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Dear Venkiahji

Sub. : Urban Development – Modernization of Existing Cities and Building New Cities

The future of India is in its cities as these will be the engines of their growth. The fact that even after so many years, India does not have even one modern Metropolis, points towards the urgent need for a completely new focus and strategy towards urban development and governance.

Your Government's Manifesto states that the approach to urban development will be based on integrated habitat development, with a focus on upgrading existing urban centers; transitioning from basic infrastructure to public utility services like waste & water management; poverty alleviation schemes; public transport systems, and the use of technology for scientific, strategic & long-term town planning, including GIS based mapping.

As your Government moves to launch a new urban modernization programme to replace the UPA Government's Jawaharlal Nehru National Urban Renewal Mission (JNNURM), I wanted to submit the following for your consideration:

1. Statutory Metropolitan Planning Commissions (MPCs)

The Constitution (74th Amendment) Act, 1992 requires devolution of powers and responsibilities to Municipal bodies. However, despite being enacted more than 20 years ago, very few states have met their requirements in full. And while the JNNURM laid out many conditions (provisions under the Act) that were to be met, the funds under the Mission were released despite their non-compliance.



Therefore, there is a need for Statutory Metropolitan Planning Commissions (MPC) consisting of planning experts that prepares, discusses and approves - with the Urban Local Bodies' (ULBs) consent - a statutory metropolitan development plan.

The Government should urge the States to pass MPC laws that achieves all three goals – a formal role for citizens in governance (including budgeting and oversight), a regional scope for the MPC, and enhanced executive powers for elected leaders in municipal bodies.

2. Passing of Legislation in State Assemblies

Given that neither the 74th amendment of the Constitution nor the JNNURM have taken us any further towards creating modern, well-planned growth cities - I submit that what is required is not another constitutional amendment, but rather, a more practical solution of passing legislation in state assemblies, like the draft Bengaluru Metropolitan Region Governance Act (BMRGA) 2012, that ensures the following:

- a) Provides a legislation and other legal basis for executive Mayors, financial and administrative autonomy for the ULB and executive administration under the Mayor.
- b) Necessary oversight and transparency requirements that will have to be adhered to, by the Mayor, elected corporators and the administration of the city.

3. Address gap between Objectives and Outcomes in the New Urban Modernization Programme

The UPA-launched JNNURM programme was very ineffective in addressing the gap between stated objectives and outcomes, which led to the perception that JNNURM had become just another taxpayer-funded programme with little or no focus on the outcomes or objectives.

To address this gap, I had, through a letter to Shri Kamal Nath, former Minister of Urban Development, urged the Government to institute a procedure for Annual JNNURM Ranking of the cities that have been covered under the Urban Infrastructure & Governance (UIG) component, against the metrics outlined in the stated objectives of JNNURM. In response, he had stated that he had directed the Ministry to proceed on the matter. However, there has been no progress made on this so far (copies of my letter and his response enclosed).



I urge the Government to institute a similar procedure for the proposed urban modernization programme – with clear outcomes and statutory Modernization plans to ensure modern, slum-free cities in the next 5 years. Such a review will put a spotlight on the real outcomes of the programme and help the Government to focus on coherent and integrated development of each of the 65 cities that the programme supports. This will also create a real competition amongst our cities around the reforms / development objectives of the programme.

4. Private Investments and PPPs

The Government should also increase Private Investments and PPPs into Urban Infrastructure and Services.

The mandate given to you by the people of India has given you a unique opportunity to make effective change in the country, so that we can finally get on the road to progress and good development. The above measures will bring about the much needed reforms and transformation in urban governance. This is especially critical today, as the country is going through rapid urbanization. The framework that is put in place today will have lasting implications for the way our cities are governed in the future, and consequently for their livability, inclusiveness and economic vitality.

I would also be available to meet you and discuss this further, if you so desire.

Yours Sincerely,

RAJEEV CHANDRASEKHAR

Shri Venkaiah Naidu
Hon'ble Minister of Urban Development
Government of India
New Delhi

Encl: Copy of my letter to Shri Kamal Nath, former Minister of Urban Letter dated 13 December, 2011, and his response dated 20 December, 2011