

**Address by Dr M. Ramachandran, Secretary (UD) on the occasion of the release of the report “An exploration of Sustainability in the Provision of Basic Urban Services in Indian Cities” TERI, New Delhi April 17, 2009**



Ladies and Gentlemen,

1. Let me at the outset thank the organizers for this invitation extended to me. I understand that the aim of the study report which is being released today is to identify processes to make service planning and delivery in six critical sectors i.e water, solid waste management, transport, power, buildings and governance more sustainable. I complement TERI, Sustainable Urbanism International and Arghym, Dr Nandan Nilekani and Mrs Rohini Nilekani for this extremely useful initiative.

2. Most of us are extremely familiar with the abysmal levels of basic services and service delivery in urban India, be it in the water supply and sanitation sector or the transport sector or for that matter any other sector.

3. **Status of Basic Services:**

**Water Supply:** As per 54th round of National Sample Survey, 70% of urban households reported are served by tap and 21% by Tube well or hand pump. 66% of urban households reported had their principal source of water within their premises while 32% had it within 0.2 Km. 41% had sole access to their principal source of drinking water and 59% were sharing a public source. Based on an ADB Study on benchmarking of water utilities in India, it is estimated that the duration of water supply in cities varies significantly. For instance Chandigarh receives a supply of 12 hours per day as against Rajkot which has a supply of 20 minutes per day. No city had a 24X7 water supply.

**Sewerage:** 54th round of NSS reported that 26% of households had no latrines, 35% were using septic tank and 22% were using sewerage system. Sewerage connections varied from 48% to 70%. According to Central Pollution Control Board, the waste water generated in 300 Class I cities is estimated at about 15800 Million liters a day while the treatment facilities exist for hardly 3750 million liters per day.

**Solid Waste:** It is estimated that about 1,15,000 MT of Municipal Solid Waste is generated daily in the country. With the growth of urban population, the increase in solid waste is estimated at 5%. The solid waste generated by the million plus cities varies from 1200 metric tones per day in cities like Ahmedabad and Pune to a maximum of 5000-5500 metric tones per day in cities

like Delhi and Mumbai. Out of total waste generated in the million plus cities hardly 30% is treated before disposal.

**Transport:** All cities are facing problems of acute congestion, pollution and accidents. The public transport, including city buses, exists only in 25 cities and that too of poor quality. The pedestrian and cycling facilities are either non-existent or are being encroached upon by motor vehicles. Urban transport is normally thought of as consequential requirement after land development. A paradigm shift in the way city residents travel and policy makers view urban transport is required.

4. The need for improving the levels of service delivery and more importantly, making the entire process self-sustaining is challenging, to say the least. I would like to share with you some of the efforts made by my Ministry to ensure sustainability in service delivery from the viewpoints of financial sustainability, environmental sustainability and social sustainability.

5. We have recently formulated service level benchmarks in four important areas of service delivery i.e water supply, sewerage, storm water drainage and solid waste management. In the water supply sector, the benchmarks cover various aspects such as coverage of water supply connections, per capita availability of water at consumer end, extent of metering of water connections, extent of Non-Revenue Water, continuity of water supply, efficiency in redressal of customer complaints, quality of water supplied, cost recovery in water supply services, efficiency in collection of water supply related charges etc. In the solid waste management sector, the benchmarks cover extent of household level coverage of Solid Waste Management services, extent of scientific disposal of municipal solid waste, extent of cost recovery in Solid Waste Management services, efficiency in redressal of customer complaints, efficiency in collection of user charges, extent of segregation of municipal solid waste, extent of municipal solid waste recovered/recycled, efficiency of collection of municipal solid waste. The indicators are comprehensive and address concerns related to service delivery and sustainability as well as climate change related issues in the areas of mitigation and adaptation. The intention behind the formulation and adoption of service level benchmarks is to bring about a much needed shift in focus from infrastructure creation to service delivery. I am happy to inform you that we intend ensuring that every infrastructure project appraised by our Ministry including externally aided ones will have a clear roadmap for the achievement of these benchmarks. Very soon, we will commence a pilot project on implementation of these benchmarks in 22 cities in 10 states in collaboration with partner organizations. The aim of this exercise is to have sound baseline data on the current status of achievement of benchmarks and to prepare performance improvement plans thereof. I am happy to note that the report being released today takes cognizance of these benchmarks.

6. The issue of financial sustainability of service delivery was also emphasized by my Ministry in our presentation to the Thirteenth Finance Commission. Based on a comprehensive assessment of the resource gaps of ULBs (without taking into account the capital investments), their shrinking fiscal space, the projected requirements etc the total resource requirements for a period of five years has been projected at Rs 1,25,000 crores. The thirteenth FC was also

requested to replace the system of adhoc grants with regular grants, to incentivize states and ULBs which have shown good progress in the implementation of reform, recommend a creation of a permanent SFC cell in each state to monitor local government finances and constitution of a similar cell in the Ministry of Urban Development etc.

7. The most recent initiative is the National Mission on Sustainable Habitat which is a component of the Prime Ministers Action plan on climate change. The Mission seeks to promote sustainability of habitats through improvements in energy efficiency in buildings, urban planning, improved management of solid and liquid waste including recycling and power generation, modal shift towards public transport and conservation. It also seeks to improve ability of habitats to adapt to climate change by improving resilience of infrastructure, community based disaster management and measures for improving advance-warning systems for extreme weather events. The Mission is to be implemented through appropriate changes in the legal and regulatory framework, viz. Building Byelaws, Development Control and Regulation etc.; mainstreaming of climate change and sustainable development concerns in city planning through City Development Plans including those related to adaptation, promotion of modal shift in public transport through Comprehensive Mobility Plans, capacity building and outreach, institution of awards and implementation of pilot projects.

8. We have instituted the National Urban Water Awards in the year 2008 in association with ASCI,CII and GTZ for recognising excellence in different spheres of the water and sanitation sector such as technical innovation, financial reform, services to the poor, citizens services and governance and public-private partnership. 16 awards were given for various innovations such as 24X7 Water Supply in Navi Mumbai Municipal Corporation (NMMC), Maharashtra, A hydraulic model for transforming an intermittent into 24X7 Water Supply System in Badlapur, Maharashtra, Utilisation of Recycled Domestic Waste Water and Utilization of Bio-gas for Power Generation in Sewage Treatment Plants at Chennai, Tamil Nadu, Utilisation of Ground Water to Augment Surface Water Supply by Revival of Open Wells in Belgaum City, Karnataka, Revenue Collection Reform in Kerala Water Authority, Kerala and Operations and Maintenance Practices in Water Supply System, Surat Municipal Corporation, Gujarat etc. The response this year also has also been very encouraging. As part of our partnership with GTZ, we intend carrying out activities such as development of city sanitation plans, waste water recycling, rating of green buildings, water and energy audit for water and sewerage utilities in 5 selected cities and also take up an urban sanitation initiative in schools. We have recognised certain premier institutes of the country as Centres of Excellence which will partner with the Ministry in various areas such as rainwater harvesting, adaptation, decentralised wastewater treatment etc. I am happy to inform all of you that TERI is one of them (for UFN).

## **9. REFORMS UNDER JNNURM**

Reforms in urban sector are necessary to ensure sustainable development, efficient infrastructure services and strong local governance. The reforms would enable Urban Local Bodies to secure effective linkages between asset creation and asset management, ensure

planned development of cities and adequate investment of funds to fulfill deficiencies in the delivery of urban services to the urban poor and the city at large.

JNNURM has synthesized urban reform initiatives of the past and designed a comprehensive urban reform agenda, which forms a part of the tri-partite Memorandum of Agreement (MoA) between Ministry of Urban Development (MoUD), the state government and the urban local body. The states and the cities have committed to a specific timeline for implementing the reforms within the Mission period of 7 years. Since the launch of the Mission in December 2005, 62 cities (except Jamshedpur) have signed the MoA (Memorandum of Agreement).

JNNURM has incentivised strengthening of local governance through implementation of 74<sup>th</sup> Constitutional Amendment Act. 10 states have transferred functions mandated under the 74<sup>th</sup> CAA to the ULBs; 19 states have constituted DPCs; 4 states have constituted MPCs. In the state of Jharkhand, municipal elections have been held after a gap of 22 years. Legislation has been enacted in the states of Sikkim, Arunachal Pradesh and Mizoram for the establishment of urban local bodies.

Few other key achievements are repeal of Urban Land Ceiling and Regulation Act (ULCRA) in all the states except West Bengal and Jharkhand; enactment of Public Disclosure Law in 14 states enabling greater transparency and accountability in ULBs, rationalisation of Stamp duty up to 5% in 9 states, and enactment of Community Participation Law in 6 states. In context of the reform at ULB level 12 cities have implemented e-Governance reforms, 26 cities have fully migrated to accrual based double entry accounting systems, 45 cities now have a provision for Internal Earmarking of Budget for Basic Services for Poor. 11 cities have achieved 85% coverage of property tax, 6 cities have achieved 100% cost recovery in water supply; 5 cities have achieved 100% Cost Recovery in Solid Waste.

Mission has also catalysed a number of landmark initiatives in states and cities across the country. A few key ones are - the state government of Punjab has constituted the Punjab Municipal Infrastructure Development Fund for raising resources for ULBs by tapping capital market. Public transportation function has been transferred to the city governments in Punjab. The city of Faridabad has taken Community Participation to the next level by involving the community in monitoring project progress from tendering to the execution stage. Surat is the first city to set up a dedicated Urban Transport Fund followed by Pimpri-Chinchwad. Metropolitan Urban Transport Authorities have been established in the mission cities of Hyderabad, Jaipur, Chennai, Bangalore and Mumbai. Dedicated pedestrian path and cycle track are being created along all the BRTS corridors. Over 14,000 buses have been sanctioned for 54 cities for improvement of city bus service for the first time.

#### 10. **URBAN PLANNING:**

Urban Planning and development are State subjects. Master Plans of towns and cities are prepared under the provisions of the State Town & Country Planning Acts / Development Authority Acts. Of the 5161 towns and cities in the country, hardly a third of them have

statutory Master Plans in force. One of the pre-requisites for taking up a Master Plan exercise is availability of accurate and updated large-scale base map. Realizing the importance and utility of remote sensing techniques to quicken the process of base map preparation, Ministry of Urban Development, Govt. of India, had initiated a Central Sector Scheme on pilot basis on Urban Mapping through aerial photography for 53 towns across the country and the same were shared with State Governments. Since the tenth five-year plan, the Ministry has launched another scheme i.e the NUIS, which deals with the preparation of large-scale urban maps for 158 cities.

11. Since the process of formulating Master Plans is a time consuming and cumbersome one and the perception that they are rigid and static having little regard to investment planning, the Ministry of Urban Development prepared Urban Development Plans Formulations and Implementation (UDPFI) Guidelines 1996 which were circulated to all State Governments. It proposed a Model Urban and Regional Planning Law along with simplified Development Promotion Regulations. We have now initiated a consultation exercise with States to bring about a fundamental change in the way Master Plans are prepared, laying emphasis on integration of land use planning and transport planning and to see how such plans can be prepared in a more user friendly manner. I am hopeful that sometime later this year we would be able to come up with a more dynamic and proactive method of getting master plans prepared for a large number of cities and towns, and at the same time integrating them well with City Development Plans.

12. I am aware that a rigorous methodology comprising literature review, identification of sustainability parameters, evaluation of the current situation through secondary sources, exhaustive consultations and visits to three cities has been followed in the preparation of this report. Barring the power sector, my Ministry is directly concerned with every one of the sectors covered in the report. We have to actively and consistently move in the direction of having overall integrated development approaches for our cities in which process all aspects relating to city life have to get well coordinated. With more interest taken by the professional organisations, development institutions and the society at large, I am sincerely hopeful that we can convert our cities and towns into dynamic centres of growth ensuring acceptable service levels and constantly improving civic facilities. I may once again refer to the ADB's apt reminder in its report Managing Asian Cities that cities are the key drivers of Asia's economic growth. The focus now must be on how to take advantage of the opportunities Asia's cities offer while addressing the threats to their sustainable development. Anticipating and planning for future urban growth holds the key to successful development and management of cities. I look forward to receiving a copy of the report and to achieve synergies between this initiative and the existing as well as future initiatives of my Ministry.