

Urban Infrastructure

9.60 There is a growing demand for urban infrastructure services. Budgetary resources for meeting the growing demands of urban infrastructure are inadequate. Urban Infrastructure is a state subject, however the Central Government provides policy guidelines for housing programs for target groups and supplements State Government efforts by assisting them in mobilizing institutional finance. Apart from budgetary support extended by Central and State Governments, the major agencies involved in financing urban infrastructure are HUDCO, LIC and Infrastructure leasing & Financial Services Ltd. (IL&FS). HUDCO sanctioned Rs.1678.67 crore for urban infrastructure schemes (as on October 31, 1999).

9.61 Recently, HUDCO has taken a number of new initiatives for provision of urban infrastructure. It has promoted projects that are innovative in content and pioneering in nature that could be extensively replicated in other urban areas. HUDCO's recent major initiative has been to create a synergy between technology, finance and subsidy. Initiatives have been taken to bring subsidy provided by various ministries, soft loans provided by financial institutions and technology promoters on a common platform through measures like single window clearance, joint appraisal, and monitoring of projects.

BOX 9.5

Initiatives for Commercialization and Privatization of Urban Infrastructure

- Promotion of Innovative User-Pay Instruments:
- Water Supply Sector—Advance registration charges, water benefit/water Tax, betterment charges, development charges, Octroi, property tax, sale of plots and charges from Water kiosks.
- Sewerage Sector—Connection charges, sewerage cess/tax, conservancy tax, and sale of renewable waste, sludge, and Nutrient rich water.
- Solid Waste Management Sector—Collection charges, cess, sale of renewable waste, generation of power, fine for dumping waste.
- Transport Sector—Toll tax, use of land as a resource, advertising to generate resource. Surcharge on tickets, toll tax, User Charges, development above and around the terminal. Advertising rights.
- Initiative for Private Sector participation:
 - Pali By-pass in Rajasthan on BOT basis.
 - Mechanical compost plant to convert solid waste into manure at Vijaywada.
 - Water Supply Scheme, Pune through private sector involvement.
 - Karur Road bridge across river Amaravathi on BOT basis,
 - Toll based by-pass, Coimbatore on BOT basis.