

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:3379

ANSWERED ON:12.05.2006

INTEGRATED DEVELOPMENT OF SMALL TOWNS

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Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Government proposes to formulate a Centrally Sponsored Scheme for the integrated development of cities, small and medium sized towns in each State;
- (b) if so, the details thereof and the funds likely to be earmarked for the purpose; and
- (c) the time by which the said scheme likely to be started?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI AJAY MAKEN)

(a): The Government has recently launched Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) on 3rd December, 2005 for reform driven integrated development of small and medium towns. The scheme covers all those towns and cities as per 2001 census which are not covered under Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

(b): The details of the scheme are enclosed at Annexure. An allocation of Rs.900 crore has been made for various States and Union Territories under UIDSSMT for the year 2006-07.

(c): The scheme is already under implementation since 3rd December, 2005.

Annexure referred to in reply to Lok Sabha USQ No.3379 for 12.5.2006

ANNEXURE

Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) Guidelines 2005

1. INTRODUCTION: Urban infrastructure Development Scheme for Small & Medium Towns aims at improvement in urban infrastructure in towns and cities in a planned manner. It shall subsume the existing schemes of Integrated Development of Small and Medium Towns (IDSMT) and Accelerated Urban Water Supply Programme (AUWSP).

2. OBJECTIVES: The objectives of the scheme are:

- a) Improve infrastructural facilities and help create durable public assets and quality oriented services in cities & towns
- b) Enhance public-private-partnership in infrastructural development and
- c) Promote planned integrated development of towns and cities.

3. DURATION OF THE SCHEME

The duration of the Scheme is seven years beginning from 2005-06.

4. COMPONENTS: The Scheme covers the following areas:-

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

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

iii) Sewerage and Solid Waste Management

iv) Construction and improvement of drains/storm water drains

v) Construction/Upgradation of roads, highways/expressways

vi) Parking lots/spaces on Public Private Partnership basis

vii) Development of heritage areas

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

ix) Preservation of water bodies.

Inadmissible Items

a) Power and telecommunication works,

b) Rolling stock like buses and trams,

c) Health and educational institutions,

d) Urban Transport (MRTS, LRTS etc.)

e) Wage employment programme and staff component

f) Maintenance works

Cost of land is not admissible except for acquisition of private land for schemes/ projects in the North Eastern States & hilly States viz. Himachal Pradesh, Uttaranchal and Jammu & Kashmir.

5. URBAN REFORMS

State Governments, Urban Local Bodies and para-statal are required to undertake mandatory and optional reforms as per agreed time lines to be able to access funds under the scheme. These reforms are:

MANDATORY REFORMS

The mandatory reforms are to be undertaken at the ULB/Parastatal level as well as state level. These are:

Mandatory Reforms at Urban Local Body / Parastatal

i) Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies / Parastatals;

ii) Introduction of system of e-governance using IT applications like, GIS and MIS for various services provided by ULBs / Parastatals;

iii) Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85% within next seven years;

iv) Levy of reasonable user charges by ULBs/Para-statals with the objective that full cost of operation and maintenance or recurring cost is collected within next seven years. However, cities/towns in North East and other special category States may recover at least 50% of operation & maintenance charges initially. These cities/towns should graduate to full O&M cost recovery in a phased manner;

v) Internal earmarking within local body, budgets for basic services to the urban poor;

vi) Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuing delivery of other already existing universal services of the Government for education, health and social security.

Mandatory Reforms at State Level

i) Implementation of decentralization measures as envisaged in 74th Constitution Amendment Act. States should ensure meaningful association/engagement of ULBs in planning function of para-statals as well as delivery of services to the citizens.

ii) # Repeal of Urban Land Ceiling and Regulation Act.

iii) # Reform of Rent Control Laws balancing the interests of landlords and tenants.

iv) Rationalisation of Stamp Duty to bring it down to no more than 5% within next seven years.

v) Enactment of Public Disclosure Law to ensure preparation of medium-term fiscal plan of ULBs/Parastatals and release of quarterly performance information to all stakeholders.

vi) Enactment of Community Participation Law to institutionalize citizen participation and introducing the concept of Area Sabha in

urban areas.

vii) Assigning or associating elected ULBs with `city planning function`. Over a period of seven years, transferring all special agencies that deliver civic services in urban areas to ULBs and creating accountability platforms for all urban civic service providers in transition.

Note: In respect of schemes relating to water supply and sanitation, the under mentioned State level mandatory reforms may be taken as optional reforms:-

i. Repeal of Urban Land Ceiling Act

ii. Reform of Rent Control Act

OPTIONAL REFORMS (State and ULB/Para-statal level)

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

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

iii) Introduction of Property Title Certification System in ULBs.

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

v) Introduction of computerized process of registration of land and property.

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

vii) Bye-laws for reuse of recycled water.

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

ix) Structural reforms.

x) Encouraging Public Private Partnership.

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

6. OUTCOMES OF THE SCHEME

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

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

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

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

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

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

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