

Draft National Urban Policy 2001

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and Poverty Alleviation**

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1. Introduction

1.1. Preamble

1.1.1. Under the Constitution of India, urban development, planning, management and governance are subjects that come under the domain of state governments, who delegate these subjects to the municipal governments and other local bodies through specific legislation. The Central Government facilitates the efforts of state and municipal governments by providing guidelines for developing their policy and programmes as well as certain incentives in the form of centrally sponsored programmes in selected priority areas. Keeping the Constitution provisions in view, this urban policy has been designed to identify the issues, strategies and actions that need to be taken by the central, state and municipal governments to achieve a sustainable and balanced urban development in the country. In developing this policy, the Ministry of Urban Development and Poverty Alleviation has also drawn upon the policy statements articulated in the Five Year Plan documents, reports of various task forces and expert committees of Planning Commission, Government of India, and the National Commission on Urbanisation, and other urban strategy and policy papers.

1.2. The Urban Scenario

1.2.1. Urban population in India is presently estimated at about 295 million, which is 29 per cent of the estimated total population of 1.02 billion. Of the 3,697 urban agglomerations and other towns identified in 1991 Census of India, 23 metropolitan cities (urban agglomerations having a population of one million and above) together contained about one-third of the total urban population of 217.6 million, in 1991. The remaining urban population was almost equally divided between the 277 large towns with population ranging from 100,000 to one million and the 3,397 towns with population less than 100,000. The proportion of population in metropolitan cities, which was 19 per cent in 1951, increased to 33 per cent in 1991. The rate of urban population growth in the country is still very high compared to developed countries, and the large cities in the country are becoming larger due to accretion of population to these cities.

1.2.2. It is widely believed that while the total population growth rate in the country will decline significantly (2.16 per cent per year in 1981-91 to 1.2 in 2011-21), urban population will continue to grow at the same rate, or even higher than that was observed during the 1971-91 period (about 3 per cent per year). On the assumption that the urban population would continue to grow at a rate of about 3.1 per cent per year in the next few decades, the urban population is expected to increase to an estimated 297 million in 2001, and further to 549 million by 2021. The level of urbanisation in the country, in 2021, is expected to be about 41 per cent. Also, it has been estimated that at least fourteen more cities are likely to become metropolitan cities by the year 2001. The number is estimated as 52 by the year 2011, and 75 by 2021. Presently, there are three mega-cities (population in excess of ten million) in the country, but, by the year 2021, with six mega-cities (Calcutta,

Mumbai, Delhi, Chennai, Bangalore and Hyderabad) India will have the greatest concentration of mega-cities in the Asian region.

1.2.3. A significant positive relationship between urbanisation and economic development is well established. In India also, urbanisation has followed industrial and agricultural development as well as heavy investment in public sector. Urban India's contribution to the Gross Domestic Product of the country is, presently, estimated at about 50 per cent. In addition to urban-industrial development, the urbanisation process in the country has contributed to development in other sectors including agriculture, social, cultural, and political. Urbanisation has also led to increases in personal incomes, changes in life-style, and availability of superior quality of services and amenities for an increasing number of people.

1.3. Issues

1.3.1. Though the overall pattern of urbanisation in the country is not lopsided, there are significant variations in the level of urbanisation in different parts of the country. Amongst the major states in the country, in the most urbanised state, Maharashtra, the urbanisation level in 1991, measured by the percentage of urban population to total population, was 38.7, while in the least urbanised state, Assam, it was only 11.1 per cent. Presently, these proportions have increased significantly.

1.3.2. High rate of migration from rural to urban areas has been putting enormous pressures on our urban areas, causing serious problems of urban planning, management and governance in these areas, particularly in large cities.

1.3.3. The unplanned and uncontrolled growth in our urban areas has had serious negative effects on urban dwellers and their environment. The provision of infrastructure facilities and services, required to support large concentrations of population, is lagging far behind the pace of urbanisation. As a consequence, the urban environment, particularly in large cities, is deteriorating rapidly. All the cities and towns in the country have serious shortage of power, water supply, sewerage, developed land, housing, transportation, communication and other facilities.

1.3.4. Large proportions (30 to 40 per cent) of urban populations, particularly in metropolitan cities, are below the poverty line. This has resulted in proliferation of slums, growth of the informal sector, and educational deprivation and deteriorating health levels of large sections of urban inhabitants.

1.3.5. The local governments responsible for urban governance and management lack the financial resources, the authority to determine and collect adequate levels of service charges, autonomy, and capacity for planning and management decision-making.

1.3.6. The legal and administrative systems concerning urban planning, governance, and management are archaic. Many of the urban legislations, instead of facilitating the planning and management of urban development, create hindrances and distortions in the

development process. For example, legislations such as the Urban Land Ceiling and Regulation Act and the Rent Control Act continue to adversely affect the land and housing market, giving rise to inefficient landuses.

1.4. Aim and Objectives

Aim

1.4.1. The overall aim of this National Urban Policy is to promote sustainable, efficient, well-managed, and regionally balanced urban development in the country. A rural-urban continuum should replace the existing rural-urban dichotomy, and an articulated human settlement system with a well-defined regional hierarchy that integrates and strengthens the urban centres and surrounding rural areas would be promoted. The policy, strategies, and actions would focus on strengthening local bodies, improving urban planning, management and governance, reducing poverty, protecting environment, promoting healthy and affordable housing as well as cost effective and efficient infrastructure and services systems, with an overall objective of improving the quality of life of urban inhabitants.

Specific objectives

1.4.2. to promote sustainable urbanisation within the context of national economic, industrial, and other complementing policies

1.4.3. to provide guidelines to the states with regard to the state urban policy, planning and legislation concerning various aspects of urban development, and municipal governance and management

1.4.4. to encourage spatial dispersal of economic development in accordance with the national and state urban policies

1.4.5. to help the states to develop appropriate urban policies to address major challenges of urban development in the states and by taking into account their specific urban situation and level of urbanisation

1.4.6. to support the states to increase the level of infrastructure and services and employment opportunities in medium and small towns at an accelerated pace, in order to promote growth in these towns so as to reduce migration to large cities

1.4.7. to supplement the rural development efforts of providing employment opportunities, better level of services, especially health and education, and infrastructure facilities in rural areas so that the push factors in rural-urban migration process are reduced.

1.4.8. to pay particular attention to backward and less urbanised areas in different regions of the states and to promote urbanisation in such areas for balanced regional development

1.4.9. to provide guidelines to the states to prepare development plans for integrated urban planning of cities and towns in a regional context, paying particular attention to the needs of the urban poor, and the disadvantaged women and children

1.4.10. to support local governments to improve their capacities and performance in order to plan and manage urban infrastructure, urban environment, services and other functions in their towns/cities

1.4.11. to strengthen the capacity of the apex national level institute and other existing national and regional level institutes to promote teaching, training, research, consultancy, and information dissemination activities in urban affairs, in order to meet the challenges of urbanisation in the 21st century in the country

2. Urban and Regional Planning

2.1. Background

2.1.1. In the planning process in the country, there is no mechanism to spell out spatial-regional, and urban-rural implications of the sectoral investments envisaged in the Five-Year Plans. The infrastructure implications of sectoral activities are generally not worked out. There is no integration of physical plans with investment planning or social interventions at the city, state and national levels.

2.1.2. The main focus of city planning today is land use planning which does not fully take into account the changing socio-economic conditions prevailing in the city. Similarly, there is no integration of land use allocations/planning and use of standards with the socio-economic conditions/changes in the city and the needs of all income groups are not taken into consideration.

2.1.3. The concept of regional planning that came into vogue after the third Five-Year Plan, emphasised the need for a balanced regional development. Initially, the regional planning activities were taken up as inter-state level exercises. Metropolitan Regional Plans were also prepared. Besides, state governments prepared regional plans for various intra-state regions delineated for specific purposes. The recent developments marked by economic reforms and liberalisation policies, formulation of the National Housing Policy, enactment of Constitution 73rd and 74th Amendments Acts, new industrial policy, implementation of Mega City Scheme and urban transport projects have added important dimensions to urban and regional planning. District Planning, although in vogue since the early seventies, has been revitalised with the enactment of Amendments Acts. And, the role of local bodies, which was earlier confined to the provision of civic amenities, has enhanced considerably with the proposed addition of a number of functions including urban and environment planning.

2.1.4. Over the years, at the city level, the Master Plan approach has emerged as the most commonly used urban planning process in the country. However, it is recognised that the physical approach to planning needs to be made more realistic, transparent, dynamic, effective and community-oriented, and adequately linked to socio-economic planning.

2.2. Issues

2.2.1. Major issues in urban planning and development relate to inadequacy of spatial and other information required for planning, financial constraints, ambitious plan proposals, lack of integration between spatial, economic, and social planning, inadequate legislative support in certain areas, lack of flexibility in development plans, absence of a monitoring, review and evaluation mechanism, non-availability of budgetary resources, absence of a resource mobilisation mechanism as an in-built provision of the plan, and non-use of innovative planning and management techniques.

2.2.2. The multiplicity of planning and implementing agencies, such as municipal bodies, development authorities, para-statal, special function agencies, development departments and institutions, at the local as well as the state level, with overlapping responsibilities and jurisdictions are other issues which hamper effective implementation and monitoring of urban development plans.

2.2.3. Considerable time is taken for plan preparation and the approval procedure is cumbersome and lengthy. Besides, periodic review and revision mechanism is not properly in-built in the planning process.

2.2.4. Regional planning system in the country is yet to be made effective.

2.2.5. The existing planning and development departments at state and local levels are weak and the roles of local bodies, para-statal agencies, and State Town and Country Planning Department are sometimes conflicting.

2.2.6. The built environment generally does not provide easy access to the disabled and elderly persons.

2.2.7. People's participation in the planning process is missing and the needs of the poor are seldom taken into consideration leaving the urban poor communities outside the ambit of city planning process.

2.2.8. Several of the mandatory provisions of the Constitution 74th Amendment Act are yet to be implemented in letter and spirit by the State governments.

2.3. Strategies

2.3.1. There is a need to assign a greater role to municipalities in spatial, economic, and social planning and the existing planning and development agencies at the local level could serve as specialised technical agencies to assist/support the municipalities.

2.3.2. District and metropolitan plans as also the plans for towns/cities need to be integrated with the annual/five year plans of the state government as well as the national Five-Year Plans.

2.3.3. Systems for people's participation and integration of social sector inputs need to be established.

2.3.4. Detailed information systems, including large-scale base maps, at the town and district level need to be developed for urban and regional planning.

2.3.5. A package of inter-related plans consisting of a long term Perspective Plan, a medium term Development Plan, an Annual Action Plan and Plans of Projects and Schemes would help in making the urban planning process a continuous exercise to plan, review and monitor the targets and achievements.

2.4. Actions

The Central Government would need to:

2.4.1. Disseminate the emerging concept of urban development planning system comprising a package of inter-related plans

2.4.2. Encourage preparation of Development Plans/Regional Plan by initiating a centrally sponsored scheme at least for Class-I towns

2.4.3. Extend technical and financial assistance for development of databases and information systems, including Geographical Information System (GIS), at the district/metropolitan and town levels

2.4.4. Create a system that enables updating of existing norms and space standards keeping in view the economy, security, social viability and needs of the emerging planning system

The State Governments would need to:

2.4.5. Expedite amendment of the Town Planning and Municipal Acts to assign planning and development functions to municipalities and to include all the emerging needs of planning and development in the light of the Constitution 74th Amendment Act

2.4.6. Re-structure the existing agencies at the metropolitan and district levels to fit in the new planning and development framework

2.4.7. Constitute District Planning Committees and Metropolitan Planning Committees immediately to start the process of plan preparation as envisaged in the Constitution Amendment Act

2.4.8. Adopt an urban development planning system of inter-related plans comprising a set of long range (15-25 years) Perspective Plan, medium range (5 years) Development Plan and Annual Action Plan and Plans of Projects and Schemes

2.4.9. Streamline the procedure for approval of these plans by introducing 'deemed clause' and prescribing the time limit for approval

2.4.10. Identify areas for involvement of the private sector in planning, development, implementation and enforcement in the planning process

The Municipal Governments would need to:

2.4.11. Initiate the action for preparation and implementation of development plans that integrate the physical, economic, and social development components

2.4.12. Amend the Building Bye-Laws to incorporate the Model Bye-Laws to provide affordable land/shelter for the poor, women, children and persons with disabilities

2.4.13. Evolve a review and monitoring mechanism for incorporating the necessary changes in planning and development from time to time and provide the feedback to the state/central planning process

2.4.14. Mobilise resources for implementation and enforcement of the plans

2.4.15. Streamline the regulatory framework and development control norms for implementation and enforcement of plans

2.4.16. Adopt innovative techniques for land development such as concepts of land swaps, land pooling, town planning schemes, accommodation reservations, and transfer of development rights

2.4.17. Develop appropriate mechanisms for people's participation in the planning process

3. Urban Land

3.1. Background

3.1.1. Planned development of urban areas and achievement of many social objectives would not be possible without an effective urban land policy. For urbanisation to play a positive role as a catalyst of growth for the national economy, it would be prudent to remove bottlenecks in the supply of serviced land in relation to the demand for various purposes by making it available in adequate quantity at the right time and at an affordable price.

3.1.2. Various models for assemblage of land are in force as part of city planning procedures and development. Large-scale acquisition, development and disposal of land under the Land Acquisition Act, 1894, is the most common practice followed by city Development Authorities and specialised agencies in city building and development activities. Acquisition of land by DDA and its disposal on leasehold basis are often quoted

example of land policy in the country. As an alternative model, negotiated land purchase under the Haryana Development and Regulation of Urban Areas Act, 1975, joint sector approach of Uttar Pradesh Government empowering Development Authorities to provide land to private developers on licence basis, town planning schemes for pooling of land of identified owners for development as practised in Maharashtra and Gujarat, land adjustment and sharing methods where land owners become partners in the city planning process, etc., are some of the important models followed in various states in the country.

3.1.3. The concepts of Accommodation Reservation (AR) and Transfer of Development Rights (TDR) being followed as part of Development Control Regulations in Greater Mumbai are the new policy instruments for resolving the problems of land acquisition and land assembly to some extent.

3.1.4. The pattern of land utilisation from the point of its optimum use shows improper and sub-optimal use of urban land on a large scale, extreme congestion in some areas, and abnormally low density in other parts of the same urban centre. Physical expansion of urban areas makes in-roads into the country's prime agricultural land. Rising price of urban land marginalises a large segment of the population out of the land market. Offshoots of this are encroachments on public land by the poor and mushrooming of unauthorised colonies.

3.1.5. Speculation in land is reported to be high in growing urban areas and is quite widespread in other urban areas as well. In economic terms, it is simply a relationship between forces of demand and supply and an indicator of relative shortage of land. It is a serious problem in large and metropolitan cities.

3.2. Issues

3.2.1. Present policies, strategies and legislations governing urban land in terms of land assembly, land transfer, land taxation, planning and development follow a compartmentalised approach and do not take a comprehensive view.

3.2.2. Supply of developed/serviced urban land needs to be increased substantially to meet the requirements of various sectors of development in urban areas including the weaker sections.

3.2.3. An effective mechanism to control increase in land prices and speculation is required to be evolved along with timely implementation and enforcement of land use and Development/Master Plan proposals in towns and cities.

3.2.4. Inadequacy of up-to-date and accurate information systems regarding inventory of urban land records poses severe problems for implementing land use development policies.

3.3. Strategies

3.3.1. A system for speedy acquisition of land for urban development by paying suitable compensation and avoiding litigation needs to be developed. Innovative approaches such as negotiated land purchase, joint sector approach for development, town planning schemes, land adjustment/sharing pooling methods, concept of guided and controlled development, concept of accommodation reservation, transfer of development rights could be followed to facilitate assemblage of land.

3.3.2. Role of Government and Development Agencies should be more of an enabler and facilitator to minimise the influence of the regulatory regime, so as to create an environment wherein the market forces may operate freely.

3.3.3. Provision of land at affordable prices and security of tenure of land to the economically weaker sections and women needs to be assured to address the needs of the deprived and to facilitate planned development of the city including poor areas.

3.3.4. Differential pricing policy for urban lands needs to be followed to protect the interest of the large segment of urban poor. Land tax, property tax, conversion charges, registration charges, betterment levy, development charges, etc. should be rationalised. Development control measures should be simplified and made transparent.

3.4. Actions

The Central Government would need to:

3.4.1. Amend the Land Acquisition Act appropriately to facilitate the speedy acquisition of land

3.4.2. Expedite enactment of a separate Act for land acquisition for development purposes in urban areas

3.4.3. Facilitate development of required information systems for inventory of land records in urban areas

3.4.4. Document and disseminate the best practices of land assembly, land development and disposal

The State Governments would need to:

3.4.5. Streamline the process for acquisition, development and disposal of urban land

3.4.6. Modify the relevant laws restricting recycling of land and take steps to make available the land under obsolete uses for viable redevelopment through the introduction of new activities like social housing

3.4.7. Make titling and registration system unambiguous and tax the incremental value of land at the same rate as stamp duty and registration fee levied at the time of transfer

3.4.8. Ensure that in all the new developments, whether public or private a substantial percentage of the land (10 to 15 per cent of the total layout) is made available to a duly constituted authority for the exclusive use of the economically weaker sections

3.4.9. Impose tax on conversion of land from agricultural to non-agricultural uses, rationalise stamp duty on transfer of rights and provide for right of pre-emption by public authorities to curb speculation in land in a rational manner

3.4.10. Create appropriate environment and make provisions in the relevant Acts to effectuate the involvement of private, co-operative and corporate sectors in land assembly, development, disposal and construction of housing

The Municipal Governments would need to:

3.4.11. Review and revise the land use situation for building an authentic record of land price and for building an up-to-date database of urban land to regulate the land price

3.4.12. Make available developed and serviced land in adequate quantity from time to time to meet the demand for various urban uses as well as income groups

3.4.13. Modify the existing development control norms, building bye-laws, zoning regulations and land and property tax measures to make them transparent and market friendly

3.4.14. Encourage compatible mixed land uses and high density development

3.4.15. Strictly enforce zoning regulations

3.4.16. Classify all poor settlements in the city as tenable and untenable and make the tenable settlements eligible for in-situ upgradation

4. Urban Governance and Management

4.1. Background

4.1.1. Urban governance and management have predominantly been the constitutional domain of the State governments. The Constitution 74th Amendment Act, notwithstanding, the municipal governments continue to be the creatures of the state governments who delegate authority, powers and functions to them through State Legislative enactment.

4.1.2. The local institutions of urban government have become weak over the years due to a host of factors that include encroachment on traditional and legitimate municipal functions

by creating para-stats and urban development authorities, weak executive system, fragile fiscal health, and inadequate staffing and expertise in municipal management.

4.1.3. There is a consensus that the functions withdrawn from the municipal bodies should be restored to them and the creation of new organisations should be discouraged. It has also been suggested that the para-stats and development authorities could be merged with the institutions of self-government as their undertakings.

4.2. Issues

4.2.1. Even though the Constitution Amendment now gives directive to the State governments to endow the municipal governments "with such powers and authority as may be necessary to enable them to function as institutions of self-government", much is desired for empowerment and strengthening of municipal governments.

4.2.2. Municipal functions are still fragmented, executive functions still vest in an appointed functionary and the authority to set their own rates and user charges by the municipal governments is still non-existent.

4.2.3. As regards urban management, municipal governments do not have the institutional capability to plan, finance, implement and monitor the delivery of municipal services and to perform the devolved functions.

4.2.4. Opaque systems of management and governance discourage people's participation.

4.3. Strategies

4.3.1. Urban governance needs to be strengthened by vigorously pursuing the decentralisation initiatives envisaged in the Constitution 74th Amendment in regard to executive system, functional domain, intra-city decentralisation and authority to the municipal governments to set their own tax rates and charges. It is also imperative to inject into the urban governance process elements and attributes of good governance, including participation of the civil society.

4.3.2. Urban management has to be strengthened through municipal capacity building in the spheres of staffing, municipal personnel system, financing, accounting and adding to the knowledge and skills and bringing about a perceptible change in the attitude of municipal functionaries

4.4. Actions

The Central Government would need to:

- 4.4.1. Pursue a review of the Constitution 74th Amendment Act for making suitable amendments
- 4.4.2. Play a positive and advisory role to the state governments as to enhance the effectiveness of urban governance and management and in the implementation of the provisions of the Constitution Amendment
- 4.4.3. Take steps for legal and regulatory reforms to make the legal and regulatory framework investor and citizen friendly
- 4.4.4. Promote Research and Development and dissemination of transfer of technology for urban development and management

The State Governments would need to:

- 4.4.5. Promote, empower and strengthen the municipal governments by devolving powers and authority as required by the Constitution Amendment Act in general and under Article 243 W of the Constitution in particular
- 4.4.6. Take legal steps to devolve executive powers to the Chairpersons in all the three types of municipal government
- 4.4.7. Devolve functions, as provided for in the Twelfth Schedule of the Constitution, taking into account the basic civic functions that are critically needed in different types of municipal governments and the size categories of towns/cities
- 4.4.8. Devolve appropriate taxes, as well as powers to levy innovative taxes, to municipal governments and give autonomy to the governments for deciding their own tax rates and user charges so as to ensure a proper match between the devolved functions and sources of revenue
- 4.4.9. Provide for intra-city decentralisation of municipal governance through zonal committees, ward committees in the large cities and provide for representation of NGOs, CBOs and Residents Associations on these committees
- 4.4.10. Take steps to rationalise the municipal personnel system
- 4.4.11. Promote a management team consisting of qualified and technical experts in the areas of finance, accounting, engineering, urban planning and public health especially in the Class I and metropolitan cities

4.4.12. Strengthen the State Directorates of Municipal Administration and decentralise their operations at the regional level to take care of the management needs of municipal governments in the small and medium towns

4.4.13. Form a co-ordination committee with representation of the Mayor/Chairperson of municipal governments for co-ordinating the functions presently being performed by para-statal agencies to avoid fragmentation of urban functions

The Municipal Governments would need to:

4.4.14. Give operational form to decentralisation initiatives through delegation of powers, functions and budget to the zonal and wards committees as the case may be

4.4.15. Take initiative for privatisation, contracting out of municipal services to private operators and producers and communities development societies (CDS) and DWACUA groups formed under SJSRY

4.4.16. Make the delivery of services effective, efficient and responsive and devise mechanisms like Citizens' Charter

4.4.17. Establish proper relationship and systems for interaction with and participation of NGOs, CBOs, Residents' Associations, professional groups, industries and other organs of the civil society in municipal governance

4.4.18. Prepare training needs assessment and a training plan for up-gradation of knowledge and skills as also changing the attitude of municipal functionaries.

5. Urban Infrastructure and Services

5.1. Housing

5.1.1. Background

5.1.1.1. The problem of housing shortage has been a serious infrastructure problem in urban areas. The shortage, in 1991, was estimated at about 23 million units, 90 per cent of which was for the poor and low-income groups.

5.1.1.2. The National Housing and Habitat Policy, 1998, spells out in detail the role that the various levels of government, private sector and other agencies need to play in providing quality and cost-effective housing options to the citizens and ensuring sustainable development of housing and settlements.

5.1.2. Issues

5.1.2.1. Major issues in housing relate to shortage of developed land, restricted access to housing finance by the formal and organised sectors, need for cost-effective housing construction and designs, poor attention to housing safety, unprofessional and informal construction practices in house building industry, illegal and unauthorised constructions, inadequate emphasis on gender sensitive housing, need for adequate attention to urban renewal and regeneration, little focus on mechanisms for promoting rental housing, and negligible resources and efforts directed towards maintenance.

5.1.2.2. The housing requirements in the country are not assessed on the basis of realistic indicators of socio-economic, spatial, locational, design, culture, and demographic characteristics.

5.1.3. Strategies

5.1.3.1. Housing Industry needs to be treated at par with other infrastructure for the purpose of fiscal and legal implications.

5.1.3.2. The approach to deal with urban housing problems should follow need-based strategies for different socio-economic sections of the society.

5.1.3.3. An institutional mechanism to co-ordinate and channelise NGO/CBO inputs in the housing sector is called for. Mechanisms for larger participation of those who are likely to live in the houses need to be evolved, which would look into the socio-cultural, heritage and traditional living styles.

5.1.4. Actions

The Central Government would need to:

5.1.4.1. Take steps to bring in reforms for an enabling techno-legal regime and techno-financial regime, devise macro economic policies to enable adequate flow of resources, provide fiscal concessions and also set up mechanisms to ensure that the concessions benefit the targeted group and

5.1.4.2. Encourage cost effective and environment friendly technology

5.1.4.3. Bring about legal and regulatory reforms to create a regime conducive to the private sector and others to facilitate housing activities

5.1.4.4. Provide model laws and guidelines to state governments for modifying the relevant acts for optimising land use, promoting high density and to provide statutory support for land assembly, land pooling and sharing arrangements

5.1.4.5. Amend the National Housing Bank Act to facilitate introduction of speedy foreclosure for facilitating creation of a secondary mortgage market

5.1.4.6. Set up a National Shelter Fund to meet the requirement of low cost funds for housing for the poor and extend fiscal concessions to the corporate sector and building material industry to enable them to contribute to the Fund

5.1.4.7. Provide guidelines for simplifying registration procedures in the conveyance of immovable properties and modernising maintenance of land records

5.1.4.8. Modify the definition and scope of conveyance to include the general power of attorney accompanied to sell to bring it within the scope of stamp duty

5.1.4.9. Encourage foreign investment in housing construction sector

The State Governments would need to:

5.1.4.10. Refrain from monopolising or pre-empting land assembly, development and disposal

5.1.4.11. Liberalise its legal and regulatory regime, promote the role of private sector and co-operatives in housing delivery, undertake reforms to facilitate access to land, promote decentralised production and availability of building material as also training of construction workers through building centres and empower the local bodies to discharge their responsibilities

5.1.4.12. Develop systems and procedures for speedy sanctioning of building plans and establish a system of Chartered Registered Architects

5.1.4.13. Take steps to impose heavy vacant land tax, which would enable release of considerable land for urban housing

5.1.4.14. Facilitate mortgage insurance and amend the statute relating to the insurance sector

5.1.4.15. Promote the rental housing to obviate the need for additional construction to a significant extent

5.1.4.16. Recognise the growing number of women-headed households among the poorest of the poor and treat them as a special group for EWS and LIG housing and encourage award of title deeds in the name of women or jointly with them

5.1.4.17. Pay adequate attention to urban renewal and regeneration for conservation of heritage

5.1.4.18. Bring down and rationalise stamp duty rates to facilitate land transfer and land assembly to give a boost to housing

5.1.4.19. Provide effective fiscal incentives for the production and use of specified building materials and technologies

5.1.4.20. Enlarge the flow of long term funds into the housing sector from insurance funds and provident funds

5.1.4.21. Develop an information system of automated cadastral survey and land titling system for efficient land registration and management

The Municipal Governments would need to:

5.1.4.22. Prepare housing action plans, devise programmes to augment supply of land and infrastructure services for housing keeping in view the demand and affordability of all income groups especially the urban poor

5.1.23. Adopt a community-based approach in the design, implementation, and maintenance of infrastructure services and assets, particularly in the upgrading and improvement of poor settlements

5.1.4.24. Create information systems in the area of land cadasters, housing need assessments, forecasting and structural status of available housing stock and traditional housing knowledge and styles

5.1.4.25. Ensure that unauthorised and illegal constructions do not take place

5.1.4.26. Plan Industrial estates to include land and zoning for housing facilities of their workforce

5.1.4.27. Provide incentives to industries for developing and providing access to housing to their employees

Actions by Other Agencies:

5.1.4.28. Public/Private Housing Finance Companies would devise schemes to lend direct credit at affordable rates to the poorer segments of population and introduce a system of collateral and innovative financing techniques such as micro credit and thrift based lending

5.1.4.29. Housing Boards/Corporations/Development Authorities and other public agencies would forge partnerships with the private sector and co-operatives for improving efficiency

5.1.4.30. Engineering, architectural, research and technology transfer organisations would take steps to create awareness regarding new technologies, train artisans and ensure incorporation of innovative technologies, standards and codes

5.1.4.31. Special focus to be given for standardising and disseminating disaster mitigation techniques for new constructions as well as strengthening/retrofitting of existing houses to prevent continuing loss of housing stock

5.1.4.32. More professionals to be brought into evolving cost-effective designs for housing

5.1.4.33. Necessary research in the area of systematic design analysis based on the cost-factors, alternative materials and technologies need to be extensively done, demonstrated, and tested through live applications.

5.1.4.34. Building centres to be identified as nodal agencies for technology transfer including disaster resistant technology

5.1.4.35. Contractors involved in construction of housing should have the minimum basic qualifications for getting registered

5.1.4.36. Cost-effective and tested disaster-resistant technologies to be actively promoted and existing settlements/houses to be retrofitted with these technologies in the critical disaster zones

5.2. Water Supply and Sanitation

5.2.1. Background

5.2.1.1. During the last 50 years, considerable progress has been achieved in providing safe drinking water supply and sanitation facilities to the urban population. However, there is still a long way to go in order to achieve 100 per cent coverage in both water supply and sanitation. Though 85 per cent of the urban population has so far been covered with drinking water supply facilities, there exists a wide range of intra-city variation in terms of per capita availability, reliability, and quality of water. Similarly, very few cities are provided with underground sewerage and sewage treatment facilities and a large number of cities and towns are yet to be provided with safe and hygienic wastewater disposal facilities.

5.2.1.2. The Eighth Plan review has brought out the concentration of efforts on state capitals and other major cities and on augmentation and improvement, without any significant additional population coverage. The participation of financial institutions and the private sector has not been very significant, particularly due to the absence of pricing and cost recovery and lack of fiscal and monetary incentives. The progress of centrally sponsored Accelerated Urban Water Supply Programme of augmenting water supply has been at most modest only.

5.2.1.3. Sewerage systems exist in some 60 out of 300 Class I cities and towns and where they exist, the coverage is partial. Of the total municipal wastewater generated in most cities, less than half is collected and of what is collected, less than half goes through some sort of treatment, mostly primary, before disposal.

5.2.2. Issues

5.2.2.1. Most of the state governments are yet to fully operationalise the National Water Policy. By and large, state governments do not have Master Plans as yet for water resource management on the basis of different river basins. Hence, there is no clarity in policy with regard to allocation of water for various uses within the framework of National Water Policy. There is no legislation at the state level to control indiscriminate abstraction of ground water.

5.2.2.2. The Central and state governments' budgetary provisions are not adequate to meet the coverage targets. Pricing of water through water tariff is not rational to make the systems viable and sustainable without grants and subsidies from the government. The unaccounted for water (UFW) in some cities and towns is quite substantial resulting in physical and commercial losses.

5.2.2.3. Operation and maintenance of both water supply and sewerage systems and treatment plants by the local bodies is not effective due to which the systems remain either under-utilised or defunct. The local bodies do not do proper water quality surveillance and monitoring. Rehabilitation of systems is not undertaken so as to enhance their useful life and postpone replacement costs.

5.2.2.4. The conventional/traditional processes for sewerage and sewage treatments are highly capital and energy intensive due to which the urban local bodies are unable to opt for the same. Re-use and recycling of treated sewage and industrial effluents for various non-domestic uses are not practised in order to conserve fresh water and reduce pollution load in receiving water bodies.

5.2.2.5. The local bodies and water supply agencies at the state level do not have suitable training institutions to impart on-the-job training to various technicians particularly to those involved in O&M. Adequate and up-to-date database do not exist at the Central, State and Local levels.

5.2.3. Strategies

5.2.3.1. The urban drinking water supply strategy needs to address the priority concerns of universal coverage, adequacy in terms of minimum per capita consumption norms, quality, distance from source, regularity of supply and operational issues of drying and inaccessible sources of water, water harvesting, etc. The strategies to promote and strengthen decentralisation of production and distribution systems, privatisation and participation of the community in management and maintenance are expected not only to induct higher

efficiency levels and effective reach but also to contain leakage and wastage. Special attention will be given to strengthen the on-going centrally sponsored Accelerated Urban Water Supply Programme (AUWSP) to cover the small towns with population less than 20,000 within a reasonable time-frame.

5.2.3.2. Following the guidelines issued by the Ministry of Water Resources, it is necessary for the state and UT governments to prepare long-term River Basin Master Plans along with city level water management plans and proper estimates of water needs. Over-exploitation of ground water must be avoided to maintain quality and to control the water-pumping cost. Appropriate legislation and its effective implementation forms an integral part of the strategy.

5.2.3.3. Drinking water and sanitation activities will have to be taken up as an integrated programme, because in the absence of such a linkage, sanitation activities tend to be overlooked. Plan funds will have to be used not only for direct intervention but also as a leverage instrument. Equally important is recovery of O&M cost in the first instance and capital cost later, though subsidy in pricing will have to continue for economically weaker sections.

5.2.3.4. Proper co-ordination mechanism at state level will have to be established for canal-based water supply systems with a view to remove problems in making available requisite quantity of raw water to meet urban water supply needs. Also, efforts should be made to reuse and recycle treated wastewater for various non-potable uses

5.2.3.5. The delivery and management system has to be strengthened. In the light of the Constitution 74th Amendment Act, while state agencies responsible for water supply and sanitation may continue to plan and implement capital works, the responsibility of distribution may have to be progressively decentralised to local bodies, and where feasible, to the private sector. At the same time, city level agencies may continue in mega and metro cities, as long as they operate on a sustainable basis.

5.2.3.6. Consistent with the goal of "Health for All", efforts will have to be made to provide a reasonable level of sanitation to a larger population in urban areas by rapid expansion and improvement of sanitation facilities, with the specific objective of elimination of manual handling of night-soil through conversion of all dry latrines into low cost sanitary latrines. To ensure this, municipal bye-laws would need to be modified to ban construction of dry latrines and states should legislate, on the lines of the central legislation, to prohibit employment of manual scavengers beyond a specified date.

5.2.3.7. In view of the massive investment required, institutional sources, external assistance, private sources and community sources would all have to be tapped.

5.2.4. Actions

The Central Government would need to:

- 5.2.4.1. Play a role of facilitator in policy framework, private sector participation, institutional capacity building, and financial reforms
- 5.2.4.2. It would continue to provide technical guidance to the concerned agencies to plan, formulate and implement water supply and sanitation schemes
- 5.2.4.3. Mobilise external assistance on a high priority basis to urban water supply and sanitation sector and allow rebate on excise and customs duties for purchase of machinery needed for various purposes
- 5.2.4.4. Intervene, where necessary, to evolve quick and amicable solutions between states for sharing of water resources to avoid delay in implementation of water supply projects
- 5.2.4.5. Develop a national information system and assist in creating monitoring cells at the state and Central level for rigorous monitoring of urban water supply and sanitation projects

The State Governments would need to:

- 5.2.4.6. Provide greater autonomy to water sector agencies with relation to financial management and operational issues
- 5.2.4.7. Provide financial support to Urban Local Bodies to meet the expenditure towards the interest differential on the loan taken from financial institutions
- 5.2.4.8. Entrust the responsibility of operation and maintenance of urban water supply and sanitation systems to local bodies as a follow up of the 74th Constitution Amendment Act
- 5.2.4.9. Encourage private sector participation in construction and maintenance of water supply and sanitation schemes, where feasible beginning with service and management contracts.
- 5.2.4.10. Create an independent Regulatory Authority for the infrastructure sector including water supply and sanitation.
- 5.2.4.11. Provide special attention to urban areas affected by ground water pollution due to chemicals such as fluorides, iron and manganese etc. bring out a regulatory mechanism for controlling ground-water exploitation, particularly in all such urban areas that are facing an acute shortage of drinking water throughout the year
- 5.2.4.12. Consider the modified model Bill of the Ministry of Water Resources on ground water exploitation for adoption.

5.2.4.13. Encourage low cost on-site sanitation in un-sewered parts of cities, small and medium towns and other areas, where locations permit, and allow conventional sewerage and treatment systems only in bigger cities, pilgrimage and tourist centres and congested localities

The Municipal Governments would need to:

5.2.4.14. Rationalise water and sewerage tariff to meet at least the full cost of operation and maintenance in smaller towns and some surplus also in bigger towns/cities, particularly those having an industrial base

5.2.4.15. Encourage conservation of water by better management, through reduction in leakage and pilferage, and re-cycling of treated wastewater for non-domestic and industrial uses

5.2.4.16. Adopt alternative and appropriate technologies for treating municipal wastewater before disposal

5.2.4.17. Ensure universal sanitation coverage and provide support for individual sanitary latrines and water taps

5.3. Municipal Solid Waste Management

5.3.1. Background

5.3.1.1. Though solid waste management is an obligatory function of urban local bodies, this service has been poorly performed resulting in problems of health, sanitation and environmental degradation. In metro and mega cities hardly 60 per cent of the solid waste is collected, transported and disposed of, leaving the rest unattended to, creating unhygienic environmental conditions. Lack of financial resources, institutional weakness, improper choice of technologies and public apathy towards Solid Waste Management have made the service far from satisfactory all these years.

5.3.1.2. The municipal corporations spend about Rs.130 to Rs.260 per tonne of solid waste for collection, transportation and disposal, and about 65 per cent of this amount is spent only on collection. Barring a few exceptions, it has been observed that very little attention is actually paid to safe disposal of collected solid waste.

5.3.2. Issues

5.3.2.1. The urban local bodies generally do not make adequate provision for primary collection, transportation and hygienic disposal of solid wastes in an environmentally acceptable manner. In most urban areas, this activity is given low priority and, as such, supervised by lower level officers. As of now, there is no system of segregation of organic, inorganic and recyclable waste at the household level.

5.3.2.2. No concerted effort has been made to build community awareness regarding the ill effects of poor waste management practices and the steps that every citizen should take to reduce waste generation and promote effective management of the solid waste generated.

5.3.2.3. Night soil, bio-medical wastes and industrial wastes are also dumped in municipal waste bins thereby rendering all the garbage potentially hazardous. The institutional arrangement of solid waste management is extremely poor in most of the municipalities. Though most of them are provided with adequate conservancy staff, utilisation of such staff in an effective manner for efficient solid waste management is, by and large, lacking.

5.3.3. Strategies

5.3.3.1. Segregation of waste at the various points of generation should be aimed at. Planning of the subsequent collection, transportation and disposal operations should be properly dovetailed to increase system efficiency, reduce costs and improve environmental quality. Solid waste management facilities should be provided in an equitable manner to all poor communities and other under-serviced areas.

5.3.3.2. All aspects related to solid waste should be brought under one umbrella. Overall control relating to collection, transportation, disposal, drain cleaning and vehicle workshop facilities should rest with this department of the municipalities.

5.3.3.3. It should be made compulsory for medical establishments, which do not have their own disposal facility, to deliver all such waste to the private operator on a tariff fixed by the municipal authority. Tariff should be fixed on the basis of weight and location of the medical establishment.

5.3.3.4. There is ample scope for public-private partnerships in municipal solid waste management. A sizeable portion of collection and transportation of waste can be contracted out to private entities.

5.3.4. Actions

The Central Government would need to:

5.3.4.1. Bring out a technical manual on solid waste management for the benefit of local bodies and other agencies and organisations engaged in solid waste management

5.3.4.2. Provide fiscal concessions such as exemption from central excise and customs duties for purchase of special vehicles and equipment necessary for Solid Waste Management

5.3.4.3. Provide financial assistance for setting up of waste processing units and extend technical guidance for implementation of solid waste management schemes

The State Governments would need to:

5.3.4.4 Arrange adequate funds for implementation of solid waste management schemes by urban local bodies and provide vacant land for setting up of waste processing units or sanitary landfills on easy terms

5.3.4.5. Provide technical assistance to urban local bodies for planning, designing, implementation and operation and maintenance of Solid Waste Management

5.3.4.6. Provide fiscal incentives to industries engaged in resource recovery from solid wastes.

The Municipal Governments would need to:

5.3.4.7. Explore the possibility of imposing city cleaning tax to mobilise funds for solid waste management

5.3.4.8. Practice daily house-to house collection of garbage, encourage segregation of garbage into biodegradable, recyclable components at the household level itself and not allow the bio-medical and hazardous toxic industrial wastes to be dumped in community bins

5.3.4.9. Wherever feasible, encourage private participation in collection, transportation, processing and disposal of garbage and adopt cost effective and appropriate technologies giving due importance to resource recovery

5.3.4.10. Provide vacant land to recycling units or other units in waste processing on reasonable terms

5.3.4.11. Create adequate public awareness to disseminate information regarding hygienic garbage disposal and prohibit open defecation in slums and squatter settlements and provide adequate sanitary facilities in such areas

5.3.4.12. Create a solid waste management wing with well-defined responsibilities and job description and set up complaint cells to register public complaints on matters pertaining to solid and liquid wastes

5.3.4.13. Encourage participation of people, NGOs, and CBOs in waste management

5.4. Urban Transport

5.4.1. Background

5.4.1.1 With the rapid growth of towns and cities in the country, the problems of urban areas are also increasing, including that of urban transport. The volume of traffic as well as

the number of vehicles are multiplying rapidly, but the carrying capacity of roads has not kept pace, resulting in congestion, continuous slowing down of average vehicular speeds, increasing air and noise pollution, increasing accident rates and wasteful consumption of fuel.

5.4.1.2. The present transport situation in urban areas reflects the substantial economic cost that the society has to bear for its default in not making adequate investments in urban transportation planning and implementation.

5.4.2. Issues

5.4.2.1 The major issues relating to urban transport are: lack of initial input of urban transport in Master Plans of towns and cities; lack of priority accorded to intra-urban and suburban railway transportation systems due to their financial non-viability; inability of planners and administrators to appreciate the difference between the 'economic' and 'financial' feasibility of mass urban transportation projects resulting in reluctance to make adequate budgetary provisions, or raise resources for implementation, operation and maintenance of such systems; lack of adoption of 'decongestion' measures such as development of counter magnet towns around large cities, linked by rapid transport, by-passes, and link terminals; ineffective utilisation of road space due to on-street parking of vehicles, public encroachments, inter-mingling of slow and rapid transport; lack of pedestrian pathways; lack of co-ordination amongst various transport modes; and poor quality of public transport resulting in an increase in individualised means of transport, and lack of institutional and professional approach to urban transport.

5.4.3. Strategies

5.4.3.1. The strategies to improve urban transportation should include: improving vehicular flows, inter-alia, through segregation of fast and slow moving traffic; adoption of traffic engineering techniques; according preferential treatment to public transport modes on roads; reducing peak level demand; promoting high occupancy of motor cars; and raising the efficiency of mass transportation systems, to increase ridership.

5.4.3.2. Comprehensive legislation for planning, co-ordination and funding of urban transportation systems and for construction, operation and maintenance of urban mass transit systems should be developed, and imposition of dedicated levies such as surcharge on sales tax on fuel, additional excise duty, passenger terminal tax, etc. should be considered.

5.4.3.3. Institutional arrangements required to give urban transport the necessary focus are: urban transport to be regarded as a separate subject in the Allocation of Business Rules; urban transport divisions to be set up in the ministries/ departments of urban development, in Government of India and state governments; directorate of urban development to be set up in the Govt. of India and state governments and Unified Metropolitan Transport Authorities to be constituted.

5.4.3.4. In view of the near crisis conditions, the need for rail-based MRT systems, at least for all 2 million plus cities in India, can no longer be disputed. The issue of financing city transport has to be looked at in terms of marshalling the savings which would accrue to the national economy (as a result of introduction of more efficient mass urban transport systems and diverting a part of the same for the establishment, operations and of mass transport systems. The approach of financing such systems should, therefore, be based on a radically different financial understanding and outlook than on the simplistic concept of return on investment. The gainers, direct as well as indirect, from a smooth and efficient mass public transport system must be broadly identified and made to contribute both to the capital costs as well as to the recurrent costs of operation and maintenance, replacements and renewals, improvements and enhancements.

5.4.3.5. The capital cost of the basic public transport infrastructure may have to be borne by government. A formula for sharing of costs between the Central government, the state governments and the urban local bodies will have to be evolved. The possibility of associating the private sector in the construction and/or O&M of such projects should be kept open to ensure efficiency.

5.4.4. Actions

The Central Government would need to:

5.4.4.1. Increase awareness of the problems of urban transport and their solutions amongst state governments and urban local bodies by presentations, discussions in state capitals and distribution of literature

5.4.4.2. Amend the Allocation of Business Rules of the Government of India so as to allocate all aspects of urban transport to the Ministry of Urban Development including technical planning, safety, etc.

5.4.4.3. Set up an urban transport division and a directorate of urban transport in the Ministry of Urban Development

5.4.4.4. Formulate appropriate legislation to create a Unified Metropolitan Transport Authority for construction, maintenance and operation of urban mass transit systems.

5.4.4.5. Declare urban transport as infrastructure, and facilitate all urban transport projects to avail of various facilities such as concessions in income tax, and concessional loans from banks, etc.

5.4.4.6. Constitute a National Urban Transport Development Fund, to be sourced through budgetary allocations and dedicated levies

5.4.4.7. Encourage private sector participation through the provision of appropriate legal framework and policy on fiscal incentives

The State Governments would need to:

5.4.4.8. Increase awareness of the problems of urban transport and their solutions among state government departments and urban local bodies

5.4.4.9. Set up an urban transport division and an urban transport directorate in the department of urban development

5.4.4.10. Introduce appropriate legislations such as Unified Metropolitan Transport Authority – UMTA Act and set up Unified Metropolitan Transportation Authorities in the million-plus cities

5.4.4.11. Provide adequate funds through budgetary resources and dedicated levies for urban transport and set up a state-level Urban Transport Development Fund

5.4.4.12. Encourage private sector participation through the provision of an appropriate legal framework and policy on fiscal incentives

5.4.4.13. Implement Transport System Management (TSM) measures in cities with population of more than 5 lakhs

5.4.4.14. Make use of the existing rail network in developing sub-urban rail network

5.4.4.15. Introduce urban buses light rail, and mass rail transit systems

The Municipal Governments would need to:

5.4.4.16. Make transportation planning an integral part of urban development planning and adopt a professional approach to urban transport management

5.4.4.17. Insist on implementation of urban transport facilities prior to development of any new colonies/ settlements

5.4.4.18. Devise ways to segregate slow-moving modes of transport from fast-moving modes to improve traffic flow

5.4.4.19. Determine appropriate travel speeds and maximum pollution levels at selected points in the city and enforce their observance to ensure safety of citizens

5.4.20. Ensure effective utilisation of road space by preventing on-street parking of vehicles, and public encroachments, and ensuring safe and adequate pedestrian pathways and cycle tracks

6. Financing of Urban Development

6.1. Background

6.1.1. Financing urban development involves funds required for capital investment and operations and maintenance expenditure of the assets thus created. The requirement of funds for these, as estimated by the India Infrastructure Report, comes to Rs. 283 billion per annum from 1995 to 2000 and Rs. 278 billion per annum thereafter till the year 2005. Against this, the actual flow of funds has been to the extent of about Rs. 50 to 60 billion per annum. A major proportion of the funds required is supposed to be generated by the municipal governments out of their own sources of revenue. However, these local governments have been experiencing severe fiscal stress due to a host of reasons and their finances are too inadequate to enable them to discharge their functions satisfactorily.

6.1.2. The share of municipal governments in the total national expenditure, as documented by the Planning Commission's Task Force on Financing of Urban Development, declined from 8 per cent in 1960-61 to 4.5 per cent in 1977-78. A subsequent study by National Institute of Urban Affairs revealed that it further declined to 3 per cent around 1989. A recent study of municipal finances has revealed that the share of municipal bodies in the total revenue raised by the Central, state and municipal bodies constituted only 2.8 per cent in 1993-94. The financial resources raised by the municipal authorities constitute hardly 0.6 per cent of the national GDP.

6.1.3. In recent years, the Central Government has provided several fiscal incentives to help mobilisation of resources for urban infrastructure. These include permitting the issuance of Tax Free Municipal Bonds, broadening the definition of infrastructure to include urban infrastructure such as water supply and sanitation, removing restrictions on Foreign Direct Investment in urban infrastructure, and encouraging externally assisted urban sector projects. However, many more such steps are needed and the implementation of the reforms needs to be expedited by the various levels of the governments to meet the financial requirement.

6.2. Issues

6.2.1. The demand for financial resources by the priority sectors would not permit the Central government to enhance the plan allocations to the urban development sector. Hence, the Central government's role in financing urban development will continue to be limited with occasional centrally sponsored schemes to fund the priority areas of urban development. The transfers to the states by the Central Finance Commission will supplement this as a pass-through provision. State finances therefore shall have to be spruced up to play a larger role in financing of urban development.

6.2.2. Ultimately, though, municipal finances shall have to be self-supportive. They are presently too fragile to meet the increasing demand for resources emanating from the process of urbanisation. Also, there exists a mismatch between functions and sources of

revenue devolved to municipal bodies. The collection of taxes and rates is highly inefficient. Property Tax, the major source of revenue, has lost its buoyancy and elasticity and the user charges are not pursued vigorously.

6.2.3. Market based funds through accessing the capital market and the involvement of the private sector in the financing of urban services by commercialisation of urban projects has, therefore, become imperative. This is, however, contingent on effective municipal and urban management that could be amenable to fairly good credit rating and by offering suitable fiscal concessions to the investors in the debt instruments.

6.3. Strategies

6.3.1. Though the provision of constitution of State Finance Commissions under the 74th Amendment Act and the inclusion of consideration of finances of municipalities under the terms of reference of Central Finance Commission would help the municipalities to strengthen their finances in a limited way, several other additional measures are needed to mobilise financial resources for the local bodies in view of the huge requirement of resources for urban infrastructure. These measures would include generation of funds through innovative ways like accessing the capital market in India and abroad, private sector involvement in the provision of urban infrastructure and services, using land as a resource, loans from the financial institutions, and commercialisation of urban infrastructure projects.

6.3.2. The strategy to finance urban development will be focussed on commercialisation of urban infrastructure projects, municipal credit rating, fiscal concessions as an incentive to the investors, galvanising of municipal finances by enhancing the efficiency of tax administration machinery, devolution of additional tax authority and rational fiscal transfers, refurbishing the property tax, and increasing recourse to user charges for financing directly chargeable services. These will be supplemented by better municipal financial management and accounting systems.

6.3.3. Accessing the capital market requires development of a long-term debt market that does not exist at the moment. Hence, packaging and structuring of commercially viable or bank-able projects have to be adopted as the instruments for the development of a long-term debt market.

6.3.4. The capacities of the municipalities will have to be enhanced and their accounting and other administrative and management systems need to be reformed to make the bodies credit-worthy.

6.3.5. Urban infrastructure financing will gradually be through joint public and private efforts and by accessing the capital market. Municipal credit rating will therefore have to be put in place to enhance the confidence of lenders and investors in the fiscal capabilities of the municipal governments and the urban infrastructure agencies. It will also require suitable fiscal concessions to the investors.

6.4. Actions

The Central Government would need to:

- 6.4.1. Give guidelines to the state governments, municipal entities, and urban infrastructure agencies from time to time for introducing financial and accounting reforms, facilitating public–private partnership, and accessing the capital market in India and abroad
- 6.4.2. Work out suitable fiscal concessions to motivate and encourage the investors for investing in municipal/infrastructure debt instruments and encourage access to priority sector funding and long-term sources of finance
- 6.4.3. Provide a level-playing field to municipal governments and urban infrastructure agencies vis-à-vis the private infrastructure fund agencies under the Income Tax Act
- 6.4.4. Act as nodal agency for encouraging multiple donors through a laid down approach to come forth to provide inexpensive funds for urban development
- 6.4.5. Encourage states which till now have been hesitant to apply for external funds to seek such support
- 6.4.6. Prepare guidelines to encourage the external agencies on increasing the components in urban infrastructure for funding as also give wider coverage
- 6.4.7. Introduce new liberal financing schemes to fund priority areas within the urban development sector
- 6.4.8. Create a national level Urban Infrastructure Development Fund with aid from financial agencies and donor agencies to provide long term funds for urban infrastructure, project development support and pushing the reform agenda
- 6.4.9. Provide benefits of Research and Development to the state and municipal governments through manuals and model legislation relating to financing of urban development and urban infrastructure

The State Governments would need to:

- 6.4.10. Create an enabling environment for the municipal governments and urban infrastructure agencies for accessing the capital market and public private partnership by looking afresh at the regulatory and legal framework
- 6.4.11. Put in place a regulatory authority to regulate tariff levels of services and financing mechanisms for urban infrastructure
- 6.4.12. Take larger initiative in providing for adequate allocations to urban sector, in conformity with the rising level of urbanisation in the states

- 6.4.13. Discourage state guarantee for lending from financial institutions
- 6.4.14. Accept and implement the recommendations of the State Finance Commission (SFC) in letter and spirit
- 6.4.15. Devolve appropriate taxes, as well as powers to levy innovative taxes, to municipal governments and give autonomy to the governments for deciding their own tax rates
- 6.4.16. Create a healthy convention, as followed by central government in the case of central finance commission, to accept and implement the recommendations of the SFC
- 6.4.17. Ensure refurbishing of property tax to restore its buoyancy and elasticity
- 6.4.18. Encourage and insist on fixing user charges as an instrument for direct cost recovery
- 6.4.19. Create state level Urban Development Fund on the lines of the Tamil Nadu Urban Development Fund for supporting the funding of urban infrastructure, project development as well as related research and training
- 6.4.20. Create a Bond Bank that would borrow from the capital market with some state credit enhancement support and then on lend to participating local governments by purchasing their bonds, and support the borrowings by smaller municipalities by giving guarantee for the issue and also by providing technical assistance to them
- 6.4.21. Put in place a reformed and refurbished property tax system and an improved accrual based double entry accounting system

The Municipal Governments would need to:

- 6.4.22. Make themselves credit-worthy by improving their capacities and implementing the various reforms
- 6.4.23. Make the tax administration effective and strive for cost recovery by rationalising the tax-rates, user charges and through appropriate pricing
- 6.4.24. Improve financial management systems and other management support systems in order to get the desirable credit rating for accessing the capital market
- 6.4.25. Package urban infrastructure projects such that they are financially viable/bankable

Urban Infrastructure Agencies would:

- 6.4.26. Ensure cost recovery in urban infrastructure projects through rational and effective pricing, billing and collection system
- 6.4.27. Design commercially viable/bankable projects to attract private sector investment and retail investors in the capital market

6.4.28. Make its operations and financial management effective for getting the desirable credit rating for accessing the capital market and attracting the private sector to produce urban services

7. Urban Poverty

7.1. Background

7.1.1. In spite of the various programmes launched by the Government of India and the substantial resources invested, there has not been any major breakthrough in the benefits of economic development percolating to the poor. Low levels of skills and education of urban poor result in their employment only in the low paid informal sector. Women and children among the poor get employed only in labour intensive, domestic services and high-risk activities with low incomes and non-standardised wages.

7.1.2. Inequities in urban areas have resulted in lack of access of the urban poor to basic amenities like water supply, sanitation, health care, and education. Illegal land tenure enhances the insecurity of living among the poor with frequent relocation snapping their economic lifelines. Financial and formal institutions have negligible provisions for credit options to the poor for self-employment.

7.2. Issues

7.2.1. Physical and economic planning tend to exclude urban poor communities from the planning process. This results in little or no provision of space for urban poor and their access to affordable housing with basic amenities.

7.2.2. Negligible provisions for land tenure rights and inappropriate relocation and rehabilitation policies, do not allow this segment to build *pucca* serviceable shelter and they tend to live in vulnerable site conditions, even if they are able to afford better living.

7.2.3. Poverty alleviation programmes do not have provisions for planning for education of children among the poor and lack adequate convergence with other social sectors such as health and nutrition.

7.3. Strategies

7.3.1. Poor must be recognised as an integral part of the urban economy with a right to basic services and employment opportunities. Extensive survey, research, and major legal and financial reforms are needed to enable the poor to reap the benefits of poverty alleviation programmes and their contribution towards development.

7.3.2. It is important to adopt different strategies for those that are most vulnerable among the poor, viz., the poorest of the poor, who cannot afford even food and fuel, and women and children. Those who have sufficient means to fulfil their basic needs of food, fuel and education but have low affordability to access shelter and land and are forced to live in slums and squatters require a different strategy.

7.3.3. Convergence of all the poverty alleviation programmes and other sectoral interventions is required for the purpose of allocation of enough funds and dispersion of these funds to the identified urban poor with programme specific needs.

7.3.4. Poor must be involved in the decision-making process and systems established for meaningful dialogues between them and the city managers.

7.4. Actions

The Central Government would need to:

7.4.1. Facilitate legal frameworks and policies for according due recognition to the contribution of the urban poor in the urban economy

7.4.2. Provide subsidised opportunities for skill development and entrepreneurship training and supplement the self-help employment generation programmes for the urban poor with facilities to enable marketing of goods and services

7.4.3. Converge efforts of social sector programmes to ensure an integrated approach to dealing with health, education, employment and other problems of urban poor

7.4.4. Provide access to land and housing and develop policy guidelines for relocation and resettlement of squatters and slums, in case these are required to be shifted

7.4.5. Facilitate legal reforms with regard to recognition of poor communities

The State Governments would need to:

7.4.6. Effectively pursue implementation of national urban poverty alleviation programmes by adopting national policies and preparing action plans for their implementation in a phased manner

7.4.7. Explore opportunities for employment creation by creating linkages with large industries for providing raw material and marketing support to urban poor micro-enterprises, by offering tax incentives

7.4.8. Ensure private sector involvement in housing sector with more transparent provision for housing for the poor and monitoring thereof

7.4.9. Undertake legislative changes to protect the rights of the poor to housing and basic services

7.4.10. Strive for convergence of urban poor related programmes and funds at the community level

The Municipal Governments would need to:

7.4.11. Develop appropriate information systems on the inhabitants of the various informal and illegal settlements and take appropriate measures to check mushrooming of such settlements

7.4.12. Develop spatial maps for identification of poor communities to facilitate provision of basic services

7.4.13. Involve local NGOs to form community groups to assess the basic needs and priorities of the poor communities

7.4.14. Assist in setting up of community savings group and support for the operation and management of community saving and credit activities with special focus on women

7.4.15. Endeavour to support community groups in planning integrated community development process and form partnerships with community organisations

7.4.16. Help in setting up of a municipal-level poverty eradication fund from donations, which qualify for exemption under income tax/corporation tax, and the grants released by the state government

7.4.17. Ensure that urban poor living in slums and informal settlements are properly integrated into the city level urban development/master plans and at least 10 per cent of new developments are earmarked for the housing of urban poor

7.4.18. Take measures to provide land tenure rights to the urban poor through land sharing and land pooling that would enable the poor to access finance for house building

7.4.19. Facilitate finance for house building, technology inputs and habitable design and layouts, with provision for incremental housing and adequate services

7.4.20. Rehabilitate and relocate slums located in hazardous sites like flood plains and landslide zones, through voluntary efforts and involvement of NGOs

7.4.21. Ensure access of urban poor to basic services such as water supply, sanitation, solid waste collection, storm water drainage, and electricity

7.4.22. Encourage designing of settlements with gender and home based activities/concerns and make zoning regulations poor-friendly

7.4.23. Prepare a cadre of field facilitators who can work with urban poor communities towards their empowerment

8. Urban Crime

8.1. Background

8.1.1. Urban crime has registered more than double the average growth of urban population and its magnitude is much higher in the large urban settlements. For example, Delhi recorded 727 crime cases per lakh of population in 1998, as against 252 cases in Chandigarh.

8.1.2. Crime incidence is often more in the urban poor settlements and girls, children, housewives, and elderly are more vulnerable to them. Lack of education and employment opportunities and disintegration of social support systems often lead children and youth of poor communities into problems of beggary, crime and violence in urban areas.

8.2. Issues

8.2.1. Studies have shown that urban crime is a chain reaction of circumstances arising from growing inequalities, lack of infrastructure, poverty, disproportional urban growth, presence of rural settlements in the cities, low literacy rates, and weak follow-up system of crime cases. Urban crimes make a very complex conglomeration of social deviance characterising urban life. If this trend continues for a couple of decades, urban settlements would no longer be liveable areas for the law-abiding citizens.

8.2.2. There is violence within households, particularly against women and children.

8.3. Strategies

8.3.1. Socio-economic inequalities to be reduced through various planning measures and incentives. Low-income settlements need to be decongested with adequate circulation facilities.

8.3.2. Agencies handling urban crime to be trained for proper and fair reporting of crime and developing a follow-up system and establishing relations with the neighbourhoods.

8.3.3. Urban poverty alleviation programmes must be linked to any interventions for reducing crime.

8.3.4. Legislative frameworks must be evolved for speedy punishment to criminals to act as a deterrent.

8.4. Actions

The Central Government would need to:

8.4.1. Provide for skill enhancement of law and order maintenance departments and agencies of state governments by setting up specialised training centres

8.4.2. Provide guidelines to the state governments in dealing with urban crime, especially in metropolitan cities

The State Governments would need to:

8.4.3. Ensure that at least 10 per cent planned residential land be reserved for accommodating the urban poor and providing essential infrastructure and amenities

8.4.4. Involve NGOs in educating the illiterates and in building communities, organisations and structures for prevention of crimes

8.4.5. Ensure that the crime reporting institutions change their recruitment method to induct persons having the right kind of background and sensitivity and report the crime suitably in order to give justice to the victims in a short time

8.4.6. Strengthen the judicial system in terms of capacity as well as training to resolve crime cases without much delay

The Municipal Governments would need to:

8.4.7. Encourage institutions like community and residents welfare associations in dealing with crime management and maintaining liaison with crime prevention authorities

8.4.8. Link-up the police force with local community groups for ensuring transparency and accountability in dealing with crime

8.4.9. Enforce proper control and check violence and sexual harassment against women in urban areas

8.4.10. Enforce proper control to check problem of beggars and organised begging involving children and women in urban areas

9. Urban Environment

9.1. Background

9.1.1. Though urban services and infrastructure facilities are vital components in determining the quality of urban environment, other important determinants are related to the ways in which the economic and developmental activities are planned, executed and managed. The quality of urban environment is, to some extent also determined by the physical pattern of land use, and distribution of population and service networks. Further, the environment is also influenced by use of technology and consumption of natural resources.

9.1.2. Urban environmental problems arise due to various factors, including poverty, inadequate and unevenly distributed basic services such as water supply, solid waste management, and sanitation, air and noise pollution, pollution caused by industries, ill-maintained public utilities, traffic congestion, lack of recreational and public spaces, and crime on streets.

9.1.3. After 1972, the United Nations Conference on Human Environment in Stockholm, the issue of environment came into greater focus. Another UN Conference held at Rio-de-Janeiro in 1992 on environment and development adopted Agenda 21 and also identified various programme areas. Chapter 7 of Agenda 21 specifically highlights promoting sustainable human settlement development with the objectives of improving the social, economic and environmental quality of human settlements and working environment of the people, particularly the economically weaker sections of the society. The Twelfth Schedule attached to Constitution 74th Amendment Act also empowers the local bodies to carry out the functions related to town planning and environmental aspects.

9.2. Issues

9.2.1. Most of the solid waste generated from households and restaurants, commercial and industrial solid waste of non-hazardous nature, and hazardous waste from industries, hospitals, research laboratory etc. is disposed off in land sites and water bodies without proper treatment.

9.2.2. There is a high level of air and noise pollution in urban areas due to vehicular emissions, loudspeakers used in public functions and religious places, construction and industrial operations, high frequency transport corridors etc.

9.2.3. The accelerated urban and industrial growth expected in the coming years is likely to result in: more metropolitan cities, further deterioration in urban environment, structural shifts in industries from moderately polluting to those having greater potential for environmental harm, more generation of industrial waste, increased air and noise pollution due to vehicular traffic and other factors, and increased consumption of natural resources etc.

9.3. Strategies

9.3.1. Each city should develop an environment status report and an environmental action plan as part of development planning process, taking into account the ecological status, resources, social and physical infrastructure base and severity of the problems.

9.3.2. Protection of waterfront areas, coastal belts, hills, and other fragile areas should be given special treatment for environmental considerations.

9.3.3. Environmental impact assessment should be made mandatory for all projects that have significant environmental impacts.

9.3.4. At city level, four major problem areas that need to be addressed on priority basis are water pollution, solid waste management and inappropriate land uses.

9.3.5. Provision of minimum open space (10-15%) should be made in urban areas in the form of parks, playgrounds, green belts, urban forestry, etc. to ward off congestion and to increase the natural assimilative capacity.

9.3.6. Public transport system, at least in large and metropolitan cities, should be developed using non-conventional and non-polluting energy. Proper integration of land use plan and transport plan needs to be done for reducing trip length and congestion.

9.3.7. Polluting industries need to be located away from major urban concentrations.

9.3.8. Low-income settlements should be provided with an adequate level of basic services and networked with the city systems.

9.4. Actions

The Central Government would need to:

9.4.1 Provide guidelines and a framework for urban environment planning and management as an integral part of the urban planning and development process

9.4.2. Streamline the Central/state legislations to plug loopholes and to enlarge their scope to give full legal support to urban environmental protection and conservation

9.4.3. Promote research for environmental understanding to ensure that complex environmental and economic interdependencies are better understood.

The State Governments would need to:

9.4.4. Prepare guidelines for the implementation and monitoring of an environmental improvement programme

9.4.5. Prioritise the action plan, both issue-based and agency-specific, for various towns and cities

9.4.6. Enforce proper control and check on mushrooming of squatter/low-income settlements

9.4.7. Provide assistance to local bodies to prepare urban environment status report and implement the urban environmental action management programme

9.4.8. Promote use of renewable and recyclable materials.

The Municipal Governments would need to:

9.4.9. Prepare and implement local area action plan for environmental improvement

9.4.10. Check and control unwarranted ribbon development

9.4.11. Initiate improvement programmes and control further growth of low-income settlements by taking advance action plans

9.4.12. Develop information base on various environmental parameters to assess the environment status

9.4.13. Take effective steps for creating environmental awareness among the inhabitants of towns and cities and Involve ward committees, NGOs, CBOs, and the public at large in various environmental improvement programmes

9.4.14. Introduce/formulate Environment Management Systems.

10. Urban Conservation and Heritage

10.1. Background

10.1.1. A vast portion of India's built heritage lies outside the purview of the government and often comprises of traditional streets and vernacular settlements that collectively form a significant part of our heritage and built environment. A heritage zone is defined as "an area of special architectural, historical and cultural interest, the character and appearance of which it is desirable to preserve and enhance. These are areas that afford a cultural and traditional identity to the locality. Such areas can be large or small, whole towns, squares, groups of buildings or streets, open spaces, features of archaeological interest, sections of

waterways, beaches, forests, natural water springs, etc. The broad definition thus includes the environments of monuments and sites as a whole.

10.2. Issues

10.2.1. Historical cities, not usually built keeping the motor car in mind, have repeatedly been disfigured with attempts to make them more easily accessible to vehicles. Widening of roads often destroy older structures falling in the path. A large percentage of traffic is usually generated due to the wholesale trade that is usually concentrated around the historical areas.

10.2.2. The emergence of urban conservation as an important input in overall urban planning is now recognised the world over. Architecturally, India's heritage is perhaps invaluable and it is imperative that we recognise this and strive to conserve this wealth. The identity and character of our cities lies in the various historical layers of built fabric and natural elements that create our city. Once this is lost our cities will become anonymous and faceless entities losing that unique quality which distinguishes them from other cities around the world. Retaining imprints of the past will help the cities to build their own character.

10.3. Strategies

10.3.1. In order to conserve our built heritage, it is imperative that we adopt a holistic approach to address not just the essential issues of conservation of single buildings but also broader range of issues such as planning for historical cities, resource management, legislation and regulations for heritage conservation. The rapid expansion of our cities has resulted in increased pressures on existing built areas that are destroying our old city centres.

10.3.2. Perhaps the most important tool for heritage conservation will be the emergence of building byelaws and regulations in historical areas. Height restrictions for any new construction need to be clearly identified to ensure that the skyline of the precinct does not alter. Any new in-fills in the areas need to be designed in accordance with the surrounding structures.

10.4. Actions

The Central Government would need to:

10.4.1. Provide tax incentive schemes to heritage property owners so as to encourage them to invest in the conservation of their properties

The State Governments would need to:

10.4.2. Provide adequate public utilities (drinking water, toilets etc.) in areas of heavy public usage such as pilgrim destinations, areas of intense tourist traffic religious festivals or processions, etc.

10.4.3. Duly compensate for any restriction placed on the future development of historical properties and other properties in the neighbourhood of historical structures thus encouraging the owners to invest in the conservation

The Municipal Governments would need to:

10.4.4. Maintain the character of historical areas without altering the built-up and open space ratio that is crucial for conservation and prevent encroachment of open spaces in historical areas

10.4.5. Prevent large hoardings in historical cities, banners running across narrow streets and signage for advertisements painted onto monuments

10.4.6. Recognise and respect the heritage of old centres within the Master Plans for Cities, and integrate the historical city with the modern expansions

10.4.7. Install and maintain services such as drainage and sewerage systems, water lines, electricity and telephone connections within the historical areas

10.4.8. Prepare a list of heritage sites and clearly demarcate conservation areas and label important buildings with a historical precinct

10.4.9. Strictly administer both built and natural heritage sites to prevent encroachment

10.4.10. Associate private sector with the preservation and maintenance of historical sites

11. Information System

11.1. Background

11.1.1 Although sporadic efforts have been made to develop an information system partially useful for urban and regional planning in a piece-meal manner, a comprehensive urban information system involving various aspects is yet to be evolved in India. Information required for urban planning and development include databases on demography, land use, transport system, utility services, social infrastructure, environmental parameters and facilities and amenities. There is no single agency at the national or lower levels responsible for collecting, compiling, and maintaining aggregate information in a desired form that could meet the specific needs of urban planning and

development. Information is also not presented in spatially disaggregated units that are very vital for urban planning. The information on income and expenditure pattern, informal sector, plan outlays, etc., at city/town level, which are also important parameters for Urban and Regional Planning, either not collected or not segregated at town/city level.

11.1.2. Up-to-date and accurate base maps on a large scale are required for urban planning and development. Once base maps are available attribute data could be incorporated in a GIS frame for spatial analysis. However, the goals and objectives of an information system would differ from the national to the local level in terms of the basic and nature and contents of information.

11.2. Issues

11.2.1. Data at intra-city level either do not exist or are not available in a uniform pattern. The Basic Spatial Unit at the Intra-city level for collection and maintenance of data for various sizes of urban centres needs to be identified to develop an urban and regional information system.

11.2.2. There is no standardised format for collection and compilation of data on various aspects of urban affairs. Similarly, agencies for co-ordinating and developing the required information systems at the national, state and local levels are not identified clearly.

11.3. Strategies

11.3.1. Data sharing is a key concept in building an information system, hence, care should be taken to avoid duplication of data collection and processing as there are several agencies that are involved in such efforts.

11.3.2. Land use database involves periodic updating, which is possible with the help of aerial photographs and satellite imageries. A close liaison should be established between the agencies developing spatial databases.

11.3.3. Some of the data variables, such as income and expenditure pattern, land price, environmental aspects, informal sector, although important from the planning point of view, are generally not readily available at the town/city level. A modus operandi, either to collect such information through a primary sample survey or by making arrangements with the concerned agencies for easy collection of such information, needs to be devised.

11.4. Actions

The Central Government would need to:

11.4.1. Facilitate the collection, compilation and aggregation of data at various levels and strengthen the existing institutional capabilities by creating a network of information cells covering all the States and Union Territories

11.4.2. Identify an institution at the national level as a co-ordinating agency between data generating and survey organisations at the various levels and operationalise a spatially-oriented urban and regional information system at the national and state levels

11.4.3. Evolve a standardised format and reporting techniques in the interest of uniformity of data

The State Governments would need to:

11.4.4. Establish information cells to act as the state level focal point with the responsibility of data collection, compilation, computerisation and analysis

11.4.5. Develop a comprehensive system of collection, storage and retrieval of information in critical areas such as land use, land value, slums and squatter areas, informal sector, environmental aspects and services

11.4.6. Utilise statistical departments such as Bureau of Economics and Statistics, Census, and National Sample Survey Organisation in the collection of appropriate data

The Municipal Governments would need to:

11.4.7. Establish local level focal point at the municipal level for development of an information system and integrate the data generated through various agencies

11.4.8. Facilitate collection of data from various sources, including undertaking a primary survey for collection of such data that are generally not available through secondary sources

12. Capacity Building

12.1. Background

12.1.1. Recognising the complexities of urban planning, development and management the need for strengthening the capacity of urban local bodies, development authorities, state town planning departments and other concerned agencies assumes greater importance. Hitherto urban local bodies have remained a weak link in the process of management of urban development.

12.1.2. Strengthening the role and capacity of institutions of urban governance and management must be seen as an imperative to meet the challenges that our urban areas are facing today.

12.1.3. With the 74th Amendment, planning for economic development and social justice has been enjoined upon municipalities along with various other functions listed in the 12th Schedule. However, there is no time limit laid down for the devolution of functions. Clear delineation of functional responsibilities of local bodies needs to be done expeditiously so as to devise the necessary measures to strengthen their capabilities accordingly. The enlarged functional agenda of municipal bodies as envisaged in the 74th Amendment calls for professionalism and managerial skills of a high order along with appropriate policies for personnel management and staffing.

12.2. Issues

12.2.1. Training must respond to the development process and national agendas and programmes. In fact training should be linked with the programmes and projects being undertaken by the urban institutions.

12.2.2. Training institutions should be linked by networks at all levels within the country and internationally with a common agenda and with the objective of creating human resource that would perform and be instrumental in achieving sustainable urban development.

12.2.3. There is need to increase community awareness for urban development and management issues so as to have wider public participation in programmes of urban development.

12.2.4. Major issues and constraints at the local level relate to the magnitude and heterogeneous character of municipal staff, lack of personnel management policy, assessment of training needs and inadequacies of existing training facilities.

12.3. Strategies

12.3.1. In view of the multiplicity of agencies involved and the need for participatory approach in urban planning and management, capacity building will have to be addressed not only for the local bodies but also for other stakeholders at the different levels of the urban hierarchy. The major responsibility in this area should be shared by the state government in association with local bodies, etc. with Central government playing the role of a catalyst and facilitator.

12.3.2. The training programmes need to be made demand-driven instead of being thrust on to the client organisations by the training institutes.

12.3.3. Capacity building strategy should support decentralisation and regionalisation of training efforts and promote the collaboration of various agencies at the Central, state and local levels.

12.3.4. Priorities of development and capacity for management may differ from one class of municipalities to another, particularly between small municipalities and municipal corporations.

12.4. Actions

The Central Government would need to:

12.4.1. Develop an outline for a national training programme for urban planning and development, urban and municipal management and other related areas

12.4.2. Create a network of the specialised institutions imparting training in the relevant field at the national and regional levels and assign specific areas of capacity building based on expertise and experience to various organisations/institutions

12.4.3. Appropriately strengthen the research and training institutions at the national and regional levels appropriately to cope with the demand of municipalities and planning agencies

The State Governments would need to:

12.4.4. Identify a nodal agency for co-ordination and implementation of the capacity building programme at the state/regional level

12.4.5. Strengthen existing training institutions to draw a larger pool of resources to facilitate wide involvement of expertise

12.4.6. Create capacity building cells at the state level with technical assistance from the Central government to prepare a regional strategy for capacity building as part of urban policy and implementation of such schemes at the local level

12.4.7. Develop a research and information base in the areas of innovative planning techniques, economic reforms and their impact on urban growth pattern, productivity, employment and poverty, assessment of land development techniques, resource mobilisation at local level

12.4.8. Provide assistance to local bodies in capacity building programmes

The Municipal Governments would need to:

12.4.9. Work out the action plan for capacity building for their employees

12.4.10. Develop programmes for the staff to undergo training and give certain incentives in terms of increment/promotion, etc.

12.4.11. Identify training institutions for imparting such training and act as a nodal platform

12.4.12. Create a corpus fund allocated for capacity building and training component in the development plan

12.4.13. Build policies to motivate their personnel for productivity and efficiency through adequate training, promotional avenues and rewards

13. Other Related Policies

13.1. This National Urban Policy has implications for a number of areas that are covered more exhaustively in other national policies of Government of India. These policies include National Housing and Habitat Policy, National Telecom Policy, National Industrial Policy, National Population Policy, National Education Policy, and the proposed National Slum Policy. To effectively respond to the emerging challenges of urban development, planning, management and governance in the country, this policy needs to be viewed and implemented in combination with the other cognate policies of Government of India. It also needs to be converged with supplementary policies and plans of action such as Health for All, National Plan of Action for Children, Environment Action Programme for India, and Agenda 21.