

# ACCOUNTABILITY INITIATIVE

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## BUDGET BRIEFS

### JNNURM, GOI, 2013-14

Launched in December 2005, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is Government of India's (GOI) flagship programme for urban development. The programme consists of 2 sub-missions that cover 65 large 'mission' cities, and 2 schemes for smaller cities and towns. These are as follows:-

- Urban Infrastructure and Governance (UIG)
- Urban Infrastructural Development Scheme for Small and Medium Towns (UIDSSMT)
- Basic Services for Urban Poor (BSUP) and
- Integrated Housing and Slum Development Programme (IHSDP)

Using government data, this brief reports on JNNURM progress along the following parameters:-

- Allocation and release of funds
- Completion of projects, and
- Implementation of reforms

**Cost share:** JNNURM funds are shared between GOI, states, and Urban Local Bodies (ULBs).

Complete expenditure data under JNNURM is not publicly available.

#### Highlights

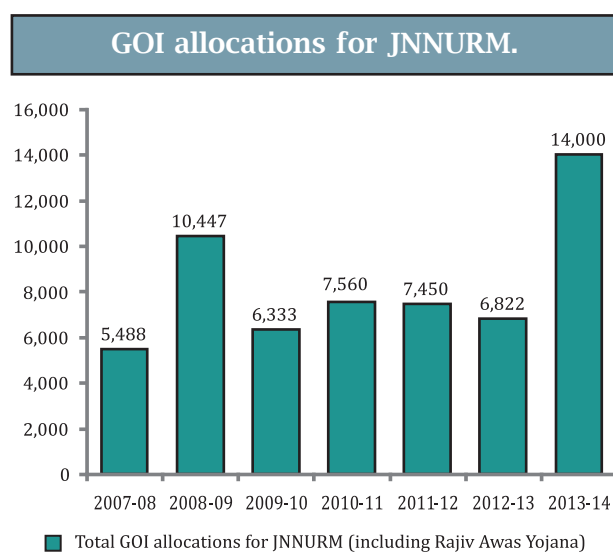
1.	Government of India (GOI) allocations for JNNURM in FY 2013-14 (in crores)	<b>₹14,000</b>
2.	% of GOI allocations released in FY 2011-12	<b>90%</b>

#### Summary and Analysis

- When JNNURM was launched in FY 2005-06, GOI committed to an allocation of **₹66,085** crores over a 7 year period. However, at the end of 7 years, total allocations fell short of this commitment by **₹21,019** crores.
- There are significant delays in fund releases. In FY 2010-11, **62** percent of the funds for UIG and **66** percent for IHSDP were released in the last quarter. For both schemes, **44** percent and **49** percent of funds were released in the last month of the financial year.
- To access JNNURM funds, each city submits a City Development Plan (CDP) and Detailed Project Reports (DPRs) for proposed projects to GOI. Of the total **1093** DPRs submitted from the start of the mission to August 2011, only **51** percent or **552** DPRs have been sanctioned.
- Completion rates for projects is low. As of December 2012, out of a total of **551** projects sanctioned under UIG, only **31** percent were completed. Amongst housing projects only **45** percent BSUP projects and **34** percent IHSDP projects had been completed.
- The pace of meeting JNNURM related reforms has been varied across states. By March 2012, Gujarat had completed **87** percent of the mandatory reforms. In contrast, only **66** percent of the reforms had been completed in Delhi and **35** percent in Bihar.

## Trends in GOI Allocations and Releases

- The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched by GOI in 2005 as a comprehensive flagship urban development programme. The programme focuses on providing basic services such as water and sanitation, roads, and housing development to all urban citizens including the urban poor.
- **Allocations:** When JNNURM was launched in FY 2005-06, GOI committed to an allocation of ₹66,085 crores over a 7 year period. However, at the end of 7 years, total allocations fell short of this commitment by ₹21,019 crores. In FY 2013-14, ₹14,000 crores was allocated for JNNURM.



**Source:** India Budget, Expenditure Budget, Vol. 1, Central Plan Outlay for States and UTs. Available online at: [www.indiabudget.nic.in](http://www.indiabudget.nic.in)

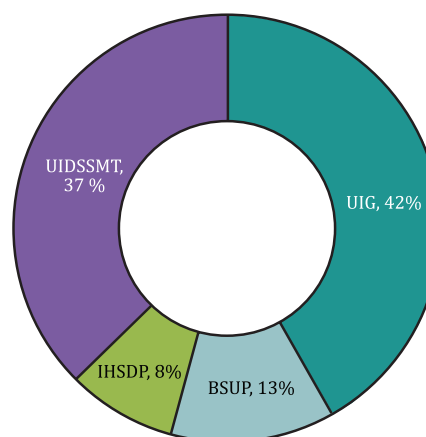
**Note:** Allocations include Rajiv Awas Yojana (RAY) allocations. All figures are revised estimates except for FY 2013-14 which are budget estimates.

- JNNURM consists of 2 sub-missions that cover 65 large 'mission' cities and 2 schemes for smaller cities and towns. The Ministry of Urban Development (MoUD) is responsible for the sub-mission on Urban Infrastructure and Governance (UIG) and the Urban Infrastructural Development Scheme for Small and Medium Towns (UIDSSMT) responsible for providing infrastructure projects relating to water supply, solid waste management, drainage, and roads. Ministry of Housing for Urban

Poverty Alleviation (MoHUPA) is responsible for schemes for housing and slum development. These are the sub-mission on Basic Services for Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP). In 2011, a new scheme called Rajiv Gandhi Awas Yojana (RAY) was launched aimed at subsuming existing urban housing schemes including schemes of Affordable housing in Partnership and Interest Subsidy for Housing the Urban Poor (ISHUP). While existing allocations for BSUP and IHSDP will be utilized, no new projects will be undertaken under these two schemes.

- UIG is the largest scheme within JNNURM. In FY 2013-14, 42 percent of the total JNNURM budget was allocated to the UIG (down from 64 percent in FY 2011-12). This was followed by UIDSSMT with 37 percent (up from 20 percent in FY 2011-12), BSUP at 13 percent and IHSDP at 8 percent of total allocations.

## % of JNNURM allocations for various sectors in FY 2013-14.



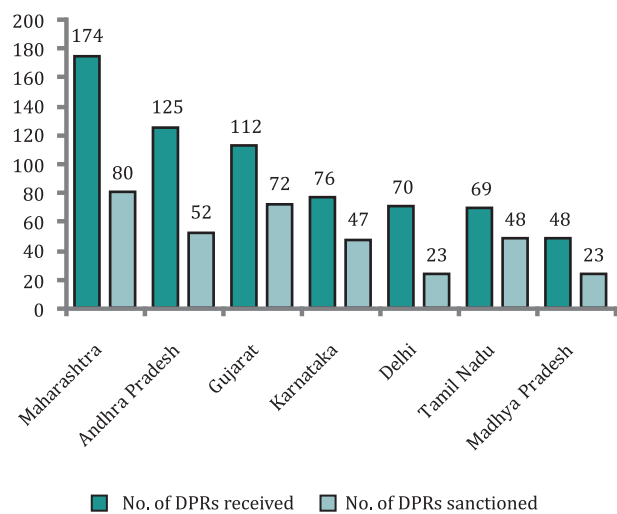
**Source:** India Budget, Expenditure Budget, Volume 1, Central Plan Outlay for States and UTs. Available online at: [www.indiabudget.nic.in](http://www.indiabudget.nic.in)

**Note:** Allocations do not include Rajiv Awas Yojana (RAY) Figures pertain to FY 2013-14.

- To access JNNURM funds, each city submits a City Development Plan (CDP) and Detailed Project Reports (DPRs) for proposed projects to GOI. Funds are sanctioned after evaluation and approval by GOI.

- Of the total **1093** DPRs submitted from the start of the mission to August 2011, only **51** percent or **552** DPRs have been sanctioned. There are state-wise differences.
- In Maharashtra and Andhra Pradesh, only **46** percent and **42** percent of the total DPRs submitted were sanctioned. In Tamil Nadu, **70** percent of DPRs submitted were sanctioned.

**Tamil Nadu had 70% of DPRs sanctioned, Maharashtra had 48%.**

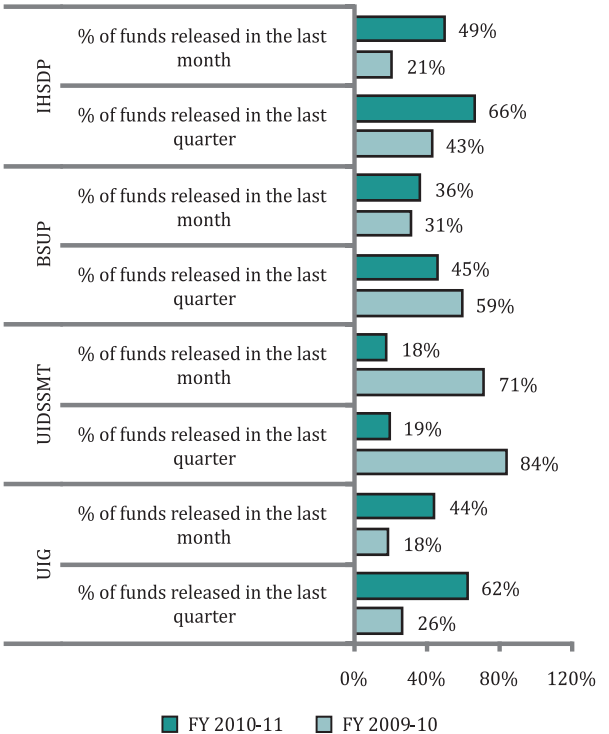


**Source:** JNNURM Portal, DPR Status. Available online at: <http://jnnurm.nic.in/wp-content/uploads/2012/08/DPR-Status.pdf>  
**Note:** Figures are till 19.08.2011.

- **Releases:** Between FY 2005-06 and FY 2011-12, GOI released **90** percent of total allocations for JNNURM. There are however, variations in the amounts released every year. In FY 2005-06, only **42** percent of allocations were released. This improved to **100** percent in FY 2008-09. Releases dropped again to **66** percent in FY 2010-11. In FY 2011-12, **96** percent of total GOI allocations were released.
- While the quantum of releases has increased, there are significant delays in the timing of release. According to General Financial Rules, expenditure should be restricted to **15** percent during the month of March and **33** percent during the last quarter of the financial year. However, in FY 2011-12, a significant quantum of funds

was released in the last quarter and the last month of the financial year.

**Significant delays in releasing GOI's share of funds.**



**Source:** Comptroller and Auditor General of India, Report No. 15 of 2012-13 for the period ended March 2012 - Performance Audit on Jawaharlal Nehru National Urban Renewal Mission. Available online at: [http://saiindia.gov.in/english/home/Our\\_Products/Audit\\_Report/Government\\_Wise/union\\_audit/recent\\_reports/union\\_performance/2012\\_2013/Commercial/Report\\_15/Report\\_15.html](http://saiindia.gov.in/english/home/Our_Products/Audit_Report/Government_Wise/union_audit/recent_reports/union_performance/2012_2013/Commercial/Report_15/Report_15.html)

- In FY 2010-11, **62** percent of the funds for UIG and **66** percent for IHSDP were released in the last quarter. In fact, for both schemes **44** percent and **49** percent were released in the last month of the financial year, respectively.
- Funds are released relatively earlier for BSUP and UIDSSMT. Only **36** percent of the funds for BSUP and **18** percent for UIDSSMT were released in the last month of the financial year.
- There are significant variations in the quantum and timing of GOI releases to states. In Bihar and Jharkhand, between FY 2005-06 and FY 2011-12, there was a **74** and **75** percent shortfall in GOI releases,

respectively. In Andhra Pradesh on the other hand, GOI released **11** percent more than its required share.

- Part of the reason for delays in releases is that funds have not been utilized or utilization certificates (UCs) have not been submitted to GOI. According to the evaluation report of the scheme by the Comptroller and Auditor General in 2012, UCs for expenditure amounting to ₹2,436 crores for UIG were pending up to May 2012. Similarly, UCs for ₹2,037 crores of expenditure were pending for UIDSSMT up till March 2011.
- Expenditure is undertaken based on each individual project rather than financial years. Thus, consolidated figures for expenditures are not available.

### Component-wise Trends in Allocations and Releases

- Funding for JNNURM is divided between GOI, states and Urban Local Bodies (ULBs) based on the population of the city. For mega cities with a population of over 4 million, the split in costs between GOI, state governments, and ULBs is a **15:35:50** ratio; for those with a population between 1 to 4 million population, the ratio is **35:50:15**, and smaller cities have a **80:10:10** ratio.
- There is some variation in the release of funds for projects under UIG and UIDSSMT. Till December 2012, while GOI and states released only **84** and **88** percent of their allocated shares, ULBs released **99** percent.
- Release of funds for housing projects has been slow. Till December 2012, GOI had released only **61** percent of its total share for BSUP and states governments had released only **52** percent. ULB releases were slow for both BSUP and IHSDP at only **49** percent.

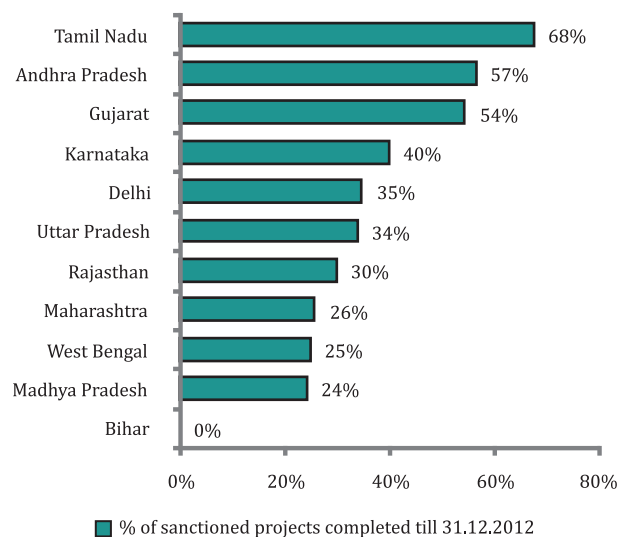
### Implementation of Infrastructure Projects

- The time granted for the completion of projects is approximately two years. However, completion rates for projects is

low. As of December 2012, out of a total of **551** projects sanctioned under UIG, only **31** percent were completed. The completion rate for UIDSSMT was **39** percent. In fact, by December 2011, **12** percent of UIG projects and **5** percent of UIDSSMT projects had not yet started.

- Water supply and sewerage projects constitute the largest share of total projects under UIG. This is followed by construction of roads and flyovers. However, while **55** percent of roadworks were completed till December 2012, only **31** percent of water supply projects and **21** percent of sewerage projects were completed.
- There are state-wide differences in completion rates. Till December 2012, Tamil Nadu had completed **68** percent of its sanctioned projects. This was followed by Andhra Pradesh at **57** percent.
- Maharashtra had the highest number of sanctioned projects. However, only **26** percent of them had been completed till December 2012. No project in Bihar had been completed.

### Variation in the completion of projects across states.



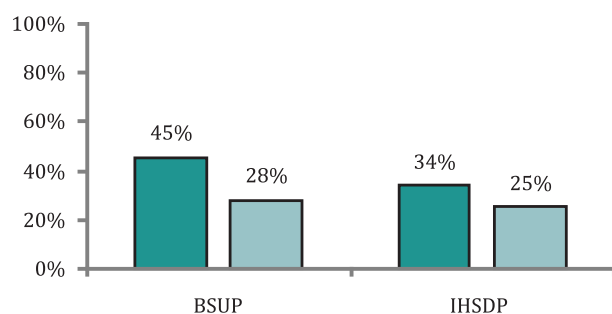
**Source:** JNNURM Portal, Comparative Table of Completion of Projects and Reforms in States with respect to UIG and UIDSSMT. Available online at: <http://jnnurm.nic.in/wp-content/uploads/2013/02/Final.pdf>

**Note:** Data is up to 31.12.2012.

## Implementation of Housing Projects

- Housing projects (BSUP and IHSDP) have experienced similar delays in completion. Till December 2012, **1,005,965** houses had been sanctioned for BSUP and **5,63,807** for IHSDP. However, only **45 percent** had been completed for BSUP and **34 percent** for IHSDP.
- Occupancy rates were even lower. Only **28 percent** of houses sanctioned under BSUP and **25 percent** under IHSDP had been occupied.

### Slow construction and occupancy of houses under BSUP and IHSDP.



- % of houses constructed out of sanctioned till December 2012
- % of houses occupied out of sanctioned till December 2012

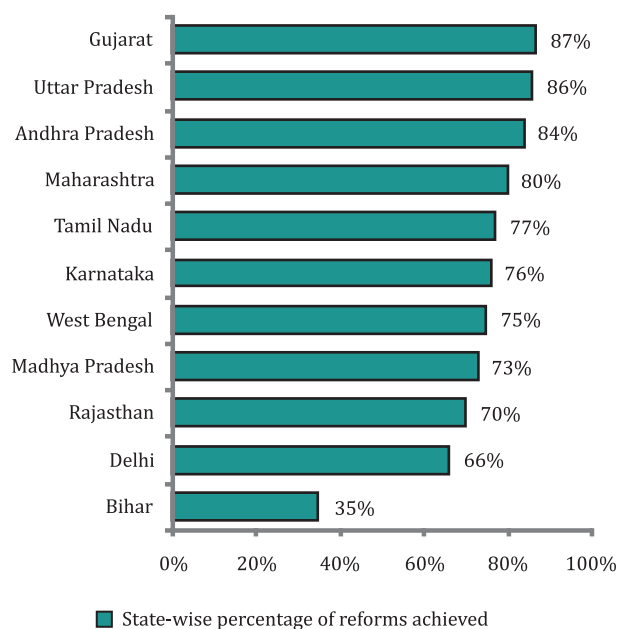
**Source:** JNNURM Portal, DMU Report. Available online at: [https://jnnurmmis.nic.in/jnnurm\\_hupa/jnnurm/DMU\\_REPORT\\_JNNURM.pdf](https://jnnurmmis.nic.in/jnnurm_hupa/jnnurm/DMU_REPORT_JNNURM.pdf)

**Note:** Figures are up to December 2012.

- According to the Mid-Term Review of JNNURM, there are two main reasons for slow completion rates. First, the lack of state capacity to develop plans, prioritize projects and raise matching funds and second, the inability of state governments to meet reform conditionalities which slowed down fund availability.

## Implementation of Reforms

### State-wide variation in the implementation of reforms.



**Source:** JNNURM Portal, Status of Implementation of Reforms, Summary of Reforms Score-State/UT/ULB. Available online at: <http://jnnurm.nic.in/wp-content/uploads/2012/06/Reforms-Score-Achieved-State-ULB-Wise.pdf>

**Note:** Figures are up to 31.03.2012.

- By March 2012, Gujarat had completed **87 percent** of the mandatory reforms. In fact, all cities except Porbandar have completed over **90 percent** of the reforms.
- Reform completion is also high in Uttar Pradesh and Andhra Pradesh.
- In contrast, only **66 percent** of the reforms have been completed in Delhi and **35 percent** in Bihar.

**This section offers some practical leads to detailed information on the union government's urban development budget. However, reader patience and persistence is advised as a lot of this information tends to be dense and hidden amongst reams of data.**

Data Sources	Useful Tips
India Budget. Expenditure Budget, Vol.1. Central Outlay for States and UTs <a href="http://www.indiabudget.nic.in">www.indiabudget.nic.in</a> <i>last accessed on February 28, 2013</i>	This volume provides sector wise and ministry wise allocations from 1998-99. The data has both revised and budget estimates.
JNNURM Portal, List of Completed Projects <a href="http://jnnurm.nic.in/wp-content/uploads/2013/02/Completed-Projects-31-12-2012-1.pdf">http://jnnurm.nic.in/wp-content/uploads/2013/02/Completed-Projects-31-12-2012-1.pdf</a> <i>last accessed on February 26, 2013.</i>	Has data on sector-wise and state-wise completion of projects for UIG.
JNNURM Portal, Status of implementation of reforms, Summary of Reforms Score-State/UT/ULB <a href="http://jnnurm.nic.in/wp-content/uploads/2012/06/Reforms-Score-Achieved-State-ULB-Wise.pdf">http://jnnurm.nic.in/wp-content/uploads/2012/06/Reforms-Score-Achieved-State-ULB-Wise.pdf</a> <i>last accessed on February 25, 2013.</i>	State-wise and city-wise data on the percentage of reforms completed. Latest data available is up to 31.03.2012.
JNNURM Portal, Comparative Table of Completion of Projects and Reforms in states with respect to UIG and UIDSSMT <a href="http://jnnurm.nic.in/wp-content/uploads/2013/02/Final.pdf">http://jnnurm.nic.in/wp-content/uploads/2013/02/Final.pdf</a> <i>last accessed on February 25, 2013.</i>	Provides state-wise details on number of projects sanctioned and completed for UIG and UIDSSMT. Data on progress of reforms as on 31st March 2008 and 31st December 2012 is also given.
JNNURM Portal, DPR Status <a href="http://jnnurm.nic.in/wp-content/uploads/2012/08/DPR-Status.pdf">http://jnnurm.nic.in/wp-content/uploads/2012/08/DPR-Status.pdf</a> <i>last accessed on February 25, 2013.</i>	State-wise information on the number of DPRs received and sanctioned. Data is as on 19.08.2011.
JNNURM Portal, DMU report <a href="http://urbanindia.nic.in/DMU/dmu.htm">http://urbanindia.nic.in/DMU/dmu.htm</a> and <a href="https://jnnurmmis.nic.in/jnnurm_hupa/jnnurm/DMU_REPORT_JNNURM.pdf">https://jnnurmmis.nic.in/jnnurm_hupa/jnnurm/DMU_REPORT_JNNURM.pdf</a> <i>last accessed on February 25, 2013.</i>	Data on allocation and release for GOI, states and ULBs. Information is available till December 2012. The report also gives information on utilisation, reform progress and so on. The first DMU report covers UIG and UIDSSMT whilst the second covers BSUP and IHSDP.
Comptroller and Auditor General of India, Report No. - 15 of 2012-13 for the period ended March 2012 - Performance Audit on Jawaharlal Nehru National Urban Renewal Mission, Ministry of Urban Development Ministry of Housing and Urban poverty Alleviation <a href="http://saiindia.gov.in/english/home/Our_Products/Audit_Report/Government_Wise/union_audit/recent_reports/union_performance/2012_2013/Commercial/Report_15/Report_15.html">http://saiindia.gov.in/english/home/Our_Products/Audit_Report/Government_Wise/union_audit/recent_reports/union_performance/2012_2013/Commercial/Report_15/Report_15.html</a> <i>last accessed on February 25, 2013.</i>	A comprehensive evaluation of the scheme including details on delays in release of additional central assistance by GOI, states and ULBs, slow progress on competition of works and so on.

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