JNNURM requires State Governments to enact a Community Participation Law, to enable constitution of Area Sabhas within municipal wards. States are also required to enact a Public Disclosure Law mandating Urban Local Bodies (ULBs) to periodically disclose information to its citizens. It is being increasingly realized that communities have little capacity to participate. Providing the platform for participation as described above is only one aspect of enabling community participation; the other is to ensure that communities have capacity to fully utilize these spaces, and participate meaningfully. This issue is even more acute with respect to the urban poor.

To address this issue, a Community Participation Fund (CPF) has been newly introduced by the Centre as part of JNNURM. The primary objective of this Fund is to create capacities in the communities to effectively engage and contribute in improving their living environment. It is meant to catalyze the process of community participation

by creating a “Participatory Incubator” in some sense allowing communities to experience the process of collective decision-making for themselves and taking full accountability for these decisions on themselves.

Programme Approach:

The programme has been designed to maintain a fine balance between being prescriptive and allowing demand-driven (as expressed by community) initiatives emerge at their own pace. Therefore, eligibility of projects and applicants will be more driven by well laid out principles rather than specific rules.

Eligible projects:

Some of the key principles to be applied while examining the eligibility of projects seeking funding support from CPF are described below:

- a) The projects should result in enhanced community capacity to effectively engage and take on responsibilities.
- b) There should be a clear plan for operation, maintenance and sustenance of the project/activity undertaken.
- c) Community consultation, comprehensiveness, wide accessibility of the outputs/benefits and alignment to the City Development Plan (CDP) of the city must form the basis of the projects.
- d) Projects with a religious focus would not be eligible.
- e) Project proposals shall only be entertained from cities that have signed the Memorandum of Agreement (MoA) under JNNURM.
- f) The project cost should be a maximum of Rs. 10 lakh only.
- g) Community contribution into the project should be a minimum of 10 per cent of the project cost. This requirement may be relaxed up to 5 per cent in case of projects involving the urban poor.
- h) The project implementation duration should typically not stretch beyond 12 months.
- i) A list of illustrative projects include: a group water distribution project for a slum, a crèche for the children of working mothers, counselling and legal education centres, building a local vegetable market, educating and regulating hawkers and creation of hawking zone infrastructure.

Eligible applicants:

- 1) Communities could submit projects for CPF approval, through one or more Area Sabhas. Area Sabhas are the grassroot community participation platforms being established in municipalities under the Community Participation Law required under JNNURM, composed of the voters in one or more polling stations. Establishing these Area Sabhas will require laws to be passed. However, till such time Area Sabhas are constituted, the projects could be submitted by Community Based Organisations (CBOs), such as Resident Welfare Associations (RWAs), Neighbourhood Groups, Youth Clubs, and Market Committees as representatives of urban communities.
- 2) Proposals from CBOs must be endorsed by a minimum of 51 per cent of voters in the polling booth locality/localities of the project area, either directly or with the help of the local NGOs and signed by the elected representative of the ward/area. Individuals, NGOs, ULBs, profit-oriented private sector organisations or any other types of Government institutions would be considered ineligible to access CPF.



Role of Urban Local Bodies and other Agencies:

The ULB shall play the central role in the overall implementation of the CPF projects. It will provide guidance to the community/implementing agency in terms of selection of site, providing technical assistance and data for the proposal and shall receive all proposals from the applicants, coordinate appraisal of the proposal by the Project Appraisal Committee to be placed for sanction before the Central Sanctioning and Monitoring Committee (CSMC). Once the project is sanctioned, funds shall also flow through the ULB. Upon receipt of funds from Ministry of Urban Development, the ULB shall remit funds to the individual projects.

Source: www.jnnurm.com and *Indian Express*, 22 October, 2007

1.4 STRESS ON 'PPP' MODEL IN INFRASTRUCTURE

The Union Finance Minister, while addressing the Parliamentary Consultative Committee attached to his Ministry, urged the States to adopt the public-private-partnership (PPP) model in view of the enormous investment needs in infrastructure which could not be met by the public sector alone. He said it was, therefore, imperative that avenues for increasing investment in infrastructure through a mix of public investment, PPPs and through exclusive private investments, wherever feasible, be explored. Apart from freeing government resources for greater investments in other sectors, Finance Minister pointed out that PPPs would usher in private sector expertise along with efficiencies in operation and maintenance, thus leading to better quality of public services.

The Government has set up the India Infrastructure Project Development Fund (IIPDF) with Rs.100 crore as the initial corpus to provide financial

support to the States' developmental activities. The fund would be a revolving one that would get replenished through refund of investment through the 'success fee' earned from successfully bid projects.

Explaining the importance of the PPP approach, the Finance Minister pointed out that the gross capital formation in infrastructure, as a proportion of the country's gross domestic product (GDP), had remained at about four per cent from 1997-98 to 2003-04. Infrastructure deficiencies have become more visible because of high growth. The most visible indicators of overstretched infrastructure are India's congested highways, airports and ports. To achieve the growth targets of the Eleventh Plan, the country would have to develop 40,000 km. of highways by 2012, increase traffic handling capacity at ports from 737 million tonnes to 1,500 million tonnes, maintain the growth momentum in freight and passenger traffic at 8-9 per cent annually and enhance power generation capacity by 60,000 MW.

According to estimates by the Planning Commission, infrastructure development would need an investment of about Rs.14,50,000 crore during the Plan period. To promote PPPs in infrastructure, Finance Minister informed the members that his Ministry had launched a Viability Gap Funding (VGF) scheme while setting up a Public Private Partnership Appraisal Committee and India Infrastructure Finance Company Ltd.

Source: *The Hindu*, 7 September, 2007.

1.5 PROJECT TITLED "CAPACITY BUILDING FOR POVERTY ERADICATION" LAUNCHED

The Department of Administrative Reforms and Public Grievances in the Union Personnel, Public Grievances and Pensions Ministry has chosen

Jawaharlal Nehru University (JNU), New Delhi to conduct a research on implementation of the best practices in governance in the country.

The Centre for the Study of Law and Governance in partnership with the University Science and Instrumentation Centre for Technical Assistance and the Centre for South Central, Southeast Asian and Southwest Pacific Studies at the School of International Studies will work on a two-year project titled "Capacity Building for Poverty Eradication" that was launched on 12 September, 2007.

The project aims to promote inclusive governance by bridging the gap between academic research and its implementation, between theorists and practitioners to overcome the lacunae in administrative reforms.

The project will dissect the anatomy of poverty eradication projects in India. Every finding of the research undertaken here will be disseminated to generate a dialogue among academic institutions, practitioners, non-government organisations and stakeholders across the world. It is also a strategy to strengthen the research on implementation theory which has been one of the missing links in governance and to promote action-based research in transforming the lives of ordinary citizens. The project will combine research and e-governance.

There will be two aspects of the project:

- The first dealing with pure academic research where the team members will travel across the country to find out the practices sustainable for the poor.
- The second is the technological aspect where the findings of the research would be made available to everyone by putting them up on the Governance Knowledge Centre portal.

The project will help to make the portal, a digital repository for the dissemination of good practices in the area of governance and public sector management, more dynamic and interactive.

Source: *The Hindu*, 13 September, 2007

1.6 PLAN PANEL SOUNDS GROUNDWATER ALERT

The Planning Commission's report on groundwater resources has said that availability of groundwater is expected to decrease for irrigation in Punjab, Haryana and Rajasthan in the near future. The Planning Commission has recommended providing cash compensation to farmers for paying electricity bills instead of an overall subsidy on power tariffs.

The plan panel's report on groundwater management and ownership has said that availability of groundwater in Punjab would go down by 9.89 billion cubic metres (bcm), in Rajasthan by 3.94 bcm and in Haryana by 1.04 bcm. "Demand would outstrip availability in the next 35 to 40 years." The rate of extraction of groundwater is increasing and exceeds the rate of recharge in many blocks, leading to lowered water tables. According to the report, "Twenty-eight per cent of blocks are now in semi-critical, critical or over-exploited stages". The percentage of critical blocks has increased from 4 per cent in 1995 to 15 per cent in 2004.

To prevent such an eventuality, the commission has suggested farmers get Rs.6,000/- at the rate of Rs.2 per unit of power every year. As per the proposed scheme, farmers could be assigned this amount based on a fixed number of power units. Such a mechanism would prevent over-exploitation of groundwater, without increasing the subsidy burden.

The panel has also recommended a need for the states to implement modified groundwater legislation incorporating the role of government and water users. "The country needs to have provisions to limit water extraction and it should be allowed in the larger public interest," the report says.

The Planning Commission's report, which follows the Prime Minister's call for user charges on commercial exploitation of groundwater, recommends restricted use of resource for agricultural purpose. Here is what the report says:

Demand versus Supply

- Groundwater demand to go up to 813 bcm by 2010; 1,093 bcm by 2025 and 1,447 bcm by 2050.
- Demand will outstrip availability in the next 30-40 years.
- The states that stand to lose the most are Punjab, Haryana and Rajasthan.

The Dangers

- Only 433 bcm of groundwater annually replenishable.
- Of 5,723 blocks across country, 28 per cent are in the critical stage. Delhi has the most blocks where groundwater is over-exploited (78 per cent), followed by Punjab (75 per cent), Rajasthan (59 per cent), Haryana (49 per cent) and Tamil Nadu and Karnataka at 37 per cent.

The Reasons

- Water-intensive crops are being grown in areas with scarce groundwater.
- Availability of cheap/subsidized power in many states has resulted in overexploitation, as power is the main cost component in water extraction.

The Impact

- Smaller farmers will feel it as they don't have the resources to expand water extraction.

Source: *The Times of India*, 12 September, 2007 and *Hindustan Times*, 19 September, 2007.

1.7 IMPLEMENTATION OF 'MODEL MUNICIPAL LAW' - A REVIEW

The Ministry of Urban Development (MoUD), Government of India, has made several conscious efforts towards nurturing good urban governance, and increasing capacity and competency of city and municipal authorities to manage urban growth, to respond to the needs of citizens, and making urban local bodies (ULBs) self-sustaining entities of local self-government. Urban sector reforms have been identified as thrust areas by the Ministry and initiatives such as City Challenge Fund, Pooled Finance Development Fund (PFDF), Urban Reforms Incentive Fund have been conceived, private sector participation guidelines have been framed, and switching over to accrual-based accounting system in ULBs have been emphasized.

One such initiative includes development of the Model Municipal Law (MML), which aims to strengthen current municipal laws and assist ULBs in areas of accounting reforms, resource mobilization and private sector participation. MML, inter-alia, aims at simplification of municipal byelaws, introducing specific provisions on financial management of ULBs, municipal revenue, urban environmental infrastructure and services, and regulatory jurisdiction.

MML also helps in effective implementation of reforms under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The Mission aims at implementing the Constitution (74th Amendment) Act, 1992 in letter and spirit through a set of mandatory and optional reforms that both



SALIENT FEATURES OF MODEL MUNICIPAL LAW SUPPORTING URBAN REFORM AGENDA

CONSTITUTION AND GOVERNMENT

- Executive powers vested with Empowered Standing Committee
- Five-year term for Mayor/Chairman
- Provision for wards and ward committees
- Functions classified in terms of core, assigned by government, and others
- Dissolution of elected council only after review by a committee
- Re-election of dissolved council within six months
- Provision for recall of municipal councilor

FINANCIAL MANAGEMENT

- State government to prepare municipal accounting manual
- Capital and revenue heads to be separated in municipal accounts
- Separate accounting heads proposed for water supply, roads, etc.
- Municipalities to prepare annual balance sheets
- Annual subsidy and environmental status reports
- Annual inventory of municipal properties
- Provision for appointment chartered accountants as auditors
- Comprehensive debt limitation policy by state government
- Provision for appointment of a Municipal Accounts Committee
- Enabling access to capital markets and financial institutions for capital investments

MUNICIPAL REVENUE GENERATION

- Area-based property tax (PT) assessment system
- Provision for self-assessment system for PT
- Provision for octroi
- Provision for surcharge on transfer of lands/buildings, entertainment tax, non-residential premises, electricity consumption within urban area
- Toll on roads and bridges
- Tax on deficit parking spaces for non-residential properties proposed
- Private sector participation in advertisement tax collection
- Reference to implementation of SFC's recommendations
- Unique property numbering system

URBAN ENVIRONMENTAL INFRASTRUCTURE AND SERVICES

- Participation of private sector, NGOs, and CBOs in delivery of services
- Participation of private sector, NGOs, and CBOs in collection of service charges
- Service charges to reflect O&M and capital costs
- Sub-soil water resources vested with municipalities
- Provision to meet the Hazardous and Bio-medical Waste Handling Rules of MoEF, GoI
- Provision to meet the Solid Waste Handling Rules of MoEF, GoI
- State-level regulatory commission on municipal services

state governments and ULBs need to undertake to access the central government assistance. The MML provides inputs to achieve the reforms proposed under JNNURM.

The MML document consists of (a) Policy Options for Framing Municipal Laws; and (b) the Law. The document was circulated to all states on October

13, 2003; states were urged to adopt the MML through amendments to their own Corporation and Municipalities Act. The Ministry has been impressing upon States/Union Territories the need for implementation of provisions of the MML, as well as adoption of double entry accounting system by ULBs. To give further impetus to

implementation of provisions of the MML, four regional workshops were organized at Jaipur, Kolkata, Hyderabad and Pune.

While the twelfth report of Standing Committee on Urban Development (2005-2006) applauds measures taken by the Union Government in areas of municipal accounting reforms and enactment of the MML for strengthening ULBs in pursuance of Constitution (74th Amendment) Act, it also mentions that their proper implementation is also desired, otherwise such initiatives may remain sterile. As a follow up, a majority of States/UTs have initiated necessary action to incorporate various provisions of the MML in their municipal acts.

Status of State wise Implementation of MML

- The MML has been implemented in the states/UTs of Bihar, Kerala, Nagaland, Sikkim, West Bengal and Andaman and Nicobar Islands.
- The draft based on MML submitted to government in the states of Rajasthan and Uttranchal.
- The review process of MML has begun in the states/UTs of Andhra Pradesh, Chhattisgarh, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab and Tripura.
- The MML is under consideration in the states of Arunachal Pradesh, Chandigarh, Tamil Nadu and Uttar Pradesh.

Source: *Urban Finance, National Institute of Urban Affairs*, Vol. 10, No. 2, April-June, 2007

1.8 ELEVEN INDIAN CITIES EXPERIENCING RAPID ECONOMIC GROWTH

Eleven Indian cities, apart from the top eight, are experiencing rapid economic growth due to

increasing investments across industries, according to Federation of Indian Chambers of Commerce and Industries (FICCI) and Ernst & Young Real Estate Report. These cities include Surat, Chandigarh, Nagpur, Vadodara, Visakhapatnam, Jaipur, Thiruvananthapuram, Kochi, Nashik, Indore and Ludhiana.

Based on five critical indices developed by Ernst & Young, comprising City Prosperity, Urban Governance, Business Environment, Infrastructure and Quality of Life, the FICCI-Ernst & Young Report reveals that the above 11 Indian cities, apart from the top eight, are experiencing initial phases of rapid economic growth. The report says that driven by dynamic policy interventions, free flow of cross-border capital, entry of large international players, big ticket domestic IPOs (Initial Public Offerings), the Indian Real Estate Sector is registering a growth of more than 30 per cent per annum. The report notes that a shift towards these cities, with medium term potential, is primarily due to the spillover demand for commercial office space and also to leverage inherent cost and labour advantages. This has driven demand for residential, commercial, social and hospitality infrastructure in a short period, as a result of which developers and the investor community have evoked keen interest in the changing landscape.

Ernst & Young also conducted a survey which revealed that close to 80 per cent of the respondents believe that in the short to mid-term (three to five years), India as an investment destination is "Excellent" or "Very Good" vis-a-vis other Asian markets like China, Vietnam, Malaysia, Indonesia and Thailand. More than 50 per cent of the respondents believe that a high growth trajectory will continue for the next two to three years, with more than 15 per cent believing that the same will last for more than five years. All respondents believe that more than \$5 billion will

be invested in real estate in three years, with around 20 per cent believing that the deployment will be \$20 billion. In terms of focus on emerging asset classes, close to 65 per cent of the respondents believe that logistics and warehousing infrastructure will be their preferred asset class for investment. Evolution of Indian real estate will get a fillip from the large scale investment in infrastructure planned by the Government in four to five years.

Source: *The Indian Express*, 20 September, 2007

1.9 FASTEST GROWING INDIAN CITIES

The International Institute for Environment and Development, a UK-based policy research non-governmental body has released a report on “The Transition to a Predominantly Urban World and its Underpinnings”, on 22 October, 2007. According to the report, the economic growth in India is driving an unprecedented shift in population to urban centres. 11 Indian cities (Faridabad, Durg-Bhilai, Ghaziabad, Chandigarh, Guwahati, Dhanbad, Bhopal, Aurangabad, Vizag, Surat and Asansol) figure among the 100 fastest growing cities in the world, with Faridabad featuring at the sixth spot.

According to the report, even little-known Indian cities are growing at a unprecedented pace. For instance, Durg-Bhilai in Chhattisgarh, which is home to a massive steel plant, is the seventh fastest growing city in the world.

Expectedly, another NCR city, Ghaziabad, is in the list. But the other cities finding place in the top 100 list could surprise many - Aurangabad, Bhopal, Chandigarh, Dhanbad, Surat, Guwahati, Visakhapatnam and Asansol. Obviously the economic drivers at work in pushing populations to shift from the countryside to these cities are as diverse as the cities themselves.

India is second only to China on these lists, and, if China and India continue to enjoy economic success, they may have larger urban populations in 2020 than those predicted by the United Nations, the report says. It adds that the world’s urban population multiplied 10-fold during the 20th century and most of this growth is now taking place in low and middle-income nations such as India. The authors predict that urban areas in these nations will accommodate most of the world’s growth in population between now and 2020.

Fastest Growing Indian Cities

S. No.	City	Population in 2000 (in lakh)	Average Annual Growth (%) (1950-2000)
1.	Faridabad	10.18	8.00
2.	Durg-Bhilai	9.05	7.90
3.	Ghaziabad	9.28	6.40
4.	Chandigarh	7.91	6.20
5.	Guwahati	7.97	6.00
6.	Dhanbad	10.46	5.50
7.	Bhopal	14.26	5.50
8.	Aurangabad	8.68	5.30
9.	Visakhapatnam	13.09	5.20
10.	Surat	26.99	5.00
11.	Asansol	10.65	5.00

The implications of such dramatic shifts for economic development, poverty reduction and energy consumption are immense. The authors warn that these migrations shall decide global consumption patterns.

Source: *The Times of India*, 23 October, 2007

1.10 NON-METRO CITIES ARE ECONOMIC HOT SPOTS

Smaller cities with populations less than five million will drive urban growth predicted by a report by the UN Population Fund. A study by a real estate consultancy lists smaller cities such as

Chandigarh, Nagpur and Kochi as the future points of growth for the Indian economy. There are other indices - population growth, tax collections and consumption patterns - which show that smaller cities are enjoying a boom. This nails the myth that the benefits of India's 9.4 per cent growth in 2006-07 have been restricted to a few urban centres.

One key indicator of the growth of non-metro - or Tier II cities is population. In 1991, India had 23 cities with a population of one million or more. Now it has 35 cities with a million-plus people. According to the Planning Commission, another 100 million people will move to cities in the next decade. As the economy grows at a healthy clip, it is natural that people will move from villages to towns and from town to cities. Much of the new employment is being generated by a booming service sector. This has also resulted in a sharp rise in the number of self-employed people.

According to the National Sample Survey Organisation, at least six out of every 10 people in Agra are now self-employed, up from just over four in 1999-2000. Many of the self-employed are running cyber cafes, telephone booths, courier services, real estate agencies and even *paan* shops. Contrary to popular perception, this trend has not bypassed states such as Uttar Pradesh. A telecom company estimates that Agra and Meerut are the fastest growing markets for mobile products and services.

All the metros are uniformly plagued by poor infrastructure. The situation is the same - sometimes worse - for small cities. The Union and state governments must work out viable development models for these cities keeping in mind future growth. Mass transit systems, green spaces and wide roads must be high on the agenda of planners. In short, modern urban planning is a must for the new growth centres.

Source: *Editorial, The Times of India*, 29 June, 2007.

2. STATE INITIATIVES

2.1 'NEW INDUSTRIAL POLICY' IN TAMIL NADU

The Tamil Nadu Cabinet has approved the new industrial policy that seeks to encourage fresh investment in the State even while addressing the concerns of those dependent on agriculture. The policy is "comprehensive, broad-based and detailed" and includes sunrise sectors as well as sectors that were not included in the earlier policy.

The new policy aims at consolidating the gains made in the past year and would direct industrial growth in a manner that would create more employment and address the critical issues that the industry had pointed out.

The quantum of incentives given to some labour-intensive sectors had been increased with a view to attracting more such units to the State. Among the sectors expected to get a fillip include agro-industries, especially food processing.

The Chief Minister had announced that an agriculture Special Economic Zone will be set up in the State. The government would stick to the policy of not acquiring 'wet' agricultural lands for any industrial activity.

Source: *The Hindu*, 27 September, 2007

2.2 SEZs FOR POWER

The government is taking a fresh look at the issue of stand-alone special economic zones (SEZs) for power generation projects. The move follows concerns regarding the utilisation of SEZ generated power in the non-processing areas and domestic tariff area (DTA). A key issue calling for policy intervention is the creation of a level-playing field for National Thermal Power Corporation and other power plants servicing the domestic tariff areas.

The issue gains significance, as it is the responsibility of the developer to provide power

as an infrastructure facility. The Maharashtra Industrial Development Corporation decided that instead of setting up individual power generation facility in each SEZ, they would set up two power sector SEZs to supply power to all such zones. Other two sector-specific SEZs in Gujarat were allowed, as the location proposed was not contiguous to the main SEZ.

SEZ developers get exemption on building material, capital goods and operation and maintenance of goods and services. In such a scenario, it is pointed out that the size of the power plant should be linked to the SEZ requirements.

To overcome these issues, the Power Ministry has proposed three possible alternatives:

- The units in the SEZ can create a captive power plant on contributory basis and use the power generated. This will not require any distribution licence or fixation of tariff.
- A cooperative society of users can develop the power plant.
- The SEZ developer can take the distribution licence and get the tariff fixed from the regulator.

Source: *Hindustan Times*, 5 September, 2007

3. CITY INITIATIVES

3.1 DIGITAL BASE MAP OF 'NDMC'

New Delhi Municipal Council (NDMC) will now have the dimensions and location of every part of its area just a mouse click away. The civic agency has, for the first time, pre-pared a Digital Base Map of over 42.7 square kilometre to give a definite shape to its various plans and projects to be taken up for implementation.

In consultation with a team of private architects, NDMC has completed the first phase of its Mapping Initiative Project (MIP) to develop a

detailed map of all its assets under the sun - from buildings, roads and walls to each tree, lamp post and manhole. NDMC had been proposing projects and anticipating their execution without any elaborate data available with it. However, the new mapping system - which NDMC claims is accurate to five cm in one kilometre - will enable it to know the length and breadth of any lane to deploy sanitation workers accordingly or study the blueprint of any building to detect encroachment and fix property tax or count the number of trees on any stretch of road to gauge and protect the greenery around while just sitting in front of the computer screen.

According to sources, now that NDMC has the detailed map to create a management information system for administration, its ready use will be visible in the sanitation work like waste management and garbage segregation first. The next step would be to keep a tab on power distribution, water availability and execute rainwater harvesting projects.

Source: *The Times of India*, 5 October, 2007

3.2 MEGA HOUSING SCHEME AROUND BANGALORE

The Bangalore Development Authority (BDA) approved the formation of five mega housing residential layouts spread over 15,000 acres of land around Bangalore, which will include about 1.76 lakh house sites against the requirement of 2.1 lakh house sites. The five layouts would be developed simultaneously and the sites would be ready for allotment in about six months.

The BDA will set apart around 100 acres of land in each of these new layouts for vertical housing. About 75,000 flats, largely comprising one-bedroom apartments, will be constructed for allotment. The developed layouts would be owned by the BDA and land owners in the ratio of 60:40.

Source: *The Hindu*, 5 September, 2007

4. NEWS IN BRIEF

4.1 INCLUSIVE CITIES: IMPLEMENTING REFORMS UNDER 'JNNURM'

The Prime Minister has requested the Chief Ministers to prepare time-bound action plans for providing all basic services for the urban poor in major cities in their states. He sought their personal attention to promote the concept of inclusive cities in which every citizen has reasonable and affordable access to basic amenities.

The Prime Minister in a letter to the Chief Ministers has said that while the states have responded to the challenges offered by the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), there is a need to focus on the component of Basic

Services to the Urban Poor to implement the charter of the JNNURM.

This component relates to provision of basic entitlements and amenities to urban poor in terms of security of tenure, affordable housing, potable water, and sanitation facilities while envisaging convergence of health, education and social security. The Mission also seeks internal earmarking in Urban Local Body budgets for provision of basic services to the urban poor.

The Prime Minister has also urged the Chief Ministers to direct each city to develop these plans using innovative resource mobilisation models to finance the projects by combining funds provided by the Central and State Governments with community and private resources.

Source: www.pmindia.nic.in/pressrelease dated August 27, 2007

JNNURM AT A GLANCE

(Status upto 2 November, 2007)

Sub-Mission for Urban Infrastructure and Governance

Jawaharlal Nehru Urban Renewal Mission Cities	63
Total Central Share for the Mission period seven years (Rs. in Crore)	50,000
Budget Provision for 2006-07 (Sub-Mission for Urban Infrastructure and Governance) (Rs. in Crore)	2,500
Budget Provision for 2007-08 (Sub-Mission for Urban Infrastructure and Governance) (Rs. in Crore)	2,805
City Development Plan	
City Development Plans submitted	63
City Development Plans not submitted	0
City Development Plans appraised	63
City Development Plans under appraisal	0
Urban Reforms	
Reforms Agenda negotiated and signed	58
Projects	
Detailed Project Reports submitted	636
States for which detailed project reports have been submitted	29
Cities for which detailed project reports have been submitted	56
Detailed Project Reports Appraised	305
Projects Sanctioned / Recommended by CSMC / EFC	254
a) Projects Recommended by Sanctioning Authority for Release of ACA	252
b) Projects Recommended by SA requiring further Approval of UDM / FM before Release of ACA	2
Release of Funds	
Value of Project Sanctioned (Rs. in lakh)	2148507.49
Additional Central Assistance committed (Rs. in lakh)	1035034.85
Central Assistance approved for release (Rs. in lakh)	255500.19
Central Assistance released by MoF (Rs. in lakh)	241451.95

Source: JNNURM, Ministry of Urban Development, Government of India.

Note: CSMC – Central Sanctioning Monitoring Committee, EFC – Expenditure Finance Committee, ACA – Additional Central Assistance, UDM – Urban Development Ministry, FM – Finance Ministry, MoF – Ministry of Finance, SA – Sanctioning Authority.

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. Breakfast / 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. August 1. 2006), is as under :-

GUEST HOUSE TARIFF

S. No.	Category of Members	Occupancy			
		Single	Double	Triple	Quadraple
1	External Guests (subject to availability of accommodation)	650	900	1050	1170
2	AMDA members and their staff on duty and authorised guests	325	450	525	585
3	ASRTU members (while on official duty)	490	675	790	880

CONFERENCE ROOM TARIFF

S. No.	Category	Full day (09.00 hrs to 19.00 hrs)		Half day (09.00 to 14.00 hrs) or (14.00 hrs to 19.00 hrs)	
		Working days	Holidays	Working days	Holidays
1	Non-member organisations	Working days	2,000/-	Working days	1,335/-
		Holidays	2,500/-	Holidays	1,670/-
2	AMDA members	Working days	1,000/-	Working days	675/-
		Holidays	1,250/-	Holidays	835/-
3	ASRTU	Working days	1,500/-	Working days	1,000/-
		Holidays	1,875/-	Holidays	1,250/-

CONFERENCE ROOM FACILITY

Overhead Projector : Rs. 500/- per day, L.C.D. Projector : Rs. 2,000/- per day

Not : The damages, if any, caused to OHP Projector and the LCD Projector will be got rectified by the user/organisation concerned.

CURRENT PUBLICATIONS OF AMDA

1. Infrastructure Financing : Mechanisms and Issues - Seminar Proceedings, 1999. (Rs.300/-)
2. Urban Governance and Management of Urban Environment - Seminar Proceedings, 2000. (Rs.300/-)
3. Simplification of Urban Development Control Regulations and Incorporation of Heritage Regulations in Urban Development Plans - Conference Proceedings, 2000. (Rs.500/-)
4. The Future of Metropolitan Planning Committees - Conference Proceedings, 2001. (Rs.200/-)
5. Urban Services Delivery in India : Toolkit for Contract Management, 2002. (Rs.250/-)
6. Knowledge Base for Good Urban Governance - Seminar Proceedings, 2002. (Rs.100/-)
7. States/UTs of India: a Profile - In-house research study, 2003. (Rs.1,000/-)
8. Catering to a Metropolitan Area Vision - 2021 - Conference Proceedings, 2003. (Rs.300/-)
9. The Municipal Ward as the Basic Urban Planned Development Area - Seminar Proceedings, 2004. (Rs.200/-)
10. The Municipal Ward as The Basic Platform for the Integrated and Participatory Planned Development of The Urban Settlement - Proceedings of the Brainstorming Session, 2004. (Rs.125/-)
11. Innovative Planning Process for Socio-Economic Development - Seminar Proceedings, 2005. (Rs.200/-)
12. Strategic Issues Concerning Preparation of Master Plan for Core Areas - Seminar Proceedings, 2006. (Rs.200/-)
13. Urban Governance in the context of Jawaharlal Nehru National Urban Renewal Mission - National Seminar Proceedings, 2006. (Rs.300/-)
14. The Metropolitan Agglomerations and the Proposed Grouping of Urban Areas in India - In-house Research Study, 2007. (Rs.200/-)

Interested Organisations/Individuals/Professionals who wish to purchase publication(s) may send the Demand Draft drawn in favour of "**Association of Municipalities and Development Authorities**" adding postage charges of Rs.50/- inland and US\$ 12 for overseas per report to the Director, AMDA.



Editor : **Shri B. N. Singh, Director**, with inputs from **Shri Ashfaque Alam, Asstt. Director (R&T)**
Association of Municipalities and Development Authorities (AMDA)
 7/6 Sirifort Institutional Area, August Kranti Marg, New Delhi-110 049, India.
 Phone: 91-11-26494486, 26496487, 26497973, 26496837 Fax: 91-11-26491675
 e-mail : india738@nda.vsnl.net.in website : www.amdaindia.org
 Published for AMDA and Printed at : Print Link, Phone : 9211372372, 9213392937