

Jawaharlal Nehru National Urban Renewal Mission

Toolkit

JNURM

Ministry of Urban Employment and
Poverty Alleviation



Government of India

Ministry of Urban Development

Preface

Cities and towns have a vital role in India's socio-economic transformation and change. Apart from their contribution to the country's gross domestic product (GDP) which is currently placed at about 50-55 per cent, and their growing role in the global markets, cities in India are the centre-point of innovations and hub of many activities. At the same time, most cities and towns are severely stressed in terms of infrastructure and service availability. In 2001, 50.3 per cent of urban households had no piped water within premises, and 44 per cent of them were devoid of sanitation facilities. Even with a relatively high economic growth registered during the 1990s, 23.6 per cent of the country's urban population continued to be below the poverty line. According to the Census of India 2001, 14.12 per cent of urban population lives in slums, with a significant proportion of it without access to even the most basic services. The inner areas of cities face widespread dereliction, decadence, and neglect, with significant negative economic consequences.

Municipal governments and other institutions responsible for service provision are facing acute shortage of capacity and resources, notwithstanding the Constitution (seventy-fourth) Amendment Act, 1992 on Municipalities. Most municipalities are starved of resources on account of their inability to effectively use their revenue raising powers, in particular, relating to property. The inter-governmental fiscal relations have changed, but at best, marginally, to make any noticeable impact on their finances. The existing municipal accounting systems do not permit accurate assessment of the financial position of municipalities, nor is it possible to ascertain from them the levels of spending on different services and recoveries therefrom. Continuation of many laws and systems which came into being in different context such as the Urban Land (Ceiling and Regulation) Act, 1976 have caused avoidable but serious distortions in the land and housing markets.

Considering that this state of cities is incompatible with the country's socio-economic objectives and India's growing role in the world economy, the Government of India has decided to launch, in the current fiscal year, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Aimed at creating economically productive, efficient, equitable and responsive cities, the Urban Renewal Mission focuses on (i) improving and augmenting the economic and social infrastructure of cities; (ii) ensuring basic services to the urban poor including security of tenure at affordable prices; (iii) initiating wide-ranging urban sector reforms whose primary aim is to eliminate legal, institutional and financial constraints that have impeded investment in urban infrastructure and services; and (iv) strengthening municipal governments and their functioning in accordance with the provisions of the Constitution (seventy-fourth) Amendment Act, 1992. It provides for public disclosure of local spending decisions together with earmarking of budgetary allocations for basic services to the poor. The Mission rests on the postulate that in order to make cities work and meaningfully contribute to India's economic growth and poverty reduction objectives, it is essential to create incentives and support for urban reforms both at the state and city levels; develop appropriate enabling frameworks; enhance the creditworthiness of municipal governments; and integrate the poor with service delivery systems.

The Jawaharlal Nehru National Urban Renewal Mission is designed to make fuller use of the energy and potential of the private sector in service delivery and management and in implementing the reform agenda, and it accordingly provides for the participation of business, industry, civic groups and communities in local decision-making. With a budgetary provision of Rs. 50,000 crore for a period of seven years, the Mission will initially cover about 60 cities, and provide grant assistance to them for specified activities.

In order to apply for grant assistance under JNNURM, the Government of India requires eligible cities to -

- (i) formulate a medium-term City Development Plan (CDP);
- (ii) prepare project proposals; and
- (iii) draw up a timeline for implementing the urban sector reforms.

Subject to the fulfilment of the above-stated requirements and their satisfactory appraisal, the Government of India, Ministry of Urban Development/Ministry of Urban Employment and Poverty Alleviation will sign a Memorandum of Agreement (MoA) with the state government and the applicant city, and release funds in accordance with the payment schedule that will form a part of the Memorandum of Agreement (MoA).

In order to assist cities, the Government of India (Ministry of Urban Development and Ministry of Urban Employment and Poverty Alleviation) has developed Toolkits that outline the JNNURM framework and process, and detailed methodology for the preparation of (i) City Development Plans (CDPs); and (ii) Project Proposals; and (iii) Timeline for the Implementation of Urban Reform Agenda. In addition, Toolkits separately provide details of the criteria that are proposed to be used for appraising project proposals and the timeline for urban reform agenda.

We invite the state governments and eligible cities to actively join the Jawaharlal Nehru National Urban Renewal Mission.

Chitra Chopra
Secretary
Ministry of Urban Employment
and Poverty Alleviation

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Secretary
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November, 2005

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