UNIT 3 URBAN DEVELOPMENT PROGRAMMES IN INDIA

Structure
3.1 Introduction
3.2 Urban Development Programmes Initiated Since Independence
3.3 Jawaharlal Nehru National Urban Renewal Mission (JNNURM)
3.4 Mission Toolkit
3.5 Mission Framework
3.6 Mission Process
3.7 Monitoring Framework
3.8 Outcomes of the Project
3.9 Status of the Mission
3.10 Let Us Sum Up
3.11 References and Selected Readings
3.12 Check Your Progress-Possible Answers

3.1 INTRODUCTION

As per 2001 population census 285.35 million people reside in urban areas. It constitutes 27.8% of the total population of the country. In post-independence era, while population of India has grown three times, the urban population has grown five times. The rising urban population has also given rise to increase in the number of urban poor. As per 2001 estimates, the slum population is estimated to be 61.8 million. The ever increasing number of slum dwellers causes tremendous pressure on urban basic services and infrastructure. In order to cope with massive problems that have emerged as a result of rapid urban growth, the government of India has launched many programmes since independence. One of the illustrious examples is JNNURM launched recently to rejuvenate urban development in India.

After studying this unit you should be able to:

- Describe various urban development programmes launched in India since independence.
- Discuss JNNURM.

3.2 URBAN DEVELOPMENT PROGRAMMES INITIATED SINCE INDEPENDENCE

Urban development programmes with a focus on reduction and alleviation of poverty, has been one of the objectives of five-year plans in the country since the beginning of the planned era. This was, however, brought into the core of planning exercise only during the Fifth Year Plan. The consumption levels of different commodities were projected in this plan by taking higher growth rates for people in lower consumption brackets. Extensive research has since then been carried out to study the dimensions of poverty, its temporal trend, spatial pattern etc.
This led to identification of theoretical solutions for reduction of poverty and launching of programmes during the past Five Year Plans.

An analysis of the government policies and programmes and investment pattern during the fifties, sixties and seventies reveals a distinct bias for urban areas. Public sector investment in infrastructure and basic services improved the level of services in urban centers, which accentuated the rural urban disparity. These investments were concentrated mostly in the large cities that attracted private investments as well as subsidized institutional funds. This resulted in creation of employment opportunities at a higher level of productivity earnings than in rural areas, widening the gap between their income levels. This period also witnessed the creation of a number of Boards and Corporations at the state level and development authorities at the city level. Considerable funds were routed through these agencies that improved the level of services for at least a section of the urban population.

Removal of poverty received attention initially in the Fifth Five Year Plan. The earlier plans did not emphasize on proper analysis of the dimension of poverty. The Fifth Plan noted that the consumption levels of the bottom 30 per cent of the country’s population remained below the minimum of Rs.40.6 per capita per month at 1972-73 prices. No distinction was, however, made between rural and urban poverty. The plan stressed poverty could be removed by promoting economic growth and through proper implementation of the national level programmes like Minimum Needs Programme. The Sixth Plan addressed the problem of poverty in a more focused manner and recognized that economic growth process by itself was not enough to tackle poverty. It noted that about 51 per cent of the rural population and 41 per cent of the urban population were living below the poverty line in 1979-80. Specific programmes like Integrated Development of Small and Medium Towns, Minimum Needs Programme, Urban Basic Services, Integrated Rural Development Programme, National Rural Development Programme (NRDP) etc. were recommended for urban and rural areas. The Sixth Plan showed a distinct bias in favour of rural poverty by implementing specific programmes. The programmes that have been launched since independence have been briefly discussed in the following section.

i) Integrated Development of Small and Medium Towns (IDSMT): The programme was launched in 1979-80 basically for developing small and medium towns partly by providing basic services to poor and also by improving their economic conditions so that the growth of metro cities could be arrested. Initially, the scope of the programme was restricted to towns with population below one hundred thousand as per the 1971 Census. It had been decided in the Eighth Plan to include cities having population of five hundred thousand as per the Census of 1991.

ii) Low Cost Sanitation Programme (LCS): The goal of providing sanitation facilities to eighty per cent of urban population was fixed in the early eighties with the announcement of the UN Decadal Programme for Water Supply and Sanitation. Accordingly, a centrally sponsored scheme was launched in 1980-81, with the objective of eliminating manual scavenging through conversion of dry latrines. It covered all the households, which have dry latrines and those having no latrines including slum and squatter settlements.
Under this scheme, loan and Central subsidy were both channeled through HUDCO.

iii) **Shelter and Sanitation for Pavement Dwellers (SSPD):** This programme was launched in large urban areas including metropolitan cities, having sizable shelter less population. The Tenth Plan has pointed out that the provision of subsidy under the scheme has to be adequate to make it feasible for the NGOs to take up shelter construction. The grants per bed should also be revised to achieve the objective of providing a sufficient number of nights – shelters for the homeless women and children. The Pay and Use component of this scheme is being merged with the Nirmal Bharat Abhiyan of VAMBAY.

iv) **Accelerated Urban Water Supply Programme (AUWSP):** This is another centrally sponsored scheme launched during the Eighth Plan for providing water to the towns having less than 20,000 population as per the Census of 1991, operationally under the State PHED to be funded by the Central Government, State Government and concerned ULBs on 50:45:5 ratio. The Centre met the entire cost in Union Territories.

v) **National Slum Development Programme (NSDP):** The NSDP initiated in 1996 as a scheme of Special Central Assistance for slum improvement, has been providing additional central assistance to state governments to provide water supply and sanitation among other facilities to the slums.

vi) **VAMBAY (Valmiki-Ambedkar Awas Yojana):** This scheme has been launched in 2001-02 to provide shelter or upgrade the existing shelter of the people living below poverty line in urban slums implemented in partnership with state governments who will set up the implementation machinery, arrange for land where required and for the credit component for housing. The state funds under the scheme will be in proportion to their slum population.

vii) **Nehru Rozgar Yojana (NRY):** In order to alleviate the conditions of urban poor, a Centrally Sponsored Programme - Nehru Rozgar Yojana - was launched at the end of the Seventh Five Year Plan (October 1989) with the objective of providing employment to the urban unemployed and underemployed poor. The Central Government indicated its overall contribution while the essential task of identifying, earmarking and coordinating the relevant sectoral inputs was undertaken by the State Governments. The NRY consisted of three schemes namely (i) the Scheme of Urban Micro Enterprises (SUME); (ii) the Scheme of Urban Wage Employment (SUWE); and (iii) the Scheme of Housing and Shelter Upgradation (SHASU). During the Eighth Plan, 92% of the available funds were utilized but for the shortfall in the number of dwelling units upgraded/in progress under SHASU, the targets have been achieved under all the other schemes.

viii) **Urban Basic Services for the Poor (UBSP):** The UBSP Programme was implemented as a Centrally Sponsored Scheme during the Eighth Five Year Plan with the specific objectives of effective achievement of the social sector goals; community organization, mobilization and empowerment; and convergence through sustainable support system. The expenditure on the
Programme was being shared on a 60:40 basis between the Central and the State Governments and UTs (with legislatures). Further, the per capita expenditure on any slum pocket is Rs.75/- in the first year and Rs.50/- from the second year onwards after the basic infrastructure is developed.

ix) **Prime Minister’s Integrated Urban Poverty Eradication Programme (PMI UPEP):** Recognizing the seriousness and complexity of urban poverty problems, especially in the small towns, the PMI UPEP was launched in November, 1995 applicable to all Class II urban agglomerations with a population ranging between 50,000 and one lakh subject to the condition that elections to local bodies have been held.

x) **The Swarna Jayanti Shahari Rozgar Yojana (SJSRY):** The Nehru Rojgar Yojna (NRY) and Prime Minister’s Integrated Urban Poverty Eradication Programme (PMI UPEP) were two important direct poverty alleviation programmes in urban areas. Although their thrust was on employment and income generation for urban poor, these had components for provision of basic services as well. PMI UPEP was launched in the year 1995-96 with the objectives of employment generation, shelter upgradation, social development and community empowerment. It may, however, be noted that during 1997, the three programmes of UBSP, NRY and PMIUPEP have been merged into a single employment generation programme called Swarna Jayanti Shahari Rojgar Yojona (SJSRY).

The SJSRY is a Centrally Sponsored Scheme applicable to all the urban areas with expenditure to be shared in ratio 75:25 between the Centre and States/UTs. The programme has two sub-schemes namely: (a) Urban Self –Employment Programme and (b) Urban Wage Employment Programme.

The self-employment and wage employment components of the NRY and PMIUPEP have been re-organised under this single programme. The shelter upgradation components of both NRY and PMIUPEP have been merged with the National Slum Development Programme.

The SJSRY seeks to provide gainful employment to the urban unemployed or underemployed poor by encouraging the setting up of self-employment ventures or provision of wage employment. This programme is based on the creation of suitable community structures on the UBSP pattern and delivery of inputs under this programme was devised through urban local bodies and similar community institutional structures and rests on the foundation of community empowerment. Community organisations like Neighbourhood Groups (NHGs), Neighbourhood Committees (NHCs) and Community Development Societies (CDSs) have been set up in the target areas based on the UBSP pattern. The CDSs is the focal point for purposes of identification of beneficiaries, preparation of applications, monitoring of recovery and generally providing whatever other support is necessary to the programme. The CDSs identifies viable projects suitable for that particular area.

In this session you read about various urban development programmes initiated since independence in India by the government. Now answer the questions given in Check Your Progress-1.
Check Your Progress 1

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) Briefly describe the programme launched for urban sanitation.

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2) Write short note on Nehru Rozgar Yojana (NRY).

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3.3 JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION (JNNURM)

Urban Renewal, with a focus on inclusive development of urban centers, is one of the thrust areas in the National Common Minimum Programme of the Government and accordingly Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on 3rd December 2005 with an investment of Rs.50,000.00 crores in the Mission period for seven years beginning from 2005-06. The Mission aims to encourage reforms and fast-track infrastructure development with a focus on efficiency in urban infrastructure and services delivery mechanism, community participation, and accountability of ULBs towards citizens. The primary objective of the JNNURM is to create economically productive, efficient, equitable and responsive cities. To achieve this objective, the Mission focuses on integrated development of infrastructure services; securing linkages between asset creation and maintenance for long-run project sustainability; accelerating the flow of investment into urban infrastructure services; planned urban development; renewal of inner-city areas and universalisation of urban services to ensure balanced urban development.

The Mission has also succeeded in getting the state and city governments to commit themselves to structural reforms which the Central government had failed to achieve despite adopting several measures and incentive schemes proposed since early nineties through other programmes and legislations (Kundu, et.al 2007). In fact, a set of 23 mandatory reforms have to be introduced by the respective state governments and cities as per the commitments made by them in the Memorandum of Agreement (MoA) at the beginning of the mission period.
Urban Development Plans, Policies and Programmes

The JNNURM is thus a mission of macro economic growth wherein ground conditions have been created through reform measures and infrastructural investment in 65 select cities for attracting domestic and foreign investment. The JNNURM has two sub-missions for the mission cities, viz, (1) Urban Infrastructure and Governance (UIG) and (2) Basic Services to the Urban Poor (BSUP).

3.3.1 Mission Strategy

i) Planned urban perspective frameworks for a period of 20-25 years (with 5 yearly updates) indicating policies, programmes and strategies of meeting fund requirements would be prepared by every identified city. This perspective plan would be followed by preparation of Development Plans integrating land use with services, urban transport and environment management for every five year plan period.

ii) Cities/Urban Agglomerations/Parastatals will be required to prepare Detailed Project Reports for undertaking projects under identified areas.

iii) Private Sector Participation in development, management and financing of Urban Infrastructure would be clearly delineated.

iv) Funds for the identified cities would be released to the designated State Nodal Agency, which in turn would leverage, to the extent feasible, additional resources from the financial institutions/private sector/capital market.

v) Funds from Central and State Government will flow directly to the nodal agency designated by the State as grant. The nodal agency will disburse central assistance to ULBs or para-statal agencies as the case may be, as soft loan or grant-cum-loan or grant.

vi) A revolving fund will be created to meet the operation and maintenance costs of the assets created under the Mission.

3.3.2 Mission Objectives

i) Focused attention to integrated development of infrastructural services in the cities covered under the Mission.

ii) Secure effective linkages between asset creation and asset management so that the infrastructural services created in the cities are not only maintained efficiently but also become self-sustaining over time.

iii) Ensure adequate investment of funds to fulfill deficiencies in the urban infrastructural services.

iv) Planned development of identified cities including peri-urban areas, outgrowths, urban corridors, so that urbanization takes place in a dispersed manner.

v) Scale up delivery of civic amenities and provision of utilities with emphasis on universal access to urban poor.

vi) To take up urban renewal programme, i.e., re-development of inner (old) cities area to reduce congestion.
3.3.3 Mission Components

i) **Admissible Components**: Projects pertaining to the following will be admissible under the Sub-Mission on Urban Infrastructure and Governance.

   i) Urban Renewal i.e. redevelopment of inner (old) city areas (this would include items like widening of narrow streets, shifting of industrial/commercial establishments from non-conforming to ‘conforming’ areas to reduce congestion, replacement of old and worn-out water pipes by new/higher capacity ones, renewal of sewerage/drainage/solid waste disposal systems, etc).

   ii) Water Supply (including de-salination plants) and sanitation,

   iii) Sewerage and Solid Waste Management,

   iv) Construction and improvement of drains/storm water drains,

   v) Urban Transport, including roads, highways/expressways/ MRTS/metro projects,

   vi) Parking lots/spaces on Public Private Partnership basis,

   vii) Development of heritage areas,

   viii) Prevention and rehabilitation of soil erosion/landslides only in case of Special Category States where such problems are common, and

   ix) Preservation of water bodies.

   **Note**: *Land cost will not be financed except for acquisition of private land for schemes/projects in the North Eastern States and hilly States viz Himachal Pradesh, Uttarakhand and Jammu and Kashmir.*

ii) **Inadmissible Components**: Projects pertaining to the following will not be admissible under the Sub-Mission:

   i) Power

   ii) Telecom

   iii) Health

   iv) Education

   v) Wage employment programme and staff component

3.3.4 Mission Coverage

Keeping in view the paucity of resources and administrative constraints in taking up all cities and towns under this intensive urban infrastructure improvement programme, it is suggested that under JNNURM only selected cities/Urban Agglomerations (UAs) as per 2001 Census will be taken up, as per norms/criteria mentioned below.

A) Cities/UAs with 4 million plus population as per 2001 census

B) Cities/UAs with 1 million plus but less than 4 million population as per 2001 Census

C) Selected Cities/UAs (State Capitals and other cities/UAs of religious/historic and touristic importance)

D) The cities should have elected bodies in position.
The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) requires cities applying for assistance to lay down a time schedule for implementing the proposed reform agenda. The reform agenda consists of reforms that are to be undertaken: (i) by urban local bodies (ULBs) and (ii) by the state governments. This Toolkit is designed to seek information from the applicant cities that will enable the Ministry of Urban Development (MoUD) or the Ministry of Urban Employment and Poverty Alleviation (MoUEPA) to set the following: (i) the benchmarks on each of the constituents of the reform agenda, and (ii) a time schedule for implementing the reform agenda. The timeline for implementing the reform agenda will be attached to the Memorandum of Agreement (MoA). In addition, Toolkits separately provide details of the criteria that are proposed to be used for appraising project proposals and the timeline for urban reform agenda. The Urban Reforms shall broadly fall into two categories:

(a) Mandatory reforms and (b) Optional Reforms.

All the mandatory and optional reforms shall be implemented by the State/ULB/parastatals within the mission period. Core reforms at ULB/Parastatal level aims at process re-engineering through deployment of technology to enable more efficient, reliable, timely services in a transparent manner. The other set of reforms are framework related at State level.

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<tr>
<th>Reforms</th>
<th>State Level</th>
<th>ULB Level</th>
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<tr>
<td><strong>Mandatory Reforms</strong></td>
<td>Implementation of decentralization measures as envisaged in 74th Constitution Amendment Act. States should ensure meaningful association/engagement of ULBs in planning function of parastatals as well as delivery of services to the citizens.</td>
<td>Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies</td>
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<td></td>
<td>Repeal of Urban Land Ceiling and Regulation Act.</td>
<td>Introduction of system of e-governance using IT applications like, GIS and MIS for various services provided by ULBs</td>
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<td></td>
<td>Reform of Rent Control Laws balancing the interests of landlords and tenants.</td>
<td>Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85% within next seven years.</td>
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<td></td>
<td>Rationalization of Stamp Duty to bring it down to no more than 5% within next seven years.</td>
<td>Levy of reasonable user charges by ULBs/Parastatals with the objective that full cost of operation and maintenance or recurring cost is collected within next seven years.</td>
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</table>
### Enactment of Public Disclosure Law to ensure preparation of medium term fiscal plan of ULBs/Parastatals and release of quarterly performance information to all stakeholders.

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<tr>
<th>Internal earmarking within local body, budgets for basic services to the urban poor.</th>
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### Enactment of Community Participation Law to institutionalize citizen’s participation and introducing the concept of Area Sabha in urban areas.

<table>
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<tr>
<th>Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuing delivery of other already existing universal services of the Government for education, health and social security.</th>
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### Assigning or associating elected ULBs with “city planning function”. Over a period of seven years, transferring all special agencies that deliver civic services in urban areas to ULBs and creating accountability platforms for all urban civic service providers in transition.

### Repeal of Urban Land Ceiling Act

### Reform of Rent Control Act

#### Optional Reforms (Common to State and ULBs)

- Revision of bye-laws to streamline the approval process for construction of buildings, development of sites etc.

- Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.

- Introduction of Property Title Certification System in ULBs.

- Earmarking at least 20-25% of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidization.

- Introduction of computerized process of registration of land and property.

- Revision of bye-laws to make rain water harvesting mandatory in all buildings and adoption of water conservation measures.

- Bye-laws for reuse of recycled water.

- Administrative reforms i.e. reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard.

#### Structural reforms

- Encouraging Public Private Partnership

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**Note:**

1. Any two optional reforms to be implemented together by State & ULBs/Parastatals in each year.

2. All the reforms (mandatory as well as optional) shall be implemented by State/ULB/Parastatal within the Mission period.
The State Governments and the ULBs including parastatal agencies wherever necessary would execute Memorandum of Agreement (MoA) with Government of India indicating their commitment to implement identified reforms. MoA would spell out specific milestones to be achieved for each item of reform. Signing of MoA will be a necessary condition to access central assistance. This tripartite MoA would be submitted along with Detailed Project Reports (DPRs). The central assistance will be predicated upon the State Governments and the ULBs/Parastatals agreeing to the reforms platform.

3.5 MISSION FRAMEWORK

The framework was evolved to provide incentives for reforms in urban development and thereby facilitate sustainable investments in urban infrastructure.

3.5.1 Institutional Arrangement for Policy Oversight

National Steering Group (NSG): At the national level, the JNNURM shall be steered by the NSG. It shall be chaired by the Minister of Urban Development (MOUD) and co-chaired by Minister of State (Independent charge) Urban Employment and Poverty Alleviation (MoUEPA). The NSG, a coordinating arm of the Government of India, shall provide policy oversight and evolve policies to facilitate the achievement of JNNURM objectives. The NSG shall review the agenda of reforms and may add additional reforms to the identified reforms. The NSG shall review the progress of the Mission. Besides, the NSG shall monitor the progress status of urban development and associated reforms in eligible cities.

Under the Sub-Mission on Basic Services for Urban Poor, there will be a high level committee chaired by Minister for Urban Employment and Poverty Alleviation with Joint Secretary (UEPA) as Member-Convener.

3.5.2 Institutional Arrangements for Mission Operationalisation

A) Sub-Mission Directorates (SMD): At the national level, the Mission shall be operationalised through two Sub-Mission Directorates one under the charge of Joint Secretary in Ministry of Urban Development (MoUD) and other under Ministry of Urban Employment and Poverty Alleviation (MoUEPA) for ensuring effective co-ordination with State Governments and other agencies for expeditious processing of the project proposals. The Joint Secretary in charge of each Mission Directorate would be designated as Mission Director. National Technical Advisor will be a member of both the Directorates.

The two Sub-Mission Directorates established are:

i) Sub-Mission Directorate for Urban Infrastructure and Governance: The Sub-Mission of Urban Development and Governance has the charter of achieving development of urban infrastructure with a focus across sectors in the urban context.

ii) Sub-Mission Directorate for Basic Services to the Urban Poor: The Sub-Mission for Basic Services to the Urban Poor shall focus on access to infrastructure for the urban poor. This Sub-Mission shall have a seven-point charter: security of tenure, housing, water supply, sanitation, education, health and social security cover.
**B) Central Sanctioning and Monitoring Committee:** There will be two Central Sanctioning and Monitoring Committees headed by respective Secretaries for Urban Infrastructure and Governance, and Basic Services to the Urban Poor. The CSMCs shall be entrusted with sanction and monitoring of the projects and associated reforms.

**C) State-Level Steering Committee (SLSC):** In order to identify, decide and prioritize the projects for inclusion in JNNURM, an apex body in each State, namely the SLSC shall be constituted. The SLSC shall screen and prioritize the identified projects. The identified projects shall be recommended to the respective CSMCs for sanction. The SLSC shall also monitor the implementation of the projects and review the progress of urban reforms in the State. In pursuing these tasks, the SLSC shall be assisted by the State Level Nodal Agency (SLNA), to be appointed for the said purpose.

**D) State Level Nodal Agency (SLNA):** The scheme would be implemented by a SLNA designated by the respective State governments. The SLNA would perform various functions, key ones being:

- Assisting ULBs/Parastatal agencies in the preparation of CDPs and DPRs and in training and capacity building.
- Appraising projects submitted by ULBs/Parastatal agencies.
- Obtaining sanction of State Level Sanctioning Committee for seeking assistance from the Central Government under NURM.
- Managing grants received from the Central and State governments.
- Monitoring the implementation of reforms as committed in the MoA and submitting quarterly reports to that effect.

JNNURM Directorate, Ministry of Urban Development (MoUD), has evolved a state level mechanism for third party Monitoring and Review of the projects sanctioned under the JNNURM Sub-Mission-I (Urban Infrastructure and Governance) component. It is intended that the review and monitoring process in the 63 Mission cities will keep track of the physical and financial progress of projects throughout the project development life-cycle. This toolkit is to enable the State Level Nodal Agencies (SLNAs) set in motion the process of appointing the Independent Review and Monitoring Agencies (IRMAs) for monitoring and review of all projects implemented under JNNURM by urban local bodies, parastatals and other state agencies.

At the state level, it is envisaged that a Program Management Unit (PMU) shall be established and housed in each SLNA to provide strategic coordination and support for all JNNURM related reforms, projects, capacity building initiatives and other activities in the State. The PMU within the SLNA will play the key role of coordination and oversight of the IRMA on behalf of the SLNA. Likewise at the city or urban local body level, it is envisaged that a Project implementation Unit (PIU) shall be established and housed in the ULBs of the Mission Cities, to take the lead charge with respect to implementation of all JNNURM projects and reforms in the city. The PIU will play a key role in facilitating the work of the IRMA and coordinate between the IRMA and the Project Executing Agency (PEA).
3.5.3 Institutional Arrangement for Advisory Support

For successful deployment of assistance targeted through JNNURM, advisory support is envisaged. Advisory assistance is expected through the Technical Advisory Group (TAG) comprising professionals across the legal, environment, social and urban infrastructure sectors that would assist the CSMCs, SLSC, SLNA and ULBs. The TAG shall provide advisory support at the macro and micro level for obtaining financial assistance within the provisions of JNNURM. Detailed Project Reports would be scrutinized by the Technical wings of the Ministry or if necessary by specialized/technical agencies before placing such proposals for sanction by Central Sanctioning and Monitoring Committee which are submitted by the states. The Committee would assign higher priority in sanctioning projects of urban renewal, water supply including sanitation, sewerage, solid waste management, drainage, urban transport including roads.

3.6 MISSION PROCESS

The JNNURM is expected to cater to the non-mission towns and cities under the two components, namely: (i) Urban Infrastructure and Governance (UIG) of UIDSSMT and (ii) Integrated Housing and Slum Development Programme (IHSDP). The programme is expected to cover all other Census towns under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT). The existing programme of IDSMT, AUWSP has been subsumed under UIDSSMT. Likewise, the existing VAMBAY and the discontinued NSDP have been subsumed in the IHSDP.

The objective of the Mission would be met through preparation of City Development Plans (CDPs), Detailed Project Reports (DPR) and signing of MoA between the Centre, State, and Urban Local Body (ULB). Every city is expected to formulate a City Development Plan (CDP) indicating policies, programmes and strategies, and financing plans. The CDP would include identification of projects leading to the formulation of Detailed Project Reports (DPRs). The Urban Local Bodies (ULBs) / Parastatal agencies have to prepare DPRs for undertaking projects in the identified spheres. The projects should be planned so as to optimize the life-cycle costs. A revolving fund would be created to meet the O & M requirements of assets created, over the planning horizon.

In order to seek JNNURM assistance, projects need to be developed in a manner that would ensure and demonstrate optimization of the life-cycle costs over the planning horizon of the project. On approval of the CDPs and DPRs, the State Government and ULBs including parastatal agencies, wherever necessary would execute a MoA with GoI indicating commitment along with a timeline to implement identified reforms. The pattern of funding is illustrated below:

**FINANCING PATTERN**


The first installment of 25% will be released on signing of Memorandum of Agreement by the State Government/ULB/Parastatal for implementation of JNNURM projects. The balance amount of assistance shall be released as far as possible in three installments upon receipt of Utilization Certificates to the extent of 70% of the grants (Central and State) and subject to achievement of milestones agreed for implementation of mandatory and optional reforms at the State and ULB/Parastatal level as envisaged in the Memorandum of Agreement.

### 3.7 MONITORING FRAMEWORK

- The MoUD/MoUEPA would periodically monitor the schemes through designated representatives.
- SLNA would send quarterly progress report to the MoUD/MoUEPA.
- Upon completion of the Project, the SLNA through the State Government shall submit a completion report of activities undertaken as a part of JNNURM.
- The CSMC may meet as often as required to sanction, review and monitor the progress of projects sanctioned under the Mission.
- Monitoring of progress and implementation of reforms would be outsourced to specialized/technical agencies.
3.8 OUTCOMES OF THE PROJECT

On completion of the Mission period of seven years, it is expected that ULBs/Parastatals will achieve the following outcomes:

a) Modern and transparent budgeting, accounting, financial management systems designed and adopted for all urban services and governance functions.

b) City-wide framework for planning and governance will be established and become operational.

c) All urban residents will be able to obtain access to a basic level of urban services.

d) Financially self-sustaining agencies for urban governance and service delivery will be established through reforms to major revenue instruments.

e) Local services and governance will be conducted in a manner that is transparent and accountable to citizens.

f) e-Governance applications will be introduced in core functions of ULBs/Parastatals resulting in reduced cost and time of service delivery processes.

3.9 STATUS OF THE MISSION

As a result of the reforms implementation, the community participation law has been passed by nine states, public disclosure law has been enacted by 16 states, Maharashtra and Andhra Pradesh have abolished the urban land ceiling legislation, nine states have rationalized stamp duty to the desired level of 5%, 29 local bodies have shifted to accrual-based double entry system of accounting, 45 local bodies out of 65 mission cities have started earmarking funds for the urban poor, three states of North East have for the first time passed legislation for constitution of urban local bodies and Jharkhand held urban local body election after a gap of 22 years. Twenty four states have introduced computerized process of registration of land and property and 47 city bodies have undertaken revision of by-laws for rain water harvesting.

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<th>Status at a Glance</th>
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<tbody>
<tr>
<td>1. Number of cities covered under JNNURM</td>
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<td>2. Number of City Development Plans (CDPs) appraised</td>
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<td>3. Number of Memorandum of Agreements (MoAs) signed</td>
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<td>4. Number of projects approved (Till 09-Feb-10)</td>
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<td>5. Total approved project cost (For 524 projects)</td>
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<td>6. Central Share (ACA) released for Projects (till 31-Mar-10):</td>
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<td>7. Number of States for which projects approved (Out of 31 States/UTs)</td>
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<td>8. Number of Cities for which projects approved (Out of 65 cities)</td>
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<td>9. Number of completed projects</td>
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In this section, you have studied about JNNURM, mission toolkit, mission framework, mission process, monitoring framework, outcomes of the project and status of the mission, and now answers the questions given in Check Your Progress-2.

Check Your Progress 2

Note: a) Write your answer in about 50 words.
   b) Check your answer with possible answers given at the end of the unit

1) What are the objectives of JNNURM?

2) Briefly write various components of JNNURM.

3.10 LET US SUM UP

Urban development programmes with a focus on reduction and alleviation of poverty, has been one of the objectives of five-year plans in the country since the beginning of the planned era. This was, however, brought into the core of planning exercise only during the Fifth Five Year Plan. In order to cope with massive problems that have emerged as a result of rapid urban growth, it has become imperative to draw up a coherent urbanization policy/strategy to implement projects in select cities on mission mode. The need for the mission also rose in order to harness the potential of reforms in urban infrastructure, for National-Level Reform-linked Investments, for sustainable infrastructure development and efficiency enhancements. The JNNURM is the outcome of the mission strategy and is in vogue since 2005 for fastening the process of urban development.

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3.12 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress-1

1) **Briefly describe the programme launched for urban sanitation.**

The goal of providing sanitation facilities to eighty per cent of urban population was fixed in the early eighties with the announcement of the UN Decadal Programme for Water Supply and Sanitation. Accordingly, a centrally sponsored scheme was launched in 1980-81, with the objective of eliminating manual scavenging through conversion of dry latrines. It covered all the households, which have dry latrines and those having no latrines including slum and squatter settlements. Under this scheme, loan and Central subsidy were both channeled through HUDCO.

2) **Write short note on Nehru Rozgar Yojana (NRY).**

In order to alleviate the conditions of urban poor, a Centrally Sponsored programme - Nehru Rozgar Yojana - was launched at the end of the Seventh Five Year Plan (October 1989) with the objective of providing of employment to the urban unemployed and underemployed poor. The Central Government indicated its overall contribution while the essential task of identifying, earmarking and coordinating the relevant sectoral inputs was undertaken by the State Governments. The NRY consisted of three schemes namely (i) the Scheme of Urban Micro Enterprises (SUME); (ii) the Scheme of Urban Wage Employment (SUWE); and (iii) the Scheme of Housing and Shelter Upgradation (SHASU). During the Eighth Plan, 92% of the available funds were utilised and but for the shortfall in the number of dwelling units upgraded/in progress under SHASU, the targets have been achieved under all the other schemes.

Check Your Progress 2

1) **What are the objectives of JNNURM?**

The various objectives of JNNURM are as follows:

a) Focused attention to integrated development of infrastructural services in the cities covered under the Mission.

b) Secure effective linkages between asset creation and asset management so that the infrastructural services created in the cities are not only maintained efficiently but also become self-sustaining over time.

c) Ensure adequate investment of funds to fulfill deficiencies in the urban infrastructural services.

d) Planned development of identified cities including peri-urban areas, outgrowths, urban corridors, so that urbanization takes place in a dispersed manner.

2) **Briefly write various components of JNNURM.**

Two types of components under JNNURM are described below:
i) **Admissible Components:** Projects pertaining to the following will be admissible under the Sub-Mission on Urban Infrastructure and Governance.
   a) Water Supply (including de-salination plants) and sanitation
   b) Sewerage and Solid Waste Management
   c) Construction and improvement of drains/storm water drains.
   d) Urban Transport, including roads, highways/expressways/ MRTS/metro projects.

ii) **Inadmissible Components:** Projects pertaining to the following will not be admissible under the Sub-Mission:
   i) Power
   ii) Telecom
   iii) Health
   iv) Education