

Speech by Hon'ble Minister (Urban Development)

Hon'ble Prime Minister, my colleagues in the Union Council of Ministers, Hon'ble Chief Ministers, Minister of State in charge of Urban Employment and Poverty Alleviation, Mayors, Municipal Commissioners, senior officials from the Central and State Governments and distinguished ladies and gentlemen,

I welcome you all to the launch of the Jawaharlal Nehru National Urban Renewal Mission (JN-NURM) today, by the Hon'ble Prime Minister of India. This Mission is an ambitious plan conceived by the Government of India for integrated and planned development of cities in a focussed manner.

As you all know, with over 300 million persons, cities and towns of India constitute the world's second largest urban system. Based on current trends, half of the population of the country should shift to urban areas in the next couple of decades. Quite clearly, the cities and towns of emerging India, which is in the midst of fundamental economic restructuring, will play a pivotal role as centres of economic activity, competing with each other to attract global investment, capital and business. The Government of India, the State Governments and the city administrations have to, therefore, work together to provide the enabling support systems, including infrastructure and services, which will help the cities and towns realize their full potential.

When we look around us, however, we notice that cities and towns are suffering from major inadequacies in infrastructure and service provisioning. Rapid urbanization and resultant immigration of population has placed enormous burden on the capacity of city administrations, as also their finances for meeting these demands. Recent havoc caused by rains in Mumbai, Kolkata, Bangalore and Chennai underlines, yet again, the deficiencies in our urban management and the imperative need to expeditiously upgrade and expand urban infrastructure and to gear up the city-administrations to efficiently manage such situations.

Although under the scheme of our federal polity, 'urban development' subject is in the domain of the State Governments, the Government of India has also been providing financial assistance and general policy guidelines in the sector. On a review of the ongoing Central schemes of the sector, we realized that these suffered from many exclusions and gaps. Water Supply schemes, for instance, could be taken up only in towns with less than 20,000 or more than 4 million population, leaving about 3000 cities out of reckoning. Similarly,

infrastructure development could be taken up only in cities upto five (5) lakh population or in the identified 5 mega cities with over four (4) million population. Moreover, because of a wide gap between the requirement and allocation of funds, the Central Government assistance has been spread rather thinly on the ground, which could hardly bring about any noticeable improvement in urban infrastructure. This will be evident from the fact that under the scheme of Integrated Development of Small and Medium Towns (IDSMT), only about 1850 towns could be covered in about 25 years, out of more than 4600 eligible towns. Similarly, under the Accelerated Urban Water Supply Programme (AUWSP), schemes could be taken up only in about 50% of the eligible towns in the last 11 years or so.

Taking note of these shortcomings in the existing programmes, the Central government has now drawn up a comprehensive programme of urban renewal, in keeping with the commitment given in the Common Minimum Programme of the UPA government. In this revised strategy, a two track approach has been envisaged. In the first prong of this strategy, the Jawaharlal Nehru National Urban Renewal Mission has been sanctioned to provide extensive financial support to about 60 cities for upgradation and improvement of infrastructure in a planned and integrated manner. These cities comprise the State capitals, cities with one million plus population and some selected cities of religious, tourist, cultural and heritage importance. It is expected that these cities will have a demonstration effect on others. In the second prong of the strategy, the need of other cities and towns, which are not included in the Mission, is sought to be addressed through an omnibus scheme of assistance known as "Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)".

Under this revised strategy of urban renewal, assistance to the cities is linked to the implementation of reforms, which basically aim at improving the efficiency of services provided in the cities, removing constraints on the exploitation of land as a resource and in turn enabling the urban local bodies to improve their financial condition. They are expected to become vibrant and financially sound entities that function as efficient instruments of city governance. In this manner, the strategy will also ensure that assets created are operated and managed efficiently and become sustainable over a period of time.

I wish to emphasize before this august gathering that JN- NURM is merely a platform being provided by the Central Government to the States and Urban Local Bodies (ULBs) for improving the urban infrastructure. Therefore,

active involvement and support of the State governments and ULBs is essential in this endeavour. Only through a combined effort of all of us, will it be possible to achieve this gigantic task. I urge you to take full advantage of this opportunity and advise the concerned departments / agencies of the state government and ULBs to prepare long term City Development Plans, prioritize infrastructure investment plans for cities and prepare project proposals for funding under the Mission. I am confident that the Ministries of Urban Development and Urban Employment and Poverty Alleviation will soon organize regional workshops of mayors and municipal commissioners to discuss these matters.

I am quite conscious of the capacity constraints of the ULBs, particularly now that they would be required to play a major role in the implementation of the Urban Renewal Mission. Therefore, capacity building has to be a thrust area of our strategy. We will provide all the feasible assistance in the form of infrastructure support, resource persons and funding for capacity building efforts of the ULBs. I also wish to bring to the notice of the Hon'ble Chief Ministers, Mayors, and Municipal Commissioners that JN-NURM permits preparation of City Development Plans and Detailed Project Reports with the assistance of outside experts, for which purpose financial assistance up to a maximum of 5% of the project cost will be provided from the funds of the Mission. This should help the ULBs in the initial stages, till they are able to acquire in-house expertise for this task.

We believe that public participation is essential to improve the credibility of any organization, particularly the ULBs, which provide essential services to the residents of a city. For this purpose, I would like to submit for the consideration of Hon'ble Chief Ministers to set up a 'Task Force' or an 'Advisory Group' to collectively understand the problems of the urban phenomenon and advise the State governments and city administrations to adopt appropriate strategies and programmes to resolve these in a productive and equitable manner. Needless to say, this group should have the requisite expertise and experience of the sector and also knowledge about how other developed countries are handling the urban transition. This group could also include representatives from the civil society, which could provide useful inputs on the problems faced and perceived needs and aspirations of the citizens. Such a structured arrangement will also provide a good interface between the government and the citizens and help us address the challenges faced by the cities.

In conclusion, I will only like to assure you once again that the Government of India is fully committed to work with the State governments in developing city-specific strategies and interventions necessary to improve the urban governance and provide resources required for the same. I trust the Jawaharlal Nehru National Urban Renewal Mission will result in providing the citizens a better environment to live, work and invest in cities and towns. I solicit your full cooperation and support for successful implementation of the Mission.