

# Building Urban Infrastructure through AMRUT

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Atal Mission for Rejuvenation and Urban Transformation (AMRUT) has been initiated by the Government of India to address the challenges of water supply and sewerage/septage in cities across the country, providing non-motorised transport and public amenities, bringing reform through 54 milestones and to harness the associated opportunities of economic growth. The article takes the readers on the journey of urban transformation through this initiative.

## Urban India: Key challenges and opportunities

India is witnessing a rapid increase in the urban population. As per the United Nations World Urbanization Prospects Report 2018, around 34% of India's population lives in cities – an increase of about three percentage points since 2011. By 2031, it is expected to grow by another 6% and by 2051, more than half of the nation's population will be living in cities. Such a surge poses significant challenges in terms of demands for basic infrastructure services such as water supply, sanitation, wastewater management, and solid waste management. At present, cities contribute nearly 65% of the country's GDP, which is likely to go up to 70% by 2030 (McKinsey Global Institute, 2010). In view of this, basic infrastructure will play a vital role in enabling the cities to adequately provide civic services to improve quality of life of citizens in becoming true engines of economic growth.

Government of India has undertaken significant investments in these areas in the last five years, as a result of which there have been notable improvements in basic services. However, challenges

remain. For instance, as per Census 2011, while 70% of urban households had access to water supply, only 49% had access to water supply within premises. Further, due to lack of adequate treatment capacity and partial sewerage connectivity, more than 65% of the wastewater was being discharged untreated in the open drains resulting in environmental damage and pollution of water bodies (CPCB, 2015). Water and Sanitation Program (WSP) of the World Bank (2011) estimated that the total annual economic impact of inadequate sanitation in India amounted to a loss of Rs. 2.4 trillion in 2006, which was equivalent to about 6.4% of India's GDP. Access to safe drinking water and scientific treatment of wastewater including septage are essential for the country in order to accomplish Sustainable Development Goal 6 (SDG 6.1 and 6.3 in particular).<sup>1</sup>

In light of the above, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was initiated by the Government of India to not only address the challenges of water supply and sewerage/septage in cities across the country but also to harness the associated opportunities of economic growth.



AMRUT, one of the flagship Missions of the Ministry of Housing and Urban Affairs (MoHUA) was launched by the Hon'ble Prime Minister on 25 June, 2015 in 500 cities across the country with the aim of providing basic services like water supply to all households, significantly upgrade sewerage and septage and provide for non-motorised transport and public amenities like parks and green spaces at least one in each city, thus improving the quality of life for all, especially the poor and

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the disadvantaged. It is a centrally sponsored scheme with a total outlay of Rs. 1,00,000 crore including Central Assistance of Rs. 50,000 crore spread over 5 years from 2015-2020.

Besides creating basic infrastructure, the Mission has a reform agenda spread over a set of 11 items comprising 54 milestones to be achieved by the States/Union Territories (UTs) over a period of four years. These reforms broadly cover offering online services to citizens; establishing single window for all approvals; establishing municipal cadre; achieving at least 90% of billing and collection of taxes/user charges; developing at least one park for children every year; establishing maintenance system for parks and play grounds; credit rating of urban local bodies (ULBs) and issuance of municipal bonds; implementing model building bye-laws; and audit of energy and water.

#### Coverage of the Scheme

- i. 476 cities/towns with a population of one lakh and above as per 2011 Census;
- ii. State/UT capitals not covered in (i) above;
- iii. Heritage cities classified under Heritage City Development and Augmentation Yojana (HRIDAY);
- iv. Certain cities on banks of main rivers and from hill States/islands and tourist destinations.

In all, 500 cities were covered under this scheme.

#### Allocation of funds

- The Mission has allocation of Rs. 1,00,000 lakh crore including central share of Rs. 50,000 crore. Balance is to be shared by the States/UTs. Of the total allocation, Rs. 77,640 crore have been allocated to projects. Ten per cent of central share is for Administrative and Office Expenses (A&OE)

and another 10% is for reform incentive.

- The projects in the UTs are fully funded by the Centre. In North East and Hill States, 90% of the project cost is shared by the centre. In case of other States, one-third of the project cost in the cities with population above 10 lakh and half of the project cost in other cities is shared by the Central Government.
- The Central Assistance (CA) is released in three instalments of 20:40:40. First instalment is released immediately on approval of the State Annual Action Plan (SAAP). Subsequent instalments are released on receipt of utilisation certificates for 75% of CA and corresponding State/ULB share along with report of Independent Review and Monitoring Agency (IRMA).

#### AMRUT: Aligned with the needs of Urbanising India



**Cooperative federalism:** Keeping in line with cooperative federalism, State Governments have been empowered to appraise, approve, and sanction projects for their AMRUT cities – a departure from the erstwhile Jawaharlal Nehru National Urban Renewal Mission (JnNURM) wherein individual projects were sanctioned by the then Ministry of Urban Development.



**Framework for institutional reforms:** AMRUT lays major emphasis on institutional reforms which aim to improve governance and institutional capacities of ULBs. Reforms are targeted for better service delivery and enhanced accountability and transparency. A framework of reforms (including reform types and milestones) has been prescribed to the States and AMRUT cities.

#### Principles of 'incrementalism' and prioritisation:



In the pursuit of ensuring universal coverage of water supply and improving sanitation coverage for the citizens, a step-wise approach towards service-level benchmarking by the ULBs, a principle of 'incrementalism' has been introduced under the Mission, which is a gradual process of achieving the benchmarks. Recognising the urgent water and sanitation needs, States had to prioritise water supply and sewerage projects – water supply being the first priority.

#### Incentivising over penalising:



During the erstwhile JnNURM, 10% of the Additional Central Assistance (ACA) for projects was retained for non-completion of reforms. This led to all States/UTs losing this 10% as none could achieve 100% of reforms; hence, several projects were starved of funds and remained incomplete. In order to encourage States and reward their initiatives constructively, reform implementation is incentivised under AMRUT – 10% of the budgetary allocation is earmarked for reform incentive and it is over and above the allocation for projects. Incentive of Rs. 400 crore, Rs. 500 crore, Rs. 340 crore, and Rs. 418 crore were distributed during 2015-16, 2016-17, 2017-18 and 2018-19 to States/UTs, respectively, as incentive amount for the reforms achieved against benchmarks in last four fiscal years of implementation. This amount is untied and can be used on any item recognized under AMRUT with or without State/ULB share.

#### Monitoring of the Mission:



Programme monitoring is being done at various levels to understand progress and gaps in implementation. At State level, State High Powered Steering

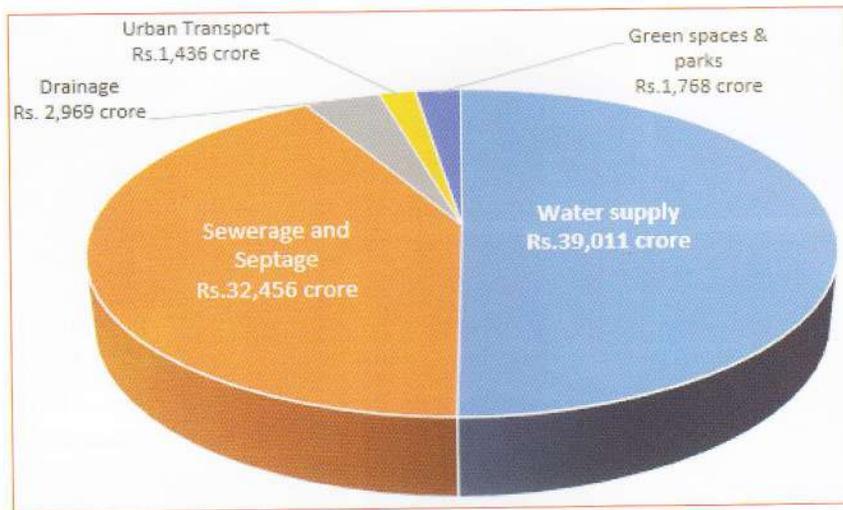


Figure 1: Sectoral Allocation under AMRUT

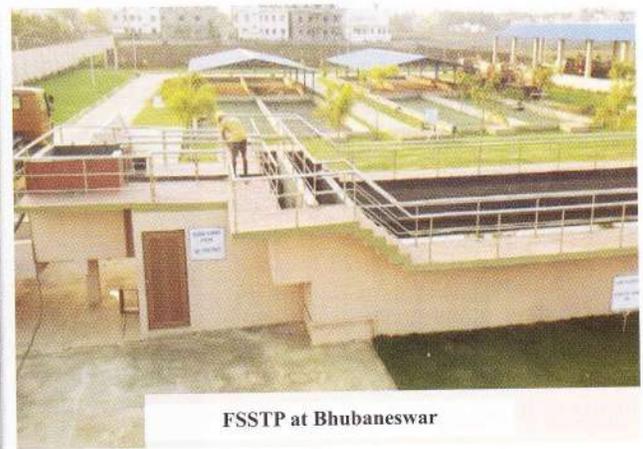
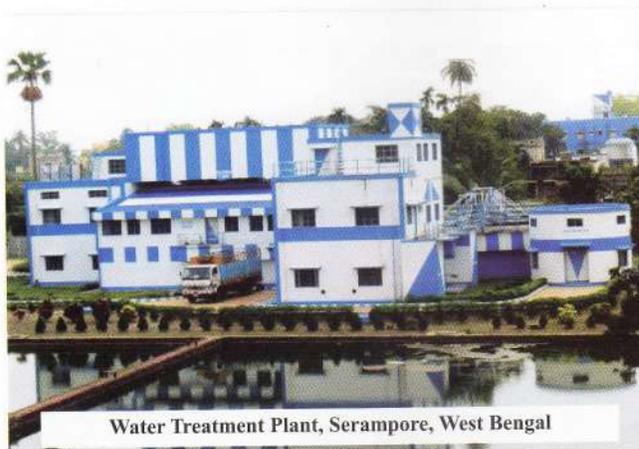
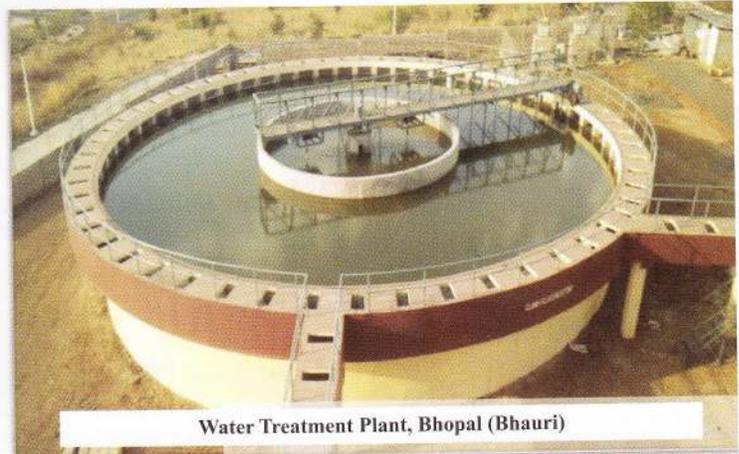
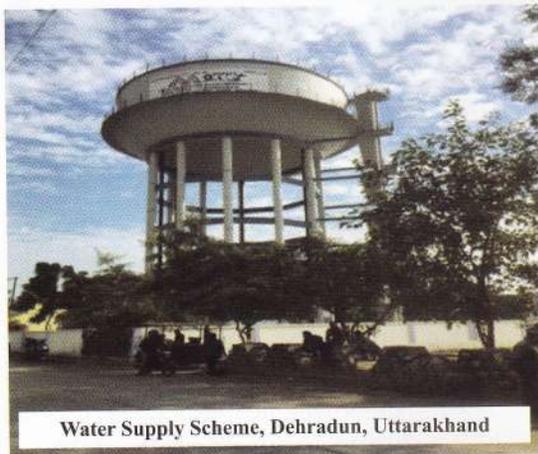
Committee (SHPS) chaired by the Chief Secretary monitors and approves the Mission projects in its entirety. At Central level, Apex Committee chaired by the Secretary, MoHUA, approves State Annual Action Plans (SAAPs) and monitors the progress. Also, projects are monitored on real-time basis via Mission

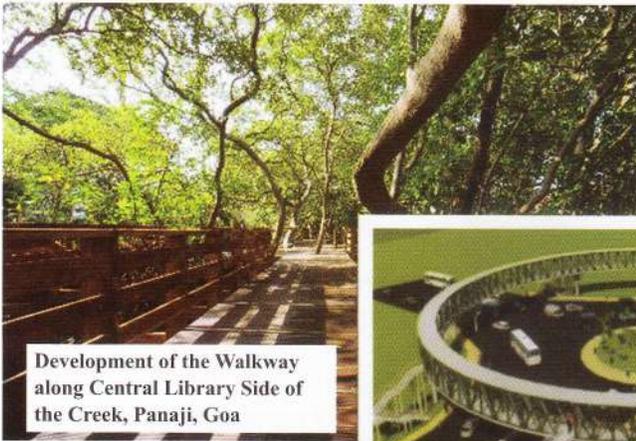
MIS Dashboard with geo-tagging of all projects. In addition, District Level Regional Review and Monitoring Committee (DLRMC) conducts detailed scrutiny of the projects. IRMA appointed for each State reviews and monitors the progress of the Mission on ground as a third party.

### Progress so far

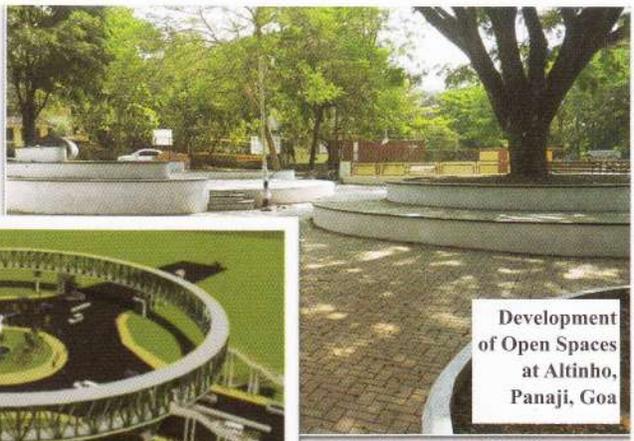
MoHUA has approved the SAAPs for all States/UTs worth Rs. 77,640 crore for the entire Mission period in first three years itself. Of this, Rs. 39,011 crore (50%) has been allocated to water supply, Rs. 32,456 crore (42%) to sewerage and septage projects, Rs. 2,969 crore (4%) towards storm-water drainage projects, Rs. 1,436 crore (2%) for non-motorised urban transport, and Rs. 1,768 crore (2%) has been allocated for green spaces and parks.

Against approved plan size of Rs. 77,640 crore, contracts for 5,230 projects worth Rs. 70,969 crore have been awarded of which 2,111 projects worth Rs. 6,469 crore have been completed and for remaining work is in progress. Further, projects worth Rs. 10,945 crore are under tendering, which includes additional works taken by the States/cities.





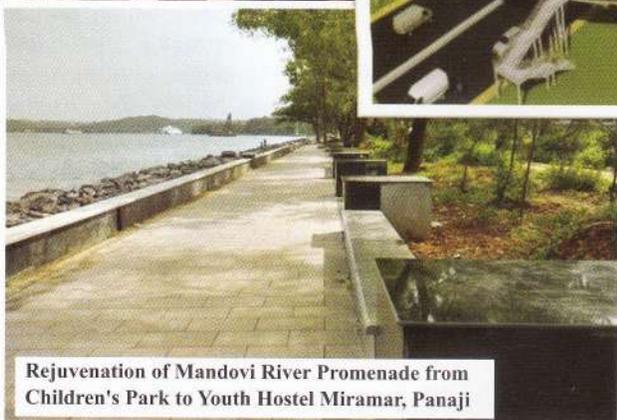
Development of the Walkway along Central Library Side of the Creek, Panaji, Goa



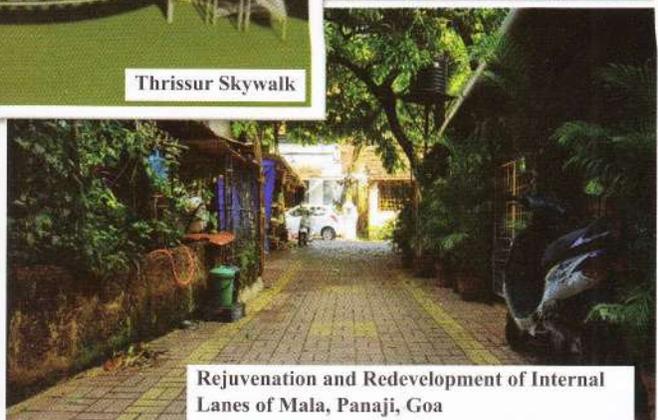
Development of Open Spaces at Altinho, Panaji, Goa



Thrissur Skywalk



Rejuvenation of Mandovi River Promenade from Children's Park to Youth Hostel Miramar, Panaji



Rejuvenation and Redevelopment of Internal Lanes of Mala, Panaji, Goa

As per Census 2011, out of total 4.68 crore urban households, 2.98 crore households (64%) were covered with tap water supply in 500 Mission cities. Through an investment of Rs. 39,011 crore under AMRUT, 60 lakh households have been provided new water tap connections till August 2019. Another 79 lakh new water tap connections are likely to be provided through ongoing projects and convergence. Similarly, investment of Rs. 32,456 crore is underway under AMRUT to enhance coverage of sewerage from 31 per cent in 2011 to 62 per cent by the end of Mission period. So far, 40 lakh sewer connections have been added at household level in cities and additional 105 lakh sewer connections will be provided under the Mission.

In addition, AMRUT has helped cities in developing green spaces and parks, footpaths, walkways, skywalks etc. to enhance ease of living and quality of life of citizens.

**Urban Reforms**

Some of the significant reforms are as under:

**Online Building Permission System (OBPS)**

With a view to facilitate Ease-of Doing Business in construction permits, an Online Building Permission System (OBPS) with Common Application Form and seamless integration of all clearances/

No Objection Certificates (NOCs) from internal/external agencies has been made operational in Delhi and Mumbai since April 2016.

As a result, India's rank in Ease of Doing Business (EoDB) in construction permits has recorded an unprecedented jump of 158 spots in last 3 years as per latest World Bank Doing Business Report (DBR). India's rank improved to 27 in DBR 2020 as against 185 in DBR 2017.

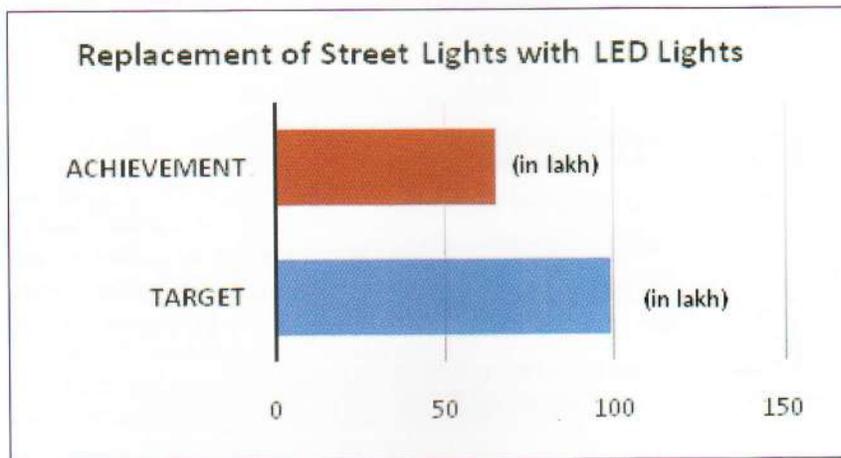


It has been targeted to get OBPS implemented in all cities/towns across the country by 31 March, 2020. So far, it has been implemented in 1,832 cities including 440 AMRUT cities. In 13 States/UTs namely Andaman & Nicobar Islands, Andhra Pradesh, Dadra & Nagar Haveli, Delhi, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Madhya Pradesh,

Maharashtra, Punjab, Telangana and Tripura, OBPS has been implemented in all the ULBs.

**Replacement of street lights with LED lights:** 65 lakh conventional streetlights have been replaced with energy efficient LED lights. It has led to energy savings of 139 crore KWH per annum and reduction in

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CO<sub>2</sub> emission by 11 lakh tonnes per annum.

**Credit Rating:** Four hundred and sixty-nine AMRUT cities have been credit rated out of the total 485 cities where the credit rating work had commissioned. One hundred and sixty-three cities have been rated investible grade (IGR) of which 36 cities have A and higher rating. Cities with lower rating are following measures to improve their performance so that they become credit worthy and raise funds for their projects.

**Municipal Bonds:** Rs. 3,390 crore have been raised through municipal bonds during 2017-19 for upgrading urban infrastructure by 8 Mission cities (Ahmedabad, Amaravati,<sup>2</sup> Bhopal, Hyderabad, Indore, Pune, Surat, and Vishakhapatnam). As an incentive, Ministry pays Rs. 13 crore for raising bonds to the tune of Rs. 100 crore, up to the limit of Rs. 200 crore per city. This translates into interest subvention of 2% over the bond period. Rs. 181 crore has been released for raising bonds in 8 cities. Raising of bonds leads to improved governance, accounting systems, finance, transparency, accountability and delivery of services in the ULBs. We target to get at least 50 cities raise

bonds in next 4 years. That will also enhance their self-dependence and confidence to serve the citizens.

In order to strengthen capacity of Municipal functionaries, technical trainings have been imparted to 52,673 functionaries.

1 July, 2019 and 15 September, 2019 and Phase 2 between 30 September, 2019 to 30 November, 2019, for the States which receive retreating monsoon. The key thrust areas of Jal Shakti Abhiyan (Urban) are as follows:

rejuvenate defunct wells and water bodies.

- d. **Plantation:** ULBs have taken up the mantle to mobilise the local community members to conduct plantation drives across the cities.



### Jal Shakti Abhiyan - Urban

In order to address the national issue of water scarcity, Ministry of Jal Shakti (MoJS), Government of India has undertaken Jal Shakti Abhiyan (JSA) from 1 July, 2019, driving a campaign on water conservation, restoration, recharge, and reuse of wastewater. MoHUA has participated actively in the JSA along with States/UTs/ULBs to make water conservation measures a Jan Andolan, through extensive Information, Education and Communication (IEC) activities across the country in 754 water-stressed cities.

The campaign has been undertaken in two phases: Phase 1 between

#### a. Rainwater Harvesting (RWH):

ULBs have taken measures for establishing Rainwater Harvesting Cell, construction and installation of RWH structures to recharge ground water sources and to store water.

#### b. Reuse of treated wastewater:

ULBs have undertaken construction of dual piping structure in public buildings and reuse of secondary treated water for horticulture, car washing, fire hydrants, etc.

#### c. Rejuvenation of water bodies:

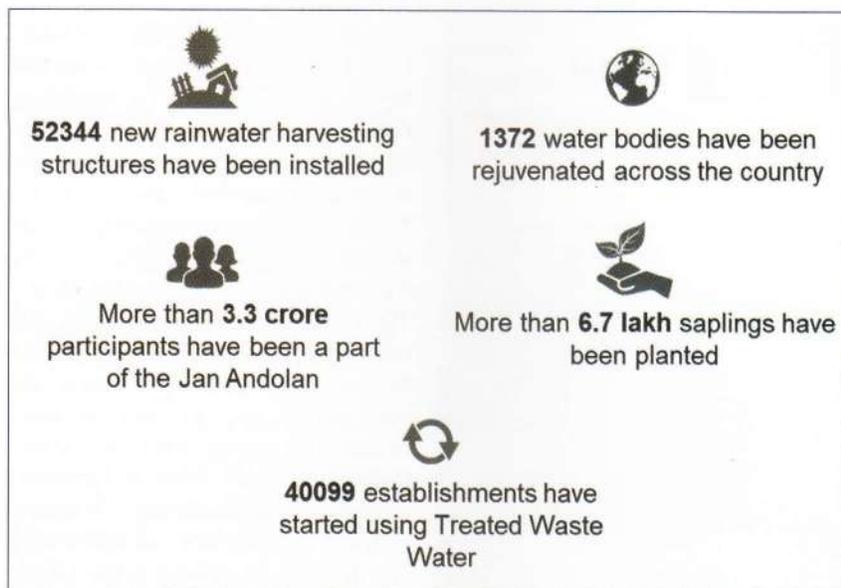
Multiple interventions have been initiated by ULBs to clean and

### Way Forward:

AMRUT has made remarkable strides in improving water and sanitation coverage in urban areas. During the Mission period, it envisages to cover over 60% of the urban population living in 500 cities with universal coverage of water supply and over 60% coverage of sewerage and septage services. However, more than 3,500 smaller cities/towns out of 4,378 statutory towns at present are not covered under any central scheme for water supply and Faecal Sludge and Septage Management infrastructure. Keeping in view SDG Goal 6 for ensuring sustainable management of water and sanitation for all and announcement of Jal Jeevan Mission for conserving and judiciously using the precious water by Hon'ble Prime Minister and special needs of 115 Aspirational Districts, to be addressed on priority, it is imperative to take forward the achievements of this Mission to smaller cities as well. □

### Endnotes:

1. SDG 6.1 entails access to safe drinking water and 6.3 is "By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and sustainability increasing recycling and safe reuse globally."
2. In case of Amravati, incentive has been given to Andhra Pradesh Capital Region Development Authority (APCRDA) as it is discharging the functions of ULB there. ■



Progress under JSA