

Urban Infrastructure in West Bengal: Challenges and the Way Forward

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Mr. Dhanuka, Chairman, FICCI-ERC, Mayor, Kolkata Municipal Corporation, officials, ladies and gentlemen,

It is indeed a pleasure for me to be here in the Inaugural Session of the Seminar on "Urban Infrastructure in West Bengal: Challenges and the Way Forward" organized by FICCI in collaboration with KMDA here at Taj Bengal, Kolkata. I extend my warm greetings to all the delegates and would also like to thank the organizers for holding this seminar on such an agenda which has got extreme relevance on this present era of urbanization.

Ladies and gentlemen, we are at the beginning of a new urban era. Rapid urbanization is emerging as a general phenomenon throughout the developing world, particularly in the towns and cities of Asia and Pacific and that is why the 21st Century has been termed as Century for urbanization particularly for Asian countries. Over several decades, the rate of increase of natural population has become principal driver of urbanization. United Nations estimates the year 2007 in which for the first time, half of the world population has started living in urban areas and 82 per cent of this mega surge of urban population is living only in cities of Asia, Africa and Latin America. United Nations again predicts that by 2030, six out of every ten people will live in a city as the world's population is expected to climb to 820 crores. Like all other developing countries, India is also experiencing fast urbanization. It has been predicted that 50 per cent of India's population will live in urban areas by 2041. Over the next 25 years, cities of India and China alone will absorb a population increase greater than twice the entire current population of the United States. Total urban population of India grew from 109.11 million in 1971 to 285 million in 2001, indicating a growth of 161 per cent. Over the five decades, annual rate of growth of urban population ranged between 2.7 to 3.8 per cent. West Bengal, is experiencing urbanization in a similar manner but it has distinguished itself from the general trend for the country as a whole. During the last 30 years, urban population grew from 10.97 million to 22.43 million, but this huge population lives only within 2.93 per cent of the total geographic area of the State which has resulted in highest urban population density in the country of 6798 persons per square km. West Bengal, with defined policy of State government for development of small and medium towns, has witnessed increase of urban centres from 137 in 1991 to 253 in 2001. As per demographers, urban population in West Bengal is projected to increase at a faster rate and expected to reach 27 million in 2011.

The feature of growing urbanization has been reflected in the growth of urban economy in India also. Cities, not countries, are the constituent elements of a developing economy and have been so from the dawn of civilization. Without strong performance in urban activities, countries do not grow quickly. In India itself, the contribution of the urban sector to the national economy has been grown substantially in recent past. In 1951, contribution of the cities and towns was to the tune of 29 per cent of the GDP, which during the last 50 years has doubled to 60 per cent in 2001. It has been estimated that by the end of 2025, the consumer market in our country will be an urban affair, contributing 62 per cent consumption in urban areas alone with remaining 38 per cent in rural areas. Studies have revealed that the rate of increase of GDP will be 7.3 per cent during the period between 2005 and 2025, against 6 per cent during the last decade. This will also lead to the growth of Indian workforce. At the outset of 21st century, 32 per cent of the total workforce resided in the urban areas of the country. Further, it is of critical significance that 79 per cent of the new jobs totaling 19.3 million between 1991-2003 were generated in urban areas whereas 5 million jobs were in rural areas of the country. We find that in very country, including India and China, in which the per capita income grows faster than United States over the period between 1980 and 2002, growth in manufacturing and service sectors both exceeded agricultural growth. Similarly, in West Bengal, the State Domestic Product has been showing consistent growth in recent years with the annual growth rate of around 8 per cent. The service sector SDP is growing annually at around 11 per cent. Further, emergence of agricultural surplus resulting from various rural sector reforms, especially the land reforms, undertaken by the State Government has created several opportunities for development of non-agricultural and service sector activities which has created an ambience for more equal distribution of income. The structural change being experienced in the economy of the State in terms of increasing share of secondary and tertiary sector in the SDP would further facilitate the process of urbanization.

Ladies and gentlemen, the backbone of a well-functioning city is its urban infrastructure - the network of roads, distribution of electricity, water supply and waste removal - which allows residents and firms to work productively under high-density conditions. Under this context, let me concentrate my discussion on various challenges that are being faced by the planners, architects and policy makers to meet up the growing demand of this huge urban populace. The challenges faced by India and the countries of Asia and Pacific are unprecedented and enormous given the spatial, economic and social need of this huge urban population in different size and class of settlements. Pressure on habitable land is increasing, which results conversion of agricultural and vacant land to uses particularly for housing and other commercial activities thereby leading to unplanned development. Urbanization has manifested congestion, inadequate water supply, sanitation, health problems and environmental degradation. A large number of urban sprawls have grown during the last few decades, which has added considerable increase of slum population. This rapid urbanization has, therefore, necessitated the urban local bodies to speed up the creation of both physical and social infrastructure in the urban areas not only to provide a better living environment for the citizens but also to make the urban centres the focal point of growth and economic development and attract investment opportunities. Only in the housing sector, as per Central Technical Group, shortage at the end of Tenth Plan is around 24.7 million and 99 per cent of the shortage pertains to EWS and LIG category. During the Eleventh Plan, the Technical Group estimated the requirement to the tune of 26.53 million and only for this sector, the total estimated investment will be around Rs. 3,62,318 crores. For the Kolkata Metropolitan Area, a Traffic and Transportation Master Plan has been prepared which has indicated an investment of around Rs. 22000 crores upto 2025. Further, enabling low cost affordable housing, secured tenure rights and employment opportunities to these million slum dwellers reeling below and above the poverty line is also another

challenge to the city planners and policy makers.

Under this context, Departments of Municipal Affairs and Urban Development of the State Government have articulated the Eleventh Five Year Plan Approach Document for Urban Sector. The document has evolved a Vision, spelled out objectives to be met and set some basic goals to be achieved during this Plan Period. Balanced urbanization, good governance with a pro-poor focus and sustainable development are the key themes on which the approach is based. Vision of the Approach Document is to create livable, environmentally balanced and investor-friendly cities with dynamic municipal system having efficient service delivery mechanism. The objectives have been focused on the improvement of standard of living of the urban poor, development of physical and social infrastructure, adequate coverage of health, education and employment aspects, improvement in delivery of civic services, ensuring people's participation in planning, decision making and implementation, empowerment of women, weaker section and minority groups and reducing disparity between slum and non-slum areas. Approach of the State Government during the Eleventh Five Year Plan is decentralized and balanced development in a planned manner, integrated development of peri-urban areas, development of new townships, preparing Land Use and Development Control Plan (LUDCP) to facilitate planned, development, holistic and inclusive development addressing the concerns of the urban poor including minorities, improved Municipal governance to ensure sustainable growth and development, enabling municipal areas to become economically vibrant and to reach a level of development which would attract investment and provide all round support for industrialization. Some thrust areas have also been identified which include Urban infrastructure development initiatives; Essential services for the Urban Poor, Empowerment through basic education; Planned growth & development; Comprehensive strategy for better health; Employment generation to ensure socio-economic upliftment; Gender balancing and empowerment of weaker sections of the society; Planning at the grass-root level, Stakeholders participation in urban governance & improved service delivery; Fiscal discipline, transparency, improving financial health and accountability of the urban local bodies.

Priority areas for various urban infrastructure development initiatives include - Coverage of all urban areas with improved water supply system; Development of drainage system in all major towns with chronic water logging problem; Developing sewerage network in phases - in the first instance, towns having Sewer Treatment Plants (STP) constructed under Ganga Action Plan and National River Conservation Plan would be taken up; Conversion of all kutcha roads to metalled roads in urban areas; Providing of electricity to all urban areas especially the slums. Special emphasis is being put on strengthening of basic infrastructure and improvement of slums including construction of houses for the urban poor. Besides, we have also set specific targets in various health indicators, education and self-employment for overall social development of the huge urban populace.

Under this context, introduction of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) by Union Ministry of Urban Development will play a positive role to meet up the huge need for urban infrastructure. Central Government has identified 63 mission cities with population of more than 1 million according to the 2001 census. In West Bengal, Kolkata with 41 ULBs within KMA and Asansol with 6 ULBs have been declared as Mission City. For other towns, infrastructure initiatives have been taken care by Urban Infrastructure & Development Scheme for Small & Medium Towns (UIDSSMT) and slum infrastructure including construction of housing for the poor is being implemented through Integrated Housing & Slum Development Scheme (IHSDP).

The State Government, in spite of having reservations on few Reforms Agenda, has taken several initiatives for implementation of the programme so as to reach the benefit to every strata of the society. Till now, 154 projects have been accorded sanction for various ULBs of the State, with project cost amounting to Rs. 4,079 crores. Out of this, as per as the infrastructure development is concerned in Kolkata Mission city area, 18 schemes with project cost of Rs. 1,314 crores has been sanctioned and for Asansol mission city area, 5 schemes with project cost of Rs. 213 crores have been sanctioned. For non-mission cities under the UIDSSMT scheme, 19 schemes of Rs. 262.21 crores have already been approved. Out of these sanctioned projects, 28 water supply projects includes Rs. 835.51 crores, 7 Sewerage and Drainage projects includes Rs. 700 crores, 5 projects for Traffic and Transportation involving Rs. 154 crores and Solid Waste Management schemes involving 100 crores. Sanction for construction of around 1 lakh 22 thousand houses for urban poor has also been received. Under the BSUP scheme, Rs. 1,380 crores have been sanctioned for infrastructural development of slums and housing of poor people living within Kolkata mission area and Rs. 303 crores for the poor people of Asansol mission area. For non-Mission towns, schemes worth Rs. 458 crores have been sanctioned under IHSDP schemes. There are more schemes in the pipeline, schemes for improvement of slum infrastructure and housing will be taken up in 18 towns for Rs. 300 crores. Besides, 3 water supply schemes worth Rs. 56 crores, which had been sent to Government of India, is expected to be sanctioned shortly. For development of infrastructure in mission cities, 5 water supply schemes worth around Rs. 560 crores and 2 traffic and transportation schemes worth around Rs. 481 crores are awaiting sanction. A Mass Rapid Transit System scheme worth Rs. 3200 crores has been prepared and sent for approval to Union Ministry.

Keeping apart JNNURM, many more infrastructure improvement projects have been implemented or being implemented by KMDA and other development authorities as well as by 126 Urban Local Bodies including Kolkata, Howrah, Siliguri, Asansol, Durgapur and Chandannagar Municipal Corporations. KMDA had executed a large number of infrastructure development projects under the three phases of Calcutta Urban Development Programme (CUDPs) upto 1992. Since then, similar projects have been implemented under the Calcutta Megacity Programme. About Rs.2000 crores has been spent so far on development of the various infrastructure and services. Apart from that, during the last ten years more emphasis has been laid to create major infrastructure projects. A good no of flyovers have been constructed by HRBC. Various new roads have been constructed and widening of existing roads has been done to minimize the traffic congestion. Several water supply projects including construction of UGRs, riverfront development along the eastern part of river Hooghly, construction of various parks as a part of beautification process, extension of the metro railway upto to Garia Rail are also worth mentioning. Under ADB-assisted KEIP project, an amount of Rs 1800 crores are being spent for improvement of drainage system, underground sewerage system, slum development, Canal Improvement within Kolkata Municipal Corporation area. Another major

programme of the State Government outside KMA is the Integrated Development of Small and Medium Towns (IDSMT) which has been subsumed with JNNURM. So far all the 85 ULBs outside KMA have been covered by this programme. State Government's priority towards improving the quality of life for urban poor has resulted in a number of programmes/projects being implemented across the state by ULBs. Recently, under DFID assisted Rs. 700 KUSP project, various slum improvement work involving CDS have generated a good response. All the 40 Urban Local Bodies within KMA have formulated Draft Development Plan and now in a process to prepare Annual Development Plans. These would help the City Planners to assess the required need of infrastructure in their respective jurisdiction. To improve the employment opportunity, Local Economic Development schemes are being taken up and under innovative and challenge fund, various new projects have been taken which will provide ample opportunity to this large section of society. To meet up the increasing gap of financing urban infrastructure projects, State Government has also published a policy of Public-Private Partnership (PPP) and has taken up a large number of projects on this basis. The policy is aimed at suggesting a uniform guideline dealing with PPP projects with transparency and competitive bidding and for imbuing confidence among private partners towards participation in infrastructure development. State government is eager to enlist private sector participation not only in housing and commercial complex schemes but also in infrastructure like water supply, transportation that are vital for economic growth. Many new PPP projects are under implementation in Kolkata and outside which includes housing, logistic hub, IT logistic, Entertainment center, Commercial projects etc. Recently, we have entered into a MOA with JUSCO for development as well as operation of water supply and drainage in Nabadiganta Industrial Township area, which is a unique experience.

Another area which I would like to mention here about the proposed townships those is on the offing. I would first like to mention about the Kolkata West International City, spanning over 390 acres of land and the first FDI project in India in township development, at a total investment of Rs.2500 crores. KMDA's Dankuni Township project over about 5000 acres would also have an impact on Kolkata's development potential. Similarly, in Siliguri Jalpaiguri Planning Area, various new townships are also being set up. In Howrah, Asansol, Durgapur, Burdwan, Dankuni, Haldia, Kharagpur, Siliguri, Bolpur and in other places of the state new townships with modern facilities are coming up.

State Government has taken up the policy of decentralization, to cope up with the excessive pressure on infrastructural and civic facilities on Kolkata. Some of the urban centers like Asansol-Durgapur, Siliguri and Haldia are growing so fast as to assume the character of metropolis. They have great potential for development and considering their strategic position and other related opportunities. Projects are underway in these urban centres for developing infrastructural facilities like water supply, sanitation and drainage, solid waste management, roads etc. To ensure provision of better civic facilities and to improve the standard of living, the need for a dynamic and responsive governance system is the need of the hour. To attain this objective, democratic decentralization at every stage and people's participation is indispensable. Through capacity building of the beneficiaries and stakeholders, the State Government is determined to develop dynamic, transparent, liveable, environment friendly and responsive urban governance in the State.

To conclude, I must say that West Bengal is now poised for overall development. The confluence of a host of positive factors like stable and proactive governance, rapidly growing GDP and rising levels of investments have brought the state to a cusp of an economic take-off. At this point, development of quality infrastructure including urban infrastructure will be one of the critical determinants of the state's future growth path. The task is manifold and wide-ranging and it calls for a closer government-industry-development authority linkage at every stage of infrastructure development. There is an urgent need for the state governments, central government and the private investors to work in tandem to build up necessary infrastructure networks because growing cities are India's future.

Thank you all.