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PM's Speech at National Conference of the Jawaharlal Nehru National Urban Renewal Mission

Prime Minister, Dr. Manmohan Singh, addressed the National Conference of the Jawaharlal Nehru National Urban Renewal Mission, in New Delhi today. Following is the text of the Prime Minister's address:

“It gives me great pleasure to participate in this National Conference on the occasion of the sixth anniversary of the Jawaharlal Nehru Urban Renewal Mission. I congratulate my Cabinet colleagues Shri Kamal Nath and Kumari Selja ji, whose stewardship has been vital in carrying forward this Mission, despite numerous handicaps and challenges.

When our government launched the JNNURM in 2005, we recognized that urbanization was a natural part of the development process which should be facilitated by a conscious strategy of preparing our cities and towns to act as engines of economic growth. I believe that we have now reached the stage of development where urban India provides a significant opportunity to accelerate the quest for inclusive and sustainable growth. This is particularly true if efforts are made to foster synergy between rural and urban development processes.

Today, urban India generates two-thirds of India's Gross Domestic Product. Leveraging India's urban transition presents, therefore a significant opportunity for development and growth. There is also the demographic opportunity of a rising young population of working age in our country which is more likely to migrate to urban areas in quest for jobs and employment. We must therefore, focus on increasing livelihood opportunities in industry and services sectors and improving productivity in the agricultural sector so as to ease the burden of poverty, while facilitating a more open and democratic society.

The experience gained in the first six years of JNNURM has been somewhat mixed. But we are encouraged by the good work that has been done and also the lessons learnt. Perhaps the most significant achievement of JNNURM is that there is much greater awareness today of the need to plan for urban habitats consistent with the aspirations of modern India.

The challenges we face are truly enormous. Rapid growth will bring a faster rate of urbanization. That is almost a corollary. As a result, our urban population is projected to increase from 377 million today to over 600 million by 2031. Many cities will experience expansion at the periphery, with smaller municipalities and large villages surrounding the core cities becoming part of the metropolitan area.

There is therefore an urgent need to focus on metropolitan planning, improving connectivity through better and larger networks of roads, expressways and highways, and placing increased emphasis on public transport in relation to affordable housing for the economically weaker sections of society.

City planners must rethink traditional concepts of town planning. Master Plans in the past did not consider spatial requirements for living and working of the poor. This must change, and change fast enough.

Developing housing for the poor is critical for any strategy of sustainable urban development.

The Government of India launched the Rajiv Awas Yojana (RAY) earlier this year to fulfil our vision of creating inclusive and slum-free cities, while leveraging the value of land to generate revenues. The aim is to achieve slum redevelopment and create affordable housing stock by providing assistance to those States that are willing to assign property rights to slum dwellers. This reform will give the urban poor a formal stake in the cities' economic and social development.

Availability of bank credit will be a key determinant of successful implementation. Assignment of property rights will help mobilise fresh credit. To encourage Banks to lend in significant volumes to the Economically Weaker Sections and Low Income Groups, we are considering the establishment of a Credit Risk Guarantee Fund with a corpus of Rs. 1000 crore, to start with, in the current year.

It is now well recognised that governance is the weakest link among the key drivers of urban transformation. Unless our institutions are reformed and governed well, they will neither attract the huge investments required to build and maintain city infrastructure nor deliver efficient services in a sustainable manner.

There has been some improvement in the capacities of urban local bodies but much more is needed. There is an urgent need to build and/or reform Municipal cadres in all states. Training programs in urban planning, management and finance will go a long way in building capacities. Professional inputs from engineers, accountants, water and sanitation experts, must be encouraged. There is an urgent need for upgrading and expanding existing Schools of Urban Planning and setting up new Centres of Excellence in Urban Management.

E-Governance offers a critical part of the solution. Advanced technologies such as GIS, GPS, GPRS are powerful tools for improving efficiency in the delivery of public services. IT applications and software packages are also being increasingly used to improve public service delivery. Best practices within our own country and outside need to be replicated and adapted to suit local conditions.

The high level expert committee headed by Dr. Isher Ahluwalia has made a number of innovative recommendations on improving the financing of local bodies. Some of these include introducing a local bodies finance list in the Constitution, empowering the bodies with exclusive taxes and unlocking land value by putting in place a transparent and accountable mechanism for the monetization of public land with due attention to the needs of the poor. While these suggestions require greater deliberation, it is clear that among the key challenges in the next stage of JNNURM will be raising internal revenues of local bodies and strengthening their capacity to plan, to implement and to deliver programmes and basic services.

Our policies cannot have a one-size-fits-all approach towards both big and small cities. Smaller cities perhaps have to be treated differently from big cities and metros whether it is with regard to financing or

the content and pace of reform that is necessary. Public Private Partnership should be encouraged to play a larger role in big cities and metros which are financially strong and have the requisite capability and capacity.

The participatory approach to urban development needs much greater attention. Citizens' charters for delivery of services could be instituted to ensure that public services and private sector service providers are indeed made accountable to citizens. We should promote the concept of Public-Private-People Partnerships. The strengthening of Residents Welfare Associations in several parts of our country has provided a useful model. I believe, it needs to be encouraged further.

It is also necessary to mainstream sustainability concerns into our urban planning and project preparation processes. This will require urban administrations and state governments to issue suitable bye-laws and regulations based on national guidelines and standards, and to incentivise adoption of sustainable practices and technologies.

We need to facilitate an integrated and holistic approach towards regional development in the next stage of JNNURM. We should look to create enabling conditions for investment in urban India and livelihood creation in manufacturing and value-added service sectors. We should give special focus to energy-efficient public transport. Much of this has to be at the state government level. In all these areas, we have to show political will and a lot of imagination.

I am sure this National Conference will provide much food for thought for all of us on all these vital issues and I wish you conference all success.

Thank you.”

SC/SM