

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVIATION
LOK SABHA**

STARRED QUESTION NO:323

ANSWERED ON:16.04.2002

SETTING UP OF URBAN INFRASTRUCTURE INCENTIVE FUND

GOWDAR MALLIKARJUNAPPA;IQBAL AHMED SARADGI

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

- (a) whether the Union Government are planning to setup an Urban Infrastructure Incentive Fund with a corpus of Rs.500 crore to support the States pursuing reforms in this sector;
- (b) if so, whether any concrete programme in this regard has been worked out;
- (c) if so, the details thereof;
- (d) the contribution of the Union Government therein;
- (e) the time by which the States are likely to be able to utilize this Fund; and
- (f) the reform measures taken by the Union Government for the development of urban infrastructure?

Answer

MINISTER OF URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI ANANTH KUMAR)

(a)to(f): A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.323 FOR 16.4.2002 REGARDING SETTING UP OF URBAN INFRASTRUCTURE INCENTIVE FUND.

(a)to(e): In the Budget Speech for the year 2002-2003, an announcement was made by the Minister of Finance regarding setting up of an Urban Reform Incentive Fund (URIF) with an initial outlay of Rs.500 crore to provide reform linked assistance to the States. Planning Commission is engaged in evolving the modalities for the operation of the Fund.

The proposed Fund will seek to have incentive-linked reforms in the following areas:-

- (i) Reform of Rent Control Laws and repeal of Urban Land Ceiling Acts at the State level.
- (ii) Rationalisation of high stamp duty regimes.
- (iii) Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc.
- (iv) Revision of municipal laws in line with model legislation prepared by the Ministry of Urban Development & Poverty Alleviation.
- (v) Simplification of legal and procedural framework for conversion of agricultural land for non-agricultural purposes.
- (vi) Levy of realistic user charges and resource mobilization by urban local bodies.
- (vii) Initiation of public private partnership in the provision of civic services.

(f): The following reform measures have been inter alia undertaken by the Union Government so far:-

- (1) Repeal of Urban Land (Ceiling & Regulation) Act to enable land assembly for housing.
- (2) Model Bills on
 - (i) Apartment Ownership and Property Regulation;

- (ii) Rent Control;
 - (iii) Real Estate Development Regulation; and
 - (iv) Restructuring of State Housing Boards were circulated to State Governments for adoption to encourage investment in urban housing.
- (3) Foreign Direct Investment upto 100% has been permitted recently for the development of integrated townships including housing, commercial premises, hotels, resorts, city and regional level urban infrastructure facilities such as roads and bridges, mass rapid transit systems and manufacture of building materials including development of land, subject to the prescribed guidelines.
- (4) Rationalisation/reduction of Stamp Duty was recommended to the State/UT Governments to promote investment in housing.