

**The Role of Intermediate Towns in  
Regional Development  
A Case Study**

Research Study Series  
Number 35

( Prepared for the Ministry of Urban Development )

National Institute of Urban Affairs  
New Delhi  
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## PREFACE

This study is the first of two studies that the National Institute of Urban Affairs (NIUA) is bringing out on the performance evaluation of the Integrated Development of Small and Medium Towns (IDSMT) Programme. Using an indepth study approach, the present study has analysed the performance and impact of the various activities undertaken as a part of the IDSMT Programme in four towns of Assam, Kerala and Orissa, and attempted to identify the constraints that have hampered a proper and effective implementation of the IDSMT Programme.

It needs to be stated at the very outset that since its inception in 1979, the IDSMT Programme has been a subject of widespread controversy and debate. Critics have often pointed out that the Programme is far too ambitious in terms of its objectives; the level of investments provided for under the Programme is too low to make any perceptible difference to the physical and economic environment of the towns; and that the proposed institutional set-up is not firm enough to bring about any effective coordination between the various agencies responsible for the planning and implementation of the IDSMT Programme. The "integrated" nature of the Programme has also come under serious questioning.

Many of these questions will be addressed in the larger study which is expected to be completed shortly. In this study, we have presented, as stated above, the results of the performance evaluation of the IDSMT Programme in four towns, namely: Tinsukia (Assam), Changanacherry (Kerala), Balasore and Sambalpur (Orissa).

The results of this study are revealing in several respects, three of which need to be highlighted in the Preface itself. Firstly, the study shows that there are wide variations in the stages of development of activities taken up as a part of the IDSMT Programme. For instance, performance was reported to be better in respect of those IDSMT activities for which funds were available from the central government and matched by the state governments. On the other hand, progress on activities which were falling exclusively within the domain of the state governments lagged behind considerably owing primarily to the inadequacy of financial allocations by the states. This fact raises two types of questions - firstly, whether or not the state governments are committed to the Programme; and, secondly, whether the division of jurisdiction between the centre and the states in respect of the activities is justifiable. There seems to be little doubt that the division of jurisdiction that exists at present between the activities that are funded out of the central loans and those which are financed wholly by the states is arbitrary and has led to lopsided implementation of the Programme. The concept of "integrated" development that underlies the Programme thus stands considerably diluted as a result of this division.

Secondly, the study has brought out the absence of effective involvement of the municipal bodies in the planning and implementation of the IDSMT Programme. This is in spite of the fact that the Programme provides for their involvement in the planning and implementation process, and places upon them the responsibility of the maintenance of assets and facilities created as a part of the

Programme. The absence of their involvement particularly in the planning and implementation has created in the surveyed towns a very peculiar situation where they have now to maintain infrastructure and assets created under the programme without having had any role in their planning or implementation. This finding underlines the need to reconsider the institutional arrangements within which the Programme is presently planned, implemented and managed.

Thirdly, the study has brought out the problems which are associated with the acquisition of land for various IDSMT activities. In all towns, non-availability of land at the time when it was required proved to be a major impediment in the implementation of IDSMT activities. What was important was that the land could not be acquired and made available even when it was government-owned underlining how this factor alone can adversely affect the Programme.

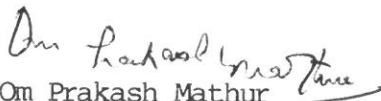
One of the important observations that should be made here is that the launching of the IDSMT programme has set in motion a process of development in the four towns that were studied by NIUA. This process of development is a long and continuous one, whose impact can be seen only in a longer time frame. The results of the study should, therefore, be seen in the context of the time frame within which the results can realistically be expected.

The Institute is grateful to the Ministry of Urban Development for funding the study and to the Town and Country Planning Organisation for providing the necessary basic data.

The Institute wishes to place on record its appreciation to the Departments of Urban Development, Governments of Assam, Kerala and Orissa; the Directorates of Town and Country Planning of the selected States and the implementing agencies, the Balasore Special Planning Agency and the Balasore Municipal Council; Changanacherry Municipal Council; Sambalpur Municipal Council and the Sambalpur Regional Improvement Trust; and the Tinsukia Development Authority and Tinsukia Municipal Council for their assistance and cooperation.

The Institute wishes to thank Dr. K. Sreeram, Professor, Management Studies, for directing the study and preparing this report. Prof. K. Sreeram was ably assisted by Ms. Basudha Chattopadhyaya, Research Analyst in this Institute. The Institute wishes to acknowledge the hard work put in by her.

January 1989

  
Om Prakash Mathur  
Director



## I INTRODUCTION

The Integrated Development of Small and Medium Towns Scheme (IDSMT Scheme) consists of a wide variety of activities which are directed towards establishing a proper role for the small and medium towns in the process of the nation's economic development. This role was conceived quite late in the course of India's planned economic development. Until 1979, when the IDSMT Scheme was actually launched, the entire emphasis on urban development was placed on the country's larger urban centres. For quite a long time larger urban centres were accepted as enclaves in a vast domain of undeveloped small urban settlements in the countryside. The IDSMT Scheme was looked upon primarily as a major corrective according to which impulses of development would radiate from larger urban centres to the rural hinterland.

The IDSMT Scheme was introduced with a view to (a) slow down the growth of the metropolises, and (b) ensure a balanced distribution of urban population. The launching of the scheme was a major attempt by the Government of India to directly intervene in the process of spatial distribution of urban population by making direct investments in the physical and economic infrastructure of small and medium-sized towns.

## SELECTION OF TOWNS

In selecting towns for intensive development under the scheme census criteria were adopted. Accordingly, the bench-mark figure for population was taken as one lakh persons according to the 1971 census. From the point of view of administrative hierarchy the towns selected were the headquarters either of subdivisions or of districts. Other towns that fell below this level were selected for economic reasons rather than administrative. These were towns which had the potential for development as marketing/mandi centres.

It was proposed to cover 235 towns throughout the country during the Sixth Five Year Plan (1980-81 to 1984-85). This selection of towns in different states, by and large reflected a balanced compromise among a variety of socio-economic factors. An amount of Rs. 200 crores was earmarked for this scheme by the central and the state governments. Funds needed for implementation of the scheme were to be provided on a matching grant basis by the central government, the state governments and the implementing agency/agencies. The Ministry of Works and Housing (since redesignated as Ministry of Urban Development) earmarked Rs. 96 crores for the purpose. Central assistance in the form of a loan was limited to 50 per cent of the cost of the Part A component or Rs. 40 lakhs, whichever was less. The balance amount for Part B of the Scheme was to be met from the resources of the state governments and the implementing agencies. Thus, it was envisaged that a major share of assistance would come from the state governments and the implementing agencies to cover the Part B component. Central assistance was viewed mainly as

strengthening the resources of the implementing agencies and the state governments who were to pass the amount along with their matching contribution to the implementing agencies. The implementing agency had also to contribute 20 per cent of the project costs.

#### COMPONENTS OF THE SCHEME

The components to be included in the project prepared for implementation of the IDSMT Scheme eligible for central and state assistance consists of two parts, A and B.

Part A comprised the following components eligible for central assistance on a matching basis :

- i. Land acquisition and development : residential schemes which will include sites and services with or without core housing;
- ii. traffic and transportation : construction of roads and improvement/upgradation of existing roads, but not including purchase of motor vehicles;
- iii. development of mandis/markets, provision of industrial estates, provision of other services and processing facilities for the benefit of agricultural and rural development in the hinterland; and
- iv. construction of a municipal abattoir.

Part B components for which funds were to be found from state governments/implementing agencies but which must form part of the integrated development scheme were :

- i. Slum improvement/upgradation, urban renewal and small scale employment generation activity;
- ii. low cost schemes of water supply, sewerage, drainage, and sanitation;
- iii. preventive medical facilities and health care;

- iv. parks and playgrounds; and
- v. assistance for the purpose of making modifications, wherever necessary in city master plans to permit mixed landuse.

The cost of the projects of each town under Part A was expected to be about Rs. 100 lakhs. However, central assistance on a matching basis though available was limited to Rs. 40 lakhs or to 50 per cent of the total approved cost of the Part A components, whichever was less, while the remaining amount had to be provided by the state government and the implementing agencies.

Central assistance came in the form of a soft loan carrying an interest rate of 5.5 per cent per annum (subsequently enhanced to 8 per cent) repayable in 25 years with a moratorium of five years.

In addition to the above, since 1983-84, the Low Cost Sanitation Scheme had been brought under the purview of Part A and for this purpose, central assistance of Rs. 15 lakhs was made available to each IDSMF town over and above Rs. 40 lakhs, subject to the provision that the state governments make suitable provision of Rs. 12 lakhs per town over and above the Rs. 40 lakhs given by the state as matching contribution.

The Government of India laid down the following conditions :

- i. The state government should have an integrated plan for the development of the town preferably based on a long-term master plan/development plan.
- ii. The state government may consider passing a comprehensive Town and Country Planning Act providing for preparation and statutory approval of the master plan and landuse control.

## METHODOLOGY

The guidelines issued by the Government of India to the states and union territories, laid down a detailed methodology for the preparation of the IDSMT Schemes, which were as follows :

- i. Identification of development priorities and the needs of the specific town selected for integrated development, its functions, and gaps and inadequacies in the existing services;
- ii. the ensuring of conformity to the integrated development plan of the area, if there is any;
- iii. the formulation of an integrated development plan in consultation with the urban local body;
- iv. the costing of itemwise projects keeping in view the economic viability of the projects in terms of cost recovery;
- v. the giving of preference to those projects for which land acquisition procedures are minimal or in an advanced stage of acquisition; and
- vi. the preparation of project reports and financial estimates keeping in view the cost escalation of the project.

According to the 1971 census, there were 3029 towns which conformed to the IDSMT population criteria. Keeping in view resource constraints, a target of covering 235 towns was fixed during the Sixth Five Year Plan. Against the Sixth Plan central government allocation of Rs. 96.00 crores, an amount of Rs. 63.57 crores was made available which is 66 per cent of the plan allocation, while an expenditure of Rs. 93.82 crores has been incurred which is 97.7 per cent of the plan allocation. The actual expenditure incurred is 147.56 per cent of the actual release and 73.78 per cent of central assistance released with state governments' matching contributions taken together. Even though the actual release of central assistance till 31 March 1985 amounted

to Rs. 63.57 crores, the central assistance sanctioned in the month of March 1985, amounting to Rs. 3.90 crores, reached the implementing agencies after 31 March 1985 (after the close of the financial year). Hence the state governments and implementing agencies could not utilise this amount along with the states' matching shares during the plan period (Integrated Development of Small and Medium Towns : In Retrospect and Prospect, TCPO, Ministry of Works and Housing, Government of India; p.8).

The Town and Country Planning Organisation (TCPO) survey mentioned above observed that the physical and financial progress of the projects of various towns varied from state to state, and within a state it varied from town to town because of the peculiar nature of the components taken up for central assistance (ibid., p.10). The study evaluated the physical and financial achievements of different projects in 235 towns covered under the IDSMT Scheme by assigning certain weightage to various components involved in the implementation and construction of various projects (ibid., p.11). The progress and achievements of the states have been assessed and evaluated on the basis of the criteria given below (ibid., p.12). The expenditure was categorised according to its proportion to the total grant (central assistance plus matching state contribution) :

- 80 per cent and above : Very good
- 70 per cent to 79 per cent : Good
- Below 70 per cent : Bad

## OBJECTIVES OF THE STUDY

At the end of the Sixth Five Year Plan which could reasonably be assumed as the first phase of the IDSMT Scheme, different kinds of questions were often voiced by planners, practitioners and administrators. Important among them were : What has been the impact of this scheme on the objectives? Has the scheme slowed down the growth of metropolises? Has it helped in achieving a balanced distribution of urban population within the country?

Any technique that seeks to ascertain answers to these questions is an extremely difficult exercise. The researchability of this aspect is doubtful. Yet it is essential to study and evaluate the operation of this scheme by looking into issues such as, whether the investments made in various towns have been instrumental in removing the deficiencies which characterised them, and whether these investments have been able to pay dividends. This would indicate to a significant extent the success of the scheme in terms of overall objectives. However, the TCPO study concluded that the experience of the various towns in different states with regard to this scheme has not been uniform. In some towns, the scheme may have paid off better, while in other towns it may not have been able to trigger off any activity.

It was against this background that the Institute undertook an evaluation study of the IDSMT Scheme in selected towns in the States of Assam, Kerala and Orissa, where the planning and implementation of the IDSMT Scheme were considered successful. Initially Changanacherry (Kerala), Sambalpur (Orissa) and Tinsukia (Assam) were selected. When

the Institute's team visited Bhubaneswar, they thought it fit to include Balasore Town in Orissa too because of the praiseworthy performance of the scheme in that town. Throughout the study there has been a conscious endeavour to highlight the positive factors that contributed to the successful implementation of the scheme and to examine how the scheme can work better in other towns.

The main objectives of the study were :

- i. To make a factual analysis of the physical and financial targets and achievements of the various components of the IDSMT Schemes;
- ii. to assess the beneficial effects of various projects implemented under the IDSMT Scheme on the town in general and on the target population in particular; and
- iii. to study the institutional framework for the planning, implementation, evaluation and monitoring, and operation and maintenance of the IDSMT projects.

A detailed data sheet covering several facets of the IDSMT Scheme was sent to the planning and implementing agencies in advance. This was followed by the visit of the Institute's faculty to the agencies. Data were then collected, discussions held with the officials, and visits made to the IDSMT projects.

Before proceeding with the detailed evaluation of the IDSMT Scheme in the selected towns, it is essential to mention that the study covered only those projects which were undertaken under Part A with central assistance. A deliberate decision was taken to leave out Part B which comprised the components under state sector assistance. In many states it was observed that projects included in this category were in reality on-going ones or they had been included in the IDSMT Report merely as a formality. In many states, while financial



provision was made for matching contribution for central components, the state sector projects went by default. In any case, the progress in the implementation of projects in this sector was either nil or negligible. Hence this aspect was left out of the detailed analysis.

## PROFILES

### BALASORE

Balasore town is the administrative headquarters of one of the thirteen districts of Orissa, and plays an important role in the socio-economic and industrial development of the district. The South Eastern Railway and National Highway No. 5 connecting Calcutta and Madras pass through the town. It occupies the first position in relation to other urban centres in the district in terms of population and is its most important commercial town.

### CHANGANACHERRY

Changanacherry is one of the nine towns in Kerala where the IDSMT Scheme was taken up during the Sixth Five Year Plan. It is a town which lies in the central part of the state. According to the 1971 census, it ranked thirteenth in the hierarchy of towns and cities in Kerala. The town is located at a distance of 90 km. south of Cochin and 136 km. north of Trivandrum.

### SAMBALPUR

Sambalpur, the district headquarters town, occupies an important place on the map of urban Orissa. The town's share of the total urban population of the district, according to the 1981 census is 31.23 per

cent. Because of its locational advantage, the town will continue to occupy the premier position in the district. It is served by National Highways No. 6 and No. 42. The Jharsugnda-Titlagarh railway line passes through it.

#### TINSUKIA

Tinsukia town is the headquarters of the Tinsukia subdivision of Dibrugarh district and is situated in the far eastern part of Assam. It is an important rail and road junction connecting Guwahati and Dibrugarh and is the gateway to Arunachal Pradesh. It is an important transportation node with considerable strategic significance besides being one of the trade and industrial centres with the highest potential and is located 48 km. to the east of Dibrugarh and about 25 km. south of the Brahmaputra river. It is 480 km. east of the state capital Guwahati. National Highway No.37 passes through the town.

#### Area and Population

The area and population of the selected towns according to the 1971 and 1981 censuses are given in Table 1.

Table - 1

## Area and Population of the Selected Towns

Town	Area (sq. km.)		Number of Households			Total Population			
	1961	1971	1981	1961	1971	1981	1961	1971	1981
Balasure	17.6	19.43	19.43	5,843	8,272	12,112	33,931	46,239	65,779
Changanacherry	13.25	13.50	13.50	6,456	7,155	8,549	42,376	48,545	51,955
Sambalpur	20.72	25.38	49.75	6,846	13,364	23,330	38,915	74,458	11,2631
Tinsukia	10.36	10.36	-	5,050	10,210	-	28,468	54,911	-

Source : i. Census of India : 1971

ii. Town Directory : (a) Series 3 : Assam (Part VIA)  
 (b) Series 9 : Kerala (Part VIA)  
 (c) Series 16 : Orissa (Part VIA)

iii. Census of India : 1981.

In terms of area, no change took place in the cases of Balasore and Changanacherry between 1971 and 1981, whereas Sambalpur's area was extended by 24.37 sq. km. which amounted to an almost 100 per cent increase. Figures for Tinsukia are not available.

Significant increase is discernible in the case of the total number of households in Balasore and Changanacherry : 3,840 and 1,394 respectively. The increase of 31,631 households in Sambalpur during the 1971-81 decade was attributable to the enlargement of the town's jurisdiction. Apart from other extraneous factors, large increases in the number of households and the total population could partly be attributed to the successful planning and implementation of the infrastructure necessary for giving an impetus to the growth of the town's economy and its rural hinterland.

The civic status and growth rate of the selected towns are indicated in Table 2.

Table 2  
Civic Status and Growth Rate

Town	Civic Status			Growth Rate (in %)	
	1961	1971	1981	1961-71	1971-81
Balasore	Mncp	Mncp	Mncp	(+)36.27	(+)42.26
Changanacherry	"	"	"	(+)14.56	(+)17.02
Sambalpur	"	"	"	(+)91.33	(+)51.27
Tinsukia	"	"	"	(+)92.89	-

Source : *ibid.*

Note : Mncp. = Municipality.

All the towns have municipal councils. During the decades between 1961-71 and 1971-81 all towns except Changanacherry, showed an upward growth rate, whereas Changanacherry's growth rate which was (+) 14.56 in 1961-71 decreased to (+) 7.02 in 1971-81. Growth rate figures for Tinsukia for the 1971-81 decade are not available.

#### Economic Characteristics

Balasore and Sambalpur towns were classified as "service centres", Changanacherry as "service-cum-commercial" and Tinsukia as "trade and commerce-cum-service" according to the 1961 Census. This underwent a change during 1971 :

- |                    |  |
|--------------------|--|
| i. Balasore        | Service-cum-primary activities-cum-trade       |
| ii. Changanacherry | Service-cum-commercial-cum-industrial          |
| iii. Sambalpur     | Service-cum-trade-cum-industry                 |
| iv. Tinsukia       | Trade and commerce-cum-industry-cum-transport. |

Details for the period 1971-81 are not yet available.

Details relating to trade, commerce, industry and banking in 1969 and 1979 are given in Table 3.

Table 3

## Trade, Commerce, Industry and Banking (1969 &amp; 1979)

Town	Items		No. of banks	No. of agricultural credit societies	No. of non-agricultural credit societies	
	Imported	Exported				
1	2	3	4	5	6	7
			Manufactured			
Balasure						
(a) 1969	i. Petrol	i. Rice	i. Plastic material	2	2	6
	ii. Cloth	ii. Wooden furniture	ii. Wooden material			
	iii. Cycle		iii. Rice			
(b) 1979	i. Cloth	i. Paddy	i. Plastic goods	1	3	44
	ii. Medicine	ii. Fish	ii. Cables			
	iii. Groceries	iii. Chillies	iii. Homeopathic medicines			
Changanacherry						
(a) 1969	i. Rice	i. Tapioca	i. Rubber goods	9	1	6
	ii. Wheat	ii. Rubber goods	-			
	iii. Dried fish	iii. Pepper	-			
(b) 1979	i. Food products	i. Hill products	i. Hill products	14	3	3
	ii. Oils	ii. Vegetables	ii. Vegetables			
	iii. Dried fish	iii. Tapioca	iii. Tapioca			

Contd.....

1	2	3	4	5	6	7
<u>Sambalpur</u>						
(a) 1969	i. Food grains ii. Building materials iii. Petrol & other petroleum products	i. Paddy ii. Bidi iii. Sawn timber	i. Bidi ii. Wooden furniture iii. Oil	5	2	7
(b) 1979	i. Wheat ii. Building material iii. Sugar	i. Paddy & rice ii. Bidi iii. Sawn timber	i. Bidi ii. Groundnut oil iii. Wooden furniture	16	6	10
<u>Tinsukia</u>						
(a) 1969	i. Pulses ii. Wheat iii. Sugar	i. Refined oil ii. Plywood iii. -	i. Plywood ii. Iron and steel goods iii. Flour	3	-	-
(b) 1979	i. N.A.	i. N.A.	i. N.A.			

Source : (a) Census of India, 1971

(b) Town Directory

(i) Series 3 : Assam (Part VIA)

(ii) Series 9 : Kerala (Part VIA)

(iii) Series 16 : Orissa (Part VIA)

(c) Census of India, 1981.

A glance at Table 3 broadly reveals that all the selected towns have been provided with necessary financial infrastructure such as banks, agricultural credit societies and non-agricultural credit societies and so on. Further, they are serving as trading centres for the manufacturing and processing of agricultural products. By and large, they have increasingly been serving as focal points for the rural hinterland and the neighbouring smaller urban settlements.

Density of Population and Sex Ratio

The density of population and sex ratio in the selected towns is shown in Table 4.

Table - 4  
Population Density and Sex Ratio

Towns	Density of Population (per sq. km.)			Sex Ratio		
	1961	1971	1981	1961	1971	1981
Balasore	1,928	2,380	3,385	849	832	868
Changanacherry	3,198	3,596	3,849	981	1,006	1,028
Sambalpur	1,878	2,934	2,264	843	847	892
Tinsukia	2,748	5,300	-	552	648	-

Source : (i) Census of India, 1971  
(ii) Census of India, 1981

Except for Sambalpur, the density of population increased both in Balasore and Changanacherry during the 1971-81 decade. In Sambalpur, it showed a downward trend because increase in population has been largely due to expansion of the town's jurisdiction. For the decade



1961-71 Tinsukia registered an increase of nearly 100 per cent in the density of population.

A close look at the factors that guided the selection of towns for study brings out the following points :

- i. The selected towns were either district- subdivisional- or taluq headquarters towns;
- ii. at the same time, they serve as marketing and servicing centres for the vast rural hinterland as well as other smaller urban settlements;
- iii. the selection process reflected a balanced compromise of a number of factors such as availability of educational institutions, medical and health facilities, and transportation network;
- iv. the availability of institutions such as banks, cooperative credit societies necessary for catering to the economic needs of the town and its rural hinterland was another important consideration; and finally,
- v. the magnitude of investment taking place or which has already taken place in the hinterland was yet another relevant criterion for selection of these towns, the best examples being Balasore, Changanacherry and Tinsukia.

Chart - 1

Administrative Status and Justification for Selection of Towns

Town	Status of Local Body	Administrative Status	Justification for Selection
1	2	3	4
BALASORE (Orissa)	III	District Headquarters	i. By providing urban infrastructure, employment generation and promotion of a more dynamic growth of the town's economic base, it was intended to enable this commercial town to play its role more effectively as a growth and service centre for socio-economic and industrial development for its extensive rural hinterland.
CHANGANACHERY (Kerala)	II	Talug Headquarters	i. The town is a major urban centre in Kottayam district with strong economic ties with the neighbouring sub-region of Kuttanadu.  ii. Since it is located in the heart of the former princely state of Travancore, Changanacherry has developed as a collection and distribution centre for the agricultural products of Kuttanadu and the high ranges.  iii. Significant migration has been taking place from the rural hinterland to the town for educational and employment facilities.
SAMBALPUR (Orissa)		District Headquarters	i. The town occupies a premier position in the district owing to its locational advantage viz., being well connected with the industrial belt of eastern India by road and rail.

Contd....

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ii. Post-Independence development activities such as the construction of Hirakud Dam, and establishment of the university, engineering and medical colleges at Burla and a large number of small and medium scale industries at Hirakud gave a fillip to the emergence of new towns in the district and migration of already established towns in the district.

iii. In view of the town's importance in the regional context provision and strengthening of urban infrastructure and services were considered essential to enable it to play its role effectively as a growth and service centre for the district as a whole.

TINSUKIA  
(Assam)

Subdivisional  
Headquarters

i. The town has multiurban functions such as administrative, trade and commerce, industry. It also provides regional services and a high level of education and medical facilities, and is an important transportation and service centre for oil towns Duliajan, Digboi and others.

ii. The town is well connected by road and rail.

iii. The town is expected to continue to experience fast growth rate of population owing to its economic potentiality due to its varied resource hinterland and industrial growth.

The analysis shown in Chart 1 reveals that the selection of towns was made after careful scrutiny and examination of all relevant factors such as the administrative status, and the growth potential likely to be triggered off by providing new infrastructure or upgrading of existing infrastructure, their role in the regional context and so forth. It has closely followed the broad guidelines laid down by the Government of India.

#### PLANNING AND IMPLEMENTATION

The system of preparation and implementation of the IDSMT Scheme varied from state to state. Primarily, the town planning departments of the state governments were made responsible for the formulation of the schemes :

- i. Local level organisations lacked the requisite technical expertise to undertake this task;
- ii. the Master Plans for the selected towns have already been prepared by the state government's Town Planning Department and they were therefore in a better position to prepare the IDSMT Scheme; and
- iii. the state governments, by and large, did not decide upon the agency/agencies to be made responsible for the implementation of various components of the Scheme at the time of preparing the schemes.

In Tinsukia alone, however, the planning preparation was done by the Tinsukia Development Authority albeit under the overall guidance of the state government's Department of Town Planning. From the discussions with the officials of the local bodies and other local level agencies, it emerged that no worthwhile consultations were made with these agencies at the scheme formulation stage.

Except in Changanacherry where the Municipal Council was entrusted with the responsibility of implementing the projects, in all other towns namely, Balasore, Sambalpur and Tinsukia, the implementation tasks were divided between the Municipal Council and the statutory development agency. Further, in Tinsukia the execution of the Traffic and Transportation component was entrusted to the Public Works Department of the state government. Conscious endeavour was made to ensure a balanced distribution of remunerative and non-remunerative projects in all the towns where more than one agency was involved in implementation.

The details relating to the Planning and Implementation of sectorwise IDSMT Schemes in the selected towns are given in Chart 2.

Chart - 2

Preparation and Implementation of IDSMT Schemes

A. CENTRAL SECTOR SCHEMES

Town	Planning Agency	Land Acquisition and Development	Implementing Agency/ Agencies
1	2	3	4
1. BALASORE (Orissa)	Directorate of Town Planning, Government of Orissa	i. Gopalgaon ii. Kalidaspur iii. Firingipatna (Phase I) iv. Firingipatna (Phase II)	i. Municipal Council ii. Special Planning Authority
2. CHANGAN-ACHERRY (Kerala)	Department of Town Planning, Government of Kerala	i. Residential Development at Pothodu (Phase I) ii. Residential Development of Manchadikkata (Subsequently substituted by Pothodu Phase II)	Municipal Council
3. SAMBALPUR (Orissa)	Directorate of Town Planning, Government of Orissa	i. Trenching Ground Residential Development ii. Budharaja Khetrajpur Residential Development (Subsequently substituted by Durgapalli Scheme)	i. Municipal Council ii. Sambalpur Regional Improvement Trust
4. TINSUKIA (Assam)	Tinsukia Development Authority under the overall guidance of Dibrugarh Town Planning unit at Dibrugarh	Residential-cum-Industrial Land Development Scheme on L.B.T. Road	i. Tinsukia Development Authority

Contd...

Town	Traffic and Transportation	Implementing Agency/ Agencies	Market and Mandis	Implementing Agency/ Agencies
1	2	3	4	5
1. BALASORE (Orissa)	Widening and upgrading of i. Port Road ii. Distillery Road	Municipal Council	i. Mandal Market ii. Bicharganj Market iii. Orissa Trunk Road Market iv. Firingipatna Shopping Complex	Municipal Council  Special Planning Authority
2. CHANGAN- ACHERRY (Kerala)	i. Construction of Pothodu Road ii. Forming a road around Poovakkattuchirakulam	Municipal Council	i. Development of vegetable market ii. Cart Stand near whole-sale market iii. Construction of godowns and stalls in the vegetable market premises	Municipal Council
3. SAMBALPUR (Orissa)	i. Budharaja-Khetrajpur Road ii. Jail-Chauk to Khetrajpur Road widening and up-grading. iii. Fatak Road widening and up-grading iv. Trenching Ground Road widening and up-grading.	Sambalpur Regional Improvement Trust  Municipal Council	i. Modipara Shopping Complex	Sambalpur Regional Improvement Trust

Contd....

1	2	3	4	5
4. TINSUKIA (Assam)	i. Link Road from Bazaltoli to Hijuguri Industrial Estate. ii. Approach Road from DRT to Bazaltoli public field. iii. Strengthen- ing of exist- ing D.R.T. Road. iv. Widening and Improvement of L.B.T. road v. Widening and strengthening of Bazaltoli Lazaiholla Road. vi. Widening and strengthening of Tinsukia- Gullupkhuri Road. vii. Widening and strengthening of G.N.B. Road.	Public Works Department, Government of Assam	i. Market building of Sunday weekly market (Blocks 'F' & 'G')	Municipal Council



B. STATE SECTOR SCHEMES

Sl.No.	Name of the town	Projects	Implementing Agency	Remarks
1	2	3	4	5
1.	BALASORE	i. Water Supply a. Execution of 30 tubewells b. Execution of 16 tubewells ii. Sanitation (conversion of 500 dry latrines) iii. Construction of network of drains	Municipal Council Public Health Engineering Department Public Health Engineering Department Municipal Council	
2.	CHANGANACHERRY	i. Commercial development at Manjadikkara ii. Commercial development at Kavala iii. Construction of drain around existing fish market iv. Development of recreation centre at Poovakattuchira (recreation centre will have boating facilities, children's park; fish pond, picnic spots, fountains, car parking v. Municipal Rest House	Municipal Council Municipal Council Municipal Council Municipal Council Municipal Council	

Contd.....

1	2	3	4	5
3.	SAMBALPUR	i. Garbage Disposal ii. Parks & Playgrounds a. Stadium b. Parks iii. Water Supply (Augmentation of existing system) iv. Slum Improvement v. Improvement of a. Bhatra-Gandhi Mandi Road b. Sakhipara Road	Municipal Council Sambalpur Regional Improvement Trust Public Health Engineering Department UNICEF & Municipal Council	
4.	TINSUKIA	i. Hire Purchase Housing Scheme ii. Environmental Development Scheme (Improvement in drainage of certain areas in the town by construction of pucca surface drains) iii. Water Supply Scheme iv. Drainage scheme of a major drain Tingri River v. Flyover connecting A.T. Road to L.B.T. Road	Tinsukia Development Authority Public Health Engineering Department Public Works Department Public Works Engineering Department	

Part A components of the scheme which were of an obligatory nature were undertaken in all the towns. Part B components of the scheme were not implemented in almost all cases, except in those where the on-going schemes were slums as the state sector component (the Hire Purchase Housing Scheme in Tinsukia and implementation of water supply schemes in Balasore and Sambalpur are some examples) mainly because of the absence of financial provision in the state budgets. The evaluation of this component was deliberately omitted.

#### FINANCIAL ALLOCATION

A brief description follows giving the financial allocations for the four towns under three heads : central assistance, state assistance and the total assistance. The allocations have also been shown agency-wise under two subheads each, proposed and sanctioned estimates in each case.

Table 5  
Financial Allocation

Town	Central assistance		State assistance		Implementing agency contribution		Grand total	
	P	S	P	S	P	S	P	S
Balasore	40.03	39.27	21.70	21.70	21.13	21.13	82.86	82.61
Changanacherry	36.50	36.50	36.50	36.50	-	21.46	111.00	94.46
Sambalpur	47.25	37.50	19.47	18.47	79.43	73.80	146.15	129.77
Tinsukia	49.81	40.00	49.81	64.04	-	-	(i)99.62	86.04
							(original)	
							(ii)91.33	
							(revised)	
							(iii)86.04	
							(Actual up to July 1987)	

Note P : Proposed Estimates  
S : Sanctioned Estimates

Table 5 describes the financial allocation in the four case study towns. Analysis of the table reveals that no significant variations took place between the proposed and sanctioned total cost of the scheme in Balasore whereas in the remaining towns, namely, Changanacherry, Sambalpur and Tinsukia the total cost underwent considerable downward revision. Full central financial assistance was drawn by Balasore and Tinsukia, whereas nearly 91 per cent and 94 per cent were utilised by Changanacherry and Sambalpur respectively.

Further, central assistance was 48 per cent, 39 per cent, 29 per cent and 46 per cent of the total cost of the IDSMT Scheme in Balasore, Changanacherry, Sambalpur and Tinsukia respectively. The state government's contribution constituted 26 per cent in Balasore and 39 per cent in Changanacherry, 14 per cent in Sambalpur and 54 per cent in Tinsukia. The contribution of the implementing agencies was indicated in Balasore (26 per cent) and Sambalpur (57 per cent). Equal matching contribution was made by the state governments in the case of Changanacherry (Kerala) and Tinsukia (Assam) whereas in Balasore and Sambalpur it constituted 35 per cent and 33 per cent of the total cost respectively.

For implementation of the IDSMT Scheme, the Government of Assam made a provision of Rs. 80 lakhs for distribution to the implementing agencies in the selected towns as Loan Assistance. The terms of the loan were more or less the same as that of the central assistance. Interest on the state share of the loan was 9 1/2 per cent per annum with a rebate of 1/4 per cent for prompt repayment. Further, the loanee would have to pay a penal rate of interest of 2 1/2 per cent per annum above the normal rate of interest on overdue instalments.

The state governments of Kerala and Orissa gave their share of contribution in the form of grants and made necessary provision under the relevant heads in the state government budgets.

Agency-wise financial allocation in the selected towns is given in Table 6.

Table 6

## Financial Allocation : Agency-wise

(Rs. in Lakhs)

Town/Agency	Central assistance		State assistance		Implementing agency contribution		Total	
	P	S	P	S	P	S	P	S
<u>Balasore</u>								
a. SPA	19.20	19.20	10.33	10.33	10.90	10.90	40.43	40.43
b. M.C.	20.83	20.57	11.37	11.37	10.23	10.23	42.43	42.17
							82.86	82.61
<u>Changanacherry</u>								
M.C.	36.50	36.50	36.50	36.50	21.46	N.A.	94.46	73.00
<u>Sambalpur</u>								
a. SRIT	16.07	16.07	8.47	8.47	1.80	1.80	26.47	26.34
b. M.C.	31.18	21.43	11.00	10.00	77.63	72.00	119.81	103.43
							146.15	129.77
<u>Tinsukia</u>								
a. TDA	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b. M.C.	"	"	"	"	"	"	"	"

Note: N.A. Not available  
P Proposed  
S Sanctioned

In Balasore, where the Special Planning Agency (SPA) and Municipal Council (M.C.) were involved allocation was almost equal. The share of the Sambalpur Regional Improvement Trust (SRIT) was 20 per cent and that of the Municipal Council about 80 per cent.

The monetary contribution shown against the implementing agencies in the above two tables was only notional. Invariably, their contribution was in the form of land made available for the IDSMT projects indicated in financial terms, which happened in Balasore and Sambalpur. The contribution of the Sambalpur Municipal Council worked out to be 55 per cent of the total scheme cost which needs clarification. Floods in the Mahanadi River during 1982-83 inundated nearly 75 per cent of the towns damaging, among other infrastructure, roads very badly. The Government of Orissa announced grants for repairing, improvement or upgradation of roads affected by floods in the form of a grant known as "Flood Damaged Road" grant. Rupees 56 lakhs and Rs. 5 lakhs were released during 1982-83 and 1983-84 respectively. Besides this grant, Rs. 4 lakhs were released in 1983-84 for road maintenance. Thus a total of Rs. 65 lakhs was released. Utilisation of this grant was shown under the Traffic and Transportation Sector of the IDSMT Scheme as the Municipal Council's contribution whereas in reality its share was only Rs. 7 lakhs, that too in the form of land.

In Changanacherry, the Municipal Council took loans from the Kerala Urban Development Finance Corporation and also utilised municipal revenues totalling Rs. 21.46 lakhs to supplement the IDSMT funding by the central and state governments.

Agency-wise details for Tinsukia were not available.

## II LAND ACQUISITION AND DEVELOPMENT

A reasonable availability of developed land for residential and industrial purposes is essential for an expanding urban centre. In the small and medium towns land may be available, but the local agency/agencies may not be equipped to take up this task. Under the IDSMT Scheme, land acquisition and development is one of the three components eligible for central assistance as a part of the essential urban infrastructure. These projects have been undertaken in all the towns under study not only to meet the backlog of existing housing stock but also to give further impetus to this sector by public and private agencies.

### HOUSING : THE EXISTING POSITION

The situation in relation to availability of shelter at the time of preparation of the Master Plan/IDSMT Scheme in the selected towns is outlined below.

#### BALASORE

According to the Master Plan, there were 6228 houses in the town in 1961 out of which 5,760 constituting 92.5 per cent were being used as dwelling units. Shops, excluding eating places, constituted 2.5 per cent. About 15.28 houses were being used as dwelling units for every 100 persons. About 52.7 per cent of the total houses were of a purely temporary nature and could be termed as slums. The overall requirement of residential houses in 1991 was estimated to be of the order of 20,000 houses.



In 1971, there were 7,067 occupied residential houses with a density of 6.5 persons per house. Assuming a size of 5 persons per household, the housing requirement was projected to be 14,000 and 20,000 by 1981 and 1991 respectively. The requirement of new residential units during the 1971-81 decade is estimated to be 6,933 which would imply construction of nearly 700 residential units every year to meet the housing demand. It was felt that a vigorous programme of house construction should be embarked upon to meet the requisite demand in a phased manner; and all agencies concerned should take steps to increase the housing stock.

#### CHANGANACHERRY

The IDSMT Project Report stated that according to the 1971 census, the housing backlog within the town area was 498 units. Out of the total residential buildings, nearly 53 per cent were either of kutcha type or huts. Taking into consideration the qualitative aspects also, the shortage is much more than what is revealed by the census figures. Slum areas exist near the fish market, the railway station and other places.

#### SAMBALPUR

The draft Master Plan observes that the old town is characterised by cramped and congested development whereas new extensions are scattered without any relation to the old development. Moreover, the new development is mostly restricted to the roadside, thereby tending towards a ribbon growth of the town. On the housing front inadequate housing stock and substandard houses dominate the town's skyline. The existence of slums and rural pockets is a common phenomenon in the

town. These factors warrant the initiation of land acquisition and development projects by the local agencies. According to the IDSMT Report, in 1971, with 12,042 residential housing units as against 13,364 households, there was a shortage of 1,322 residential houses in the town. According to the estimates for 1981, the demand would be 24,000 residential housing units. This would imply the need for construction of additional residential units during the period 1971-81.

#### TINSUKIA

The Master Plan for Tinsukia proposed to meet the requirements of the existing and anticipated population by providing an additional area of 3,330 acres for residential purposes. This meant development of at least 660 acres of land during 1980-85 to meet the housing requirements.

The Master Plan earmarked 364.85 acres of additional land for industrial development and major new development has been recommended towards the south-eastern part of the town, that is, on the Napukhuri side.

The development of industrial and residential plots was also proposed in the IDSMT Report. Originally, an area of 62.8 acres (26.85 acres for industrial plots and the remaining 26.70 acres of the area for commercial and educational use and for playgrounds, parks and roads) was proposed.

It was only in the Tinsukia IDSMT Scheme that there was provision for the development of industrial plots.

Table - 7

## Land Acquisition and Development Projects

Town/Scheme	Implementing Agency	Area (in acres)		Percentage achievement	Present status
		Target	Achievement		
<u>Balasore</u>					
a. Firingipatna Phase I	SPA	3.00	3.00	100	Completed
b. Firingipatna Phase II	SPA	5.50	5.50	100	Completed
c. Kalidaspur	SPA	2.93	2.93	100	Completed
d. Gopalgaon	M.C.	5.97	5.97	100	Completed
<u>Changanacherry</u>					
a. Pothodu Phase I	M.C.	8.40	6.35	75	In progress
b. Pothodu Phase II	M.C.	6.55	6.76	103	In progress
<u>Sambalpur</u>					
Budharaja Trenching Ground	M.C.	5.00	5.00	100	Completed
Durgapalli Road Commence	SRIT	7.00	N.A.	-	Yet to
<u>Tinsukia</u>					
Napukhuri Project (Residential-cum-industrial)	TDA	62.8	41.00	65	In progress

## PROJECTS UNDERTAKEN

Land acquisition and development projects undertaken in the towns under study are indicated in Table 7.

Agencies in Balasore did not face any land acquisition problems where the projects were developed on public land. The Budharaja-Trenching Ground Project in Sambalpur also falls in this category.

Private land was acquired in Changanacherry and Tinsukia through private negotiations. Land acquisition proceedings for the second project in Sambalpur could not materialise; while in Tinsukia, acquisition of additional land had to be abandoned due to inordinate delays. Pursuing the explicit guidelines laid down by the Government of India that under the Land Acquisition and Development Sector preference is to be given for land for which acquisition procedures are minimal or are already in an advanced stage of acquisition by the implementing agencies in Balasore and Sambalpur, significantly helped to expedite project implementation.

The implementing agencies dropped the originally contemplated sites due to problems of land acquisition. The residential development project at Manjadikkara which provided for acquisition of 18.3 acres was abandoned due to high land acquisition costs. (The total cost of this project was estimated at Rs. 61.15 lakhs which provided for 246 developed plots out of which 128 and 70 were for EWS and LIG respectively).

The Pothodu Phase II project replaced the one at Manjadikkara. In Tinsukia, confining the project to 41 acres as against a target of

62.8 acres, obviously meant reduction in the original targets. The proposed Budharaja-Khetrajpur Residential Project of Sambalpur Regional Improvement Trust (SRIT) in Sambalpur was replaced by the Durgapalli Road land development scheme. The Angargadia land development project in Balasore was substituted by Firingipatna Phase II for reasons other than land acquisition.

#### AGENCIES

In Balasore four residential development projects were taken up : three were by the Special Planning Authority (SPA) and one by the Municipal Council (MC) with a view to increase the availability of residential plots. The main criteria adopted by SPA for location of projects have been : (i) the direction of the town's growth ; (ii) the potentialities for the developed areas to attract prospective buyers; and (iii) the likely immediate economic returns on the investment; and so on. Firingipatna I, Firingipatna II and Kalidaspur projects were taken up. In these project areas, residential development by the Orissa Housing Board and other public and private sector undertakings has already commenced and this has made project sites more attractive. Since the state government owned the land, acquisition problems did not arise and SPA successfully ensured its expeditious transfer.

The Gopalgaon project of the Municipal Council situated on municipal land was earlier used as a refuse dumping ground. It was adjacent to the old part of the town. Site selection was done on the presumption that some of the residents would like to be rehabilitated in the vicinity in which they have been living for generations so that their socio-economic and cultural ties with the localities may continue undisturbed.

In Changanacherry, the land development project is being executed by the Municipal Council. The location of the residential development project at Pothodu I and II is quite attractive, since it is very near the Changanacherry-Alleppey road, the town's commercial and market centre and is also by the side of an already well established residential locality. Land was acquired by the Municipal Council through private negotiations.

Of the two projects undertaken in Sambalpur, one each by the Municipal Council and Sambalpur Regional Improvement Trust, only the project undertaken by the former, the Budharaja-Trenching Ground Project, was completed. The total area consisted of five acres which was developed by the Municipal Council. This land formed a part of the municipal trenching ground located adjacent to the Budharaja Hill and the Trenching Ground Road.

At first, the development of a plot of land covering seven acres at an estimated cost of Rs. 6.80 lakhs adjacent to the proposed Budharaja-Khetrajpur Road, was proposed by the Sambalpur Regional Development Authority. Land acquisition costs were estimated at Rs. 40,000 per acre through private negotiations at the project formulation stage in 1982. In May 1983, by the time the Land Acquisition Officer moved in the matter, the land cost went up to Rs. 1 lakh per acre. By 1985, the total land cost increased much further to Rs. 14 lakhs. Escalation of costs was far beyond the SRIIT estimates whereby the project was found to be uneconomical and it was then decided to substitute it with an alternative site. The choice fell on seven acres of land owned by the state government at

Durgapalli involving a total project cost of Rs. 17.96 lakhs in 1986. Lease money of Rs. 30,000 per acre was to be paid by SRIT. Transfer of land from government to SRIT is yet to materialise (March 1988).

Tinsukia is the only town which undertook a composite residential and industrial plot development project. The original proposal envisaged the development of 42.75 acres and 14.72 acres for industrial and residential purposes respectively. Out of a total 62.8 acres only 41 acres were acquired by the Tinsukia Development Authority (TDA) through private negotiations and the remaining land was to be acquired by the district authorities. The TDA had to recast the original lay-out plan to restrict it to 41 acres and commence the development work because of delays in the acquisition of 21 acres of land. The Authority also realised that finances made available for the original project would be sufficient for the development of 41 acres only. Land filling and approach road works were completed and the sanction of the lay-out plan by the Town Planner, Government of Assam was awaited at the time of field survey (July 1987).

The development of predominantly industrial plots, mostly for medium-sized industries as contemplated in the original project report had to be abandoned as the Master Plan zoning regulations had earmarked that area for small scale industries. Hence, the total number of industrial plots were decreased and residential plots increased. Plots of 3000 - 4000 sq. ft. of area were to be developed mostly for the servicing and repairing sector.

Table - 8

## Residential and Industrial Plots

Town/Project		Category							Remarks
		Total	EWS	LIG	MIG	HIG	Industrial		
<u>Balasore</u>									
a.	Firingipatna Phase I	85	73	12	-	-	-	-	
		85	73	12	-	-	-	-	
b.	Firingipatna Phase II	74	-	29	34	11	-	-	
		74	-	29	34	11	-	-	
c.	Kalidaspur	87	56	20	11	-	-	-	
		87	56	20	11	-	-	-	
d.	Gopalgaon	103	56	25	15	7	-	-	
		57	30	12	8	7	-	-	
<u>Changanacherry</u>									
a.	Pothodu Phase I, Phase II	214	119	51	22	22	-	-	In progress
		-	-	-	-	-	-	-	
<u>Sambalpur</u>									
a.	Budharaja Trenching Ground	95	47	30	13	5	-	-	
		95	47	30	13	5	-	-	
b.	Durgapalli	129	11	34	35	49	-	-	Yet to commence
		-	-	-	-	-	-	-	
<u>Tinsukia</u>									
	Napukhuri	314	80	78	70	42	44	-	In progress
		-	-	-	-	-	-	-	

T = Target; A = Achievement; EWS = Economically Weaker Section; LIG = Low Income Group; MIG = Middle Income Group; HIG = High Income Group.



This land was partly low-lying and was located on the outskirts of the town. No individual/individuals can afford heavy investments to match and undertake land development work at this site partly because it is low-lying and partly because it is located on the outskirts of the city. The Tinsukia Development Authority (TDA) took up this task under the IDSMT Scheme. The potential of this part of the town for residential and industrial development is largely responsible for TDA's decision, which hopefully would provide further impetus for growth.

All the four residential projects in Balasore were completed fulfilling 87 per cent of the overall targets fixed for SPA and the Municipal Council. The Gopalgaon project of the Municipal Council could achieve only 55 per cent of its targets. Continuance of dumping and the failure to develop private land for shifting the dumping ground were largely responsible for tardy progress of the project.

The Budharaja-Trenching Ground Project executed by the Municipal Council in Sambalpur is another project which achieved 100 per cent of its targets.

In the other two towns, namely, Changanacherry and Tinsukia, the projects are at varying stages of progress. A detailed analysis has already been given.

Focussing attention on Balasore where the projects have been executed, 52 per cent and 24 per cent of the total developed plots were intended for EWS and LIG categories, whereas in Sambalpur the figures worked out to 49 per cent (EWS) and 32 per cent (LIG). Both categories put together constitute about 76 per cent and 71 per cent

in Balasore and Sambalpur towns respectively.

In the towns of Changanacherry and Tinsukia where the projects are in progress, and in Sambalpur where one project is yet to take off the percentage of plots proposed to be developed for EWS works out to 43 per cent and 27 per cent of the total plots in Changanacherry and Tinsukia respectively and 9 per cent in the remaining one project in Sambalpur. The percentage of plots scheduled for development for EWS and LIG put together works out to 67 per cent, 50 per cent and 37 per cent in Changanacherry, Tinsukia and Sambalpur respectively. Keeping in tune with the objectives of the scheme, adequate provision has been made in all the projects to develop the sites to cater to the needs of the economically weaker sections and low income groups.

#### POLICY FOR DISPOSAL OF RESIDENTIAL PLOTS

The policy evolved for disposal of residential plots will necessarily vary from one income category to another. Identification of target groups, their socio-economic backgrounds and their capacity for making payments were some of the important factors that need to be kept in view while determining this policy.

Some points need further elaboration especially in the case of the EWS and LIG categories :

- i. the cost of the plots should be within the reach and affordable capacity of the EWS and LIG categories;
- ii. the plots may be disposed of on hire-purchase to encourage the EWS and LIG categories to purchase; and
- iii. the returns generated by selling MIG and HIG plots at higher rates could be utilised for subsidising the cost of plots for EWS and LIG categories.

Policy for Disposal of Residential Plots

Plot category	Town			
	Balasure	Changanacherry	Sambalpur	Tinsukia
<u>A. Residential</u>				
- Economically Weaker Sections	Subsidy of 25% of the actual cost of land and development	No profit no loss basis	Same as in Balasure	Actual cost price
- Low Income Group Housing	No profit no loss basis	25% above land acquisition and development cost	"	15% above the calculated cost price
- Middle Income Group Housing	20% extra on cost of land development	40% above the land acquisition and development cost	"	25% above the calculated cost price
- High Income Group Housing	33.33% extra on the cost of land and development	50% above land acquisition and development cost	"	=
<u>B. Industrial</u>	-	-	-	30% above the calculated cost price

Generally, corner plots and plots located on the main road of the colony are priced a little higher. For example, in Balasore all LIG, MIG and HIG corner plots are charged an additional 10 per cent of the sale price and all HIG plots facing the main road will entail payment of an additional 10 per cent of the sale price.

In Balasore, a Committee consisting of (a) the Additional District Magistrate, (b) the Chairman, (c) the Executive Officer of the Municipal Council, and (d) the Secretary of the SPA used the lottery system for allotments. Since the number of applications was less than the plots in Sambalpur, the question of allotments did not arise.

In Tinsukia, the Government of Assam constituted a Committee with the Deputy Secretary, Department of Town and Country Planning as Convenor, the Town Planner to the State Government, the Deputy Secretary (Finance), Chairman (Guwahati Development Authority) and the Associate Planner (Tinsukia Development Authority) as members in June 1987 to evolve a policy of allotment for all the towns covered under the IDSMT Scheme. At the time of our visit, this Committee was yet to finalise the policy.

In the towns of Balasore and Sambalpur (Municipal Council) the interests of the various income categories were safeguarded. In Changanacherry, the policy proposed deviated considerably from even the normally accepted system of subsidising the EWS category. All the other income categories of plots are priced in such a way as to bring sizeable returns on the investment. In Tinsukia, where the policy is yet to be finalised, the tentative policy evolved by TDA made no

concessions for EWS. The price intended to be charged for LIG and HIG is much lower than in Changanacherry.

In Balasore and Sambalpur, allotment of plots has been done on the basis of either outright purchase or on an instalment basis.

Disposal of Plots

The plots disposed of under various categories for the towns of Balasore and Sambalpur are shown in Table 9.

Table - 9

## Disposal of Plots

Town/Project	Number of Plots Developed and Disposed									
	EWS		LIG		MIG		HIG		Total	
	Dev.	Dis.	Dev.	Dis.	Dev.	Dis.	Dev.	Dis.	Dev.	Dis.
<u>Balasure</u>										
a. Firingipatna Phase I	73	73	12	12	-	-	-	-	85	85
b. Firingipatna Phase II	-	-	29	29	34	34	11	11	74	74
c. Kalidaspur	56	56	20	20	11	11	-	-	87	87
d. Gopalgaon	30	22	12	11	8	8	7	7	57	48
<u>Sambalpur</u>										
a. Budharaja Trenching Ground	47	12	30	30	13	13	5	5	95	60

(Dev - Developed ; Dis - Disposed)

In Balasore, the plots developed by the Special Planning Authority were all allotted. At the time of the field survey (August 1987) house construction activity at all the project sites was already in progress. Plots developed at Gopalgaon by the Municipal Council ran into rough weather. The demand for these plots has been extremely poor, because this area is prone to frequent water-logging. Besides, originally this land was being used as a refuse dumping ground and when the decision was taken to locate this project, the Municipal Council was to shift the dumping ground to another location. But this did not happen. Some dumping continues even now. Many applicants were discouraged by these considerations as reflected in the disposal of the plots. Though advertisements calling for applications for allotments were published eight times, public response was very poor. Ultimately, the Council resolved to allot them to their own employees on easy instalments.

Again in Sambalpur, public response was very encouraging for various categories of plots because location of the site was attractive. In the case of the EWS category however only 18 applications were initially received for 47 plots out of which 6 applicants subsequently dropped out. All except the EWS plots, could be allotted without any difficulty. The Municipal Council decided to allot the remaining 35 EWS plots to their sweepers, on easy instalments, but the sweepers have been insisting on allotments free of cost. At the time of the field survey, the impasse continued.

Size of Plots

All the agencies have developed plots for various income categories. The plot sizes of various categories are given in Table 10.

Table - 10  
Different Categories of Plot Sizes

Town/Project	Plots Categories (sq.ft.)				
	EWS	LIG	MIG	HIG	Industrial
<u>Balasore</u>					
a. Firingipatna Phase I	700	1,500	2,400	3,500	-
b. Firingipatna Phase II	"	"	"	"	
c. Kalidaspur	"	"	"	"	
d. Gopalgao	700	1,500	2,400	3,500	-
<u>Changanacherry</u>					
a. Pothodu Phase I	646	1,506	3,013	3,874	-
b. Pothodu Phase II	1,033				
<u>Sambalpur</u>					
a. Budharaja Trenching Ground	700	1,500	2,400	3,500	-
<u>Tinsukia</u>					
a. Napukhuri	1,500	2,880	3,375	4,675	3,000



The sizes of the EWS and LIG plots are more or less the same in all the towns except in Tinsukia. In Changanacherry, two sizes of EWS plots were provided. The sizes of MIG plots in Balasore and Sambalpur were the same whereas they were larger in Changanacherry. Minor variations are discernible in the case of HIG plots. In Tinsukia, the plot sizes were almost double those of any other town. The TDA authorities explained that the local preference was for larger plot sizes. Further, industrial plots of 3000 sq. ft. each were provided only in Tinsukia.

#### URBAN INFRASTRUCTURE

Provision of urban infrastructure involves reasonable norms/standards being evolved and the adoption of appropriate technology. The paucity of resources and limited spatial coverage of services further aggravates this problem. Thus, a valid justification exists for imparting variability to the standards in accordance with the needs of the small and medium towns and the regions they serve.

Table 11 indicates the accessibility to urban services in the residential colonies.

Table - 11

Accessibility to Market, Railway Station and Bus Stand

Project	Distance of residential area to (km.)			Normal mode of transport
	Market	Railway Station	Bus Stand	
Firingipatna Phase I	1.5	1.0	0.5	Rickshaw
Firingipatna Phase II	"	"	"	"
Kalidaspur	"	"	"	"
Gopalgaon	0.25	2.0	2.0	"
Pothodu Phase I Pothodu Phase II	1.0	2.0	1.5	Auto-rickshaw Private and public buses
Budharaja Trenching Ground	1.0	1.0	2.0	Rickshaw and bus
Napukhuri	1.0	1.0	1.0	Rickshaw

While locating the projects, the need for easy accessibility to the market places, transport network and availability of different modes of transport were considered carefully. These factors must have also added to the attractiveness of the plots developed or proposed to be developed.

Table 12 shows the urban infrastructure proposed and actually provided in the various projects.

Table - 12  
Urban Infrastructure

Town/Project	Proposed	Actually Provided
Balasore		
a. Firingipatna Phase I & II	a. Construction of roads	a. Internal roads
b. Kalidaspur	b. Storm water drainage	b. Water supply
c. Gopalgaon	c. Water supply	c. Surface drains
	d. Landscaping	d. External electrification
	e. Electricity	
	f. Community facilities	
	g. Sewerage	
Sambalpur		
a. Budharaja Trenching Ground	a. Construction of roads	a. Internal roads
	b. Storm water drainage	b. Four community hand pumps
	c. Water supply	c. Kutcha drains
	d. Landscaping	d. Street lighting
	e. Electricity	
	f. Community facilities	
	g. Sewerage	

Notwithstanding the inclusion of seven components of urban infrastructure in the project reports, in practice only four components covering essential items were provided, namely, internal roads, water supply, Kutcha drains and street lighting. Low-cost techniques, for example, utilisation of PVC pipes for the internal water distribution system as in the case of projects in Balasore; or the provision of four community hand pumps leaving it to the plot owners to tap the underground water to develop their water supply system as in the Sambalpur projects; Kutcha drains instead of the provision of pucca storm water drains, were used in order to keep the overall costs within estimated costs or to offset the escalation of project costs. The extent to which this course of action is justifiable could be questioned but it enabled the implementing agencies to keep the developed plots within the reach of the target population.

#### PROJECT COSTS AND INCOME GENERATED

In the following paragraphs the land acquisition and development cost of residential projects is analysed

In Balasore and Sambalpur, the following components were included in estimating the cost of land development projects :

- i. Average cost of land per acre;
- ii. cost of land development;
  - earth filling and levelling work
  - construction of roads
  - storm water drainage
  - water supply

- landscaping
  - electricity
  - community facilities
  - sewerage
- iii. escalation of rates at 10 per cent;
  - iv. departmental and administrative charges at 10 per cent of the development cost; and
  - v. interest on investment.

In Changanacherry the components included for calculating detailed cost estimates of the residential development project were :

- i. Cost of acquisition of land;
- ii. cost of land development;
  - land filling and levelling
  - road formation
  - drainage
  - water mains; and
  - street lighting

(Cost is inclusive of management cost of 10 per cent).

In Tinsukia, the items included consisted of :

- i. Average cost of land acquisition per acre;
- ii. land development;
  - construction of roads including culverts
  - provision of water supply
  - provision of surface drains
  - development of parks and playgrounds; and
  - electrification
- iii. management charges at 10 per cent; and
- iv. interest at 5 1/2 per cent per annum.

An analysis of the estimated cost price and actual sale price of different categories of plots has been made in Table 13.

Table - 13

Estimated and Actual Cost of Land Acquisition and Development

Town/Scheme	Estimated Cost						Actual Cost						Remarks	
	Total		LA		LD		Total		LA		LD			
	O	R	O	R	O	R	O	R	O	R	O	R		
<u>Balasure</u>														
a. <u>Firingipatna</u>														
Phase I	4.70	-	2.99	-	1.71	-	4.31	-	2.99	-	1.32	-	Completed	
b. <u>Firingipatna</u>														
Phase II	8.64	-	5.50	-	3.14	-	8.02	-	5.50	-	2.52	-	Completed	
c. <u>Kalidaspur</u>														
	4.64	-	2.95	-	1.69	-	4.28	-	2.95	-	1.33	-	Completed	
d. <u>Gopalgaon</u>														
	9.43	-	6.00	-	3.43	-	8.17	-	6.00	-	2.17	-	Completed	
<u>Changanacherry</u>														
Pothodu I & II	41.14	-	2.70	-	38.44	-	33.43	-	2.88	-	30.55	-	In Progress	
<u>Sampalpur</u>														
<u>Budharaja</u>														
Trenching Ground	4.33	-	2.00	-	2.43	-	4.43	-	2.00	-	2.43	-	Completed	
<u>Tinsukia</u>														
<u>Napukhuri</u>	46.90	61.55	17.58	17.58	29.32	43.97	33.83	-	14.15	-	19.68	-	In progress	

LA = Land Acquisition; LD = Land Development; O = Original; R = Revised

The table shows that the land acquisition and development projects completed in Balasore and Sambalpur were within their estimated costs. The position in Changanacherry and Tinsukia where the projects are in progress is not yet clear. But the total cost is bound to increase in Tinsukia because the escalation is as high as 131 per cent for the completed work over the estimated costs.

In Balasore, systematic project planning and a close scrutiny of every component of the project at the formulation stage enabled the SPA to implement the projects at a cost lower than the estimated costs as envisaged in the project reports. Significantly no compromise was made either in the quality or standards of the essential infrastructure which was provided in these colonies. Moreover, site selection was done in such a way that urban infrastructure already exists and the SPA was able to economise on this item to the maximum possible extent. In the Municipal Council project at Gopalgaon also the actual cost both on land acquisition and development was lower than the estimated cost.

Further, observance of the IDSMT guidelines relating to norms/standards for urban services also contributed to keeping the costs within the estimated limits in Balasore and Sambalpur.

Moreover, though the project estimates provided for various components of urban infrastructure at the time of execution, by and large, only roads, open drains, street lights, and water supply were provided. In Tinsukia, the water supply component was altogether dropped. No agency provided community facilities, landscaping or sewerage. Probably this situation is not only unavoidable but also to

a large extent justifiable in the resource constraint situations in which the implementing agencies operate.

Estimated Cost Price and Actual Price of Plot Categories

An analysis of the estimated cost price and actual sale price of different categories of plots has been made in Table 14.



Table - 14

## Estimated Cost Price and Actual Sale Price of Different Categories of Plots

(Rs.)

Town/Project	Made of Payment	Category of Plots				Remarks
		EWS	LIG	MIG	HIG	
<u>Balasure</u>						
a. Firingipatna (Phase I)	In.P.	3,320	9,486	18,524	30,016	i. E.P. 6.00
b. Firingipatna (Phase II)	O.S.P.	3,150	9,000	17,280	28,000	ii. A.P. 6.00
c. Kalidaspur	In.P.	3,320	9,486	18,524	30,016	i. E.P. 6.00
d. Gopalgaoon	O.S.P. A.P.	3,150 5,460	9,000 15,525	17,280 29,760	28,000 48,300	ii. A.P. 10.35
<u>Changanacherry</u>						
a. Pothodu	In.P. In.P.	9,000 14,400	26,600 -	58,800 -	81,000 -	
<u>Sambalpur</u>						
a. Budharaja Trenching Ground	In.P. O.S.P.	2,066 1,960	5,850 5,550	11,449 10,680	18,572 17,325	i. E.P. 3.70 ii. A.P. 3.70
<u>Tinsukia</u>						
a. Napukhuri	Details not available.					

In.P. = Instalment price; O.S.P. = Outright sale price; A.P. = Actual price; E.P. = Estimated price.

The difference between the estimated cost price and actual cost price in the three completed projects by the SPA in Balasore did not vary, whereas significant cost deviation took place in the Municipal Council project. As mentioned earlier, the SPA took advantage of the existing off-site urban infrastructure whereas in Gopalgaon project off-site infrastructure had to be provided. This played a major role in the escalation of project costs. The difference was insignificant and unavoidable in the case of the Budharaja Trenching Ground Project. Interest has been charged in cases where payments were made in instalments which caused a marginal increase in the total cost of a plot.

Estimated and Actual Income Generated

A techno-economic analysis was undertaken in all the towns: this included identification of the project demand potential and selection of appropriate technologies in order to achieve the project objectives given in the IDSMT reports. The project reports carried systematic analyses of project and operating costs, estimation of cash flow from the projects and such other factors.

The options provided for various categories of plots developed under the land acquisition and development projects were either for their outright sale on cash payment or on an instalment basis. For example, plots were disposed of for payment in sixteen equal instalments payable once a quarter in SPA projects in Balasore; whereas the mode followed by the Municipal Council Project was payment in three instalments, after an initial deposit at the time of registration. The same method was followed by the Sambalpur Municipal Council.

An analysis of the income estimated at the project formulation stage and the actual income derived by the various agencies is shown in Table 15.

Table - 15

Estimated and Actual Income Generated

Category	No. of plots disposed of	Estimated price per plot (Rs.)	Actual price per plot (Rs.)	Estimated income to be derived (Rs.)	Actual income derived (Rs.)
<u>BALASORE</u>					
i. Special Planning Authority					
a. HIG	11	28,000 (30016)	28,000	330,176	308,000
b. MIG	45	17,280 (18524)	17,280	833,580	777,600
c. LIG	61	9,000 (9486)	9,000	578,646	549,000
d. EWS	129	3,150 (3320)	3,150	428,280	406,350
	246			2170,682	2040,950
ii. Municipal Council Project					
a. HIG	7	28,000 (30016)	48,300	210,112	63,500
b. MIG	8	17,280 (18524)	29,760	277,860	67,600
c. LIG	11	9,000 (9486)	15,525	237,150	92,705
d. EWS	22	3,150 (3320)	5,460	185,920	94,606
	48			911,042	318,411
<u>SAMBALPUR</u>					
i. Municipal Council Project					
a. HIG	5	17,325 (18572)	18,572	92,860	87,872
b. MIG	13	10,680 (11449)	11,449	148,837	86,039
c. LIG	30	5,550 (5850)	5,850	175,500	121,205
d. EWS	12	1,960 (2066)	2,066	97,102	16,994
	60			5,14,299	3,12,110

Note : Figures in brackets indicate prices on instalment basis.

Full estimated income accrued to SPA because of (i) disposal of all the developed plots; and (ii) more importantly, regular collection of instalments which is a positive reflection on the organisation's capability. Only about 35 per cent of the estimated income had been collected by the Municipal Council since allottees in all the categories had defaulted on the payment of instalments.

Interestingly, while all EWS and three LIG allottees have paid the first two instalments, the HIG (2) and MIG (4) allottees have paid only the first instalment, besides the earnest money deposited at the time of registration.

About 61 per cent of the estimated income has been collected by the Municipal Council in Sambalpur where the plots were disposed of both on outright sale as well on instalment basis. Out of the 95 developed plots, 60 were disposed of: 16 on outright sale and 24 on instalment basis. Of the remaining 20 allottees, 14 have not paid any instalments except the earnest money deposited at the time of registration, while six applicants are in arrears.

No action, however, has been initiated by the authorities in Balasore and Sambalpur either to realise the outstanding instalments or to initiate measures to cancel the original allotments and call for fresh applications.

The question whether developed plots should be disposed of through outright sale or on instalment basis is open to debate. Obviously, the success of either method depends upon the organisation's initiative and administrative capability, as has been

demonstrated by the analysis. While the SPA functions free from any external forces and influences, the Municipal Councils of Balasore and Sambalpur are subject to intense pressure from various sources making it difficult for the officials to enforce their authority effectively. Hence the administrative environment in which an organisation is operating is an important consideration for deciding upon the method of disposal to be pursued. Disposal by outright sale appears to be a feasible course of action from the experience of the case study towns.

#### Return on Investments

Expenditure incurred and income generated under the land acquisition and development projects is indicated in Table 16.

Table - 16

## Return on Investments on Land Acquisition and Development Projects

(Rs. in '000)

Town/Project	Total expenditure	Anticipated income	Actual income accrued	Return on investment	
				Anticipated	Actual
<u>Balasure</u>					
SPA Project	1,661	2,171	2,041	+510 +31%	+380 +23%
MC Project	817	911	318	+94 +11.5%	-499 -61%
<u>Sambalpur</u>					
Budharaja Trenching Ground	443	514	312	+71 +16%	-131 -30%

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The above analysis indicates that in Balasore the SPA's projects yielded a higher return of about 23 per cent on its investment. The Municipal Council is likely to get a return of about 11.5 per cent from the one project that it has implemented if the entire amount is realised. According to the information available, the actual realisation was only Rs. 318,000 and up to March 1988, Balasore MC stands to lose about 61 per cent of its investment. In Sambalpur, the Municipal Council was expected to make a reasonable profit of 16 per cent but it could recover Rs. 312,000 out of the estimated Rs. 514,000 till March 1988 which means a loss of about 30 per cent on its investment. Any further delay in the realisation of the dues from the allottees by the Municipal Councils of Balasore and Sambalpur will increase the financial liability of these agencies.

Development of adequate land for residential and industrial plots is essential for the growth of any urban centre. In larger urban settlements, both the public and private agencies play a crucial role in developing the sector because of ever-increasing demand. In smaller urban centres where economic activity has just been generated due to a combination of external forces such as, rural hinterland activities, and internal forces, free market tendencies come into play leading to a restricted, lopsided and unplanned development which is both halting and half-hearted. Individuals and private agencies will hesitate to go in for long term investment in the absence of any assurance that the necessary urban infrastructure will be provided by public agencies to sustain and expand the economic activity generated initially. A situation arises where pressure is put on existing developed land while at the same time no attempt is made to provide

more serviced land. Intervention by public agencies becomes imperative in such a situation. This is precisely the philosophy underlying the Land Acquisition and Development component. Large scale investment and development of serviced plots by public agencies will give impetus to individuals and the private sector to take up this activity so that a concerted effort is made to make available the essential urban infrastructure so vital for the development of the urban centre.

The foregoing analysis of the Land Acquisition and Development projects has brought out, that by and large, the overall objectives of the programme have been achieved in all the towns under study.



### III TRAFFIC AND TRANSPORTATION

The availability of an efficient traffic and transportation network is essential not only for the smooth movement of traffic within the town but also to establish communication links with the surrounding rural hinterland. Rural and urban areas, though functionally different, need to be integrated to enable them to play a complementary and supplementary role to each other. This can be achieved only by improvement/upgradation of the existing roads and the construction of new roads which will contribute to develop and sustain the economic structure and physical growth of the town and its rural hinterland.

#### PLANNING

##### BALASORE

The Master Plan listed twenty three major intratown roads having considerable traffic volume and importance. The carriage of these roads is inadequate to sustain the traffic. Inadequate road width, mixed traffic and non-observance of traffic regulations are largely responsible for traffic accidents. A number of proposals were made in the Master Plan to ameliorate the traffic conditions. Two proposals relate to improvement of the Orissa Trunk Road and the Distillery Road since the former connects the industrial, commercial and administrative areas of the town and the latter connects the eastern part of the town.

Against this background, the IDSMT scheme report observed that the existing network of roads is narrow, and integrating various parts of the town is proving to be problematic. In order to divert the regional traffic, a ring road is yet to be developed. Hence, it proposed to undertake improvement of the Orissa Trunk Road and the Distillery Road which were identified as major roads needing attention in the Master Plan.

#### CHANGANACHERY

According to the Master Plan, the town has 172.97 acres under major roads, terminal spaces, railway property and such other uses. An area of 407.72 acres of land is reserved for the development of roads and railways. According to the IDSMT scheme report, the M.C. Road, Alleppey Road, Vazhoor Road and Kaviyoor Road are the major arteries in the town. Traffic on M.C. Road has reached its saturation point. Slow moving traffic is largely responsible for congestion on Vazhoor Road, while the Alleppey Road is underutilised because of unbridged river crossings. Further, feeder roads are very narrow. Moreover, accessibility to the residential areas and neighbourhood centres is quite inadequate and terminal facilities at the boat jetty and the market landings need to be improved.

#### SAMBALPUR

According to the Draft Master Plan, the road network of the town is inadequate to integrate various parts of the town effectively. The road system was developed for movement of pedestrians and animal-drawn vehicles like any other old town. With increase in motor vehicles and rapid growth of residential and other activities in different parts of

the town, the need for improvement of the existing road system and construction of new road links has been underlined.

In view of its strategic location and good rail and road connectivity, Sambalpur market draws supplies of agricultural commodities from interior areas of Sambalpur district and from neighbouring districts. It receives merchandise and agricultural inputs by road and rail for further distribution. New developments are taking place without any relation to the old town and its transportation network. This has resulted in poor level of accessibility. The four projects included under the IDSMT Scheme formed part of the projects which were identified in the Draft Master Plan as major roads.

#### TINSUKIA

The Master Plan proposals of Tinsukia, with regard to improvement of the traffic and transportation system relate to (i) diversion of the national highway to facilitate regional traffic movement and to develop it as an expressway with limited access; and (ii) development, widening and construction of arterial roads within the town for free flow of traffic. As part of the first phase, the road development works included in the IDSMT scheme consisted of widening and improvement of existing roads as recommended in the Master Plan which were considered as vital to the town's traffic circulation.

#### PROJECTS INCLUDED IN THE SCHEME

The traffic and transportation projects included in the IDSMT scheme in the towns along with the justification for their inclusion are highlighted in Table 17.

Table - 17

## Traffic and Transportation Projects included in the Scheme

Town	Project	Length (km.)	Estimated cost (Rs. in Lakhs)	Basis for selection
1	2	3	4	5
Balasore	i. Widening and upgrading of Port Road	1.80	7.07	i. To improve the Port Road leading from Chandipur Road crossing to Orissa Trunk Road so as to act as a ring road to the town for smooth movement of heavy vehicles of the Defence establishment at Chandipur and other heavy vehicular traffic ii. Heavy traffic could avoid the central area which was causing traffic hazards
	ii. Widening and upgrading of Distillery Road	1.52	6.80	i. This road which connects the Orissa Trunk Road with the Mirjapokhari Road needed improvement for direct movement of traffic to Orissa Trunk Road ii. This road when ready for use is expected to relieve considerable congestion in the busy central part of the town.
Changanacherry	i. Construction of Pothodu Road	1.30	6.00	i. At the time of IDSMT Scheme preparation there was no direct access to the market area from the Alleppey Road

Contd.....

ii. To connect the Pothodu housing colony under-taken under the scheme with the main market and town, 12 m. width of road was proposed covering a length of 1.3 km.

i. This area has been proposed for development as an important recreation centre in the town, as the site is not far away from the central area of the town where there is potential for development.

ii. A 10 m. wide road covering a length of 250 m. was proposed.

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Sambalpur

- a. New Road
- i. Construction of new road link from Budharaja 3.30 16.80
- i. Proposed to improve 4 km. of this major road leading from Jail Crossing to Khetrajpur Railway Station through Pension Para Crossing, Laxmi Talkies Crossing and Modipara Crossing.

Contd.....

1  
-----  
2  
-----  
3  
-----  
4  
-----  
5  
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- ii. Traffic survey conducted indicated that this road carries a mixed traffic of fast and slow moving traffic numbering 2,200 during the peak hour on an average day. Further increase in traffic volume was also indicated.
- iii. At the time of IDSMF preparation, this road had a right-of-way varying between 40' and 50' with black topped portion of 20' on an average.

b. Improvement of Existing Roads

- ii. Widening and improvement of Jail Chauk-Khetrajpur Road
  - 4.80                      29.63                      i. This major road connects National Highway No.6 and National Highway No.42 through collectorate, Gole Bazar and Laxmi Talkies up to Fatak to act as a link road for the town to ensure smooth movement of regional and local traffic.

Contd...

ii. Traffic surveys indicated an increasing trend in the volume of traffic on this major road. At the time of IDSMTF Scheme preparation this road was carrying mixed traffic of slow-and fast-moving vehicles numbering 2,000 during the peak hour.

iii. With a right-of-way varying between 40' to 50' and a black-topped portion of 20' on an average, the road is inadequate to cope with the present traffic load during peak hours.

iii. Widening and upgrading of road connecting Jail Chauk to Fatak Road

3.00

12.25

i. It is proposed to develop this road in order to open up the land for development for the Municipal Council Project and SRIT project proposed in the IDSMTF Scheme.

ii. Further, this project was taken up to act as link road to National Highway No. 6 through the residential colony of the Orissa State Electricity Board.

1-----2-----3-----4-----5

iv. Widening and upgrading of Trenching Ground Road 1.75 5.77

i. According to the Master Plan, the whole area north of the railway line and south of National Highway No. 6 had not developed for lack of a connecting road in the east-west direction.

ii. The only roads available are Khetrajpur - Remed Road and Fatak-Ainthapalli Road which lead to National Highway No. 6 at Remed and Fatak respectively. The Budharaja-Trenching Ground is a narrow and a damaged road leading to the trenching ground.

iii. Therefore, a road parallel to National Highway Nno. 6 and the railway line is immediately needed to open up the whole area north of the railway line and south of National Highway No. 6 and bounded by Khetrajpur-Remed Road and Fatak-Ainthapalli Road.

iv. With this objective, the SRIT proposed to construct 3.30 km. of the Budharaja-Khetrajpur Road to link up the Sambalpur-Hirakud Road with Fatak-Ainthapalli and to act as ring road for the town in the north.

Contd....



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1	2	3	4	5
Tinsukia	a. <u>New Roads</u> :			
	i. Construction of link road from Bazaltoli Road to Hijuguri Industrial Estate Road	0.79	2.50	
	ii. Construction of approach road from D.R.T. road to Bazaltoli public field	0.66	2.46	i. To improve the communication links of the town to the National Highway.
	b. <u>Improvement of Existing Roads</u> :			
	iii. Improving, widening and strengthening of Bazaltoli-Lazailholla Road	0.96	2.77	i. To improve the road leading to the proposed Bazaltoli public field of the newly constructed court complex.
	iv. Improving, widening and construction of G.N. Bordoloi Road	0.76	10.00	

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Contd....

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1	2	3	4	5
v.	Improving, widening and strengthening of Gallapkhuri Road (Tinsukia-Phase I & II).	1.91	7.00	
vi.	Improving, widening and strengthening of existing D.R.T. Road and construction of pucca drain.	0.72	5.00	
vii.	Improving, widening and strengthening of existing L.B.T. Road	1.3	4.50	i. This road was narrow and required widening to cater to heavy industrial traffic leading to the town from Duliajan and other important industrial towns nearby.

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Projects selected for implementation under the IDSMT Scheme will have to be restricted to urgent and important ones in view of the limited financial allocation available for this component and also because of its non-remunerative nature.

In Balasore, the two projects undertaken were expected to significantly improve the overall circulation pattern in the town particularly between residential areas and market places and would open up new areas for industrial and residential development. In Changanacherry, one project was undertaken to directly connect the market area with Alleppey town and with the neighbouring rural hinterland. The other project provided for development of a new road.

In Sambalpur, the four projects proposed were planned to greatly facilitate the traffic circulation pattern in the town.

In Tinsukia the maximum number of projects - eight (improvement of Tinsukia - Gallapukhari Road was shown in two phases over a period of two financial years which made nine projects altogether, but in Table 15 both the phases have been combined), were undertaken. This is not surprising because the town is located in the easternmost part of the North Eastern Region which lacks adequate facilities. Road communications at the time of preparation of the IDSMT scheme were far below the requirements even to meet the existing needs, leave alone future demands. Projects of vital importance were included. They were intended to provide communication links with other industrial towns in the region as well as to improve the circulation within the town.

#### PROJECT DETAILS

The details relating to proposed construction of new roads and widening of existing roads are indicated in Table 18.

Table - 18

## Details Relating to Proposed Traffic And Transportation Projects

Town/Project	Existing		Proposed			Estimated Outlay (Rs.in lakhs)
	A	B	A	B	Land to be acquired (acres)	
1	2	3	4	5	6	7
1. <u>Balasore</u>						
a. <u>Widening and upgrading of existing road</u>						
i. Port Road	1.80	20'	1.80	66'	1.368	7.06
ii. Distillery Road	1.52	N.A.	1.52	20'	2.316	6.80
2. <u>Changanacherry</u>						
i. Construction of Pothodu Road (New Road)	-	-	1.30	40'	1.80	6.00
ii. Construction of Road around Poovakkattuch-irakulam	-	-	0.250	33'	-	5.55

Contd.....

1	2	3	4	5	6	7
3.	<u>Sambalpur</u>					
a.	<u>New Road</u>					
i.	Budharaja-Khetrajpur Road	-	3.30	60'	15.0	16.80
b.	Widening and upgrading of existing road	-	8.75	-	22.81	47.65
ii.	Jail Chauk-Khetrajpur Road	4.00	4.80	80'	9.42	29.63
iii.	Jail Chauk-Fatak Road	3.00	3.00	80'	6.75	12.25
iv.	Trenching Ground Road	0.72	1.75	40'	6.64	5.77
4.	Tinsukhia	Not Available				

A : Length (km.)      B : Right of Way (feet)

One project each in Balasore and Changancherry and two projects each in Sambalpur and Tinsukia involve the construction of new roads. Other road projects undertaken involved the construction of new roads, and strengthening, upgrading or improving the existing roads. In Tinsukia, the details of the projects except for the length and the expenditure, could not be ascertained from the Public Works Department Office, since records were not easily accessible. Significantly, all road construction/widening or strengthening projects involved land acquisition in Balasore, Chanaganacherry and Sambalpur but the implementing agencies encountered no difficulties in the acquisition process. In Tinsukia two projects involving the construction of new roads, namely, "construction of Link Road from Bazaltoli to Hijuguri Industrial Estate" and "construction of approach road from D.R.T. to Bazaltoli Public Field" were undertaken. Non-availability of old records was responsible for not including the details relating to different projects. The projects actually undertaken, the agencies responsible for their implementation along with physical targets and achievements are given in Table 19.

Table - 19  
Traffic and Transportation Projects

Town/Scheme	Implementing agency	Physical targets and achievements				
		Target (km)		Achievement (km)	Achievement (km)	
		O	R			
<u>Balasore</u>						
a.	Widening and upgradation of Port Road	Municipal Council	1.80	-	1.80	100
b.	Widening and upgradation of Distillery Road	"	1.52	-	1.52	100
<u>Changanacherry</u>						
a.	Construction of Pothodu Road	"	1.30	0.850	0.850	90
b.	Forming a road around Poovakka-ttuchirakulam	"	0.250	0.520	0.520	-
<u>Sambalpur</u>						
a.	Improvement of Jail-Chauk-Khetrajpur Road	"	4.80	-	4.00	83
b.	Improvement of Jail-Chauk Fatak	"	3.00	-	1.00	33
<u>Tinsukia</u>						
a.	Construction of Link Road from Bazaltoli to Hijuguri Industrial Estate	Public Works Department of the State Government	0.79	-	0.79	100
b.	Construction of approach road from D.R.T. to Bazaltoli Public Field	"	0.66	-	0.66	100
c.	Improvement of L.B.T. Road	"	1.30	-	1.30	100
d.	Improvement of existing D.R.T. Road	"	0.72	-	0.72	100
e.	Improvement of Bazaltoli-Lazaiholla Road	"	0.96	-	0.96	100
f.	Improvement of Tinsukia Gullupkhuri	"	1.91	-	1.91	100
g.	Improvement of G.N.B. Road	"	0.76	-	0.76	100

O = Original;

R = Revised

In Balasore and Changanacherry the Municipal Council executed these projects. In Sambalpur, the Municipal Council and SRIT were involved. The Public Works Department of the Government of Assam was entrusted with the responsibility for the expeditious execution of the projects in Tinsukia and succeeded in achieving 100 per cent of the revised targets. The Municipal Council's performance in this sector has been commendable in the case of Balasore, where both the projects fulfilled their targets. An interesting situation is observed in Changanacherry. Progress reports submitted to the TCPO, New Delhi indicated successful achievement of financial and physical targets. The target in the case of Pothodu Road was project 1.30 km.; this was revised downwards to 0.850 m. Construction of the road could be undertaken up to Pothodu only while the rest of the project had to be abandoned due to the nonavailability of land. Ninety per cent of the revised project target was achieved. At the time of the field survey (September, 1987) work was in progress.

Interestingly, the entire work was divided into two parts that is, Land Acquisition cost, Road Formation and Soiling and Metalling to be financed out of the IDSMT fund; and Remetalling, Black Topping and Construction of Drain, to be executed from the resources of the Municipal Council. The work was considered to have been completed for the IDSMT Scheme purposes, though the project objectives could not be achieved.

Of the four projects originally conceived at the time of scheme preparation only two, namely : Improvement of Jail Chauk - Khetrajpur Road and Improvement of Jail Chauk - Fatak Road projects were undertaken by the Municipal Council. Construction of the 3.30 km. new



road link from Budharaja to Khetrajpur costing Rs. 16.80 lakhs was to be taken up by the SRIT to provide access to the proposed residential development project in this area. The SRIT was to acquire the land and transfer it to the Public Works Department of the State Government for executing the project since the former agency lacked the necessary technical expertise. Subsequently due to the paucity of funds the physical target was reduced to 1.088 km. (up to the residential development scheme) as against the 3.30 km. originally proposed and Rs. 6.56 lakhs was deposited by the SRIT with the PWD; with the substitution of Budharaja-Khetrajpur Residential Project by the SRIT with Durgapalli Residential Project, the road project was dropped. The SRIT recovered Rs. 6.56 lakhs deposited with the PWD after protracted correspondence and negotiations. Financial constraints forced the Municipal Council to drop the Trenching Ground Road project.

Eighty-three per cent of the physical targets were achieved in the Jail Chauk - Khetrajpur Road Project whereas only 33 per cent of the proposed length could be completed in the case of the Jail Chauk - Fatak Road. Paucity of funds was stated to be responsible for the shortfall in physical targets.

In Tinsukia 100 per cent physical targets were achieved for the seven completed projects; this is not surprising because they were executed by the PWD. The majority of the works were executed between 1980-81 and 1981-82.

Looking at the overall picture, the position that emerges is that the maximum road length originally proposed was in Sambalpur (7.80

km.) followed by Tinsukia (7.10 km.). In Balasore and Changanacherry, the proposed total length was 3.32 kms. and 1.55 kms. respectively. While Tinsukia and Balasore achieved 100 per cent overall physical targets, the corresponding figures for Changanacherry and Sambalpur were 65 per cent and 64 per cent respectively.

On the whole, the planning and execution of projects in this sector has been quite impressive, irrespective of the agency which executed them. Road construction and improvement has been one of the important traditional functions of municipal organisations; they possess the necessary orientation to undertake this task successfully and this is largely responsible for the commendable performance.

#### ESTIMATED AND ACTUAL COSTS OF THE PROJECTS

Before a detailed analysis of the financial aspects of the projects, it would be worthwhile to note the components that are included in the cost of construction of each project in the various towns.

In Balasore and Sambalpur, the detailed cost estimates provide for :

- i. Total cost of land acquisition;
- ii. cost of construction per km. which includes
  - a. Formation
  - b. Metalling
  - c. Black topping
  - d. Footpaths and drains
  - e. Landscaping

- f. Escalation of rates at 10 per cent
- iii. interest on investment over cost of construction for two years; and
- iv. departmental and administrative charges at 10 per cent.

In Changanacherry, the project cost estimates include :

- i. Land acquisition cost
- ii. Soiling and metalling
- iii. Remetalling and black topping
- iv. Construction of drain.

In Tinsukia, the cost items include

- i. Earth work
- ii. Dressing
- iii. Granular sub-base
- iv. W.B.M. base
- v. Chips
- vi. Labour (for certain works like premix carpeting)
- vii. Cost of bitumen
- viii. Providing of culverts.

An analysis of the estimated and actual cost of the completed projects can be done from Table 20.

Table - 20

## Estimated and Actual Cost of Traffic and Transportation Projects

Town/Project	1	2	3	4	5	6
	Original Targets (km.)	Achievement (km.)	Estimated cost (Rs.)	Actual cost (Rs.)	Percentage variation in cost	
<u>Balasure</u>						
(a) Port Road	1.80	1.80	7,07,000	6,40,000	1-9.5	
(b) Distillery Road	1.52	1.52	6,80,000	11,29,000	+66.0	
Total	3.32	3.32	13,87,000	17,69,000	+27.5	
<u>Changanacherry</u>						
(a) Pothodu Road	1.30	0.85	8,76,000	7,78,934	-11.1	
(b) Poovakkattichirakulam Road	0.25	0.52	5,56,000	5,55,850	-.03	
Total	1.55	1.37	14,32,000	13,34,784	-6.8	

Contd....

1	2	3	4	5	6
<u>Sambalpur</u>					
(a)	Jail Chauk - Khetrajpur Road	4.80	85,42,545	99,57,000	+16.6
(b)	Jail Chauk - Fatak Road	3.00	80,89,400	4,43,168	-94.5
	Total	7.80	166,31,945	1,04,00,168	-37.5
<u>Tinsukia</u>					
(a)	Bazaltoli-Hijuguri Road	0.79	2,50,000	2,66,829	+6.7
(b)	D.R.T.-Bazaltoli Public Field Road	0.66	2,46,281	2,50,184	+1.6
(c)	D.R.T.Road (includes drain construction)	0.72	5,00,000	7,57,464	+51.5
(d)	L.B.T. Road	1.30	4,50,000	5,79,498	+28.8
(e)	Bazaltoli-Lazaiholla Road	0.96	2,77,100	2,72,440	-1.7
(f)	Gullupkhuri Road	1.91	7,00,000	7,81,969	+11.7
(g)	G.N.B. Road	0.76	10,00,000	8,75,510	-12.4
	Total	7.1	34,23,381	37,83,894	+10.5

In Balasore, for both the road projects, as against a total estimated cost of Rs. 1387,000, the actual expenditure incurred was Rs. 1769,000 registering an increase of 28 per cent while the Port Road was completed at 91 per cent of the total estimated cost, the Distillery Road project cost increased by 66 per cent.

In Changanacherry, the actual cost incurred was Rs. 1334,784 as against the estimated total cost of Rs. 1432,000. Construction of 0.85 km. of the Pothodu Road cost Rs. 778,934 as against the estimated cost of Rs. 876,000 which was about 90 per cent of the estimated cost. The Poovakkattuchirakulam Project was completed within the estimated cost. Since the Pothodu Road project target could not be achieved due to the non-availability of land, the expenditure incurred was naturally less than that estimated. Even then about 90 per cent of the allocation was spent to achieve about 65 per cent of the targets.

Financial outlay for the two road improvement projects undertaken in Sambalpur includes the state government's special grant that was released in 1982-83 for repairing and improving the flood damaged roads. In 1982 floods in the River Mahanadi inundated 75 per cent of the town damaging roads and other infrastructure very badly. The state government sanctioned Rs. 2 crores as special grant out of which Rs.50 lakhs were earmarked for road improvement work by the Municipal Council. Apportionment of this grant was shown as the contribution of the Municipal Council under the IDSMT Scheme. Hence the financial component of Traffic and Transportation for the two road projects was estimated at Rs. 16631,954 against which Rs. 10400,168 was utilised. For achieving 83 per cent of the physical targets of the Jail Chauk to Khetrajpur Road, the actual cost exceeded the estimated by

Rs.14,14,455 representing 17 per cent increase. In the case of the Jail Chauk - Fatak Road Project, for achieving 33 per cent of the targets the actual expenditure incurred was nearly 55 per cent of that estimated.

In all the projects in Tinsukia, the physical targets were fully realised. Variations in the estimated and actual cost of the projects were insignificant.

Inflationary tendencies were said to be responsible for more than anticipated escalation in project costs in all the towns.

The estimated and actual cost per kilometre of each road project is analysed in Table 21.

Table - 21

## Estimated and Actual Cost

Town/Scheme	Estimated cost per km. (Rs.)	Actual cost per km. (Rs.)	Percentage variation
<u>Balasore</u>			
(a) Port Road	392,777	355,555	(+) 9.47
(b) Distillery Road	447,368	742,763	(+)66.02
<u>Changanacherry</u>			
(a) Pothodu Road	673,846	916,392	(+)36.02
(b) Poovakkattuch- irakulam	1069,230	1068,942	-
<u>Sambalpur</u>			
(a) Jail Chauk - Khetrajpur Road	1779,696	2489,250	(+)40.0
(b) Chauk - Fatak Road	2696,466	443,168	(+) 9.0
<u>Tinsukia</u>			
(a) Bazaltoli- Hijuguri Road	316,455	337,758	(+) 7.0
(b) D.R.T. Road - Bazaltoli Public Field Road	373,153	379,067	(+) 0.15
(c) D.R.T. Road (includes drain construction)	694,444	1052,033	(+)51.5
(d) L.B.T. Road	346,153	445,768	(+)29.0
(e) Bazaltoli - Lazaiholla Road	288,645	283,792	(-) 1.68
(f) Gulluprhuri Road	366,492	409,407	(+)12.0
(g) G.N.B. Road	1315,789	1151,986	(-)12.4



There are both inter - and intratown variations in the cost of construction/improvement of roads depending upon geophysical conditions, soil conditions and other related factors. Hence deriving any meaningful conclusions is a difficult exercise. In Tinsukia, the percentage variation, except in the D.R.T. Road project which incidentally included drain construction, is not very significant. In all other towns, wide variations are discernible between estimated and actual cost per kilometre. The underlying cause for this could probably be the technical competence and expertise available with the planning and implementing agencies.

#### IMPACT OF PROJECT

The traffic and transportation projects executed under the IDSMT Scheme contributed significantly to providing/improving smooth and free movement of traffic. Details relating to the localities and the estimated number of beneficiaries are indicated in Table 22.

Table - 22

Estimated Number of Beneficiaries of Traffic and  
Transportation Projects by Localities

Town/Scheme	Beneficiaries		
	Localities	Total Estimated Population	
1	2	3	
<u>Balasore</u>			
(a) Port Road	- Makalpur	600	6,150
	- Mathasahi	950	
	- Himasahi	900	
	- Tolanga	600	
	- Mansing Bazar	750	
	- Tamilya	900	
	- Chatna	800	
	- Nalam Ganj	650	
(b) Distillery Road	- Gopalgaon	350	2,800
	- Manikhamb	300	
	- Ranipatna	500	
	- Aradabazar	450	
	- Haripur	400	
	- Naliabag	450	
	- Snelpur	350	
<u>Changanacherry</u>			
(a) Pothodu Road	N.A.	500	
(b) Poovakkattu- chirakulam Road			
(b) Poovakkattu- Chirakulam Road			

Contd....

1	2	3
<u>Sambalpur</u>		
(a) Jail Chauk - Khetrajpur Road	8	50,000
(b) Jail Chauk - Fatak Road	8	50,000
<u>Tinsukia</u>		
(a) Bazaltoli - Hijuguri Road	Outside Municipal limits	
(b) D.R.T. - Bazaltoli Public Field Road	" "	N.A.
(c) D.R.T. Road	Ward Nos 8,9,10,14 (Partly)	
(d) L.B.T. Road	Ward Nos 3 & 4	
(e) Bazaltoli - Lazaiholla Road	Outside Municipal limits	
(f) Tinsukia - Gulluphuri Road	Ward Nos 7,8 & 10 (Partly)	
(g) G.N.B. Road	Ward Nos Partly 10 and 11  Partly 12 & 13	-10 Municipal Wards  -3 Areas outside Municipal limits

Table 22 has been worked out in consultation with the concerned authorities of the various organisations. Estimated beneficiaries include both direct and indirect population and localities. Project selection had been done in such a way that it not only facilitated the traffic passing through the town, but also served as a ring road to the town and opened up a significant number of newly developed or developing commercial/industrial and residential areas in all the towns. In Tinsukia, three out of the seven projects undertaken were outside the municipal limits indicative of the fact that considerable preplanning was done to identify the future growth points of towns.

In Balasore, the Port Road connected Chandipur Road to Orissa Trunk Road whereas the Distillery Road linked Mirjapokhari with Orissa Trunk Road and also opened up the newly developed residential scheme at Gopalgao. Further, since they served as ring roads, traffic congestion has been considerably reduced in the major commercial parts of the town. They also provided a link to the state highway.

In Changanacherry, the Pothodu Road provided a direct link to the wholesale markets from the surrounding villages and the town of Alleppey, thereby avoiding the need for the vehicles to go through the central part of the town. It also provided an additional link to the state highway. Further, this road provided the main communication link between the Pothodu residential development scheme and various local points of the town. Officials estimate that the traffic congestion in the M.C. Road which is the main road of the town decreased by 25 per cent and in the central wholesale market area by 50 per cent.

The other project, namely, construction of a road around Poovakkattuchirakulam linked this area to the town's main road. The Municipal Council is building a Town Hall in this area and is also developing it as an important recreation centre. Further, the entire area has tremendous potential for development since it is located very near the central area of the town.

In Sambalpur, on the Jail Chauk-Khetrajpur Road which carried steadily increasing traffic consisting of fast and slow moving vehicles, the widening and improvement project significantly facilitated the free flow of traffic. According to the Municipal Engineer, the movement of two to three vehicles per minute before the project, increased to 15 to 20 vehicles per minute after completion of the project.

Improvement of the Jail Chauk - Fatak Road, which is a major road now serving as a bypass to regional traffic, connects National Highway Nos. 6 and 42 and has also improved the flow of mixed local traffic. This road was mainly intended to take care of the future expansion of the town as further link to National Highway No. 6 and State Highway No. 10 were provided by these two roads.

Tinsukia being an important communication centre, most of the road development projects were either intended to improve communication links of the town to the national highway, to cater to heavy industrial traffic leading to the town from nearby industrial towns or to open up new localities for residential and industrial development within the town or its immediate environs. Three road projects were undertaken outside the municipal limits whereas four

were within the municipal limits.

The economic effects of linking some settlement (whether a village or small or intermediate or large urban centre) to a railway system or improved road system can be divided into two categories. The first relates to economic activities which develop in direct relationship to the new road or railway facilities - such as for instance, the offices needed to serve the railway system and the railway related facilities located there such as workshops, petrol stations and garages to serve road traffic, public works offices set up to maintain the road system and hotels, cafes, food stalls and food hawkers which develop to serve the traveller. The second is the change in the economy of that settlement and the surrounding area brought about by lowering the cost of transporting people, goods and information to and from it.

Informal activity to serve road traffic passing through the area was developed because the towns came to serve as the centres for the sale of goods brought in from other regions or as the centres where local products were assembled, stored, sold and probably processed before being transported to other regions. Besides the upgradation of existing roads and the construction of new roads has improved the accessibility between the towns and the surrounding hinterland.

#### IV MARKETS AND MANDIS

Mandis and markets projects were included as one of the centrally sponsored components of the scheme. The main objective was to provide adequate infrastructure by way of stalls, shops and mandis in towns which are developing into service and marketing centres. This would ensure smooth functioning of economic transactions and would promote orderly development of the town and its economy. The development of vegetable markets is also envisaged so that persons involved in the informal sector which is gaining in importance in small and medium towns may be able to sell their products catering to a wider market. This component is also expected to open employment opportunities.

#### BALASORE

According to the Master Plan, the town mainly acts as a collection and distribution centre for grains, pulses, wood, timber, hides and skins, building materials, cement and other sundry materials for its hinterland. In spite of a long history of commerce, no conscious effort appears to have been made for the development of well defined trade centres with adequate provision for loading and unloading, parking and storage facilities. Retail trade is concentrated mainly in the form of street shopping, and more than 50 per cent of the shops are housed in temporary structures such as wooden cabins and thatched hutments. Daily, weekly and bi-weekly markets are also held.

The Master Plan stressed the need to discourage the tendency of putting up shops along the sides of the main road. Recognising that street shopping is a reality, the Plan stated that temporary structures should be allowed to be put up at suitable places only. A proposal for the construction of two shopping centres near Orissa Trunk Road and Police Lines was included. A total area of about 73 acres has been earmarked in the Master Plan for shopping centres as well as for street shopping.

#### CHANGANACHERRY

According to the Master Plan, the town has no organised shopping centres or super markets. The commercial establishments are scattered throughout the town. As the central market caters to both the regional and local requirements, subcentres in the commercial sector have not developed. The total commercial area existing within the town is about 39.5 acres. For efficient distribution of commercial activities, at least 123.6 acres of land at the rate of 1.2 acres per 1000 persons is the estimated requirement as per the Master Plan. The Plan proposed shopping centres in each municipal ward covering a total of 49.4 acres and a commercial complex in the town centre requiring a total of 74.1 acres of land.

#### SAMBALPUR

The town's Master Plan observed that irrational distribution of commercial space and the absence of a clear hierarchy of shopping facilities is one of the main problems. The town is an important commercial centre in the district. Its main shopping centre is located at Gole Bazar in the heart of the town. Wholesale trade



activities are confined to Khetrajpur area adjacent to the railway station. There is an immediate need for developing shopping centres in some of the identified locations to meet the market requirements of the residential localities in the vicinity.

#### TINSUKIA

The Master Plan document observed that commercial activity is the main function of the town. It is expected to grow along with other urban functions. According to the Plan, the commercial activities are concentrated within the municipal limits and the area in the central business district is already saturated. In order to decentralise and to build up a hierarchy of centres, an area of 278 acres of land including the existing areas has been proposed for commercial uses.

#### AN OVERVIEW

Mandi/Market projects to be included in the IDSMT scheme were identified keeping in view the present deficiencies and future requirements as highlighted in the respective Master Plans.

In Balasore, originally three shopping centre projects were planned : one by SPA and two by the Municipal Council. Subsequently one more shopping complex project was taken up by the SPA, thus making two projects each by the SPA and the MC. Implementation of these four projects was thought to be necessary considering the size of the town's influence zone, which extends to a radius of between 50 km. and 60 km.

In Changanacherry the development of one of the existing vegetable market complexes along with the nearby cart stand were taken

up. The existing market yard is the venue of a big wholesale vegetable centre servicing the large hinterland surrounding the town. The need for improving the market was considered necessary because the existing facilities, namely, stalls and storage godowns, were inadequate to meet the increasingly growing needs. Even the surface of the market yard measuring 51,088 sq. ft. was rugged. Therefore, under the IDSMT programme the construction of additional stalls, godowns and the development of the yard were undertaken.

The bulk of the goods to and from the vegetable market is transported by bullock carts. There used to be frequent blockage of traffic because the carts were parked by the roadside. To avoid traffic bottlenecks and to enable its smooth flow, the construction of a cart stand was taken up near the vegetable and fish markets. Provision for parking about 100 bullock carts and a cattle pond of about 1620 sq. km. was made.

In Sambalpur, a beginning was made to increase the mandi/market facilities by the SRIT by undertaking the development of the one shopping centre at Modipara under the IDSMT programme.

In order to provide commercial places for the growing trade and commercial agencies, the Tinsukia Municipal Board undertook one market building project at the weekly bazar area of the town. In the first phase two blocks on the ground floor were constructed.

Table - 23  
Markets and Mandis Projects : An Overview

Town/Project	Implementing agency	No. of projects		No. of shops, stalls godowns, etc.	
		T*	A*	T*	A*
<u>Balasore</u>					
i. Orissa Trunk Road Shopping Project	Special Planning Authority	2	2	53 (44 big & 9 small shops)	53
ii. Firingipatna Shopping Project				19	One godown
iii. Mandal Market	Municipal Council	2	2	25	25
iv. Bicharganj Market				42	42
<u>Changanacherry</u>					
i. Development of vegetable market yard	Municipal Council	1	1	1	1
ii. Construction of additional godowns and stalls	"	1	1	64 (61 stalls & 3 godowns)	64
iii. Development of cart stand near wholesale market	"	1	1	1	1
<u>Sambalpur</u>					
i. Modipara Shopping Centre	Sambalpur Regional Improvement Trust	1	1	25	25
<u>Tinsukia</u>					
i. Sunday municipal market	Municipal Council	1	1	24	12

\*T = Target; \*A = Achievement

Out of two projects undertaken by the SPA in Balasore, the Orissa Trunk Road Shopping Complex consisting of A, B, C, D, Blocks with 53 shops was completed. Originally only one project was to be undertaken by the SRIT. The second project namely the Firingipatna Market Complex did not figure either in the original or in revised reports. No clear indication was available as to the stage at which this was included and taken up for execution. Because residential projects were located in this area, a convenient marketing centre was probably considered desirable, this led to the provision for construction of 19 shops. However, only a godown has been constructed so far in this complex. This is likely to be partitioned into shops to form a nucleus shopping centre when the residential complex becomes fully operational. Except for the Sunday Municipal Market Complex in Tinsukia and the Firingipatna Shopping Complex in Balasore, in all other cases the contemplated projects were successfully completed achieving 100 per cent targets.

Besides the paucity of funds, legal hurdles prevented the Tinsukia Municipal Council from undertaking the second phase of market construction.

Market complexes constructed in the selected towns provided a variety of functions. For example, the shopping complexes of Balasore Special Planning Agency provided shops for electrical goods, provision stores, cloth stores, stationery and such other products. The two markets constructed by the Municipal Council catered to wholesale as well as retail traders. Agricultural products that come to these markets are paddy, wheat and vegetables. Small traders also carry on business catering to the daily requirements of the low income and

economically weaker sections of the society. In terms of quantity four tonnes of goods worth Rs. 40,000 are estimated to be transacted daily.

In Changanacherry, the wholesale/retail vegetable market did not have adequate stalls and storage facilities and even the market yard measuring 51,088 sq. ft. had a rugged surface. The vegetable market yard was metalled and concreted, additional stalls and godowns were also constructed by the side of the existing daily/weekly wholesale market and mainly intended to serve the small traders. A cart stand near this market was developed with sheds to provide water and other facilities for the animals. Mainly products such as coconut, copra, paddy, pepper, vegetables and rubber are marketed here.

The Modipara Shopping Complex in Sambalpur located on the main road and by the side of the bus stand was intended to provide basic items such as groceries, medicines, household goods and special articles such as shoes, garments, electrical goods. Cycle repair services, sanitary and plumbing works were also made available.

Table - 24

## Size and Monthly Rent of Market/Mandi Complexes

Town/Project	Size of shops, stalls (sq.ft.)	Total number	Rent per month (Rs.)	Estimated income per month (Rs.)	
				Sub-Total	Total
1	2	3	4	5	6
<u>Balasure</u>					
i. O.T. Road Shopping Complex	i. 147 ii. 36	44 9	250 60	11,000 540	11,540
ii. Firingipatna Shopping Complex	i. 152	19	200	3,800	3,800
iii. Mandal Market	i. 80 ii. 80 iii. 105 iv. 95 v. 60 vi. 92	8 8 3 1 1 4	120 100 200 120 100 100	960 800 600 120 100 400	2,980
iv. Bicharganj Market	i. 129 ii. 61	32 10	250 125	8,000 1,250	9,250
<u>Changanacherry Vegetable Market</u>					
i. Vegetable Market Yard	51088	1	9292	9,292	13,259

Contd.....

1	2	3	4	5	6
ii. Stalls	i. 71 ii. 130	40 21	* *	2,547 -	- -
iii. Godowns	150	3	**	1,420	-
<u>Sambalpur</u>					
Modipura Shopping Complex	i. 170 ii. 158 iii. 96 iv. 213 v. 191 vi. 177 vii. 126 viii. 94 ix. 59	13 4 2 1 1 1 1 1 1 1	255 237 144 320 286 265 189 141 88	3,315 948 288 320 286 265 189 141 88	5,840
<u>Tinsukia</u>					
Municipal Market	83	12	400	4,800	4,800

N.B. \* Varied between Rs. 31.95 and Rs. 101 for 61 stalls.

\*\* Rs. 260 each for two and Rs. 500 for one godown.

Considerable variations are discernible in the size and monthly rents of the structures provided, such as shops and stalls from one complex to another within the town depending upon the local circumstances. Differences in rent for similar size shops were due to locational factors. Rent variations for the stalls constructed in the vegetable market in Changanacherry are quite high.

#### INFRASTRUCTURE

In Balasore, the market and mandi complexes undertaken by both the Special Planning Agency and the Municipal Council provided basic infrastructure such as approach roads, internal roads, street lighting, water supply, public conveniences and parking space. Banking and post and telegraph facilities are available within the locality. The O.T. Road and Firingipatna complexes are located at a distance of 0.2 km. and 0.50 km. from the railway station and bus stand respectively while the truck terminal is 3 km. away. The railway station and bus stand are located 1 km. and 250 m. respectively from Bicharganj Market and 3 km. from Mandal Market. Three major roads connect the Mandal Market, whereas two roads provide access to Bicharganj Market.

In Changanacherry the approach road to the vegetable market already exists and banking and post and telegraph facilities are available nearby. The infrastructure provided consists of 500 internal roads, 10 street lights, one public latrine, two water taps and one hectare of parking space. Nearly 30 per cent of the project land was used for roads, 10 per cent for parking spaces, and 15 per cent for public latrines. The railway station and bus stand are



situated at a distance of 2 km. The truck terminal is nearby while the boat jetty is only 500 m. away.

Infrastructure provided in Modipara Shopping Complex in Sambalpur consists of approach roads, internal roads, street lights, public conveniences and parking space. Necessary infrastructure is already available in the case of the Municipal Market in Tinsukia.

#### ALLOTMENT POLICY

In Balasore, shops, stalls and such other structures constructed under the IDSMT Scheme were allotted by inviting applications from the public and by draw of lots. Though the government directed that shops should be allotted to educated unemployed youth on payment of the requisite deposit, the SPA regained possession on finding that the allottees under this category did not open shops. Originally, it was contemplated that shops be allotted for specific economic activities. The traders however requested that they may be allowed to open shops of their own choice, except for liquor and bhang shops; this request was acceded to. Because of locational advantage shops in the SPA complex were in great demand and were taken by the allottees almost immediately.

The Mandi complex of the Municipal Council ran into rough weather. The disposal policy was decided by the Municipal Council. The Mandal Market project included the construction of additional stalls and renovation of existing ones in the market complex. In spite of the improvements, this project failed to evoke any positive response from small traders because of its locational disadvantages. The market is located in the old part of the town and no new trader

wants to set up shop there. In fact, the number of applications received was less than the total number of shops. At the time of the field survey (August 1987) many of the shops were unoccupied.

In Bicharganj Mandi Complex, though the construction of all the shops has been completed, allotment could not be made because of the stay order obtained by pavement shopkeepers. On construction of this complex, the local body wanted to remove the pavement shops to provide direct access to the complex but this has been held up due to the stay order. At the time of our visit, the local body was making efforts to get the stay vacated. Once this is done, this complex will have a good demand because of its location in the central business district. The Municipal Council received 213 applications for the constructed shops, but the allotments are yet to be finalised.

In Changanacherry, the stalls constructed were allotted by the Municipal Council to small wholesale and retail vegetable traders. Since the construction of stalls was only an extension to the existing market, small traders willingly came forward to take possession of the stalls.

The Sambalpur Regional Improvement Trust, which constructed the Modipara Shopping Complex, ran into problems. Following the directives of the state government, 21 out of the 25 shops were allotted to educated unemployed youth in 1985, who after depositing the initial amount, defaulted in making further payments. Moreover, no business activity was started with the result that though the shops were allotted to them possession has not been taken nor have they been put to any use. The SRIT, after waiting for more than a year, at the

time of our visit (August 1987) was considering the launching of eviction proceedings against them. The remaining four shops were allotted to state government undertakings which are presently operating there. The SRIT is probably proceeding cautiously because it is a politically sensitive issue. The sooner this impasse is resolved, the better. Not only is the SRIT losing the return on its investment, it is also a waste of productive assets.

In Tinsukia, the allotment of shops in the shopping complex became a matter of controversy. Allotment was done by the Municipal Council in April 1984 without the prior approval of the allotment policy by the state government. A notification inviting applications for allotment was issued in April, 1984. Then the matter was referred to the Town Planner, Government of Assam in May 1984. The Municipal Council, instead of waiting for the reply from the Town Planner, allotted the twelve constructed shops at a non-refundable premium of Rs. 55,000 three days before it received the Town Planner's letter. Construction of the remaining twelve shops could not be taken up because of the stay order by the High Court.

#### EXPENDITURE INCURRED AND INCOME GENERATED

In Balasore and Sambalpur, the following components were included while estimating the cost of construction of market/mandi complexes :

- i. Cost of land
- ii. Cost of land development
  - a. Earth filling
  - b. Construction of roads
  - c. Storm water drainage
  - d. Water supply

- e. Electricity
  - f. Landscaping
  - g. Escalation cost of 10 per cent.
- iii. Cost of construction
- a. Plinth area available for construction of mandi/market complexes after leaving land for service roads, parking etc.
  - b. Cost of construction
  - c. Escalation of costs at 10 per cent.
- iv. Departmental and administrative charges of land development and construction of mandi/market at the rate of 10 per cent.
- v. Interest at 5.5 per cent on
- a. Land development for two years
  - b. Construction of commercial building for one year.

In Changanacherry, the following items of expenditure were included in the cost estimates :

- A. Development of vegetable market yard
  - i. Development of market yard
    - a. Concreting
    - b. Metalling
  - ii. Maintenance of Anchuvilakku jetty
  - iii. Repairing of well within the market premises.
- B. Development of cart stand
  - i. Development of cart stand
  - ii. Development of yard of the cart stand
  - iii. Construction of compound wall.

No detailed break-up of estimated costs was given for construction of godowns and construction of stalls . Land acquisition was not involved as the work was taken up on municipal land where there already existed a vegetable market and a cart stand.

The Tinsukia Project Report in the General estimate of the Proposed Market Building of Sunday Weekly Blocks 'F' and 'G' provided for :

- i. Cost of construction of building;
- ii. cost of internal/external water supply, sanitation, site dressing and such other services at 26 per cent of the cost of construction;
- iii. contingencies and work charge at 5 per cent; and
- iv. administrative and supervision charges at 7 per cent.

No provision was made for land acquisition since the land belonged to the Municipal Council. The estimated cost and actual expenditure incurred on various projects in different towns is given in Table 25.

Table - 25

Estimated Cost and Actual Expenditure

Town/Project	Estimated cost (Rs. lakhs)	Actual cost (Rs. lakhs)	Remarks
<u>Balasore</u>			
i. O.T. Road Shopping Complex	17.16	19.96	Project Report's figure was revised to Rs.19.16 lakhs subsequently.
ii. Firingipatna Shopping Complex	3.26	0.65	Estimated cost was not indicated in the project cost as the project was not included. Figures mentioned were supplied by the SPA.
iii. Mandal Market	8.99	5.06	Expenditure incurred up to March 1985 when the projects were still in progress - work was completed in Jan. 1987
iv. Bicharganj	9.37	6.00	
<u>Changanacherry</u>			
i. Vegetable Market including cart stand	13.90	13.90	
<u>Sambalpur</u>			
i. Modipara Shopping Complex	9.55	9.35	
<u>Tinsukia</u>			
i. Municipal Market	8.74	7.01	

The O.T. Road Shopping Complex of SPA in Balasore as per the project report was estimated to cost Rs. 17.16 lakhs. This was revised to Rs. 19.16 lakhs but ultimately went up to Rs. 80 lakhs, which according to the official version was due to increase in the cost of materials. The expenditure incurred on the Firingipatna Shopping Complex was only Rs. 65,000 out of a total estimated cost of Rs. 3,26 lakhs due to non-completion of the project. A clear picture about the actual cost of the Municipal Council's projects, namely Mandal Market and Bicharganj market, was not available at the time of survey because work was still in progress.

In Chaganacherry, the project was completed within the estimated cost. The actual cost of the Modipara Shopping Complex of Sambalpur was slightly lower than the estimated cost. Since the project was exceeding the estimated cost, the SRIIT reduced the plinth area of the complex to complete the construction within the estimated costs. In Tinsukia, the original estimate for the construction of 24 shops was Rs. 8.74 lakhs. The project design provided for 12 shops on the ground floor and 12 on the first floor. In the first phase 12 shops were constructed at a cost of Rs. 7.01 lakhs. A stay order from the High Court subsequent to the allotment of 12 shops prevented the construction of the second phase. Probably paucity of funds was not a major problem though the actual cost for construction of 12 shops almost equalled the estimated cost for 24 shops because an amount of Rs. 6.6 lakhs was collected as non-refundable premium from the allottees of the 12 shops.

An overview of the implementation of the project/projects in this sector shows that they were more or less completed within the estimated costs.

INCOME GENERATED

Table 26 gives the actual non-recurring and estimated recurring income generated by the Market/Mandi projects.

Table - 26  
Recurring and Non-recurring Income Generated

Town/Project	Non-recurring (Rs. lakhs)	Recurring Income	
		Yearly (Rs. lakhs)	Monthly (Rs.)
<u>Balasore</u>			
i. O.T. Road Shopping Complex	2.08	1.38	11,540
ii. Firingipatna Shopping Complex	-	0.38	3,166
iii. Mandal Market	0.66	0.41	3,416
iv. Bicharganj Market	2.31	1.11	9,250
<u>Changanacherry</u>			
i. Vegetable Market (including cart stand)	-	1.59	132,589
<u>Sambalpur</u>			
i. Modipara Shopping Complex	1.43	0.70	5,833
<u>Tinsukia</u>			
i. Municipal Market	6.60	0.57	4,800



Non-recurring income consists of advance/premium charged by the implementing agency at the time of allotment. In Balasore the SPA laid down that overriding preference will be given to such applicants who will agree to pay the entire 18 months' rent to be kept as security deposit. In addition to the security deposit (18 months' rent) the highest preference will, however, be given to such registrants who agree to the equivalent of 3 years'/2years'/1 year's rent being deposited in advance. The SPA permitted the remittance of these advances either in instalments or as a one-time payment. But it stipulated that preference will be given to such applicants who make the outright deposit.

The security deposit of eighteen months' rent is kept by the SPA for the completion or continuation of tenancy and carries no interest. On surrendering the accommodation, it is refunded to the allottee. The advance rent paid to secure preferential allotment carries no interest and shall be utilised against the adjustment of monthly rents after physical possession is given to the allottee. However, in such cases, rent increase cannot take place until the advance rent paid is fully adjusted.

The procedure followed by the Municipal Council provided for:

- i. donations of Rs. 3000, Rs. 2000 and Rs. 1000 depending upon the size of the shop;
- ii. security deposit of 3 months' rent; and
- iii. an advance rent of nine months.

The donation is non-refundable, whereas the advance rent is either adjustable or refundable.

The Improvement Trust in Sambalpur provided for a security deposit of 24 months' rent.

In Tinsukia, Rs. 55,000 per shop was charged by the Municipal Council as non-refundable premium.

Interestingly, no mention was made of the security deposits/premiums in any of the IDSMT Reports. The estimated income was calculated at a rate per square, foot of the plinth area to be constructed and the total rentals for the shops, stalls and such other structures per year. Invariably, all the market/mandi complexes ended with deficits in the reports of the implementing agencies.

An analysis of the non-recurring income generated from the above table reveals that the SPA projects yielded 10 per cent and Municipal Council projects about 32 per cent of their investment in Balasore. Fifteen per cent of the investment was realised in Sambalpur, whereas 94 per cent was collected by the Tinsukia Municipal Council. The economics of the projects have undergone a drastic change as a result of non-recurring income which was not reflected in project reports.

Details relating to the total area to be developed, proposed and actual carpet area and accrued income are given in Table 27.

Table - 27

## Carpet Area Available for Rent and Income

Town/Agency	Area to be developed (in acres)	Total carpet area available for rent (in sq.ft.)		%	Average rent per sq.ft. per month (in Rs.)		Accrued Income (in Rs.)		
		Proposed	Actual		Proposed	Actual	Proposed	Actual	
<u>Balasore</u>									
i. Special Planning Authority	0.76	9,660	6,772	70	1.50	1.69	14,490	11,540	80
ii. Municipal Council	0.96	18,818	4,753	25	1.66	2.57	31,363	12,230	39
<u>Changanacherry Municipal Council</u>									
i. Vegetable Market	1.17	51,088	51,088	100					
ii. Stalls	-	8,608	5,571	65	0.46	0.46	3,959	2,562	65
iii. Godowns	-	6,456	4,842	75	0.46	0.46	2,969	227	75
<u>Sambalpur</u>									
i. SRII	1.00	9,336	8,242	89	1.50	0.75	1,40,004	6,236	46
<u>Tinsukia</u>									
i. Municipal Council	N.A.								

The SPA in Balasore originally proposed that 9660 sq. ft. of area be constructed and disposed of at the rate of Rs. 1.50 per sq. ft. per month. However, only 70 per cent of the work could be completed making only 6772 sq. ft. of total carpet area available for rent. Calculated at the rate of Rs. 1.50 per sq. ft. for the proposed carpet area (9660 sq. ft.) the monthly rent worked out to Rs. 14,490 which totals to an income of Rs. 1.73 lakhs per annum. Data supplied by SPA indicated Rs. 1.38 lakhs per annum as recurring income, that is Rs. 11,500 per annum calculated on the basis of actual total carpet area available for rent (6772 sq. ft. worked out on the basis of the data provided by the SPA on the sizes of shops, number of shops in each category in different market complexes). Shops were rented out at the rate of 1.69 per sq. ft. as against Rs. 1.50 mentioned in the project report. Further, only the O.T. Road Complex is generating income.

The Municipal Council could construct only 25 per cent of the estimated target carpet area. Against the average calculated monthly rent of Rs. 1.66 per sq. ft. the actual rent charged was Rs. 2.57 per sq. foot which works out to be an increase of about 54 per cent.

The Sambalpur Regional Improvement Trust achieved 89 per cent of the physical targets. Escalation in project costs was said to be responsible for reduction in the plinth area. Tentatively, Rs. 1.50 per sq. ft. per month was fixed; in actual practice it was reduced by 50 per cent, as a result the agency got only 46 per cent of the accrued income.

Performance of projects in Changanacherry has been appreciable with 65 per cent to 75 per cent achievement of physical and financial

achievements for stalls and godowns respectively.

IMPACT ON THE HINTERLAND

The number of villages and other settlements which, according to the officials of implementing agencies, have benefitted by mandi/market complexes is shown in Table 28.

Table - 28

Impact on the Hinterland

Town/Project	No. of villages estimated to be utilising the market/mandis	Accessibility
<u>Balasore</u>		
i. O.T. Road Shopping Complex	40 (Within the municipal limits as well as rural hinterland)	By pucca and morrum roads
ii. Firingipatna Shopping Complex		
iii. Mandal Market	5	By pucca roads
iv. Bicharganj Market	5	By pucca roads
<u>Changanacherry</u>		
i. Vegetable Market	24	By pucca roads & inland waterways
<u>Sambalpur</u>		
i. Modipara Shopping Complex	N.A.	N.A.
<u>Tinsukia</u>		
i. Municipal Market	4	By pucca roads

The two SPA market complexes in Balasore are reported to have benefitted not only the residents of the towns but also about 40 villages located within the municipal limits as well as rural hinterland. They are accessible by pucca and morrum roads and are situated very near the railway station, the bus stand and the truck terminals. The two municipal markets are serving five villages each and are connected by pucca roads.

The vegetable market in Changanacherry is reported to have considerably facilitated free flow of agricultural products to the town from the estimated 24 surrounding villages. The market is connected by pucca roads as well as by inland waterways and is located yards away from the boat jetty.

The partly completed municipal market in Tinsukia is accessible by pucca roads and four villages were reported to have benefitted from this complex.

By and large, the towns studied are mostly agrobased in their nature. The hinterland makes use of these urban centres both as consumers as well as suppliers. Since these towns also happen to be seats of governments at the subdivisional level, centres of higher education and other urban amenities of a higher order, services rendered by these agencies also provided linkages between the urban centre and the rural population. The towns studied presented a picture of close interaction between urban and rural centres on a continuing basis.

The market and mandi projects undertaken in various towns reflected this approach. Shopping and mandi complexes were so undertaken to provide for a number of categories of services. Mandi complexes essentially provided for the requirements of agricultural products, both wholesale and retail, whereas shopping complexes catered to the needs by supplying not only the inputs necessary for sustaining the activities in the rural sector, but also for daily necessities of consumer goods, medicines, electrical goods and other such products.

Balasore provided for both shopping complexes as well as mandis. Shops constructed in Sambalpur were mainly meant to cater to the retail trade, whereas in Tinsukia they were intended for wholesale agricultural products. The Municipal Council of Chaganacherry provided both for the retail as well as the wholesale market for agricultural products.

## V THE IDSMT SCHEME : FUNDING AND REINVESTMENT

The implications of having three sources of funding interlinked by the fact that the Centre provides a matching grant, are several. These have been commented upon in the following paragraphs.

Under the IDSMT Scheme the cost is to be shared among the Central Government, the State Government concerned and the implementing agency in a specified ratio.

### APPLICATION OF FUNDS

Application of funds component-wise (under Sector A) is indicated in Table 27.

Table - 29

#### Application of Funds : Component-wise

Town	Component (Rs. in lakhs)				
	Land acqui- sition	Traffic & trans- portation	Market & Mandis	Total Expen- diture	Percen- tage to the total expendi- ture reported
Balasore	24.78 (30)	17.69 (21)	33.48 (41)	72.95	92
Changanacherry	41.14 (56)	14.32 (20)	13.90 (19)	61.60	95
Sambalpur	4.43 (3)	104.00 (80)	9.35 (7)	117.78	90

(Figures in parentheses represent percentages)



The difference in the total expenditure presented in Table 5 and in Table 6 (Financial Allocation : Agency-wise) is due to the non-contribution of the implementing agencies in monetary terms, though the amount was shown in the project reports to fulfil the conditions laid down by the central government.

According to the above, the overall percentage of total expenditure reported was 92 per cent in Balasore and 95 per cent and 90 per cent in Changanacherry and Sambalpur respectively. In the latter two towns, all IDSMT projects are yet to be completed.

Further examination reveals that 71 per cent of the funds in Balasore and 19 per cent in Changanacherry remunerative projects (land acquisition and development and Market and Mandi projects) whereas about 20 per cent was spent on Traffic and Transportation. The picture in Sambalpur is not yet clear due to the delay in one land acquisition and development project by SRIT. For reasons mentioned above the Traffic and Transportation component showed 80 per cent expenditure. The extent to which the remunerative projects yielded desired returns is open to debate.

Separate accounts for IDSMT funds were maintained by all the agencies. Diversion of funds by the implementing agencies has not been reported in any town due to strict supervision by the state governments. It is interesting to note that in order to ensure that funds were not diverted, the Government of Assam directed the local implementing agencies to open a separate bank account to be jointly operated by the Chairman, Municipal Board/Development Authority and Local Officer of the Town Planning Organisation. Funds which have

remained unutilised are in the accounts of the concerned organisation.

While the flow of funds from the central and state governments was effectively controlled, no precaution was taken to ensure judicious utilisation of returns from the investments. Diversion of premium money amounting to nearly Rs. 6.55 lakhs to meet the salaries and other routine expenditure of the Municipal Council in Tinsukia is one such example.

The fact that the Scheme is centrally sponsored creates a tendency in general to look upon the flow of funds from the centre as being the most crucial financial resource. Often the role of central assistance which is clearly supplemental and is in a sense the initial step taken to strengthen the resources of local agencies, is forgotten. Making central assistance conditional and available only on equal matching basis and that too on a loan basis is the logic behind the scheme.

The central government has made the terms of loan assistance as liberal as possible. Though the range of conditionalities is very wide, a scrutiny of the conditions reveals that these are not restrictive of the freedom of the states but are primarily intended to ensure the formulation of sound projects and their proper and timely execution, monitoring and evaluation.

The drawback of the existing system is that the central government loan instalment is released after assessment of the requirements for the subsequent period. The provision in the state budget is made on the basis of this assessment. General experience

has been that in spite of the best efforts, assessment of the requirement of funds cannot be predicted accurately. Genuine problems are likely to crop up which sometimes make the utilisation of funds difficult. In such cases, funds remain idle with the implementing agencies. On the other hand, in some cases project implementation may be done more expeditiously than anticipated leading to a situation where the work is held up due to non-availability of funds. It is necessary to evolve a system which ensures optimum utilisation of funds in an effective manner.

#### REINVESTMENT OF FUNDS

The financial structure of the IDSMT Scheme distinctly indicated that the loan assistance given by the central and state Governments would be seed capital which can be reinvested in the course of time so that the process of urban development may continue as a long term measure to achieve the objective of strengthening the economic base of the town.

Work on various projects was to be completed within a period of three years. It was expected that the revenues will be generated from the fourth year onwards as a result of the disposal of assets. Since the loan is to be repaid in 25 years, income generated would be available for reinvestment.

Against this background, the key issue is to examine, at least, even superficially whether the implementation of this scheme has given an impetus to further growth impulses in the towns under study. Have the projects commences to yield the expected returns?

Utilisation of IDSMT loan assistance as seed capital to build up further assets was observed only in two out of the four towns studied. In Balasore, the entire O.T. Road Shopping Complex project consisted of a three-storied commercial building. The first and second floors for commercial and office accommodation were made by taking advance deposits from the prospective clients and loans from financial institutions. Successful completion of these projects yielded handsome returns and enabled the SPA to go in for further remunerative projects to meet the acute shortage of adequate commercial facilities and to ensure provision of space for lodging and office accommodation at strategic locations in the town.