

JNNURM

JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION

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 realise their full potential and become true engines of growth, it is necessary that focused attention to be given to the improvement of infrastructure therein.

Objectives

- Focused attention to integrated development of basic services to the urban poor
Security of tenure at affordable price, improved housing, water supply, sanitation
- Convergence of services in fields of education, health and social security.
- As far as possible providing housing near the place of occupation of the urban poor.
- Effective linkage between asset creation and asset management to ensure efficiency.
- Scaling up delivery of civic amenities and provision of utilities with emphasis on universal access to urban poor.
- Ensuring adequate investment of funds to fulfill deficiencies in the basic services to the urban poor.

The Mission shall comprise two **Sub- Missions**, namely:

- (1) Sub-Mission for Urban Infrastructure and Governance: This will be administered by the Ministry of Urban Development through the Sub- Mission Directorate for Urban Infrastructure and Governance. The main thrust of the Sub-Mission will be on infrastructure projects relating to water supply and sanitation, sewerage, solid waste management, road network, urban transport and redevelopment of old city areas with a view to upgrading infrastructure therein, shifting industrial and commercial establishments to conforming areas, etc.
- (2) Sub-Mission for Basic Services to the Urban Poor: This will be administered by the Ministry of Urban Employment and Poverty Alleviation through the Sub-Mission Directorate for Basic Services to the Urban Poor. The main thrust of the Sub-Mission will be on integrated development of slums through projects for providing shelter, basic services and other related civic amenities with a view to providing utilities to the urban poor.

Strategy of the Mission

The objectives of the Mission shall be met through the adoption of the following strategy:

- (1) Preparing City Development Plan: Every city will be expected to formulate a City Development Plan (CDP) indicating policies, programmes and strategies, and financing plans.

(2) Preparing Projects: The CDP would facilitate identification of projects. The Urban Local Bodies (ULBs) / parastatal agencies will be required to prepare Detailed Project Reports (DPRs) for undertaking projects in the identified spheres. It is essential that projects are planned in a manner that optimises the life-cycle cost of projects. The life-cycle cost of a project would cover the capital outlays and the attendant O&M costs to ensure that assets are in good working condition. A revolving fund would be created to meet the O&M requirements of assets created, over the planning horizon. In order to seek JNNURM assistance, projects would need to be developed in a manner that would ensure and demonstrate optimisation of the life-cycle costs over the planning horizon of the project.

(3) Release and Leveraging of Funds: It is expected that the JNNURM assistance would serve to catalyse the flow of investment into the urban infrastructure sector across the country. Funds from the Central and State Government will flow directly to the nodal agency designated by the State, as grants-in-aid. The funds for identified projects across cities would be disbursed to the ULB/Parastatal agency through the designated State Level Nodal Agency (SLNA) as soft loan or grant-cum-loan or grant. The SLNA / ULBs in turn would leverage additional resources from other sources.

(4) Incorporating Private Sector Efficiencies: In order to optimise the life-cycle costs over the planning horizon, private sector efficiencies can be inducted in development, management, implementation and financing of projects, through Public Private Partnership (PPP) arrangements.

Expected Outcomes of the JNNURM

On completion of the Mission period, it is expected that ULBs and parastatal agencies will have achieved the following:

- 1) Modern and transparent budgeting, accounting, financial management systems, designed and adopted for all urban service and governance functions
- (2) City-wide framework for planning and governance will be established and become operational.
- (3) All urban residents will be able to obtain access to a basic level of urban services
- (4) Financially self-sustaining agencies for urban governance and service delivery will be established, through reforms to major revenue instruments
- (5) Local services and governance will be conducted in a manner that is transparent and accountable to citizens
- (6) E-governance applications will be introduced in core functions of ULBs/Parastatal resulting in reduced cost and time of service delivery processes.

Sectors and Projects Eligible for Assistance under the Sub-Mission Directorate for Basic Services to the Urban Poor.

The sectors and projects eligible for JNNURM assistance in eligible cities would be as follows:

- (1) Integrated development of slums, housing and development of infrastructure projects in slums in the identified cities;
- (2) Projects involving development, improvement, and maintenance of basic services to the urban poor.
- (3) Slum improvement and rehabilitation of projects.
- (4) Projects on water supply, sewerage, drainage, community toilets, and baths etc.
- (5) Projects for providing houses at affordable cost for slum dwellers, urban poor, economically weaker sections (EWS) and lower income group (LIG) categories.
- (6) Construction and improvement of drains and storm water drains.
- (7) Environmental improvement of slums and solid waste management.
- (8) Street lighting.
- (9) Civic amenities like community halls, child care centres etc.
- (10) Operation and Maintenance of assets created under this component.
- (11) Convergence of health, education and social security schemes for the urban poor

Inadmissible Components for JNNURM Assistance

Projects pertaining to the following are not eligible for JNNURM assistance:

- (1) Power
- (2) Telecom
- (3) Health
- (4) Education
- (5) Wage employment programme and staff components.
- (6) Creation of fresh employment opportunities