

CENTRALLY SPONSORED SCHEME FOR INFRASTRUCTURE DEVELOPMENT IN MEGA CITIES

The Centrally sponsored scheme for infrastructural development in mega cities was initiated during 1993-94.

2. Primary objective of the scheme was to undertake infrastructure development projects of city-wide/regional significance covering a wide range of components like water supply and sewerage, roads and bridges, city transport, solid waste management etc.

3. Main features of the Scheme are as follows:

- (a) The Scheme is applicable to Mumbai, Kolkata, Chennai, Bangalore and Hyderabad.
- (b) Funds under the Scheme were channelised through a specialised institution/nodal agency at the State level.
- (c) Sharing between the Central Government and State Government would be in the ratio of 25%:25%; the balance 50% has to be met from institutional finance/capital market.
- (d) Projects under the Scheme consisted of a suitable mix/basket of (A) remunerative, (B) user charge-based and (C) basic services projects.
- (e) Nodal agencies would be required to provide project-related finance for urban infrastructure including water supply, sewerage, drainage, sanitation, city transport networks, land development, slum improvement, solid waste management, etc.

4. Funds flow from the Central and State Governments to the nodal agency as grant. However, the nodal agency would sanction to the implementing agencies funds for projects, as a mix of loans and grants such that 75% of the Central and State shares would be recovered & ploughed back into the Revolving Fund. The objective was to create and maintain a special fund for the development of infrastructural assets on a sustainable basis.

5. Following were designated nodal agencies for the Mega City Scheme

Mumbai	Mumbai Metropolitan Region Development Authority (MMRDA)
Kolkatta	Kolkata Metropolitan Development Authority (KMDA)

Chennai	Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO)
Hyderabad	Andhra Pradesh Urban Infrastructure and Finance Development Corporation (APUIFDC)
Bangalore	Karnataka Urban Infrastructure Development Finance Corporation (KUIDFC)

6. Details of funds released to the mega cities as Central share since inception of the Scheme are available at Annexure-I.

7. The State Level Sanctioning Committee in all the Mega Cities approved 676 projects at an estimated cost of Rs. 8626.39 crore. As per reports received, an expenditure of Rs. 5627.80 crore has already been incurred on the approved projects. The Mega City Nodal Agencies were making efforts to mobilise institutional finance and an amount of Rs. 2178.03 crore was mobilised from HUDCO and other sources. The details of financial and physical progress under the Mega City Scheme are at Annexure II.

8. As the Mega City Scheme subsumed in Jawaharlal Nehru National Urban Renewal Mission (JNNURM) launched on 3.12.2005, no new proposal was taken up under the mega city scheme since 2005-06. Only ongoing projects sanctioned up to 31.3.2005 were provided Central assistance to meet out the committed liabilities. Total central share released under this scheme up to 31.3.2007 was Rs.1753.84 crore, thereby meeting almost total committed liabilities of the Central Government. There are 112 ongoing projects as on 31.9.2007. The scheme has been formally closed w.e.f. 1.4.2007.