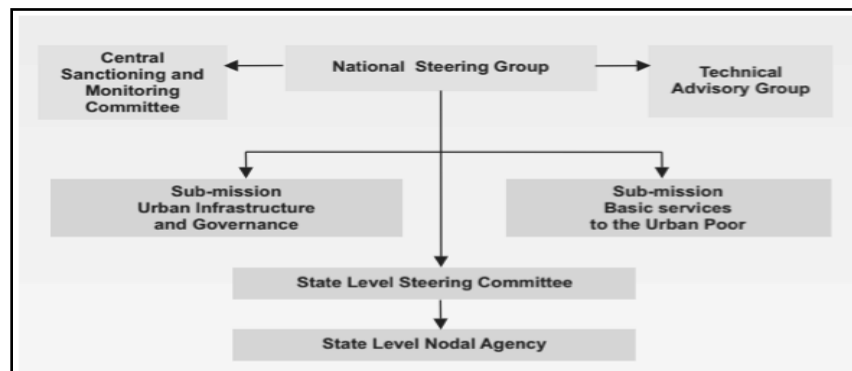


# **Performance Evaluation of Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in BJP ruled States**

Public Policy Research Centre, New Delhi  
March 2014

## 1. Introduction

- 1.1. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in December 2005 for a period of seven years with an outlay of Rs. 66,085 crores. The objectives of the scheme included empowerment of Urban Local Bodies (ULBs) and planned & holistic development of cities. The scheme mandated preparation of City Development Plans (CDP) and a set of urban reforms at State and Municipal levels.
- 1.2. JNNURM aimed at encouraging reforms and fast track planned development of identified cities. The Mission identified 65 cities/urban agglomerations (UAs), called 'mission cities' such as Delhi, Mumbai, Ahmadabad, Hyderabad etc, which were eligible for assistance for infrastructure development. The main aim of the Mission was to promote reforms in urban governance and service delivery and provide reform-linked financial assistance for the planned infrastructure development of the mission cities.
- 1.3. Mission and Institutional Framework: Two sub-missions are:
  - a. Urban Infrastructure and Governance (UIG) administered by the Ministry of Urban Development (MoUD)
  - b. Basic Services for Urban Poor (BSUP) administered by the Ministry of Housing and Urban Poverty Alleviation (MoHUPA)



**Institutional Framework of JNNURM**

- 1.4. Further, the Mission had two sub-schemes: (i) Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), and (ii) Integrated Housing and Slum Development Programme (IHSDP) which focused on all urban centers under the discretion of the state governments.
- 1.5. **Eligible Sectors and Projects:** Key sectors and projects included water supply and sanitation, solid waste management, urban transportation, development of slums, and projects to ensure basic services to the urban poor.

1.6. **Reforms under the Mission:** JNNURM was designed as a reform-linked investment mission to ensure the financially sustainable development of the urban centers through efficient governance, better infrastructure and improved service delivery. The Mission has a significant importance to reform agenda which is divided into mandatory and optional reforms.

1.7. **JNNURM Progress:** Physical & Financial (From 12<sup>th</sup> Five Year Plan 2012-17)<sup>1</sup>

Physical and Financial Progress under JNNURM (March 2012)					
	UIG	UIDSSMT	BSUP	IHSDP	Total
7 year Allocation (in ₹ crore)	31,500	11,400	16,357	6,828	66,085
No. of Projects sanctioned	559	808	528	1,078	2,973
Total cost of project (in ₹ crore)	67,275	14,039	30,416	11,981	1,23,711
Total ACA Committed (in ₹ crore)	30,971	11,372	15,092	7,704	65,139
Total ACA released (in ₹ crore)	18,479	8,469	8,642	4,905	40,495
Per cent of ACA released to ACA sanctioned	60%	74%	57%	64%	62%
No. of DU approved in lakh (BSUP and IHSDP)			10.3	5.7	16.0
No. of projects completed (UIG and UIDSSMT)	127	142			269
No. of Dwelling units completed (in lakh) (BSUP and IHSDP)			4.4	1.8	6.2

<sup>1</sup> 12<sup>th</sup> Five Year Plan (2012-17) document

## **2. Purpose and Objective of Study**

2.1. The study intends to do assessment of the JNNURM with respect to its implementation by BJP ruled states. The study limits itself with the UIG & UIDSSMT schemes and reforms. The objectives are:

1. To appraise the implementation progress in BJP ruled states.
2. To identify the Best Practices and Innovations followed in BJP ruled states.
3. To assess the performance of BJP ruled states in comparison with states ruled by Congress party. (Gujarat – Karnataka vis-à-vis Maharashtra – Andhra Pradesh)

### **2.2. Methodology**

The Methodology to evaluate JNNURM involves measuring progress on Key Performance Indicators (KPIs) among BJP States. The states, in which BJP is / was in power for more than 5 years after 2005, are considered as BJP ruled State. The states chosen for the comparative study are Gujarat and Karnataka from BJP and Andhra Pradesh and Maharashtra from Congress. These states have been chosen on the basis of level of urbanization and number of projects undertaken.

2.3. The Key Performing Indicators (KPIs) are chosen in view of chief objectives of the JNNURM. The KPIs are:

- Total Number of Projects
- Number of Projects completed
- Reforms under Mission
- Budget approved and utilized.

### 3. Progress in the BJP ruled states

3.1. The first phase of JNNURM is for duration of 7 years from 2005 to 2012. Since its inception in 2005, BJP ruled states are performing better towards the objectives of JNNURM. BJP has been in power in the states of Gujarat, Madhya Pradesh and Chhattisgarh since 2005, i.e. since the beginning of JNNURM. For the states of Himachal Pradesh, Karnataka and Uttarakhand BJP was in power for more than 5 years of the JNNURM period (2005-2012). In the state of Punjab and Bihar, BJP was/is in government with alliance for more than 5 years of JNNURM period. The progress status can be summarized in Table 1.

3.2. Chart 1 shows the progress of these BJP states for projects undertaken:

**Table 1 : JNNURM Progress in BJP ruled States**

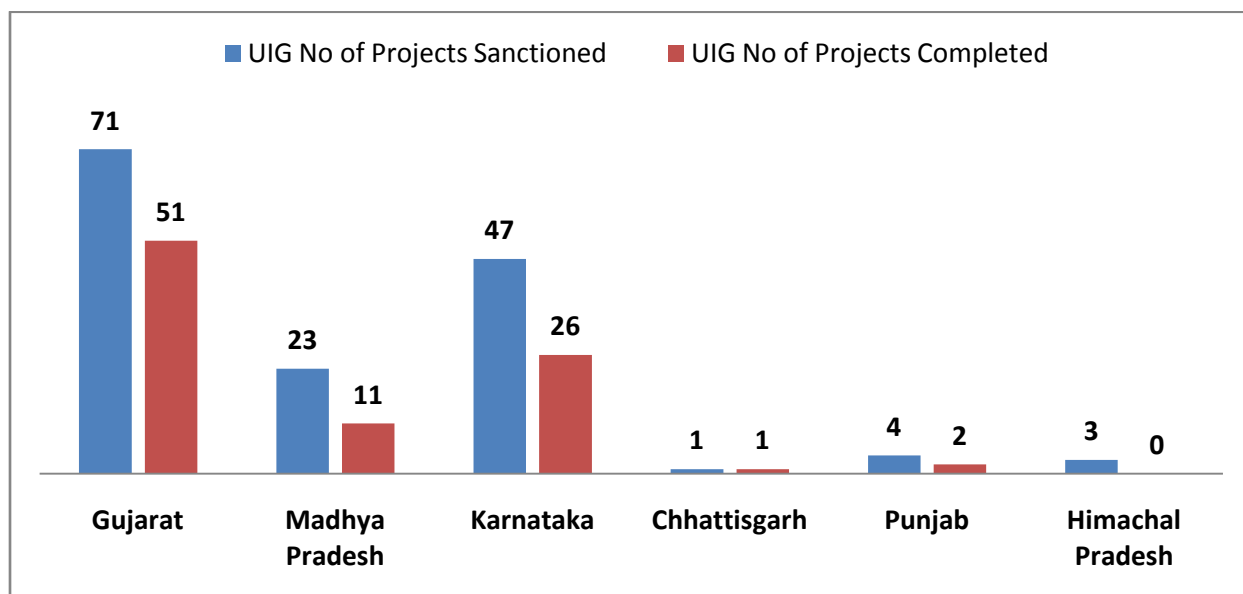
S. No	State Name	UIG <sup>2</sup>		UIG % Completion	% Completion in both UIG & UIDSSMT <sup>3</sup>	Improvement in Reforms Achievement (2008-12) <sup>4</sup>
		No of Projects Sanctioned	No of Projects Completed			
1	Gujarat	71	51	72	60	38
2	Madhya Pradesh	23	11	48	33	54
3	Karnataka	47	26	55	42	41
4	Chhattisgarh	1	1	100	50	69
5	Punjab	4	2	50	28	40
6	Himachal Pradesh	3	0	0	25	511
7	Bihar	8	0	0	0	24
8	Uttarakhand	14	1	7	4	45
<b>BJP Total</b>		<b>171</b>	<b>92</b>	<b>54</b>	<b>40</b>	<b>45.25</b>
<b>National</b>		<b>539</b>	<b>217</b>	<b>40</b>	<b>39</b>	

<sup>2</sup> UIG Data as on 21.11.2013 from <http://innurm.nic.in/wp-content/uploads/2013/11/Statewise1.pdf>

<sup>3</sup> UIDSSMT Data as on 31.12.2012 from <http://innurm.nic.in/wp-content/uploads/2013/02/Final.pdf>

<sup>4</sup> Reforms Data as on 31.12.2012 from <http://innurm.nic.in/wp-content/uploads/2013/02/Final.pdf>

Chart 1: JNNURM Progress in BJP ruled States



3.3. The Table 1 shows that BJP ruled states have undertaken 171 UIG projects and completed 92 projects. At national level, 217 projects are completed out of total 539 projects undertaken.

3.4. This means that although BJP states have taken up 1/3<sup>rd</sup> projects under JNNURM-UIG, but contributes 40% of completed project. This shows, BJP ruled states are driving the JNNURM project.

3.5. BJP ruled states have completed 92 projects out of 171, meaning completion rate of 54%. The national level completion rate is only 40%. This clearly reflects that BJP states are more efficiently implementing the project.

3.6. The State of Gujarat has initiated 71 projects and completed 51 projects, striking a completion rate of 72%, which is highest in the country. The State of Karnataka follows next in the tally with project completion rate of 55%.

3.7. The State of Madhya Pradesh, which is regarded as less urbanized state, has also implemented the project well. It has undertaken 23 projects and completed 48% projects, above than nation/al average of 40%.

- 3.8. The BJP ruled states of Chhattisgarh and Madhya Pradesh have achieved one of the highest improvements in reforms 69% and 54% respectively, which is highest among all states after Uttar Pradesh leading at the top.
- 3.9. The States of Gujarat and Karnataka have already achieved reforms completion of almost 90%.
- 3.10. The implementation of JNNURM projects in BJP ruled states have also won many accolades. The Ahmedabad BRTS – Janmarg has won National Award for Best Mass Transit Project in India by the Ministry of Urban Development, Government of India for 2008-09. It also won the ‘International Award for “Sustainable Transport Award – 2010” at Washington DC, USA; International Award for “Outstanding Innovations in Public Transportation – 2010” from UITP, Germany, among others.

## 4. Best Practices followed in BJP ruled States

4.1. **E-Governance Set up: Karnataka:** Implemented in 213 ULBs and 29 Districts of Karnataka.

<b>Reform</b>	<b>: E-Governance set up</b>	
State	: Karnataka	
ULB	: 213 (ULBs), 29 Districts	
Year of Achievement	: 2010-11	
<b>Module : Public Grievances and Redressal</b>		
	<b>Before</b>	<b>After</b>
	Improper registration of complaints	Multiple windows for complaint registration
	Time consuming & delay in response	Fixed Redressal time
	Difficult to generate reports	Various reports generated
<b>Module : Double Entry Accrual Accounting System</b>		
	<b>Before</b>	<b>After</b>
	Accounting on Cash book basis	Accounting on Accrual basis
	Single entry accounting system	Double entry accounting system
	Accuracy of accounting not assured	Accurate & reliable financial information
	Improper internal controls	Balance sheet for internal control
	Manual records	Online accounting records including Assets & liabilities, External finances etc
<b>Module : Birth &amp; Death Registration &amp; Certification</b>		
	<b>Before</b>	<b>After</b>
	Manual Maintenance of registers	Online registration at ULBs
	Delay in issue of certificate	Timely issue of certificates over the counter
	Lack of coordination between hospitals & ULBs	75 lakh birth & death records in electronic form

The key benefits includes accuracy in the process due to online records and data; well defined work flow leading to minimized process time; Effective data and record management and increased transparency in process.

#### **4.2. Janmarg – Ahmedabad BRTS**

- Ahmedabad Janmarg has 67 km operational route with 136 (35 A.C. buses) buses and about 1.30 lakhs average passengers per day.
- Project Outcome: After implementing this project, public transport patronage has been increased by accessible Janmarg with BRTS exclusive corridors. Large mode of travelers shifted from private vehicle to Mass rapid transit system. More than 57% BRTS users are new bus users, as earlier they used to travel using other modes of transport such as 2 wheelers, 3 wheelers or car. Safer streets that are well lit, quality pedestrian and non-motorised transport (NMT) facilities attract people to use BRT buses. Through BRT, petrol and diesel consumption has been reduced and Air quality has been improved.
- Recognition and Awards:
  - “National Award for Janmarg”: Ahmedabad brts - Best Mass Transit Project in India awarded by the Ministry of Urban Development, Government of India, 2008 -09.
  - Cites as a successful case study by ‘The World Bank’.
  - ‘International Award’ on Sustainable Urban Transport 2010 – Janmarg Ahmedabad.

## 5. Comparative Progress:

5.1. The true performance of BJP can be gauged only when it is compared with performance of other major party, the Congress. For the sake of comparison, the states chosen are Gujarat and Karnataka from BJP and Maharashtra and Andhra Pradesh from Congress. The states for comparison have been chosen on 3 criteria:

- Level of urbanization
- Number of projects sanctioned / undertaken.
- Total budget of sanctioned project.

5.2. The summary of JNNURM progress in these 4 states in as shown in Table 2. The progress is also shown in graphical form in Chart 2

**Table 2: JNNURM Progress - BJP Vs Congress**

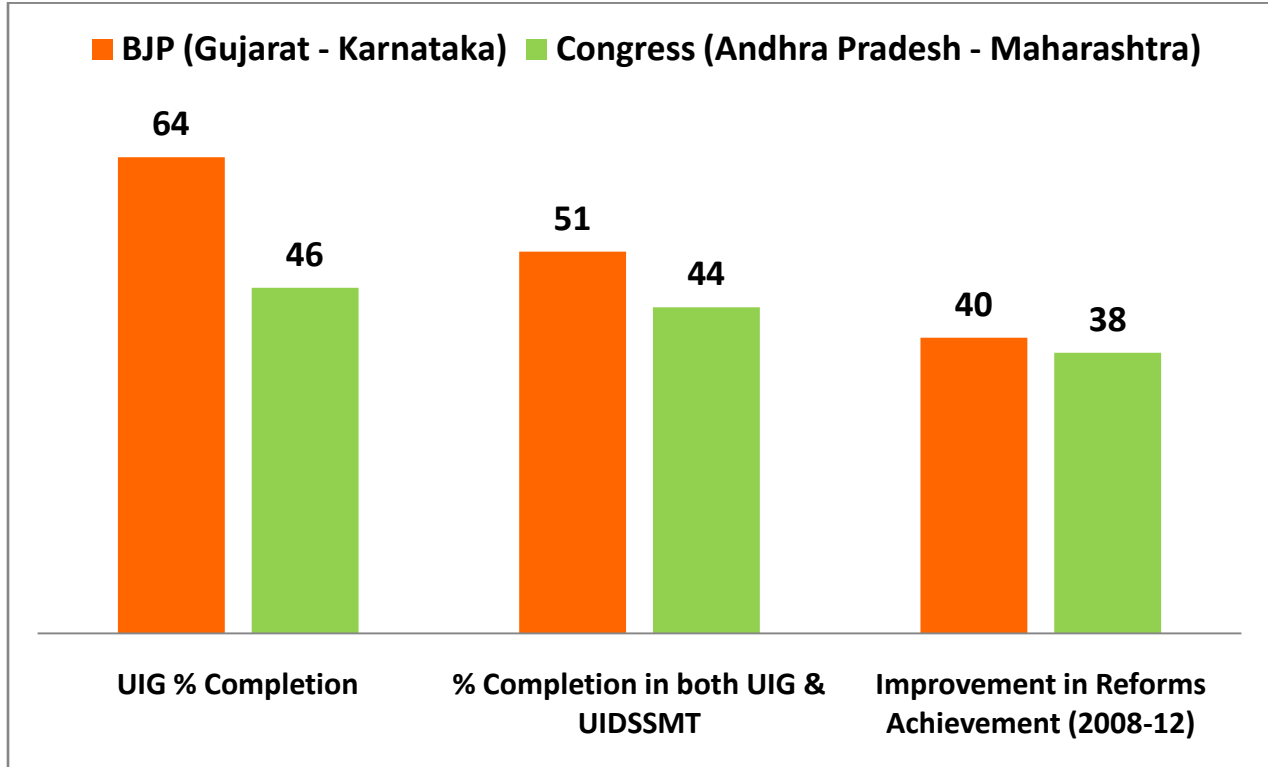
S. No	Ruling Party	State Name	UIG (Urban Infrastructure and Governance) <sup>5</sup>		% Completion	% Completion in both UIG & UIDSSMT <sup>6</sup>	Reforms Improvement in Reforms Achievement (2008-12) <sup>7</sup>
			No of Projects Sanctioned	No of Projects Completed			
1	BJP	Gujarat	71	51	72%	60%	38% points
2		Karnataka	47	26	55%	42%	41% points
			<b>Average</b>		<b>64%</b>	<b>51%</b>	<b>40% points</b>
3	Congress	Andhra Pradesh	52	22	42%	49%	35% points
4		Maharashtra	80	40	50%	38%	40% points
			<b>Average</b>		<b>46%</b>	<b>44%</b>	<b>38% point</b>

<sup>5</sup> UIG Data as on 21.11.2013 from <http://innurm.nic.in/wp-content/uploads/2013/11/Statewise1.pdf>

<sup>6</sup> UIDSSMT Data as on 31.12.2012 from <http://innurm.nic.in/wp-content/uploads/2013/02/Final.pdf>

<sup>7</sup> Reforms Data as on 31.12.2012 from <http://innurm.nic.in/wp-content/uploads/2013/02/Final.pdf>

Chart 2: JNNURM Progress - BJP Vs Congress



- 5.2. The two BJP states have taken up 118 projects, out of which 77 projects are completed. This means, BJP's completion rate is 64%. As against this, Congress states have taken up 132 projects, but could complete only 62 projects, meaning completion rate of only 46%.
- 5.3. Considering combined completion rate for projects under UIG and UIDSSMT, BJP states have a completion rate of 51% as against 44% of Congress.
- 5.4. On improvements in reforms, count for BJP states is 40% as against 38% for Congress states.
- 5.5. The financial details for projects under UIG for these 4 states are shown in Table 3.

**Table 3: Budget Allocation and Utilization for UIG projects**

S. No	Ruling Party	States	Budget		
			Total Budget (Rs Cr)	Budget Utilization (Rs. Cr)	Budget Utilisation Percentage
1	BJP	Gujarat <sup>8</sup>	5590	5109	91%
2		Karnataka <sup>9</sup>	3650	2809	77%
3	Congress	Maharashtra <sup>10</sup>	11515	12430	108%
4		Andhra Pradesh <sup>11</sup>	4889	3662	73%

- 5.6. As shown in Table 3, the state of Maharashtra, despite, having highest budget allocation highest projects undertaken, it could achieve only 50% completion in UIG projects. Maharashtra, also, has overspent its budget by 108%.
- 5.7. The state of Gujarat, with budget allocation of almost half of Maharashtra, has achieved 72% completion in UIG projects with 91% of budget utilization.
- 5.8. The states of Karnataka (77%) and Andhra Pradesh (73%) have similar budget utilization efficiency but Andhra Pradesh lags behind Karnataka by 13 percentage points in project completion.

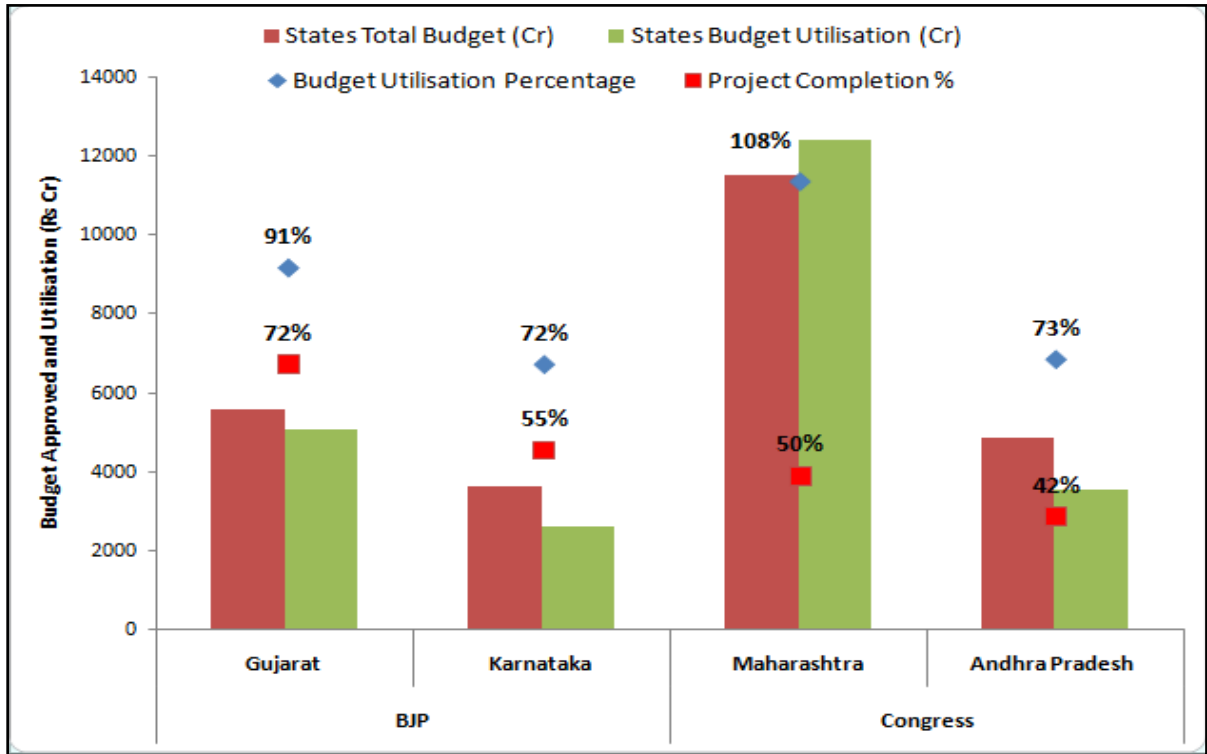
<sup>8</sup> Gujarat Budget data as on 21.01.2014 from <http://jnnurm.nic.in/wp-content/uploads/2014/01/Gujarat.pdf>

<sup>9</sup> Karnataka Budget data as on 21.04.2014 from <http://jnnurm.nic.in/wp-content/uploads/2014/01/Karnataka.pdf>

<sup>10</sup> Maharashtra Budget data as on 21.04.14 from <http://jnnurm.nic.in/wp-content/uploads/2014/01/Maharashtra.pdf>

<sup>11</sup> Andhra Pradesh Budget data as on 21.04.2014 from <http://jnnurm.nic.in/wp-content/uploads/2014/01/AP.pdf>

Chart 3: Financial and Project Progress



- 5.9. JNNURM was designed as a reform-linked investment. BJP is also performing better on reforms count. These two BJP states scored 40% improvement (Table 2) in reforms during the period of 2008 to 2012, while the two Congress states scored 38%.
- 5.10. The Urban Infrastructure and Governance (UIG) component of JNNURM undertakes projects under different sectors. The sector-wise details of projects completed of these 4 states are as shown in Table 4.

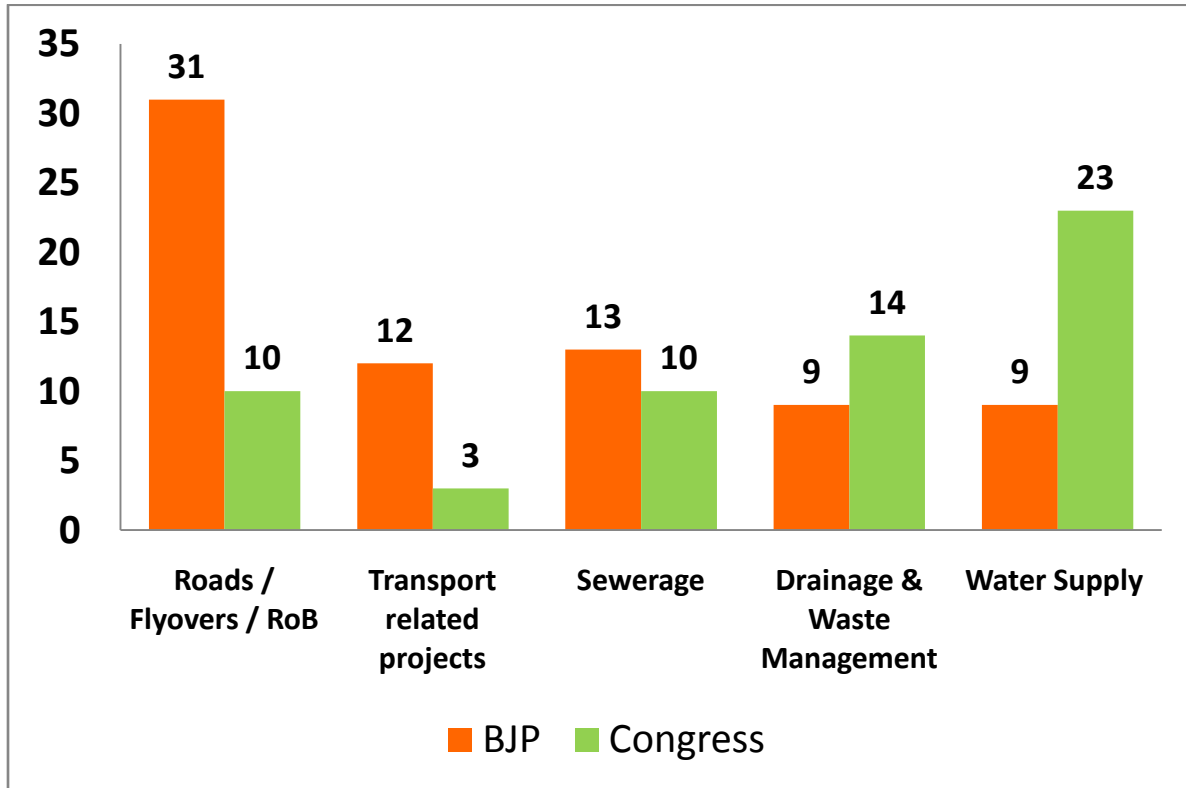
**Table 4: Sector-wise project completion<sup>12</sup>**

S. No.	Sector	Gujarat	Karnataka	Andhra Pradesh	Maharashtra
1	Roads/Flyovers/RoB	19	12	4	6
2	Water Supply	7	2	10	13
3	Sewerage	13	0	4	6
4	Drainage / Storm Water Drains	8	0	4	7
5	Solid Waste Management	1	0	1	2
6	Mass Rapid Transport System	3	0	0	2
7	Other Urban Transport	0	9	0	1
8	Development of Heritage Areas	0	0	0	1
	<b>Total</b>	<b>51</b>	<b>23</b>	<b>23</b>	<b>38</b>

- 5.11. It's evident from the table BJP states are leading on roads, transport and sewerage related infrastructure projects. The BJP states lag on the projects related to Water supply and drainage.
- 5.12. The performance can also be shown in chart 4 as below. As reflected in Chart 4, BJP states are doing exceptionally better on the front of roads and transport related projects. The Ahmadabad BRTS is one the prime example of BJP states doing better in transport sector.

<sup>12</sup> The Sector wise completion (as on 18.09.2013) for each state is compiled from <http://jnnurm.nic.in/wp-content/uploads/2013/09/Completed-Projects-18-09-2013.pdf>

Chart 4: Sector-wise comparison



## 6. Conclusions:

- 6.1. The mainstream planning has long been centralized in India. The JNNURM project is also designed with such centralizing mindset for which UPA government is well known. This has led to top-down planning, almost denying any significant role to the states and urban local bodies at least in the initial design of the project.
- 6.2. The implementation-architecture of JNNURM has several lacunae, few of which have been taken care of but some still continue. These include failure to mainstream urban planning, top-down process of finance, bypassing state governments and land issues etc. The quality of implementation of JNNURM could have been better had these issues been taken care of.
- 6.3. The Independent Evaluation Office (IEO) of Planning Commission has also pointed out these structural and design problems in JNNURM.<sup>13</sup>
- 6.4. The design also ignored the crass need for capacity building of the urban local bodies. The project brought in a huge amount of funds without any capacity building of local bodies with regards to effective utilization of funds.
- 6.5. Under the JNNURM large infrastructure projects were initiated in cities, but cities face a serious issue about maintaining them, something which was missing in the initial design of the project and that had a negative impact.
- 6.6. On the performance count the BJP-ruled states have undoubtedly come out to be better in implementation of JNNURM. Innovation has played a key role in the success of BJP-ruled States. Which is why, Ahmadabad BRTS (Janmarg) and E-governance project in Karnataka were acclaimed not only at national stage but also globally.
- 6.7. A study by Independent Evaluation Office (IEO) of Planning Commission has also pointed out that Gujarat is the *Best Performer State* both on count of implementation of projects and policy reforms.<sup>14</sup>
- 6.8. The JNNURM is a reform-based project. Its success is inherently linked to the reforms undertaken by the respective state governments. The high success rate of BJP ruled states are a pointer towards their commitment towards reforms in governance.

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<sup>13</sup> Business Standard News - [http://www.business-standard.com/article/current-affairs/tn-gujarat-best-in-innurm-study-114031801044\\_1.html](http://www.business-standard.com/article/current-affairs/tn-gujarat-best-in-innurm-study-114031801044_1.html)

<sup>14</sup> Asian Age News - <http://www.asianage.com/india/gujarat-and-tn-best-performers-216>