

Draft

**Address by Shri Ajay Maken Hon'ble Minister, Housing & Urban Poverty Alleviation
at the 24th Session of the Governing Council Meeting of UN-HABITAT,
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**Theme: Sustainable Urban Development: The Role of Cities in Creating Improved Economic
Opportunities for All, With Special Reference to Youth and Gender.**

(Reference to dignitaries on the dais and other (VIPs).....)

Today, the world is in the midst of a massive urban transition unlike that of any other time in history. We live today, for the first time in history, in an urban century- more than half of us live in cities, and we're headed toward 70% of people living in urban areas by 2050- a change with vast implications both for human well-being and for the environment. Almost all of this growth will be taking place in developing countries where urban populations are growing at over 3 percent per year, as opposed to less than 1 percent in the more developed regions.

Cities are also reaching unprecedented sizes, placing enormous strains on the institutional and natural resources that support them. Many cities today represent the most alarming concentrations of poverty. An estimated 1 billion people are living in slums all over the world. And their numbers are growing daily. In 2000, it was estimated that some 900 million urban dwellers lived in life-threatening conditions of deprivation and environmental degradation. This number is expected to double by 2025. Thus, the global trend in urbanization implies nothing less than the 'urbanization of poverty and deprivation'.

Conversely, most wealth is created in cities, which account for some 70% of global GDP, which is one of the key indicators of economic development. In both developed and developing countries, cities

generate significant portions of gross domestic product and national wealth, and create development opportunities, jobs and investment. No advanced country has achieved its levels of development without urbanizing. One such example is that of the city of Mumbai in India, which accounts for only about 8% of Maharashtra state's total population but contributes over 21% of the state GDP. In total 31.16% of Indian population in Urban areas contribute 66% of National GDP.

The urbanisation process in India was slow. However, today it is one of the largest urban systems in the world. From about 17% in 1951 it has grown to 31.16% in 2011. With nearly 377 million urban residents, India has the second largest urban population in the world. India has 53 cities with more than 1 million population and nearly 43% of the urban population resides in these cities. With about 147 cities with a population of 3 lakhs and above comprising 168 parliamentary constituencies, urban areas and urban issues have become extremely important, politically as well.

But in spite of making billions of dollars of investments, we will not be able to unlock the potential of cities if we do not ensure positive and definitive action on some key issues which I would now like to flag.

1) Urban Governance

Good urban management needs decisions taken by local governments to be well articulated, to work in closer partnership with other levels of government and to count on clear proceedings of communication and participation of local actors, including the private sector. Considering the diversity of the territories, urban governance needs an integrated approach for large urban areas, and a targeted national and regional policy for intermediary size cities. The consolidation of such a multi-level governance framework and the promotion of a more encompassing global partnership necessitate acknowledging the fact that local authorities, as key institutional vehicles of cities, have transcended narrow local political confines to become prominent players exerting regional and global influence. Effective decentralization to strengthen city management needs to be promoted and a new urban partnership to develop a multilevel governance framework, based on national urban policies, must emerge.

2) Access to basic services for all

Studies have shown that there is a strong and robust positive relationship between adequacy of infrastructure such as transportation, communication, energy, water supply, solid waste removal and other basic services, and enhancement of incomes. It is important to recognize that access to these basic services is not necessarily assured simply by

a rise in per capita income. Governments at different levels have to ensure the provision of these services at affordable prices and this must be an essential part of our strategy for inclusive growth. Cities face a growing gap between the demand for the delivery of municipal services (and associated capital investments) to growing urban populations and the insufficient financial resources available to municipal authorities to fund those services.

3) Urban planning

Every design intervention must have its human face and its natural face for resilient socio-ecological systems. We need to promote strategic urban planning as a way to engage a wider platform of stakeholders in the development process of the city. This can also allow emerging leaders to build a vision for the future of the city by effectively responding to the demands of urban growth and local actors, articulating physical, economic, social and cultural dimensions, and mobilizing local and national resources to improve the quality of life and promote territorial cohesion. This is important especially for intermediary and peripheral cities, which are increasingly becoming place of short-term stay, where people come to look for job opportunities and services, frequently floating or settling informally.

4) Land Management

Urbanization and the management of land remains a challenge especially in countries where land markets and regulations have only recently begun to be considered as threats and opportunities for development. The recognition of ecological and social function of land is of public interest. It is not casual that one of the most important competences of local government is land management. Instruments enabling local governments to undertake long term planning and control of critical land resources for agriculture that involves (food security) and environment, accounting for (health and natural resources), but also to finance urban development as well as for efficient organization of urban services, should be explored.

5) Equitable Access to Livelihood options

The role of the informal sector in the economy also has to be recognized and due importance has to be given to planning particularly the circuits and linkages of the informal sector. The informal economy is the main source of employment for a considerable proportion of the urban poor and it accounts for a significant share of the economic output in many countries. It is important to create an appropriate regulatory framework that is designed to (i) promote the gradual and timely regularization of the urban informal economy, (ii) improve its operational efficiency and

(iii) strengthen its income enhancing effects on the urban poor.

6) Inclusive Planning

Inclusiveness is a key to ensure sustained growth because it promotes growth with equity. It ensures that everyone, regardless of their economic means, gender, race, ethnicity or religion, is enabled and empowered to fully participate in the social, economic and political opportunities presented by the city. Participatory planning and decision-making would go a long way in spreading the benefits of growth to all members of society and ensuring greater sense of citizenship.

Initiatives by Government of India to Achieve Inclusive and Sustainable Growth

The Government of India has formulated several policies, programs and targeted schemes to eradicate poverty, vulnerability and socio-economic exclusion.

The well-being of millions of poor people in the region depends in large part on effective urban planning and access to affordable public services. The 74 Constitutional Amendment Act (74th CAA) and the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) presented an opportunity to bring citizens into urban planning and project implementation process. Minimum reservation of 33% seats for

women and constitution of State Finance Commissions have helped to initiate the reforms process. Many of our pragmatic States have even gone ahead to reserve 50% of seats for women in Urban Local Bodies.

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM), initiated in December 2005 in mission mode, supports an integrated, reforms-driven, fast-track planned development of cities with a focus on efficiency in urban infrastructure, services delivery mechanisms and accountability of ULBs towards their citizens. Total projects worth around US \$25 Billion were undertaken between 2007-2012. Incrementally, we have now set aside resources to implement projects worth around US \$50Bn during the next 5 years. It has allowed investments to flow for basic services to cities, particularly for the urban poor. It has further triggered the creation of many innovations in states that should increase their ability to maintain the momentum of the urban transformation initiated under the scheme.

To tackle the challenge of housing shortage the Government of India has rolled out a \$ 20 billion project in the shape of Rajiv Awas Yojana (RAY) aimed at housing for economically weaker sections (EWS) and low income groups (LIG). Apart from this, the Government has set up the Credit Risk Guarantee Fund Trust (CRGFT) which is expected to mobilize credit worth about US \$11Bn to fund housing in the EWS and

LIG sector. All these coupled with US \$1Bn External Commercial Borrowing (ECB) and 3% priority sector lending is expected to significantly bridge the gap in the area of shelter and housing.

A growing globalized economy would need a highly trained and skilled work force and accordingly, the government is giving due emphasis to education and training. The National Skill Development Mission envisaged by our Prime Minister has targeted the skilling of 500 million individuals by 2022 and the Government has allocated an amount of US \$82.4 billion for education, during the ongoing 12th Plan.

During the last 9 years while Infant Mortality Rate has gone down from 58 to 44, maternal mortality rate went gone down from 254 to 212. Life expectancy increased from 62.5 yrs to 66 yrs and the death rate reduced from 8.4% to 7.1 %. In line with the successfully running National Rural Health Mission the Government has launched a National Urban Health Mission aimed at providing primary health care to needy citizens in urban areas at a projected cost of Rs.22507 crores i.e. \$ 4 billion.

Conclusion

It is now increasingly apparent that the pattern of growth is as important as the pace of growth—perhaps even more so. Concerns about the inclusiveness, environmental impact, and sustainability of growth into the

future must be addressed. I am confident that sharing our knowledge and experiences, as policy analysts and policy-makers will be invaluable towards achieving our objective of promoting enhanced resource allocation to our cities. I am sure, it will ultimately result in accelerating national economic growth and development- generating greater employment, increasing incomes, and combating poverty.