ABSTRACT

Tamil Nadu Sustainable Urban Development Project (TNSUDP) - Model Cities sub-component - Vellore City Municipal Corporation, Erode City Municipal Corporation and Hosur Municipality selected as Model Cities for support under the sub-component – Orders – Issued.

MUNICIPAL ADMINISTRATION AND WATER SUPPLY (MA2) DEPARTMENT

G.O.(Ms)No.31 **Dated: 17.02.2015**

திருவள்ளுவர் ஆண்டு 2046

ஜய வருடம், மாசி 5

Read:

From the Director of Municipal Administration,
Roc.Lr.No. 16865 / 2014 / WB, Dated 10.12.2014.

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ORDER:

The proposed World Bank assisted Tamil Nadu Sustainable Urban Development Project (TNSUDP) has "Model Cities" as one of its sub-component with the main objective of demonstrating new models in urban management.

2. Under this sub-component, three selected medium sized Urban Local Bodies will be empowered and incentivized to improve governance and service delivery, such that the "Model Cities" become role models for the urban local bodies across the State.

3. The Director of Municipal Administration in his proposal read above has stated that the World Bank pre-appraisal Mission which visited the State during October 2014, has agreed on the Disbursement Linked Indicators (DLIs) approach for the Model Cities sub-component and also four 'Reform / Management / Governance' areas, namely, (i) Urban Local Bodies' Empowerment and Capacity, (ii) Sustainable finances; (iii) Development Planning; and (iv) E-governance and Government of India 'Smart City Program' Information and Communication Technology benchmarks that would form the basis for Disbursement Linked Indicators.

4. The Director of Municipal Administration has also stated that, the selected Model Cities will be provided an annual grant based on satisfactory performance in these urban governance / management areas aggregating to

US $ 60 million for all model cities over the period of Tamil Nadu Sustainable Urban Development Project.

5. Disbursements will be based on the achievement of pre-specified results / annual targets specified in the set of Disbursement Linked Indicators in these four areas. On achieving the Disbursement Linked Indicators, these disbursements will be against a set of 'Eligible Expenditures'.

6. The Director of Municipal Administration in his proposal read above has stated that, Population and population growth, Revenue Expenditure base and presence of revenue surplus, Availability of master plans and plans for Infrastructure are the parameters for selection of Model Cities and has furnished a summary of the status of the Municipal Corporations and Municipalities in the State, with respect to the said criteria.

7. The Director of Municipal Administration has stated that, based on a review of these criteria, two options were examined for selection of cities under the Model Cities component:

(I) A threshold level of population and future potential as reflected in recent population is a critical consideration for selection of a city as a model city. Two cities, Vellore and Erode, with a population base higher than 475,000 and population growth greater than 20% emerge as eligible cities.

(II) A review of latest available financial accounts Vellore (2013) and Erode (2014) indicate that both cities have a revenue expenditure base higher than Rs.50 crore with a revenue surplus and hence meet threshold level of revenue expenditure necessary to be in a position to absorb the USD 60 million (Rs.360 crore) over a 5 to 6 years period, as proposed under the model Cities component.

8. The Director of Municipal Administration has further stated that, Vellore and Erode cities also have Water supply and Under Ground infrastructure coverage, at-least, partially within the city and plans for revision. While Vellore already has a Master Plan approved in 2011, the Master Plan for Erode is currently under revision.

9. The Director of Municipal Administration has stated that, apart from the above two Corporations, during discussions with the World Bank, addition of one Municipality under the Model Cities component was discussed. In this regard, Hosur emerges as the eligible Municipality in view of the factors that, (i) Hosur municipality is a special grade municipality (ii) As a leading industrial city, it has significant industrial intrinsic potential for development (reflected in the rapid growth in population in city / extended areas) (iii) With the completion of Hogenakkal water supply, a water distribution system and underground drainage system are being planned for the city.

10. The Director of Municipal Administration has stated that in view of the above factors, the Vellore City Municipal Corporation, the Erode City Municipal Corporation and the Hosur Municipality emerge as the eligible cities for support under the Model Cities sub-component of the Tamil Nadu Sustainable Urban Development Project and requested the Government to issue necessary orders in this regard.

11. The Government after careful examination of the proposal of the Director of Municipal Administration on the selection of Vellore City Municipal Corporation, Erode City Municipal Corporation and Hosur Municipality (which emerge as the eligible cities as per the parameters) as the Model Cities for support under the Model Cities sub-component of the Tamil Nadu Sustainable Urban Development Project, accept the same and orders accordingly.

(BY ORDER OF THE GOVERNOR)

K. PHANINDRA REDDY
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Director of Municipal Administration, Chennai -5.
The Chairperson and Managing Director,
Tamil Nadu Urban Infrastructure Financial Services Limited,
Chennai-17.
Copy to:
The Ministry of Urban Development,
New Delhi – 110 001.
The Department of Economic Affairs,
Ministry of Finance, New Delhi – 110 001.
The Country Director,
World Bank, New Delhi.
The Special Personal Assistant to the Hon'ble Minister (MA, RD, Law, Cts, & Pri.)
Chennai-9.
The Finance (EAP/MAWS) Department, Secretariat, Chennai-9.
Sf/Sc

/FORWARDED BY ORDER/

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