

## **TENTH PLAN APPROACH ON URBAN DEVELOPMENT URBAN HOUSING & URBAN POVERTY\***

India has one of the largest urban systems, but its effectiveness is considered as far from satisfactory due to paucity of funds and ineffective management. The major urban concern is the growing gap between the demand and supply of basic infrastructure services like safe drinking water, sanitation, sewerage, housing, energy, transport, communication, health and education. Increased urbanisation is accompanied by severe environmental problems, which adversely affect the quality of life of the people.

Areas that need considerations include urban governance issues with special focus on the problems of the urban poor and slum dwellers, urban transport and housing.

### **URBAN GOVERNANCE ISSUES**

#### **Provisional Data from the 2001 Census :**

The Census of 2001 has demonstrated that Urban Centres, now numbering 5161 in the country, are continuing to grow at a faster pace than rural areas. The rate of urbanization in the country is steady rather than speedy, and India is still among the countries with a low level of urbanisation.

#### **Impact of Growth :**

The impact of growth of population on urban infrastructure and services is in most instances adverse. While admittedly the cities with high rates of growth would have faced inadequacies of financial and other resources to cope with increasing demands on services the question is whether even cities with more moderate rates of growth found the wherewithal to meet the minimum of expectations of urban residents in terms of water supply and sanitation, drains, roads, solid waste management, street-lighting, etc. Are the institutional arrangements which are in position adequate to ensure that the cities catch up with the backlog of inadequacies as well as meet growing needs? Strengthening the decentralized ULB structure is identified as the priority task of the 10<sup>th</sup> plan.

#### **Urban Governance :**

Urban governance today is characterized by fragmentation of responsibility, inadequate devolution of functions to the elected bodies, lack of a clear line of financial resources to them, adherence to outmoded methods in property taxation, and hesitance in the matter of levy of user charges. While municipal bodies are to be given all support and legislative and administrative measures to make them into institutions of local self-governance, capacity building for resource raising and provision of services is equally important. This can be done through partnerships between the elected bodies and the parastatals as well as a selective induction of the private sector. State Governments continue to take decisions on such matters as rates of user charges property tax coverage levy or withdrawal of octroi role of parastatals in water supply and sanitation services etc. with little reference to the ULBs who are affected by these decisions.

#### **State Finance Commissions :**

In most States the second round of SFCs are now in position and it is to be hoped that as the system of allocation of resources between the State Governments and the local bodies. Both rural and urban take root, there will be greater simplicity and transparency in the system of devolutions of resources, and that the flows will be both smooth without undue transaction costs, and ULB finance to be healthy when the state governments themselves face fiscal constraints and inadequacies of resources.

#### **Capacity Building**

One of the areas much talked about but relatively neglected in action has been capacity building in urban institutions. Insofar as elected ULBs are concerned the re-structuring of their roles has to initially come about from partnership with the parastatals who have been handling a variety of services. The public service element requires professionalization and greater accountability to the urban residents. As resources are the biggest problem of ULBs, measures for comprehensive and rational levy of property taxes and user charges are necessary to be implemented on priority. Adoption of modern accounting systems, improved practices of budgeting and planning, implementation of best practices which have produced results in Indian conditions, effective use of Wards, Committees and other means of people' participation, and programme assistance under the central schemes such as SJSRY, should be put to use for improving urban governance.

### **Centre's Assistance to ULB's :**

Centre's assistance is an important additionally to urban sector's resources, though it has been visibly less effective in bringing about sector reforms. A larger degree of central assistance, including external assistance routed through Government of India as well as institutional finance from HUDCO and other agencies, would be necessary during the 10<sup>th</sup> Plan, if we are to take up a vigorous programme of upgradation of infrastructure and services. It is also necessary that these forms of assistance strengthen the elected ULBs as the legitimate institutions of governance at the decentralized level, and that the motif of sector reforms, in particular improvement of service standards and levy and recovery of user charges, are made an integral part of the assistance package.

The coverage of central assistance in the past has been uneven and inadequate, and the reasons are both procedural as well as Limited budgetary allocation. The number of city/towns which received central assistance under IDSMT, AUWSP, and Megacity scheme up to and inclusive of the 9<sup>th</sup> Plan were as follows:

- ❑ AUWSP : Initiated in 1993-94, 575 schemes sanctioned with central release of Rs. 265.57 crores;
- ❑ IDSMT : 1058 towns assisted since inception (1979-80), and Rs. 444.94 crores of central assistance released;
- ❑ MEGACITY SCHEME : The scheme, initiated in 1993-94, is limited to the cities of Mumbai, Kolkata, Chennai, Hyderabad and Bangalore. Central assistance released is Rs. 578.01 crores.
- ❑ NCR PLAN : Till March 2001, Rs. 360.92 were released as Central contribution.
- ❑ HUDCO, which has received substantial injection of fresh equity during the 9<sup>th</sup> Plan, which has been used to leverage funds from market sources, is the other notable contributions of the Centre for loan assistance to urban infrastructure projects.
- ❑ The Tax Free Bonds scheme was introduced late in the 9<sup>th</sup> Plan (Feb. 2001), and has so far resulted in one city (Ahmedabad Municipal Corporation) getting approval to raise Rs. 100 crores.
- ❑ External assistance for the urban sector has continued to flow from ADB, World Bank and bilateral agencies such as FIRE and DFID.

There is need to achieve a substantially higher if not total coverage of cities in need of infrastructural upgradation during the 10<sup>th</sup> Plan. A substantial step up in Central allocation to the urban sector is required, if the cities are not to collapse under the weight of their unfulfilled requirements.

### **URBAN POVERTY ALLEVIATION**

Eradication of poverty, or more modestly poverty reduction including poverty that is found in urban areas, has long been among the objectives of planning. Total urban population as per the (Census of 2001 is 285.35 million, which is 27.78 percent of the total population. Decadal urban growth trends in the last three Census periods, and urban to total population are as follow.

| Year | Percentage of Urban to total population | Decadal Urban growth |
|------|---|----------------------|
| 1981 | 23.34                                   | 46.14                |
| 1991 | 25.72                                   | 36.46                |
| 2001 | 27.78                                   | 31.36                |

Total population of the country increased to about 21.30% in 1991-2001, whereas urban population grew by 31.36% during the same period.

According to the NSSO (55<sup>th</sup> Round) 30-day Recall period, 23.62 percent of India's urban population is living below the poverty line. The urban poor population is 3.41 percent less than the rural poor. The number of urban poor living below the poverty line is 670.07 lakhs.

#### Percentage of Number of Poor

| Year      | Poverty Ratio |       |         | No. of poor (million) |       |         |
|-----------|---------------|-------|---------|-----------------------|-------|---------|
|           | Rural         | Urban | Combine | Rural                 | Urban | Combine |
| 1973-1974 | 56.4          | 49.0  | 54.9    | 261.3                 | 60.0  | 321.3   |
| 1977-1978 | 53.1          | 45.2  | 51.3    | 264.3                 | 64.6  | 328.9   |
| 1983      | 45.7          | 40.8  | 44.5    | 252.0                 | 70.9  | 322.9   |
| 1987-1988 | 39.1          | 38.2  | 38.9    | 231.9                 | 75.2  | 307.1   |
| 1993-1994 | 37.3          | 32.4  | 36.0    | 244.0                 | 76.3  | 320.3   |
| 1999-2000 | 27.1          | 23.6  | 26.1    | 193.2                 | 67.1  | 260.3   |

Analysis shows that poverty reduction has been uneven between the States. The most important point about the inter-state variation in poverty is that it shows no correlation with per capita income or other development indicators levels of Industrial and infrastructural development, etc. in urban areas during the nineties. It may be seen that the dynamics of development in the urban areas of the States during the past two decades has been such that rapid economic growth has not led to a corresponding decline in poverty. Urban poverty, thus, emerges as a more complex phenomenon than rural poverty.

#### Features of Urban Poverty :

Poverty among individual households of the poor can take specific forms of deprivation and misery. The degree of poverty can also differ, and attempts have been made to define urban poor in a declining scale such as core poor, intermediate poor, and transitional poor. Another study classifies them as declining poor, coping poor, and improving poor, with different degrees of priority for the three basic needs of survival, security, and quality of life. Studies have shown that casualization of the labour is the main and increasing source of urban poverty. The personnel who deal with UPA programmes will need to have the sensitivity to appreciate the manifold and individual forms urban poverty can take. It is necessary that the policy-related causes of urban poverty such as inappropriate policy framework of public services such as education, health, infrastructure and transport, lack of labour rights and unemployment benefits, land and housing regulations which make it

unaffordable for the poor to find housing and push them to disaster-prone and unhygienic areas, lack of safety nets and social support systems, etc., are dealt with within the urban poverty alleviation programmes.

Given limitations, the programmes which are designed will deal with the common features of urban poverty. However, in order to meet individual needs, firstly, the programmes should be based on a proper assessment of all possible forms of poverty in the urban areas and be designed to provide for all types of needs and vulnerabilities; secondly, the programmes should have sufficient flexibility and institutional arrangement so that the specific needs of poor households in a given context can be met within the programme framework. The following table lists the types of vulnerability of the poor.: In an environment where the poor are exploited and ignored rather than supported, there is a major role for the State and its agencies, including the urban local bodies and the parastatal in the field of urban development and provision of services such as water supply, health, education, sanitation, legal protection, employment generation, etc., to take care of the needs of the poor. This is a challenge because of the known weaknesses of the system, such as lack of accountability, corrupt practices, and the dominant role of the more powerful groups in urban governance. The 74<sup>TH</sup> Constitutional Amendment, with its provisions to decentralize the responsibility for urban management and give a voice to the citizenry through elected representatives, the Wards Committees, the system of reservations, etc., is intended to increase the participation of the people and accountability in administration.

### **Capacity Building for UPA Programmes :**

Capacity building is required for developing communication and inter-pen skills among the personnel responsible for meeting the needs of the urban poor, for planning for improving the level of services and satisfaction of the beneficiaries, and for providing coordinated services from a number of line agencies. Creation of UPA cells consisting of the functionaries in charge of these services, would be a necessary first step towards capacity building, which can be followed up by exposure to techniques of convergence and team formation, communication and planning. Under SJSRY, community structures have been created, and a large number of Community Organizers and Project Officers have been mobilized. Much work on strengthening the community structures has already taken place, and it can be further continued and made more effective. Where the personnel under SJSRY have not been fully mobilised, it should be done and training programmes taken up on priority so as to activate the entire programmed for the urban poor.

**SJSRY :** The positive features of SJSRY which has been envisaged as the central programme for urban Poverty alleviation, is that it consists of the basic needs of such a programme, and involves the community. However, review of progress and evaluation studies show that the progress has not been remarkable. There is a need to review the Guidelines and the scheme of SJSRY in the light of the experience to date and evaluation reports and take corrective measures.

The problem of credit : 'The concept enterprise formation is a visible alternative means of micro-finance essentially rests on the premise that; (a) self-employment alleviating poverty; (b) lack of access to capital assets credit acts as a constraint on existing and potential micro-enterprises and (c) the poor are capable of saving despite their low level of income, Micro-finance could be referred to as providing credit support, Usually in small amounts, along with other components such as training and other related services to the People with poor resources and skillstut who are in a position to undertake economic activities. The Steering Committee emphasizes the need for bringing the banking sector strongly back into providing credit support to the urban infont sector, especially the group that is made up of the self-employed urban poor. As noted by the Task Force of Employment Opportunities (June 2001, Planning Commission), an important mechanism through which banks can meet the credit needs of the infontlal sector is by financing self-help groups which provide micro credit for infontlal sector activities. Significant progress has

been made in this area in recent years and the effort needs to be extended. Assistance of NGOs with a good track record has to be availed to strengthen the self-help activity.

The other area requiring a thorough review and overhaul is vocational training, much of which in the Government sector fails to equip the candidates for any sustainable level of skills or self - employment. Innovative areas of employment as developed in Kerala under the Kudumbasree programme needs to be emulated in other places.

## **URBAN SLUMS**

Provisional data relating to slums in the 2001 Census throw up some interesting light on the slum population, though it also reflects the problems inherent in not having an accepted definition of slums and proper listing of slum settlements in the urban offices concerned with slum improvement and civic amenities. Its data are partial because of the exclusion of towns with less than 50,000 population, and slum clusters which are not formally or informally recognized if the population was less than 300. While demographic data on slum populations and on civic amenities to slum dwellers from the Census are yet awaited, there appears to be no change in the basic level of features of slum populations, despite several decades of programmes for the environmental improvement and upgradation of slums in which a lead was given by Government of India through various schemes. This leads to the inevitable conclusion that slum programmes need rejuvenation, and better implementation and monitoring at the Central level.

There is room to Wonder whether Cities without Slums is a slogan about an objective, which, however desirable, is believed in fact to be unreachable, or a serious planning and urban development concern. Certainly the degree of effort to upgrade slums to a level more habitable, does not indicate a serious effort in this direction. The Draft National Slum Policy brought out by the Ministry of Urban Development (Department of Urban Employment and Poverty Alleviation) in April 1999, had been widely debated and many comments had been received. The main objectives of a slum policy would be :

- ❑ To create awareness amongst the public and in government of the underlying principles that guide the process of slum development the improvement and the options that are available for bringing about the integration of these settlements and the communities residing within them into urban area as a whole.
- ❑ To strengthen the legal and policy framework to facilitate the process of slum development and improvement on a sustainable basis; to ensure that the slum populations are extended civic services, amenities and economic opportunities to enable them to rise above the degrading conditions in which they live;
- ❑ To arrive at a policy of affirming the legal and tenurial` rights of the slum-dwellers.
- ❑ To establish a framework for involving all stakeholders for the efficient and smooth implementation of policy objectives.
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It does appear that the effort has been towards providing some amount of civic services in an uncoordinated fashion than towards devising all-embracing programmes with participation of the slum-dwellers, themselves, and finding solutions which provide not only a decent quality of life with prospects of further improvement, but also make slums redundant in our urban habitations. Slum dwellers need not perennially be at the receiving end of selected doles but made part of the urban economic and social processes with adequate opportunities for upgrading their lives, while contributing what is well-known to be a major share in the economic activities of the cities. Urban upgradation has to be recognized as part of the national development process.

The importance of Slum Upgrading: Action taken so far for slum upgrading or into upgrading, is inadequate. Redesigning and re-constructing settlements with the participation of colonists and assistance from public bodies, is a viable option with the least amount of disturbances of the settlers or their livelihood. This method of slum improvement needs to be practised on a much wider scale. VAMBAY projects permits in situ upgradation, and it is necessary that early decisions are taken regarding land on which slums are situated in order to facilitate upgradation.

Schemes of Central government NSDP, SJSRY, VAMBAY, Night-Shelter, 2- Million housing scheme, AUWSP, Low-cost sanitation-etc. provide for a wide range of services to the urban poor including slum-dwellers. They include identification of urban poor, formation of community groups, involvement of NGOs, self-help/thrift and credit activities, training for livelihood, credit and subsidy for economic activities, housing and sanitation, environmental improvement, community assets, wage employment, convergence of services, etc. What is needed is that the task of meeting the needs of the slum-dwellers is better organized and effectively administered, and duly monitored at both State Central levels. There are also many successful implementation of UP A/slum upgrading and services programmes in Indian conditions. At the State level there is need to

- ❑ Set up urban poverty and slum improvement task forces;
- ❑ Create UP A cells at the municipal level. The cell should have representation of all the services required by slum-dwellers, as well as of the Community Development Societies set up under SJSRY, and active NGOs in the field;
- ❑ State Governments should carry out requisite amendments to the municipal laws;
- ❑ UPA cells should draw up City Poverty Alleviation Plans; tasks of various agencies should be well-defined and coordination should be effective; thrust should be on provision of all basic services to the slum settlements, such as potable water and sanitation services, including household taps, toilets with septic tanks, covered drains, waste collection services etc. Other activities for socio-economic upliftment of the slum populations should also be taken up, making maximum use of the SJSRY and similar schemes;
- ❑ Participation of the community and capacity building, should be continuing themes, as the means to achieve better implementation and achievement under urban poverty alleviation/slum improvement programmes.

## **HOUSING**

Housing is a basic necessity as well as being a part of the construction industry an important sector of the economy. Construction activity accounts for more than 50% of the development outlays and a study instituted by HUDCO through IIM. Ahmedabad to evaluate the impact of investment in the housing sector on GDP and employment has found that Housing Sector ranks 3<sup>rd</sup> among the 14 major sectors in terms of total linkage effect, considering the direct, indirect, and induced effects in all sectors of the economy.

The Housing and Habitat Policy of 1998 has specifically allocated that Government has to create a facilitating environment for growth of housing activity rather than itself take on the task of housing. In both rural and urban sectors housing is largely a private sector activity. This is not to rule out the need for a high degree of involvement of the Government and its agencies in meeting housing needs of the urban poor. How deep this involvement is - it may in some contexts extend to house construction itself-is to be determined by the needs of a given context.

The National Agenda of Government also emphasized that housing activity would be an engine for substantial generation of employment, and all legal and administrative impediments that stand in the way of vigorous housing activity should be removed forthwith. What is undoubted is that governmental initiatives-and its "facilitating role'-have

a significant impact on the provision of housing and growth of the sector. These initiatives and interventions relate to legislations relating to land ownership, transfers and development; stamp duty and registration laws; rent control legislation: tax policy particularly relating to housing loans; property and land tax laws; town planning laws all its actual implementation through Comprehensive Development Plans; building bye-laws; urban development activities through parastatals and Urban Development Authorities; sites and services schemes; slum policy; provision of urban infrastructure; urban transport policy and facilities; the institutions in the public sector relating to housing development and housing finance; and house construction in the public sector. With the anticipated entry of foreign direct investment into the real estate sector, care has to be taken that the needs of the urban poor and marginalized sections are not ignored.

The Working Group on Housing has observed that around 90 per cent of housing shortage pertains to the weaker sections. There is a need to increase the supply of affordable housing to the economically weaker sections and the low-income category through a proper programme of allocation of land, extension of funding assistance, and provision of support services. The problem of the urban shelter less and pavement dwellers has not been given the consideration that is looked for in a welfare or pro-poor polity, as seen from the lack of progress in the programme for the Night Shelter Scheme. Regulation of building quality and its assurance, especially in areas prone for disasters is an issue which received additional urgency after the earthquake in Gujarat. Building designs also need to be gender sensitive and should accommodate the requirements of physically challenged segments of the population.

In order to increase the proportion of household savings to be invested in the housing sector, as well as to provide houses to those who cannot as yet afford to have their own houses, there is need to encourage promotion of rental housing by private sector, public sector, as well as cooperatives and individuals: This requires legislative changes in the existing rent control laws, and has been a matter in which very little progress has been achieved.

Availability of land has been constrained by a variety of laws such as the Land Revenue Act, the Land Reforms Act, the Urban Land Ceiling and Regulation Act, the Town Planning Act and the Urban Development Act: Each of them has in its own way-often by the legal provisions and equally by the way they were implemented-created hurdles for legitimate transactions in land urgently required for expansion of the housing stock. The repeal of the Urban Land Ceiling and Regulation Act is expected to ease the situation to some extent.

**Institutional Financing of Housing :** The substantial thrust laid by Government through the facilitatory measures including RBI regulations relating to priority sector lending, fiscal concessions and budgetary incentives has started to bear fruit, and institutional credit disbursements have grown from Rs. 5, 767 crores in 1997-98, Rs. 7,400 crores in 1998-99, Rs. 9,822 crores in 1999-2000, reaching Rs. 12,626 crores in 2000-01. This is achieved by 28 Housing Finance Institutions under the ambit of the National Housing Bank.

**HUDCO:** HUDCO earmarks 55% of its housing portfolio funds to Weaker Sections and Low Income Groups, with differential interest rates, high loan component for lower cost units, and longer repayment period. Though its releases are somewhat less than sanctions, it is noteworthy that HUDCO has sanctioned 13.61 lakh urban housing units and 20.21 lakh rural housing units in the three years from 1998-99 to 2000.01 under the 2-Million Housing Scheme. The other factor in HUDCO operations for the mass housing programmes is the dependence on State Government guarantees, which as noted elsewhere, eliminates parts of the Country from its operations . HUDCO is also a large player in the retail lending for housing, and in two and a half years, has sanctioned a total loan amount of Rs. 2331 crores to 2,62,550 beneficiaries. HUDCO has been in the forefront of Government's efforts to come to the aid of disaster affected household, and has provided financial assistance for disaster rehabilitation housing to the tune of Rs. 2360 cores for construction of over 40 lakhs houses for earthquake, cyclone, and flood victims.

**Retro-Fitting and Strengthening of Housing Stock in Vulnerable Regions Threatened by Natural Hazards** : About 54% of the land area of the country is vulnerable to disasters on account of earthquakes, 8.4% of area is vulnerable to cyclonic wind and storm surges, and 4.9% of the area is vulnerable to flood damage. The Working Group has suggested a scheme for strengthening of the vulnerable house EWS and LIG category in 107 districts where the threat of damage is highest on account of multi-hazard proneness. According to an estimate these houses can be strengthened and retrofitted at an average cost of 10% of the cost of construction of a new house. What is usually important is to demonstrate retrofitting technologies relevant to the specific disaster prone area.

In view of the growing problems of housing the urban poor, the following measures are a necessity:

- ❑ Increased availability of developed land in urban areas through adoption of various innovative approaches of land bank for the poor and land assembly methods, as well as adoption of methods such as vacant land tax and transferable development rights.
- ❑ Extension of security of tenure to the low income population through adoption of pragmatic methods and development mechanisms of in situ upgradation, judicious relocation, land sharing, etc.
- ❑ The city planing provisions need to be realistic to the requirements of the weaker sections in urban areas through adoption of appropriate and affordable standards and norms, use of cluster housing and growing house concepts. The feeling that urban planning ignores the needs of the urban poor, needs to be overcome through effective action to meet the housing needs of the urban poor.
- ❑ Proper use of schemes such as the 2 Million Housing schemes and the new scheme of housing with Central assistance for the slum population (Valmiki Ambedkar Awas Yojana) should be used to provide immediate benefit to the most disadvantaged urban segments.

HUDCO assistance is not available to several States who are unable or unwilling to stand guarantee for these loans. A solution has to be found so that the urban poor in these States do not find themselves at a disadvantage in comparison with other States where there is Greater willingness to use HUDCO loans. There is a general impression that loans given for housing especially to the poor from public agencies, face the problem of recovery. An environment needs to be created to encourage housing programmes with credit to the extent affordable by the beneficiaries, is an essential feature. Costs of urban housing are likely to be higher in comparison with rural housing programmes because of the higher cost of land and the standards of housing adopted in an urban setting. In such a situation EWS or LIG Housing cannot too much rely on subsidy, and the scheme of VAMBAY rightly requires a loan component. One way would be for HUDCO to finance self-help groups or groups who have the support of an NGO for the housing programme and who can be of assistance in recovery of the housing loans.

## **URBAN TRANSPORT**

A good network to roads coupled with efficient mass urban transport system play a catalytic role in urban economic growth with beneficial impact on the urban poor. However, there is growing trend towards increasing number of personalized vehicles, especially two wheelers which account for 60 to 80% of motor vehicles. This results in congestion on the roads, slowing down of commutation and atmospheric pollution. Narrow carriageways and poor road surface add to the problems. Growing vehicular pollution in cities is a cause of great concern, as are noise levels and traffic accident.

Seventeen of the 23 metropolitan cities have organised bus services, with a combined fleet of about 25,000 buses including private buses. Use of urban rail service is extremely limited, with only three cities - Mumbai, Kolkata and Chennai - having suburban rail

systems. Phase I of Delhi MRTS is under construction. Except for mega cities, modal split in favour of public transport is poor and generally less than 20 percent. Transport situation can be improved by better planning, coordination amongst the multifarious agencies involved and augmenting public transport system.

A meaningful urban transport policy would need to address the following.

- ❑ Aim at ensuring the fullest use of available transport infrastructure through low-cost optimisation measures (Transport System Management techniques);
- ❑ Development, as appropriate, of cost-effective road-based, rail-based and water-based forms of public system and inter-modal integration;
- ❑ Reducing emission from motor vehicles; Land use transport integration;
- ❑ Higher levels of financial support for urban transport projects by both Central and State Governments; exploration of innovative sources of financing;
- ❑ Development of suitable institutional mechanisms at national, state and local levels for the planning, financing, construction and O&M of urban transportation systems.

### **Planning for Rail Based Urban Transport :**

In cities with 3 million or more, there are several corridors of heavy-20, 000 or more-peak hour peak direction traffic. Provision of rail-based urban transport system on such corridors becomes inescapable, and institutional arrangements for introducing such systems in eligible cities are overdue. City-wise specific projects for rail-based urban transport system together with funds required for them need to be identified. Certain other measures are also required, such as:

- ❑ A comprehensive Act covering construction as well as operation and maintenance stages of Metro Railways in all million plus cities needs to be enacted; the Act will also have provisions for regulatory authority for fixing fares, and safety inspection system. The Rules of Business should clarify the responsibility of department of government such as Ministry of Railway, Urban Development, etc., as well as the State Governments concerned.
  - ❑ Central Government should set up a National Urban Transport Development Fund with a 'Seed Money' allocation of Rs. 3000 crores; in addition an equal amount should be raised through taxes/cesses taking the total amount available to Rs. 6,000 crores; the Fund would be the prime mover for making urban rail-based transport systems a reality.
  - ❑ Metro system are urgently needed in such cities as Kolkata which presently has a limited metro rail system, Mumbai, Chennai who have a partial coverage of suburban rail services; and cities of Hyderabad and Bangalore which have virtually no metro rail system. Cities such as Ahmedabad, Pune, Kanpur, Nagpur, Luknow, Surat and Jaipur are also candidates for rail-based urban transport systems. Central assistance on par with assistance given to the Delhi Metro under implementation is a commitment to be fulfilled as and when these projects get grounded.
- **Report of the Steering Committee on Urban Development, Urban Housing and Urban Poverty for the Tenth Five Year Plan (2002-2007)**

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