

Jawaharlal Nehru National Urban Renewal Mission

# JnNURM

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Revised Toolkit for

## Preparation of City Development Plan

December 2009

Sub-Mission for Urban Infrastructure and Governance

### Executive Summary



Ministry of Urban Development  
Government of India



JnNURM

Creating sustainable, equitable and economically vibrant cities

## Introduction

A City Development Plan (CDP) is a comprehensive plan for the sustainable development of the city, with a strong focus on addressing prioritised problems, in line with a medium to long term vision for the future and supported by available financial resources. In addition to the spatial aspects, as is being emphasized under the master plan process, the CDP takes a more strategic view of the development of a city and aligns infrastructure development and service delivery to the vision for development in a consultative and participatory manner.

The first generation of CDPs was prepared by the cities under JNNURM, with significant enthusiasm and energy. It outlined the overall vision for development of the city in terms of infrastructure development and service delivery. Barring a few, the limitations of these CDPs were that they did not embody strategic thinking in their approach, but were seen more as a compilation of projects - as a one time activity mandatory under JNNURM. Hence, a need was felt to enable and facilitate the cities to revisit its plans.

The proposed toolkit provides the necessary guidance to cities for taking a re-look at the current plans or would serve as a reference point for cities which are preparing their CDPs or are preparing plans for the next planning period. The toolkit encourages the cities to revisit their plans on a periodic basis engaging their citizens to participate in the revision of the existing plans.

This toolkit has been developed by modifying the earlier Toolkit 2: Formulation of a City Development Plan. A more detailed guidance on the process to be adopted and the final output to be achieved is appended in its next volume. It is recommended that the toolkit should not be used rigidly as a manual, but as a 'guidebook'.

### *The Approach*

The preparation of CDP needs to be looked at in the context of the dynamic nature of the issues involved. The timelines, processes and mid-term course correction related to varying aspects of the CDP have to be dynamic, to reflect the changing physical, social, economic as well as policy environment. Emphasis should be given to the planning process, than the plan document. The process shall be comprehensive and inclusive, with focus on consultative, physical, financial, socio-economic and institutional aspects; and should attempt to address the inter-sectoral as well as intra-sectoral linkages. It is suggested that all sectors that make a difference to the quality of urban life should be covered in the CDP. Key steps in the CDP preparation process are as following:

- Step -1 : Initiating the Process of CDP preparation
- Step -2 : Formation of CDP Policy Committee and CDP Technical Committee
- Step -3 : Institutional Assessment
- Step -4 : Stakeholder Consultation\*
- Step -5 : Conducting Workshop\*
- Step -6 : City Assessment
- Step -7 : SWOT Analysis
- Step -8 : Developing Vision
- Step -9 : Identification of Development Goals and Strategies
- Step -10 : Preparation of Sector Plans
- Step -11 : Financial Assessment
- Step -12 : Preparation of Financial Operating Plan (FOP)

Step -13 : Finalisation of CDP document

Step -14 : Finalising Time Frame for Review and Monitoring of CDP

*\* It should be noted that stakeholder consultations need to be done time and again during the process of preparation of CDP.*

## Organisational Framework for the CDP Process

The process for preparation of the CDP should encompass the principles of participation, stakeholder involvement and linkages between the various arms of the existing urban institutions.

Given the complex institutional arrangements for planning, implementing and managing urban infrastructure and service delivery, a framework has been proposed in this toolkit for guiding and handholding the planning process. This framework identifies key urban stakeholders and provides a platform for each of them to contribute to the planning process.

It is suggested that the processes should be coordinated by empowered committees at the City level. The committee's and their mandates may be as following:

- (i) **CDP Policy Committee** - The Policy Committees/Groups headed by the Mayor / Chairperson of the ULB will provide all the strategic guidance and steer the preparation and implementation of CDP.
- (ii) **CDP Technical Committees** - The Technical Committee / Group will work under the overall guidance and advice of the CDP Policy Committee and shall coordinate with all other stakeholder groups as necessary. The technical committees may be formed across areas like Land Use and Infrastructure; Heritage, Conservation, Cultural and Tourism development; Environment, Disaster Management; Social, Livelihood and Local Economic Development; Institutional Strengthening; and so on. Each group would consist of respective sector experts from Municipality or outside. The Technical Committee may decide to have working groups as required to assist in its functioning.

*Roles and Responsibilities of Technical Experts / Consultants in the Planning Process* - The cities could use the option of engaging technical experts / consultants to facilitate the process of preparation of CDP. It is suggested that the work of technical experts / consultant should be closely monitored by city administration, the CDP Policy Committee and the CDP technical committees.

## Initiation and launch of the planning process

Essential steps required for initiating the CDP preparation process:

1. **Constituting CDP Policy and Technical Committees** – CDP Policy Committee (CPC) and CDP Technical Committees (CTC) and its working groups need to be constituted by the ULBs.
2. **Conducting workshops for CDP** – Three types of workshops must be organized for CDP preparation:
  - (i) CDP launch workshop – Basically for disseminating information on the concept and components of the CDP to citizens,

- (ii) Orientation and sensitization workshops – The key objective of these workshops are to sensitise and ensure the participation of the citizens, elected representatives and other stakeholders; and
- (iii) Planning workshops – To launch the CDP planning process and estimate the timeline & overall resources required for CDP preparation. In addition, an awareness campaign on continuous basis in the municipal area through meetings, distribution of pamphlets, street plays, etc. is suggested.

This process is expected to lead to primary participation of all stakeholders, enhancing their involvement in preparing CDP, increasing awareness of all citizens and stakeholders, and prioritization of the challenges facing the city.

## City Assessment

### *Why City Assessment?*

City assessment should provide a baseline for assessment of the demand-supply gap, past trends to influence projections for the future, a basis for measurement of achievements of the plan and a reality check for vision. Thus, various aspects of the city should be examined and understood – from macro to a micro perspective. This is expected to set a context for strategy formulation and achievement of the vision.

### *What to Assess and How to Assess?*

Ideally the city assessment should cover three broad areas namely:

- (i) Assessment of Socio-cultural and Economic Environment;
- (ii) Assessment of Physical Environment;
- (iii) Assessment of Infrastructure and Services; and
- (iv) Assessment of Institutions

Urban Poverty and Heritage need to be treated as a crosscutting component while assessing these three areas. It is suggested that before initiating the process of city assessment, a good base map of the city should be prepared to help assess the spatial distribution of the above mentioned areas.

The assessment would include an analysis of various aspects across the mentioned areas, in a greater level of detail.

- (i) **Assessment of Socio-cultural and Economic Environment** would include analysis of various aspects of demographics; social and cultural environment and economic base of the city.

*Demographic assessment* under the CDPs shall focus on human resource endowments which would include spatial distribution of city population, density and distribution over administrative boundaries. The population characteristics in terms of population composition, age-sex distribution, and workers, marginal workers and non-workers being considered as human resources required for city development. It should also include the trends in population growth over several years in specific, the decadal and yearly growth trends and patterns across various population/demographic attributes, including occupational structure, floating



population, in-migrants and out-migrants.

While *assessing the Social and Cultural environment*, it is essential to cover Social infrastructure, cultural traditions and lifestyle in the context of the development environment. The parameters that may be covered under social infrastructure are Health, Education, Recreation, Social environment, cultural environment, etc.

The type of *economic activities* determines the economic base of a city. The formal sector of economic activities viz primary, secondary and tertiary occupation pattern, characterize the economic structure of a city. The proportionate distribution of working population gives an indication of the functional classification and accordingly future thrust of development could be arrived at depending upon the trends of employment in various sectors.

- (ii) **Physical environment need to be assessed** in terms of its physical setting, natural resources, cultural resources and base line environmental conditions.

*Physical setting* needs to be assessed in terms of Physiography, Climatic conditions & Geology. Physiography plays an important role in determining the spatial expanse of the city. The topography and terrain of the city need to be ascertained for determining the future expansion of the city duly highlighting the constraints and limitations or potential for future development. The climatic parameters like temperature, relative humidity, rainfall, wind direction and circulation in a city determines the level of comfort and factors conducive for developing various activities. Geology is an efficient tool which helps in handling projects related to urban development and planning, waste management, land stability etc.

*Assessment of natural resources* is necessary to have a complete inventory of natural resources available in and around the city. Assessment of water and forest resources is important parameters under natural resources. Availability of surface and ground water needs to be assessed in terms of their utilization pattern and quality. Forests provide vital lung space and help in mitigating the impact of pollution in any urban area. Therefore while preparing CDP, in compliance with the National Forest Policy, the maintenance of environmental stability through preservation and, where necessary, restoration of the ecological balance that has been adversely disturbed by serious depletion of the forests in urban areas, need to be taken into consideration.

The *baseline environmental* status is to be established by determining the baseline levels of significant environmental parameters (Air Quality, Water Quality, Areas of natural heritage & environmental sensitivity) which could be affected by the development activities. Baseline data serves as a reference point against which potential or actual activity induced changes can be measured.

- (iii) It is essential to **assess the existing infrastructure and basic services** in terms of its availability, efficiency, sustainability and satisfaction level of users. The assessment of existing facilities including historic and traditional systems should be undertaken. Parameters that need to be assessed under infrastructure services are water supply, sewerage, storm water drainage, solid waste management, urban roads, traffic & transportation, and housing.

- (iv) One of the key components of the whole process is **Institutional Assessment** of the institution involved in service delivery. In the current regime of multiplicity of organizations involved in urban development and management functions, it is necessary to carry out a detailed mapping of functions, mandates and jurisdictions of each and every agency at the City level. The objective behind these assessments is to ascertain the need for urban reform initiatives such as decentralization of responsibilities as envisaged in the 74<sup>th</sup> Constitutional Amendment Act (CAA), association of elected municipalities with the planning function, introduction of GIS and double entry accrual accounting in municipalities.

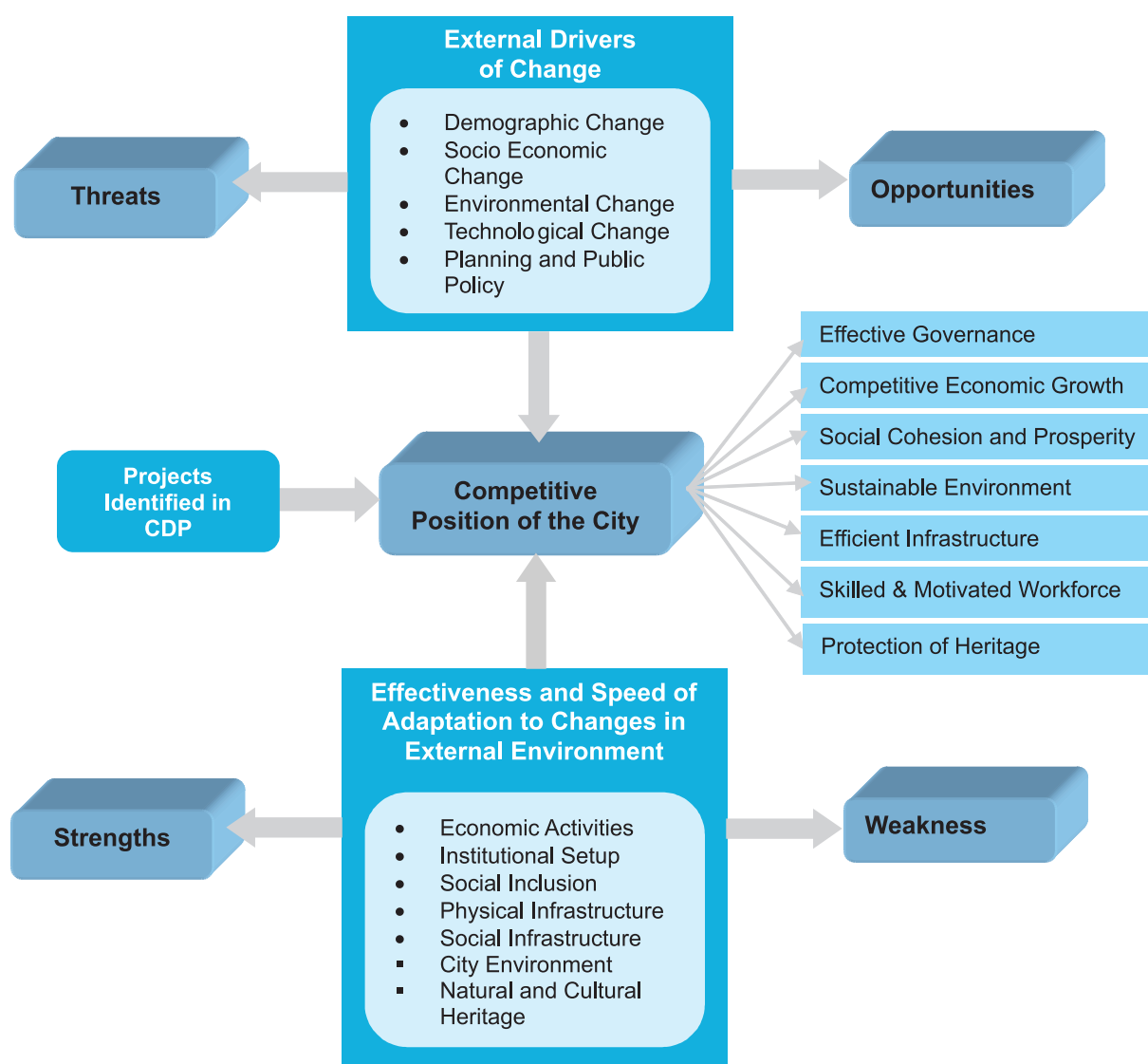
Additionally, the cross-cutting themes like urban poverty, service delivery to urban poor, cultural and natural heritage should be assessed:

- a. The **urban poor** need to be taken into consideration while developing an inclusive strategy for development of a city. It has to be ensured that the economic conditions of the urban poor improve so that proportion of population living below the poverty line gets minimized over a period of time. The assessment should analyse the impact of physical environment on the urban poor and availability of infrastructure and services. It would be desirable to indicate the socio economic profile of urban poor and infrastructure for the urban poor. This will help in fine-tuning the policies for urban poor.
- b. **Cultural and natural heritage** is another cross-cutting theme that merits a sectoral approach with its own system of documentation, assessment, visioning, planning, protection, conservation and maintenance. Therefore, it is suggested to assess Legislation, policy, and planning framework, institutional framework for heritage. The existing listing records of protected and unprotected heritage need to be compiled. A general survey may be conducted to assess condition and heritage value of the built environment including the monuments, public buildings, historic areas, etc. Heritage need to be analyzed under physical, social (meeting places, markets, etc.), ecological (the lungs of a city, ground water recharge, etc.), and historic (use for religious and other festivals, etc.) aspects. The areas of the city of historic and cultural significance may be identified. These areas may be based on the survey of the built environment and the open spaces as described above.

*Stakeholder Consultation and Participation* - Stakeholders are the ultimate owner of the planning process and projects, so their partnership is much needed for the process to succeed. Stakeholders in a city may be citizens, public institutions, businesses and industries, civic organizations, professional organizations, training and educational institutions, and others with an interest in the development and growth of the city. So, participation of these groups is desirable in city development plan.

### **SWOT Analysis**

On the basis of the city assessment as discussed above, stakeholders (municipality, private sector, NGOs, service providers, etc.) should be able to analyze the city's strengths, weaknesses, opportunities, and threats (S-W-O-T). The SWOT analysis can be summarized in the steps as given in the chart below.



## City Vision, Development Goals and Strategies

*What is a “Vision”?*

“Vision” in the context of the CDP is a vivid description of a desired outcome that inspires, energizes and helps the stakeholders create a future picture of the city with positive changes. It is important that the vision for a city is defined in simple terms, which all citizens can share and identify with.

*How to Develop a “Vision”?*

(i) **Review the SWOT** (Outcome of the city assessment)

- In cities where CDPs have been prepared, the cities may revisit them

(ii) **Identify potential stakeholders**

(iii) **In a workshop setting, explain the SWOT to the stakeholders**

(iv) **Let the stakeholders think through and answer the following questions**

- What would you like the future of the city to be?
- What are the most important attributes of the desired future (e.g., employment, infrastructure, poverty reduction, heritage, etc.)?

- What is different about your vision of the future from what you see today?
- Which are the elements of the SWOT which you think
  - Must absolutely be retained
  - Must be improved / changed

**(v) Develop draft City Vision**

**(vi) Finalise the City Vision and get it approved by the potential stakeholders**

*What are development goals and strategies?*

The city leadership is expected to translate the “Vision” into sectoral visions and development goals. *Development goals* will be more specific targets that, the city plans to achieve in a given timeframe, for e.g. access to safe drinking water and sanitation to all citizens in 10 years, or, emerge as the most preferred business location for automobile ancillary industry in India in next 15 years. These goals could be cross-sectoral and not necessarily be separate for each sector; however they should ideally be simple, measurable, realistic and time-bound. A *strategy* by its very definition implies selection of a preferred approach amongst a set of alternatives. For e.g. if source augmentation is required for improving the quality of water supply, the alternate approaches may include – raw water source development through catchment area development, or bringing raw water from a large distance and so on.

*Why are Development Goals Important?*

Developments goals are important as,

- They answer the question: “*What matters?*” and ask: “*What is important for the city development?*”
- They form the basis for generating and designing strategy options
- They clarify directions of preference that can be compared and traded off
- They provide decision criteria for evaluating strategic options

*How to develop goals and strategic options?*

To achieve these goals the city should carefully identify strategic options from a set of alternative approaches. The process of developing the strategic options could follow the following steps:

- (i) Consider the SWOT analysis and review the development goals**
- (ii) Organize a stakeholder consultation to identify the action ideas.** Participants in the consultation process are expected to come out with their proposed action towards achieving the development goal. Ideas should be discussed widely, so that other participants may come out with ideas built on ideas.
- (iii) Review the actions that are listed and assess if there are common actions** that are likely to be a part of every strategy (e.g., institutional capacity building)
- (iv) Identify any obvious, simple actions** that are easily attainable, commonly desired, universally agreed upon and that can be implemented quickly.
- (v) Categorize actions according to common themes.** Once the actions are grouped, refine the

strategies by considering the following points:

- Is there an order to the actions, do some actions need to happen in advance of others?
- Are any actions mutually exclusive?
- Can these actions be designed to contribute to other development goals?
- What is the opportunity cost of not implementing this action?
- What are the long-term effects? Will this action have undesirable or inequitable impacts?

**(vi) What are the financial implications?**

## Sector Plans

This is an important stage of the overall CDP preparation process, wherein plans for all the critical sectors are prepared. The purpose of preparation of Sector plan is to provide a realistic and time-bound plan for prioritised ULB-level projects to be implemented in 5 to 10 years time frame. During the process, interlinking of sector plans should also be looked into to address cross-sectoral linkages. Detail sector plans would enable the ULBs to develop a shelf of projects.

It is suggested that the CDP should have a holistic focus, and should not be restricted to the sectors or projects which are admissible for funding under JNNURM. An indicative list of sectors would include Water Supply, Sewerage and Sanitation, Storm Water Drainage, Solid Waste Management, Comprehensive Mobility Plan, Housing and Basic Services for Urban Poor, Preservation and Rejuvenation of Water Bodies, Urban Environment, Cultural Heritage Conservation, Local Economic Development, Disaster Prevention and Management Plan etc.

The process of sector planning would broadly involve the following tasks:

- (i) Technical Analysis:** Technical Review of the Sectors, Asset inventory, condition and value assessment of the Assets, Assess status of services, Institutional assessment etc
- (ii) Stakeholder Participation:** Consultation with Ward Committees, Consultation with other stakeholders etc
- (iii) Integration of technical analysis and citizen's feedback** to develop broad consensus on priorities
- (iv) Review proposed plans at the regional level**
- (v) Current deficiency assessment and projection of demand proposals** which may require significant capital investments
- (vi) Prepare project proposals** – Involves project identification, defining project rationale, resource requirement and source of funding
- (vii) Assessment of capital investment for the Project Proposal**
- (viii) Prioritisation of Projects based on above analysis**

Cities may prepare these sector plans as per the priority set during the city assessment, SWOT analysis and stakeholder consultations.

Invariably all the sector plans would follow the same process. However approach towards the technical analysis of any sector needs to be very specific to that sector. The sectors mentioned above



are indicative, they can be categorized into two broad heads, where for one group, it is essential to assess the demand-supply gap, like in case of water supply, drainage, solid waste management, transportation etc, where as the sectors like heritage conservation, environmental management, disaster management etc. needs special innovative approaches.

## Financial Assessment and Financial Operating Plans

The objective is to guide the city user step-by-step to prepare a City Level Financial Plan. The entire process has been divided into 10 indicative tasks, as mentioned below. The intend is to navigate the user through the process and provide indicative ideas for the content.

The City Level Financial Plan shall incorporate all measures and initiatives taken by all institutions viz ULBs, City Parastatal agencies, State Departments, etc, engaged in service delivery, to improve the City's fiscal and service level position each year over the next five years. The final output shall project finances for all institutions within the city over the plan period after incorporating the capital expenditure along with revenue income and expenditure as a result of projects.

**Task 1 :** Involves initiation of the process and setting the objectives. The process starts with understanding the need and the process of financial planning and capital investment planning, and defining the objectives of the exercise. It is suggested that the objectives be set by the CDP Policy Committee. The objective should be achievable and time-bound.

**Task 2 :** Involves data collection and assessment of the past / existing financial situation. A business-as-usual case may be prepared at this stage to understand the future financial positions, without undertaking any major improvement initiatives. Trend analysis and the case will also help identify possible areas of improvement and actions for improvement. Key steps include:

- Data Collection;
- Developing a business-as-usual case;
- Analysis of results.

Interpretation of results based on some key parameters and ratio, and comparison of indicators, will help identify critical areas of improvement. As a part of the **Task 3**, It may be worthwhile here to undertake a benchmarking of the indicators with other institutions of service delivery, regional, national or international; to define targets for improvement. The targets need to correlate to the vision and the development goals. It is also important at this stage to link the areas of improvement at this stage to the reform commitments under JNNURM and its phasing. It is recommended that the improvement opportunities may be categories under

- Revenue Enhancement Initiatives,
- Expenditure Management Initiatives and
- Asset Management Initiative.

Subsequent to the compilation of all improvement areas, a prioritization of interventions is suggested. This will help select interventions based on its impact on the ULB finances. The selected ones may be taken up for preparation of detailed proposal.

**Task 4 :** Requires undertaking a resource mobilization forecast and ascertaining the investible surplus for the service delivery institution (ULB / Parastatal / Development Authority / others). This is required to assess the extent of capital expenditure that can be accommodated through various

sources of funding. It is critical that the exercise be conducted individually by all service delivery institution, participating in the CDP process and the aggregated to city level. Key steps include:

- Forecast of the resource mobilization;
- Ascertaining investible surplus.

**Task 5:** Consolidation of the ‘Investible Surplus’ figures, calculated for the individual institutions in the previous task, will generate city level ‘Combined Investible Surplus’ for the year. This will also help set targets for self improvement. For equitable and balanced growth it is suggested that the investible surplus be allocated across various components ranging from infrastructure, provision of services to poor, civic amenities, capacity building, etc. The city leadership through the CDP Policy Committee is expected to anchor this activity. Key activities include:

- Preparing a Financial Operating Plan and ascertaining the investible surplus;
- Component-wise allocation of investible surplus.

**Task 6 :** The City level Financial Operating Plan thus prepared is the financial reflection of the ‘project proposals’ that will be prepared for various sub-components under CDP. Investment requirement for these proposals are estimated and is assessed against the investment capacity.

A consultative process is recommended here, so as to ensure fair prioritization selection and phasing of proposals.

**Task 7 :** Involves ascertaining the priority investments, source of funding and capabilities for debt. The local body at this stage may explore options for raising finances for financially viable projects through other options like public-private partnerships, pooled financing mechanism, external borrowing, urban infrastructure funds like NUIF, etc.

Based on this, City Financial Plan is prepared with capital investment laid across the years. An interactive process is suggested here.

**Task 8 :** The Financial Plan may be shared with the citizens in a public workshop in order to obtain their feedback.

**Task 9 :** Once the feedback is received from the public and suitably incorporated as necessary, the financial plan is ready.

**Task 10:** The guidance on revision / redoing the document on an annual basis is to be set.

## Finalisation of CDP and its Time Frame

### *The finalization process*

The CDP Policy committee shall set the vision, the development goals and strategies, through a participatory approach.

The CDP Technical Committee will consolidate the outputs from the city visioning exercise, development goals and strategies into a unified document along with financial operating plan as **Draft CDP**. The CDP Policy Committee / CDP Technical Committee will draw up alternative scenarios and the different financial and revenue enhancement initiatives which shall be incorporated in the draft version.

The draft document thus produced shall be put up for public perusal and stakeholder's information by giving wide publicity.

After the public verification of the **draft CDP**, comments from the public verification and appraisal process shall be incorporated. The draft CDP shall then be place before the ULB/s for its adoption as the final CDP. A parallel process of finalization of the City level Financial Operating Plan and Capital Investment Plan, as discussed in the previous chapter, is recommended.

Incorporating the comments of the elected representatives, the **final CDP** shall be prepared and published and placed for public information. Comments received here-on may be incorporated in the subsequent versions and in the due course of revision of CDP.

#### *Timelines for finalization of the CDP*

The CDP should have a fixed time frame for its implementation, and shall be followed by a review to study and analyse the impact of the implementation of the plan in order to make mid-course corrections, wherever necessary. The table below gives a framework for updating and review of the CDP. It is recommended that this may be adhered.

Sr. No.	Framework for Updating and Reviewing City Development Plan (CDP) to make it a living document							
	Activity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
1	Reviewing CDP Document	√					√	
2	Community and Stakeholders' Consultation	√		√		√		√
3	Data update and Mapping the City	√						
4	Capacity Building	√	√	√	√	√		
5	Planning and Building Regulations Reforms	√						
6	Property Tax Reforms	√						
7	Institutional Reforms	√	√	√	√	√		
8	Financial Reforms	√	√	√	√	√		
9	Sectoral / Ward Development Plans	√						
10	Review of Projects Priorities	√		√		√		
11	Financial Operating Plan	√	√	√	√	√		
12	Capital Investment Plan	√	√	√	√	√		

