

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

UNSTARRED QUESTION NO:3151  
ANSWERED ON:10.12.2002  
UNPLANNED AND UNCONTROLLED GROWTH IN URBAN AREAS  
CHELLAMELLA SUGUNA KUMARI

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

- (a) the action taken to check unplanned and uncontrolled growth in the urban areas; and
- (b) the drastic reforms to be undertaken to develop the urban areas?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY ( URBAN DEVELOPMENT & POVERTY ALLEVIATION ( SHRI O. RAJAGOPAL )

(a)&(b): Urban Development is a State subject. It is, therefore, the responsibility of states to check unplanned and uncontrolled growth in urban areas.

Ministry of Urban Development and Poverty Alleviation supplements the efforts of State Governments through policy formulation, technical guidance and central assistance under Centrally Sponsored Schemes for urban development.

In order to accelerate the pace of sustainable urban development, Central Government announced the following new tools of reforms, during 2002-2003:-

- (i) Urban Reforms Incentive Fund (URIF).
- (ii) City Challenge Fund (CCF).
- (iii) Pooled Finance Development Schemes (PFDS).

URIF has been set up to provide reform linked assistance to states in the following areas:-

1. Repeal of the Urban Land Ceiling and Regulation Act at the State level by Resolution.
2. Rationalisation of Stamp Duty.
3. Reform of Rent Control Laws to remove rent control so as to stimulate private investment in rental housing.
4. Introduction of computerised processes of registration.
5. Reform of Property Tax so that it may become a major source of revenue of urban local bodies, and arrangement for its effective implementation so that collection efficiency reaches at least 85% by the end of 10th Plan period.
6. Levy of reasonable user charges by Urban local Bodies, with the objective that full cost of O&M (Operation & Maintenance) is collected by end of the Tenth Plan period.
7. Introduction of double entry system of accounting in Urban Local Bodies.

CCF is an incentive based facility that will support cities to fund transitional costs of moving towards sustainable & creditworthy institutional systems of municipal management & service delivery. It will assist in the partial financing of the cost of developing an economic reform programme & financially viable projects to be undertaken by urban local bodies.

PFDS is meant to provide credit enhancement to assist local bodies to access market borrowing on a creditworthy basis.