**After years of limited interest in the urban agenda, the JNNURM reflects a significant shift in public policy towards delivery of urban services. It is now increasingly being emphasised that just funding asset creation is not enough, it has to go hand-in-hand with improved management of assets by accountable service provider agencies, says M Ramachandran**

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched by the Central Government in 2005, as a much-needed response to the mounting problems of urban India. Though the subject of urban development is essentially a State subject, the Centre deemed it necessary to come up with a flagship programme to cope with the massive problems that emerged as a result of rapid urban growth. It recognised the fact that cities and towns of India constitute the world’s second-largest urban system, contributing over 50 per cent of the country’s GDP. Studies have shown that impact of growth of population on urban infrastructure and services has been adverse. Physical infrastructure created in urban areas has generally been languishing due to inadequate attention and lack of proper operation and maintenance.

It has been emphasised that for these cities to realise their full potential and to become true engines of growth, focused attention on improving infrastructure is urgently required. Thus a Mission Mode approach for implementation of urban infrastructure improvement programme in a time-bound manner, with focus on select cities which needed higher investment, was announced. One unique feature of this mission was that it did not mean giving Central funds as grants to States, it also required the States and Urban Local Bodies (ULBs) on agreeing to implement an agenda of reforms during the seven-year mission period (2005-2012), to bring about the much-needed improvements in governance as well.

The mission statement refers to all these when it says it is a ‘reforms driven, fast track, planned development of identified cities with focus on efficiency in urban infrastructure/service delivery mechanism, community participation and accountability of ULBs/para statals towards citizens.’

The mission has two sub-missions, one for Urban Infrastructure and Governance (UIG) and the other for Basic Services for the Urban Poor (BSUP). The two Central ministries of Urban Development (MoUD) and Housing & Urban Poverty Alleviation (HUPA) manage the two sub-missions, respectively. With the main focus on the listed 63 mission cities (subsequently increased to 65 cities), a major chunk of the total Central resources of about 660 billion (enhanced from the original mission allocation of 500 billion) was earmarked for the mission cities. At the same time, projects were taken up in small towns under two schemes, Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP). A list of 23 reforms, broadly categorised into governance, financial and legislative, was dawn up, and all the States and local bodies had to sign a Memorandum of Agreement (MoA) committing to a seven-year time schedule of reform implementation, before Central funds could be accessed for specific projects.

The much-needed critical urban reforms was an area no State government was willing to touch and this provided then a mechanism which prompted them to take up a set of changes, which would evolve into a total regime change for urban dwellers. Reforms like repeal of urban land ceiling legislation, reform of rent control laws, rationalisation of stamp duty across the country, enactment of public disclosure law and community participation law, reform of property tax regime, introduction of system of e-governance with IT applications like GIS and MIS, were earlier only part of discussions. But now the States and ULBs were mandated to take these up for implementation. The urban poor could hope for better living conditions, through reforms like internal earmarking in municipal budgets for basic services, provision of basic services including security of tenure, improved housing/ water supply, sanitation, introduction of property title certification, etc. Levy of reasonable user charges was emphasised so that there was a proper quid pro quo with regard to improvement in basic services and that the projects taken up remained sustainable