

Vol 5 Issue 6 Dec 2015

ISSN No :2231-5063

International Multidisciplinary Research Journal

Golden Research Thoughts

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RNI MAHMUL/2011/38595

ISSN No.2231-5063

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AN APPRAISAL AND PRESENT SCENARIO OF JNNURM

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ABSTRACT

Rapid and continuous urbanization is a distinctive feature of the modern Indian growth. The percentage of urban population was 25.49 % in 1991 which increased to 27.81% percent in 2001 and 31.16% in 2011. Cities and towns of India constitute the world's second largest urban system. They contribute over 50% of

country's Gross Domestic Product (GDP) and are central to economic growth. For these cities to realize their full potential and become true engines of growth, it was necessary that focused attention has to be given to the improvement of infrastructure and basic services to the poor therein. For achieving these objectives, a Mission mode approach was essential.

KEYWORDS :continuous urbanization , modern Indian growth , Gross Domestic Product (GDP).

1.INTRODUCTION

In this regard several attempts have been made by the local bodies as well as the state and central Governments. One of the important measures undertaken in this regard was Jawaharlal Nehru National Urban Renewal Mission (JNNURM)



which was launched on 3rd December, 2005. The Mission comprises two Sub-Missions – one for Basic Services to the Urban Poor (BSUP) and the other for Urban Infrastructure and Governance (UIG). BSUP is being implemented in selected 65 cities. The duration of the Mission is 7 years (2005-2012). Smaller cities/towns are covered under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP). Ministry of HUPA is the nodal Ministry for BSUP and IHSDP whereas the Ministry of UD is the nodal Ministry for Sub-Mission on UIG and UIDSSMT. The JNNURM has put the reform process of ULBs on fast track. Twenty-three reforms included in the Mission envisage institutional, financial, and structural changes

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in the governance structure of the local bodies (LBs) to make them efficient, accountable, and transparent. The memorandum of agreement (MOA) in respect of the reforms agenda to be undertaken by states and cities has been negotiated and signed with 65 Mission cities. Further, states and ULBs have started adhering to the timelines committed for implementation of the reforms as per the MOA. During the last 5 years, a very huge amount has been spent under this mission. Therefore in order to make modification of the mission framework, it is essential to have a review of this mission and highlight its success and limitations. Under this backdrop present study is attempted to make an appraisal of JNNURM.

II. OBJECTIVES OF THE STUDY

The major objectives of the present study are as below

1. To explain the objectives and nature of JNNURM,
2. To present the appraisal and present scenario of JNNURM,
3. To suggest appropriate policy implication for better management of the mission.

III. RESEARCH METHODOLOGY

The present study is exclusively realized on secondary data sources. It is purely descriptive type of research since it describes the facts relating to the problem. The necessary secondary data has been collected from various reports of the planning commission of India and other publications. Study briefly tries to make an appraisal of the mission by considering the various data regarding the mission.

IV. OBJECTIVES OF JNNURM

The major objectives of the JNNURM are as below.

1. To provide focused attention to integrated development of urban infrastructure and services in select 65 cities with emphasis on urban poor, slum improvement, community toilets/ baths, etc.
2. The Mission proposes reforms driven, fast track, planned development of identified cities with focus on efficiency in urban infrastructure/ services delivery mechanism, community participation and accountability of Urban Local Bodies (ULBs) towards citizens.
3. The core objective of the Mission (JNNURM) is to achieve planned urban perspective frameworks for a period of 20-25 years (with 5 yearly updates) indicating policies, programmes and strategies of meeting fund requirements of every identified city. It calls upon States/Cities to undertake fiscal, financial and institutional changes that are required to create shelter and basic civic amenities for the urban poor.

OBJECTIVE OF CDP

CDP, being a perspective and a vision document, was expected to focus on the following:

- Economic and social infrastructure development
- Strategies to deal with issues affecting urban poor
- Reinforcing municipal governments – devolution of power to local bodies along with strengthening financial budgeting systems, accounting and procedures
- Creating accountability and transparency
- Eradicating legal bottlenecks in the land and housing markets through proper reforms

V. Physical and Financial Progress under JNNURM (March 2012)**Table no1: Physical and Financial Progress under JNNURM (March 2012)**

	UIG	UIDSSMT	BSUP	IHSDP	Total
7 year Allocation (in ` crore)	31,500	11,400	16,357	6,828	66,085
No. of Projects sanctioned	559	808	528	1,078	2,973
Total cost of project (in ` crore)	67,275	14,039	30,416	11,981	1,23,711
Total ACA Committed (in ` crore)	30,971	11,372	15,092	7,704	65,139
Total ACA released (in ` crore)	18,479	8,469	8,642	4,905	40,495
Per cent of ACA released to ACA sanctioned	60%	74%	57%	64%	62%
No. of DU approved in lakh (BSUP and IHSDP)	10.3	5.7	16.0
No. of projects completed (UIG and UIDSSMT)	127	142	---	269
No. of Dwelling units completed (in lakh) (BSUP and IHSDP)			4.4	1.8	6.2

Source: Planning Commission, 12th Five Year Plan Documents

The table no 1 reveals the following facts.

1. Urban Infrastructure and Governance (UIG) has given priority in the total allocation of the fund that is near about 47.65 % of the total fund has been allotted to the UIG.
2. The highest number of project has been sanctioned under IHSDP sub mission. However the no. of Dwelling unit completed under IHSDP is just 1.8%.
3. So far as fund assistance is concern, Access to Central Assistance (ACA) for all sub-mission is nearly 60% which shows active contribution of the central Government.
4. However the number of project completed during the last 5 year has very meager that is because of the delay in the process of implementation and inefficient use of resource.
5. The ratio between sanction project to the completed project is very less which indicate inefficiency in the production as well as distribution of the services of the ULBs.

Table No 2: Sector-wise allocation of JNNURM Funds(12th five year plan) (as on 21.9.2011) 100th CSMC

Sector `	Creore	Per Cent of Total Cost Allocated
Water supply projects	19,233	32.09
Sewerage projects	14,624	24.40
Drainage	8,208	13.69
Preservation of water bodies	116	0.19
Total water sector	42,181	70.39
Other urban sectors	17,748	29.61
Total sanctioned	59,929	100.00

Source: JNNURM 2011, Sector-wise release of funds under submission for urban infrastructure and government, Ministry of Urban Development, 2011.

Figure 1 Allocation of JNNURM Funds within Water Sector

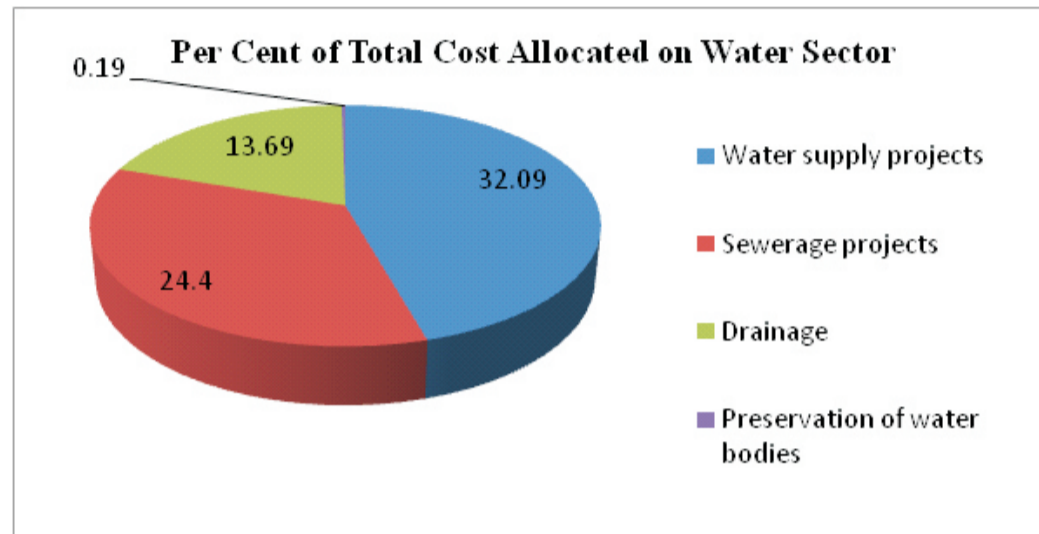


Table no. 2 shows sector wise composition of the JNNURM. It is notable that the share of total water sector has given high priority in the mission. That is 70.39% of the total fund has been approved for water supply projects, sewerage projects, Drainage facility and preservation of water bodies. But still in urban area water sector is gambling. There still large segment of the urban population has been deprived from the access of the pure drinkable water. The recent report of the WHO on water and sanitation pointed out that 6% of the Indian urban population has still lack of pure drinkable water.

Other urban sector includes waste management, local transport system ect; has given 30% weighted in the mission.

VI) AN APPRAISAL OF JNNURM

Table no.3
scenario of the different sub mission under JNNURM (for selected sample 41 mission cities by 2011 Grant Thornton India)

Sr. no		UIG	UIDSSMT	BSUP	IHSDP	Total
1	Total number of project	367	29	213	33	642
2	Approved cost	46515.2	1667.5	17503.3	715.5	66401.5
3	Centre release	8226.78	720.61	3228.2	261.03	12436.6
4	State release	5036	98.36	1408.6	43.43	6586.39
5	ULBs release	7335.3	91.13	1199.1	26.61	8652.14
6	Grand Total release	20598	910.1	5836.0	331.07	27675.2
7	Total expenditure	17078.99	529.42	4280.04	218.70	22107.2
8	Completed project	62	2	5	0	69
9	% of projects completed	17	6.9	2	0	10.74
10	% of Released approved	44	55	33	46	41
11	% of expenditure/approved	37	58	24	66	33.29
12	% of expenditure/release	83	32	73	65.86	79.81
13	Per capita approved	493.15	1223.51	1855.67	20116.99	23689.3
14	Per capita expenditure	1810.70	338.43	453.76	65980	68582.9

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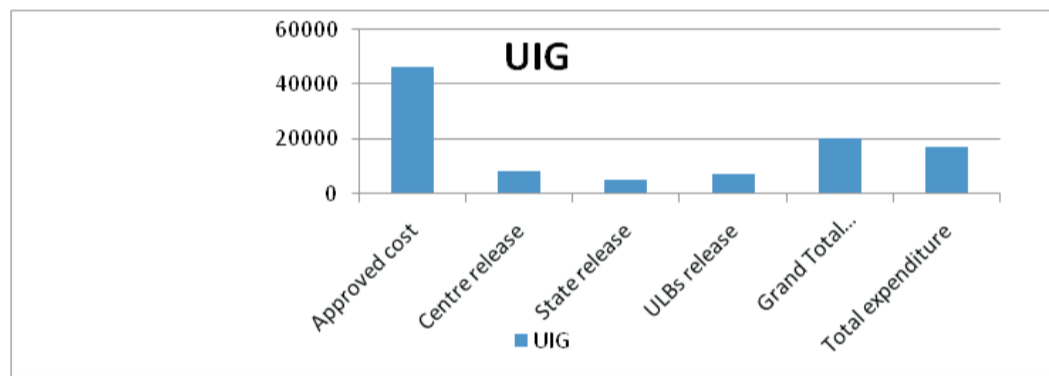
Source: Appraisal Report of JNNURM by Grant Thornton India 2011

The table no 3 provides comprehensive picture of JNNURM sub-mission. The table reflects following facts.

UIG

Out of total 65 cities sample cities were selected by the Grant Thornton India (2011) for the performance appraisal of JNNURM. These sample cities constitute approximately 29% of the total urban population of India and 86% of the total coverage of urban population under JnNURM. Total projects approved under UIG component are 367 with a total approved cost of 46,515 crore. Release till date for the sample cities has been 20,598 crore which is approximately 44% of the total approved cost. Out of the 367 projects merely 62 projects have been completed. The total expenditure till date has been worth 17,078 crore which constitute around 37% of the approved cost and 83% of the total release till date.

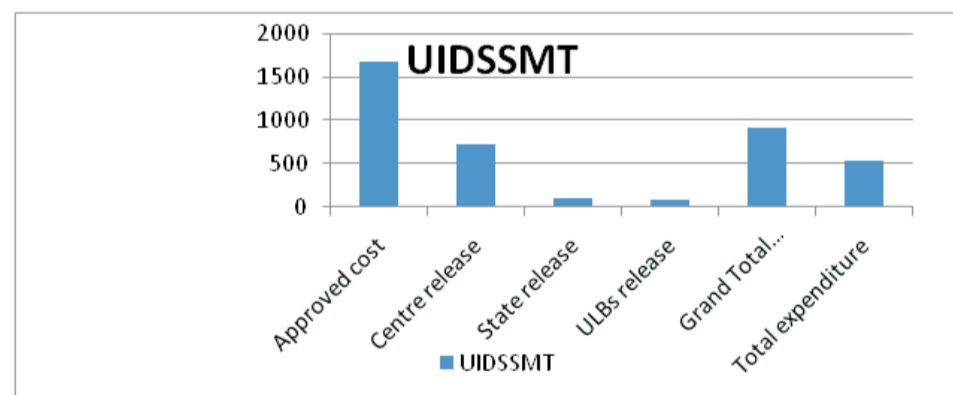
Figure: 2 UIG



UIDSSMT

Total projects approved under UIDSSMT are 29 (as per the sample) with a total approved cost of 1,667 crore. Release till date for the sample cities has been 910 crore which is approximately 55% of the total approved cost. Out of the 29 projects only 2 projects have been completed. The total expenditure till date has been worth 529 crore which constitute around 32% of the approved cost and 58% of the total release till date.

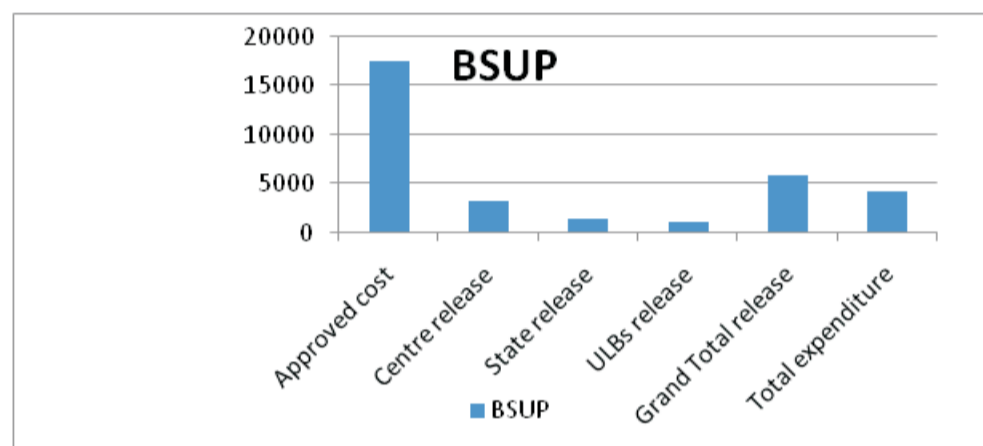
Figure 3: UIDSSMT



BSUP

Total projects approved under BSUP are 213 with a total approved cost of 17,503 crore. Release till date for the sample cities has been 5,836 crore which is approximately 33% of the total approved cost. Out of the 213 projects merely 5 projects have been completed. The total expenditure till date has been worth 4,280 crore which constitute around 24% of the approved cost and 73% of the total release till date.

Figure 4: BSUP



IHSDP

Total projects approved under IHSDP are 33 (as per the sample) with a total approved cost of 715 crore. Release till date for the sample cities has been 331 crore which is approximately 46% of the total approved cost. Out of the 33 projects none of the projects have been completed. The total expenditure till date has been worth 218.7 crore which constitute around 31% of the approved cost and 66% of the total release till date.

Figure 5 IHSDP

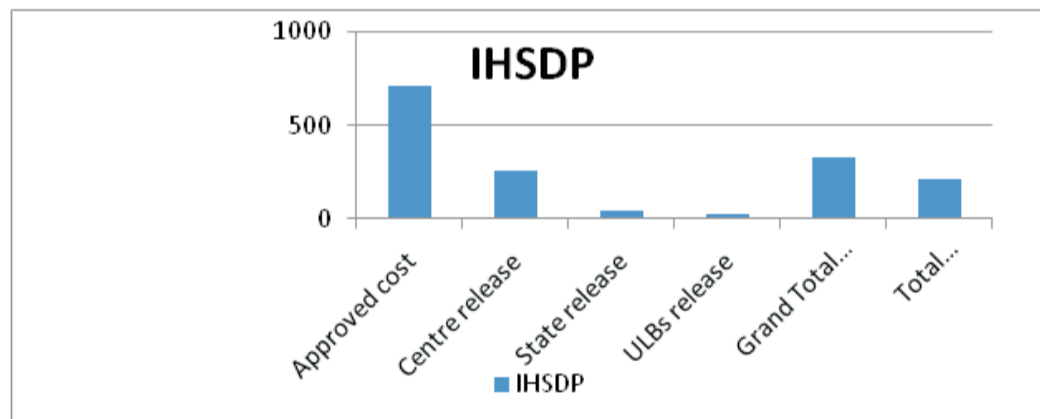
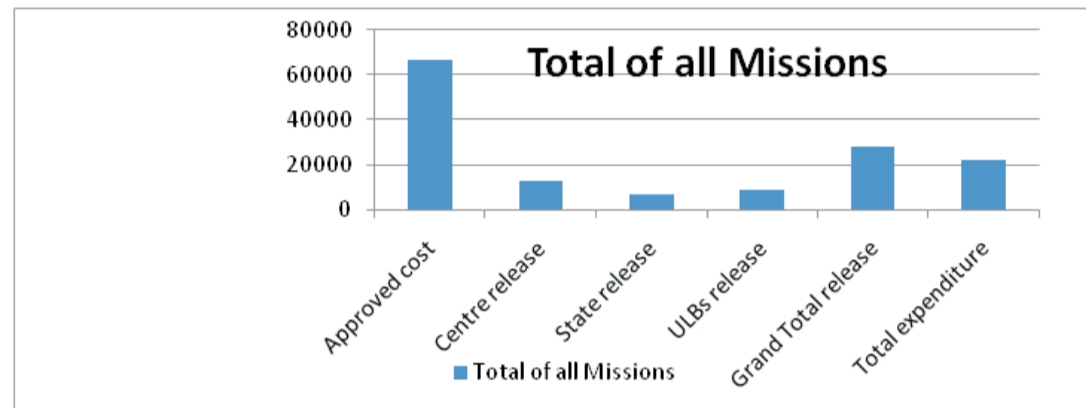


Figure 6 Total Sub-mission



It is observe from all figure of sub-mission of JNNURM that find is not a big story for the cities under JNNURM but the usage of find is a matter of discussion. The ratio of total approved cost to the total expenditure is very less that indicates inefficiency of the ULBs in the production and distribution of the services and goods to their citizens.

VII) Recommendation for the better management and implementation of JNNURM

A) National Level

1. The CDPs so prepared by the ULBs were expected to be updated every five years. Very few states have initiated the process of updating the same. With the experience gained, the states may be able to revise the CDP on their own else they may set aside funds in their next annual plan budget to engage consultants for this purpose. The city development plans can then be prepared in context of state urban policy and targeted investment in urban infrastructure.
2. The Mission should focus on the prioritization of projects in terms of its identified key priority sectors16 of water supply, sewerage, solid waste management, drainage, roads and housing. The states should be asked to exhaust projects on priority basis with these fundamental infrastructure sectors before funding for any other sector under JnNURM.
3. Funding of the mission cities was decided on the basis of the population cited in the 20011census; based on the said criteria the smaller states with smaller towns had some disadvantage over the large cities. As a result, the medium and small cities had smaller allocations under JnNURM. It may be desirable to have a set of criteria apart from population; possibly criteria’s like revenue per capita, level of infrastructure, need for investment in the context of the state urban policy.

B) State Level

1. Formulation of Municipal Services Regulator, roles and responsibility for the same could be:
 - Dispute resolution between executive wing and the political wing
 - Dispute between contractor and ULB
 - Any other matter/ advice to ULB’s
 - Documentation of service level benchmarking and publication of the same
 - The members of the regulator may include non political members including high court judge, ex public service personnel, etc.

2. There should be provision for third party financial audits at the ULB level

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3. Water audit and energy audit for all the ULB's is recommended
4. The roles and responsibilities for DPC and MPC should be clearly defined and communicated to the ULBs of the state.
5. The state needs to ensure that there is awareness in the state with regard to PPP cells as well as rules and regulations for different PPP models. The states may also consider formulating a state level PPP policy for PPP projects being undertaken in the state.

C) ULBs Level

1. Formation of municipal and professional cadre at the state level should be sought to strengthen the efficiency of governance.
2. A city level sanctioning and monitoring committee headed by the Mayor/ chairperson and Municipal Commissioner/CEO of the Municipal Corporation/ Municipal Council, representatives of the line departments, that of the parastatal agencies, select Municipal Councillors may be constituted for identification and prioritization, approval and monitoring of projects, even if the implementing agency is other than the ULBs.
3. By considering resource constraint, time bound, proper CDP should be prepared.
4. The accountability and transference in costing should be strictly followed by the all ULBs.

VIII) CONCLUSION:

The mission mode approach for the provision of urban infrastructure and basic amenities through JNNURM is the best way out. But still there are large numbers of the cities are away from the compass of the mission. So far as present condition of the mission is concern we come to know that the cities covered under the mission are not using their funds at rational and efficient manner. With this word, study can be concluded that JNNURM is one of the effective measures for the better management of urban area and the conservation of environmental resources.

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