

Urban Infrastructure

9.78 Urban infrastructure consists of drinking water, sanitation, sewage systems, electricity and gas distribution, urban transport, primary health services, and environmental regulation. The process of urbanization has gathered considerable momentum in recent times and this has put urban infrastructure and services under severe strain. Smaller cities, because of inadequate financial resources, have found it particularly difficult to cope with the increasing demands on services. Urban areas in India present a grim picture with regard to the availability of basic infrastructure. For example, although 89 per cent of the urban population is reported to have access to safe drinking water, there are severe deficiencies in equitable distribution of water.

Financing pattern

9.79 In terms of financing patterns, the foundation of urban infrastructure has to be user charges. It is possible for urban institutions to access resources from the capital markets to finance a large portion of urban capital expenditure when it can be serviced by user charges in the future. While municipal bond issues have indeed taken place, the magnitude of resources involved is as yet insignificant. The user-charge financed approach can facilitate a massive increase in capital expenditure on urban infrastructure without worsening the fiscal problem. In addition, the tariff restructuring or subsidy design in the context of a restructuring process allows for more efficient and targeted impact on the poor.

Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

9.80 JNNURM was launched by the Prime Minister on December 3, 2005 to encourage cities to initiate steps to bring about improvement in the existing service levels in a financially sustainable manner. The objectives of the mission, *inter alia*, include planned development of identified cities including semi-urban areas, outgrowths and urban corridors and improved provision of, basic services to the urban poor. The duration of the mission would be seven years beginning from 2005-06. The mission has subsumed the following on-going schemes of the Ministry: Infrastructure Development in Mega Cities, Integrated Development of Small and Medium Towns and Accelerated Urban Water Supply Programme. Cities/Urban Agglomerations/Parastatals will be required to prepare detailed project reports for undertaking projects under identified areas. Funds for the identified cities would be released to the designated State Nodal Agency, which in turn would leverage, to the extent feasible, additional resources from the financial institutions/private sector/capital market. Private sector participation in development, management and financing of urban infrastructure would be clearly delineated.

9.81 The admissible components under the mission include urban renewal, water supply (including de-salination plants) and sanitation, sewerage and solid waste management, urban transport, development of heritage areas, preservation of water bodies etc. A provision of Rs.50,000 crore has been agreed to as Central Assistance for Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for a period of 7 years beginning from 2005-06.

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

- (a) Modern and transparent budgeting, accounting, and 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/Parastatals resulting in reduced cost and time of service delivery processes.

Urban transport

9.83 Urban transport is a key element of urban infrastructure. An effective urban transportation network not only enhances productivity and facilitates high growth of the economy, but also empowers the poor by increasing employment opportunities. Public transport is energy efficient and less polluting and helps in maximizing urban-rural linkage with improved access of the peripheral population to the city centres without proliferation of slums in and around cities.

9.84 Kolkata and Delhi have introduced Metro Rail System in their cities. Delhi Mass Rapid Transit System (MRTS), a joint venture between Government of India and Government of National Capital Territory of Delhi, is being implemented by the Delhi Metro Rail Corporation (DMRC) (Box 9.4).

9.85 For better connectivity within the National Capital Region, a commuter rail system, namely, Integrated Rail-cum-Bus Transit (IRBT) system is contemplated. It comprises three corridors, namely (i) Shahdara – Ghaziabad (14.9 km.); (ii) Sahibabad – Shivaji Bridge (17.4 km); and (iii) Trinagar – Gurgaon (30.4 km). Two SPVs are to be formed, one for the UP corridor and another for the Haryana corridor with

Box 9.4 : Delhi Metro Rail Transit System

- The Delhi Mass Rapid Transit System (MRTS) contemplates Metro Rail System in Delhi. Phase-I of this project consists of the following corridors:-
 1. Shahdara – Rithala
 2. Vishwavidyalaya – Central Secretariat
 3. Indraprastha – Dwarka – Dwarka sub-city (i.e. Dwarka – Dwarka VI)
- Phase-I is scheduled to be completed by June, 2006. The Shahdara – Rithala corridor has been commissioned on 31st March, 2004 and is fully operational. The Vishwavidyalaya to Central Secretariat has been commissioned. The Barakhamba road-Dwarka sector has also been commissioned. The targeted completion date for other sections is:-
 1. Indraprastha – Barakhamba Road - June, 2006 - 2.27 km.
 2. Dwarka – Dwarka sub-city - 31.03.2006 - 6.50 km.
- Delhi MRTS Phase II has been approved by the Group of Ministers (GoM) on 30.08.2005. It consists of the following:-
 1. Vishwavidyalaya – Jahagir Puri
 2. Central Secretariat – Qutab Minar
 3. Shahdara – Dilshad Garden
 4. Indraprastha – New Ashok Nagar
 5. Yamuna Bank – Anand Vihar ISBT
 6. Kirti Nagar – Mundka (alongwith operational link to Shahdara – Rithala corridor)
- The proposals in respect of IIT – Qutab Minar portion (2.88 kms.) of the Central Secretariat to Qutab Minar line is to be reviewed and cost-benefit analysis of alternative proposals to be carried out in the context of its impact on the Qutab Minar, the possibility of covering high density areas in the vicinity like Malviya Nagar, Saket and Vasant Kunj as well as the possibility of further extension to connect Gurgaon. Revised proposals for this section of the Central Secretariat – Qutab Minar line to be brought back to the GoM for consideration/approval.

participation of the respective State Governments and the Government of India. The project proposal with an estimated cost of Rs.2,239 crore has been referred to the Planning Commission for “in principle” approval.

9.86 The Government of Karnataka proposed Bangalore MRTS with East-West (18.1 Km.) and North-South (14.9 km.) metro corridors. The project proposal was considered by the Public Investment Board (PIB) which cleared it for an estimated current cost of Rs.5,453 crore with a Government of India participation of 20 per cent. The matter is being placed before Cabinet Committee on Economic Affairs (CCEA). Meanwhile a Group of Ministers has been set up to decide upon

the gauge and legal issues for various Metro Railway projects.

9.87 The Government of Maharashtra has proposed a MRTS for Versova – Andheri – Ghatkopar (approximately 15 km.) corridor on the basis of the Mumbai Metro Master Plan at an estimated cost of Rs.1,500 crore (June-04 prices). The corridor is proposed to be executed on Build Operate Transfer (BOT) basis. The Government of Maharashtra is in the process of calling for bids for this project; the financial bids from the qualified technical bidders have been opened recently. Government of India’s contribution has been sought towards Viability Gap funding and equity but the exact requirement will be available only after the bidding process initiated by the State Government is finalized.