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HOUSING & URBAN DEVELOPMENT DEPARTMENT

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Rural Urban Transition Policy

Chapter I — Background on India and Odisha's urbanization trajectory

1. Introduction

India has been urbanizing at a rapid pace and much of its future socio-economic development depends on its cities. At present, over 400 million people reside in India's cities, and is projected to reach over 600 million by 2035 comprising approximately 43 percent of India's total population, only the second highest globally after China. By 2030, over 70% of India's GDP and new employment opportunities are expected to come from India's urban areas.

Odisha has been steadily urbanizing but at a slower rate than the rest of the Country. As per the 2011 Census, about 17 per cent of the state's population lived in towns and cities, compared to India's 31.16 percent living in urban areas. At present, the state has approximately 8 million people living in towns and cities and by 2036, approximately 10 million or 21 per cent of Odisha's population is expected to live in urban areas. As per Census 2011, this growth in the State's urban population has been fueled by a significant extent due to growth in census towns (37.9%) and rural-urban migration (32_8%). With Odisha's urbanization trajectory being thus mainly anchored by the reclassification of rural areas as urban, there needs to be a systematic focus on aiding these quasi-rural areas to grow into full-fledged well-functioning towns and cities.

The proposed policy aims to bridge this gap by developing a systematic approach towards urbanization in peri-urban areas.

2. Defining the urban'

a. Governance mechanisms of Indian cities

i. 74th Constitutional Amendment Act

As the State moves on the path of further urbanization and strives to develop its towns and cities, it is important to understand what is the definition of 'urban' and its various factors. The definition of 'urban' in India finds its basis in the Constitution (Seventy-Fourth Amendment) Act, 1992 which recognized municipal governments as a formal part of the three-tier governing system along with Union and State Governments. The Act highlights that urban areas are to be governed by one of the three types of urban Government — Nagar Panchayat, Municipal Council, and Municipal Corporation based on the size of the area. The Act further demarcates areas to be 'smaller urban areas', and 'larger urban areas' based on factors such as area population, population density, revenue generated for local administration, percentage of employment in non-agricultural activities, and economic importance. However, the specific criteria for defining urban areas and the nature of municipal governments have been left to the aegis of state governments through their respective Municipal Acts.

ii. 2011 Census of India

From an administrative viewpoint, the Census 2011 states that India's urban system is comprised of 7933 settlements of which 4041 are statutory towns and 3892 are census towns. Urban agglomerations have also been included to indicate the continuous spread of towns and outgrowth. Census Towns are settlements that are classified as urban but are mostly governed as villages, with the following defining factors:

- a. Minimum population of 5000
- b. 75% of male main workers engaged in non-agricultural work
- c. Density of 400 persons per sq km.

Statutory towns are settlements that are notified by the State/UT Government and are Governed by municipal corporations, councils, town panchayats and other related categories. Almost all State Governments use different criteria for the classification of a settlement as a statutory town or village and the governance mechanism for the same. Broadly the factors are:

- a. Area
- b. Population size
- c. Population density

- d. Occupation
- e. Revenue
- f. Economic Importance
- g. Pace of urbanization
- h. Demand for progressive services

States use these above factors in different ways and also have varying qualifying thresholds which make their definitions of statutory towns, unique.

b. Odisha's definition of urban area

As per the Orissa Municipal Act, 1950 the State Government classifies urban areas in three categories transitional area, smaller urban area and larger urban area. The qualifying thresholds of these three categories are similar to the 74th Constitutional Amendment Act and are based on the population of the area, population density, revenue generated for local administration, percentage of employment in non-agricultural work and economic importance. The Orissa Municipal Corporation Act, 2003 follows the same definition for 'larger urban area' and provides for the provision of Municipal Corporation in such areas. The number of elected Corporators has also been specified for larger urban areas based on the area population size. Importantly, the state government upholds that all areas (having a population of at least ten thousand) will be Governed by Notified Area Councils. It also set a path for transition — that is when an area becomes a 'smaller urban area' (having a minimum population of twenty-five thousand) the Notified Area Council becomes a Municipality. When a 'smaller urban area' becomes a 'larger urban area' (having a population of at least three lakhs), its Municipality is deemed to become a Municipal Corporation.

Hence, from the legal viewpoint, Odisha has given importance to not only different forms of urban areas but has also considered areas in the broader ambit. However, there is no clear path as to how the transition is to take place and in a manner such that the smaller urban or peri-urban areas are able to face the challenges of the change. This following policy aims to develop a roadmap to support the transformation of peri-urban areas to areas governed by urban local bodies, in a structured and phased manner.

3. India's problem of peri-urban areas

While there is no one definition for peri-urban areas, they can be described as fringe areas of the cities or adjoining rural areas that are linked with the city's economy, having a mix of rural and urban economic activities and are in a phase of constant

change. As these settlements begin transforming and showing urban characteristics, they should ideally be granted an urban status and be governed by municipal Governments.

While the re-classification of an area as urban or rural, on paper, is a legislative process - in reality, is linked to political and economic factors. Although there are guidelines that propose population and other criteria for settlements to be governed as urban, these are not binding on State Governments. As a result, the decisions to convert settlements from rural Panchayats to urban local bodies can be arbitrary and vary across States. For instance, the state of Tamil Nadu switched the classification of more than 500 urban areas to rural in a bid to obtain more funds from the Union Government. In June 2004, the Government of Tamil Nadu directed the "reclassification of 566 Town Panchayats as village panchayats." This was subsequently overturned by the State in July 2006.

However, despite it being a political process, there still exist advantages of re-classifying peri-urban areas to urban, which are:

Incentives for a settlement to be defined as 'urban'

- The promotion of urbanization is key to India's development agenda and is also entangled with the urban aspirations of people.
- Urban areas attract proportionally more talent, employment and investment opportunities.
- Urban areas are also eligible to accept funding under schemes such as AMRUT, Swachh Bharat Mission-Urban, PMAY-Urban and Smart Cities Mission,
- Once a settlement reaches a critical population size, large scale networked urban services can be serviced only through resources available to urban local bodies and would need planned interventions.

Whilst, there exist several benefits to this re-classification process, disorganized urbanization in such areas can also compound their existing challenges:

- Increasing population densities and uncontrolled/unplanned growth in the peri-urban areas, leads to haphazard development of built structures that do not meet building safety norms. Such areas also lack statutory development plans, development controls, building by-laws, land use maps and institutional monitoring systems.
- Such unplanned growth also leads to inequity — while there is growing acquisition of land by private developers for housing and other infrastructural

projects, it also leads to the displacement of the native population, causing socio-economic issues.

- Unplanned development leads to the emergence of unauthorized colonies/slums that lack access to basic services and have poor quality of life.
- Indiscriminate changes to land use result in agricultural land being converted for urban use, without a planned approach, which adversely affects local and regional food supply chains.
- Due to such areas not having access to formal service delivery systems, there exist inefficiencies in water and sanitation systems (such as use of untreated water, depletion of surface water resources, pollution of surface water, water logging due to lack of surface water drainage, open waste dumping), which have a direct effect on the health and environmental conditions
- The peripheral location of such areas also leads to mobility related issues such as poor connectivity to the main city, lack of suitable transport networks, and poor road infrastructure. This proposed policy thus becomes an important step in not only recognizing the issues faced by peri-urban areas but also using a planned, systematic approach towards transforming these areas into 'city systems'.

Chapter II — Odisha's Proposal for Systematic Urbanisation of Peri-Urban Areas

1. Goal of the Policy

Odisha Government proposes to initiate a policy with the goal of providing a systematic response for peri-urban areas which are at present governed by Gram Panchayats, to be absorbed or re-defined as 'urban areas' without any abrupt change and in a manner that empowers all related stakeholders. For this purpose, the Department of Housing & Urban Development (HUDD), Government of Odisha is proposing this policy to support the development of peri-urban areas through a comprehensive plan that seeks to provide urban level of services and infrastructure during the transition phase to these selected areas in a systematic manner.

This future-looking and aspirational policy is tied to Odisha Government's objective of transforming the lives of more than 7 million people across its 115 towns and cities. The government has consistently worked towards improving urban infrastructure and services, livelihoods and participatory governance through various schemes and missions such as — the JAGA Mission, Biju Adarsh Colonies development, empowerment of Mission Shakti Women's Self-Help

Groups through the MUKTA scheme, GAMMA and Drink from Tap schemes for improvement of drinking water and sanitation facilities as well as building safe and inclusive public spaces.

Underlying all the development works and schemes, the Odisha Government has consistently followed the principle of equitable growth for all. In line with this foundational principle, the vision of this proposed aspirational policy is to follow a decentralized model of **"giving basic services to everyone and leaving no one behind"**. Through this policy, the Government seeks to transcend rural-urban demarcations, and ensure that every person in the identified areas have access to urban services and infrastructure — with such systems flowing like a water foundation, by cross-cutting boundaries. Based on this approach, it is the vision of the government to upgrade infrastructure and civic services (on saturation basis) of all identified areas in an equitable manner, with focus on right to city level services and infrastructure for all persons despite their location of residence.

1.1. What is a Peri-Urban Area?

Peri-Urban spaces are zones in between or in transition between the notified city spaces and rural spaces. They have three key characteristics:

- They are in between the urbanized built up area and the rural landscape and in most cases are experiencing changes in their land use from one dominant form of use to another
- They are prone to governance transitions with established institutions being taken over by new actors which in certain cases causes informal decision-making processes and development
- There exists a two-way flow of commuters/migrants to the city, as well as goods, capital and information being exchanged in both directions.

For the purpose of the following policy, Census Towns and adjoining rural areas to existing Municipalities, Municipal Corporations, and Notified Area Councils would be considered under the broader eligibility framework of peri-urban areas.

2. Rationale

As per Census 2011, Odisha's urban growth has been led to a significant extent by its census towns (37.9 percent}. While Census 2011 notes that there are 116 Census Towns, a further 46 Census towns with 0.24 million population has been estimated for 2021. The growth of such areas with characteristics of urban but

being governed by village Panchayats, shows the dichotomy of transformation. This policy is also in line with the Ministry of Housing & Urban Government, Government of India's request to State Governments to take steps towards converting Census Towns to Statutory Urban Local Bodies to promote planned urban development,

A flexible policy that would enable the growth of such areas into full-fledged towns and cities, is therefore imperative. Such a policy would also have the benefit of not having to follow a rigid master plan. The challenges of following a master-plan-based approach include:

- Since master plans are locked for a period of 20-25 years, it fails to predict the dynamic nature of human settlements.
- It is a theoretical concept based on conventional principles that are largely disconnected from the changing socio-economic conditions of urban areas
- Lack of coordination with economic plans exists since most master plans do not consider location specific sectoral outlays and economic growth potential
- The edges of urban boundaries are not included in the planning process, which not only causes concern for rural-urban linkages but also leads to unplanned growth (such as the Lal-Dora or Abadi lands of Delhi)
- The master plans are not congruent with the resources of Local Authorities and therefore suffer from financial budgeting challenges
- Master plans do not explicitly include economically weaker sections in planning — for instance, slum areas are mostly deprived of essential services and right to land in such planning systems
- There exists a mismatch between the land earmarked for development and the realistic growth opportunities from such areas
- The master planning approach has potential for the misalignment of roles and responsibilities of governing bodies, particularly for peri-urban, urban villages and adjoining rural areas

Hence, this policy seeks to circumvent the above challenges by supporting the peri-urban areas and working with the communities and local governance structures, before they transition to full-fledged towns and cities.

3. Objectives

The larger objectives envisaged under this policy are:

- Aiding in the systematic transformation of peri-urban areas from being governed by rural local bodies to urban bodies

- Bridging the existing divides between the peri-urban area and proposed urban area (either Notified Area Council/Municipality/Municipal Corporation) with respect to gaps in infrastructure, facilities, and services
- Strengthening governance mechanisms to enable peri-urban areas to transform into urban areas with minimal financial and administrative hassles

4. Principles of the Policy

The principles around this policy would focus on:

1. Enabling supportive governance mechanisms to facilitate the shift of rural to urban areas
 - The identified peri-urban areas would be absorbed into adjoining urban local body
 - The definitional change will only take place when the existing political council term ends
 - Urban level of services and infrastructure would be provided to such peri urban areas (at present governed by Gram Panchayats) in a phased manner during the transition period
2. Systematic provision of high-quality urban infrastructure and services to peri-urban areas
 - The State Government would start providing services and infrastructural support even before the peri-urban or rural area formally transitions to an 'urban' area
 - HUDD would liaison with the defined rural or peri-urban areas to understand and plug the existing gaps
 - In cases where the Special Planning, Development Authorities and Regional Improvement Trusts are in charge for specific rural areas, they would be hand-held for the provision of urban level of services. HUDD would finance this support and hand-holding for such areas
3. Definition of standard of services and support for peri-urban areas
 - Since there does not exist a standard of what kind of services should be provided to the peri-urban areas, such standards would be defined to fit the need of particular areas
 - Support would be given to the local political and bureaucratic administration, to help them in the transition process

4. Financing and revenue collection from peri-urban areas in a phased manner

- Even before the designated area would be re-defined as urban, the State Government would support the transition through budgetary allocations such services and infrastructure suitable to existing quality and standards as required in urban areas can be provided

Taxes and user charges (including property taxes) would be levied from individuals residing in such areas, incrementally (for instance— implementation of such charges in year 1 could be 30%, followed by increase to 60%, 80%, and 100% in the corresponding years — tentative, to be finalized by the State Government) such that when the area transitions into a definitionally urban area, the residents are not faced with financial shock.

5. Institutional Framework of the Urbanisation Policy

The implementation of the proposed policy is to be governed by the Steering Committee, whose role is to advise SUDA, and relevant DUDA/DAs regarding the performance of their functions and supervise the overall implementation of the policy. An Advisory Committee comprising of experts from relevant fields is also to be constituted at the state level, to provide inputs on the selection of areas and overall implementation strategies.

In terms of implementation, a 'hub and spoke' governance approach will be used with the state level "hub" managing the overall implementation, and notifying "spokes" (as and when new periurban/rural areas are identified within the ambit of this policy) for implementation of the ground-level work.

The State Urban Development Agency (SUDA) will take on the role of the project management "hub" at the state level. This body will not only discharge both urban and rural governance functions in peri-urban/rural areas but also act as a systems converter by ensuring smooth conversion of the identified areas into urban areas. As and when, new peri-urban/rural areas are notified under this policy to be considered for the transition process, the relevant District Urban Development Agency (DUDA) or Development Authorities (DA) will be considered as the "spoke" for implementation of the identified works at the ground-level,

Given the extent of this proposed policy, SUDA and DUDA are to be reinforced with technomanagerial resources by allocating the implementation to certain regular officials on deputation and through procurement via open market/outsourcing. To guide and monitor the implementation, DUDAs/DAs are to be created within the ambit of SUDA and the

relevant DUDA/DAs with engagement of key stakeholders from all relevant departments/agencies such as water supply, energy, roads etc.

5.1. Steering Committee

- The Governing Body of the Steering Committee is to be chaired by the Chief Secretary.
- Other members of the Steering Committee include:
 - Development Commissioner,
 - Secretaries in-charge of the departments of Housing & Urban Development, Finance, Revenue, Rural Development, Panchayati Raj & Drinking Water, Works, and Energy.
- The Principal Secretary, Housing and Urban Development Department is to act as the Member Secretary for this body.
- An Advisory Committee will also be constituted at the State Level, which is to be comprised of urban planners, urbanization and urban governance experts, academicians, finance and infrastructure professionals as well as other relevant persons, as and when the Government deems it necessary.

5.2. Hub State Urban Development Agency

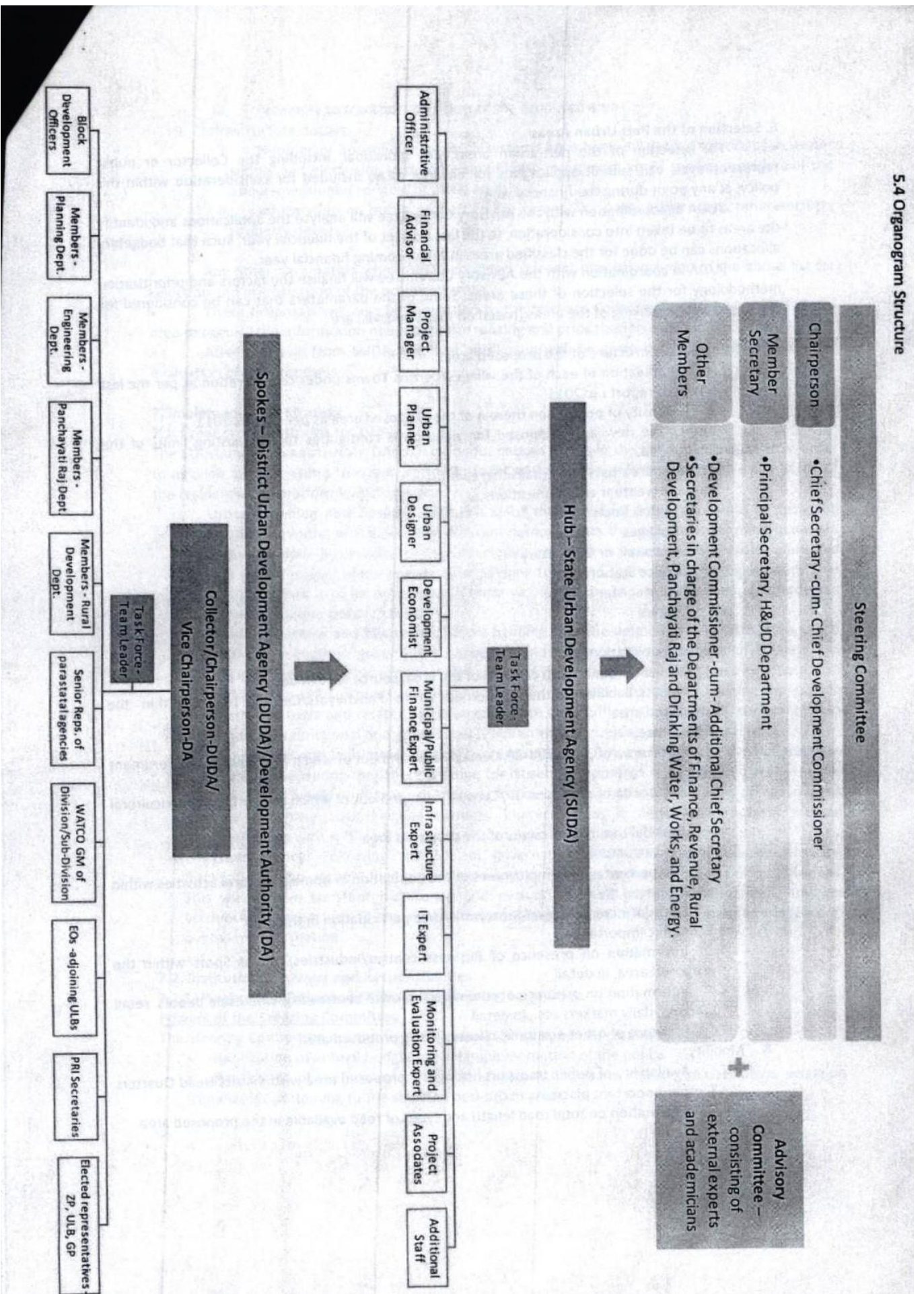
- SUDA is the nodal implementation body for this proposed policy
- The Secretary, H&UD Department and Vice Chairperson, SUDA will act as the bridge between the Steering Committee and SUDA.
- On an ongoing basis, SUDA will report to the Steering Committee regarding the implementation progress of the defined targets under the policy
- A Task Force is to be constituted within SUDA to manage the administrative processes and coordinate with the notified DUDAs/DAs to ensure on-track progress of the implementation targets

5.3 Spokes — District Urban Development Agency/Development Authority

- As and when new peri-urban areas are notified for inclusion within their adjacent urban local bodies under this policy, State Government shall notify the relevant DUDA or DA (as per the location of the selected area) to become the on-ground implementation agency or 'spoke' for this policy
- In case of DUDA, the Collector/Chairperson, DUDA is to report to SUDA on a frequent basis with respect to the progress of the on-ground implementation.
- In case of DAs, the Vice-Chairperson, DA is to report to SUDA on an ongoing basis and act as the bridge between the 'Hub' and 'Spoke'__

- The DUDAs and DAs are to be supported by DUDAs/DAs to effectively implement the policy at ground-level. The following members can be included in the Task Force, but not restricted to :
 - Project Director-DUDA
 - Block Development Officers
 - Members from Planning Department
 - Members from Engineering Department
 - Members from Panchayati Raj and Rural Development
 - Representatives (senior members) of parastatal agencies such as rural development, road agencies, water supply etc.
 - Water Corporation of Odisha (WATCO) General Manager of Division/Sub-division
 - Executive Officers of the adjoining ULBs of the selected areas
 - Panchayati Raj institution (PR!) Secretaries.
 - Elected representatives from the local bodies, including Sarpanch of the rural area, Mayor and Councillors of adjoining urban areas, and Lila Parishad member.

5.4 Organogram Structure



6. Selection of the Peri-Urban Areas

- For selection of the peri-urban areas, any individual, including the Collector or public representatives, can submit applications for an area to be included for consideration within this policy, at any point during the financial year.

- SUDA in coordination with the Advisory Committee will analyse the applications and identify the areas to be taken into consideration, in the last quarter of the financial year, such that budgetary allocations can be done for the classified areas in the upcoming financial year.

- SUDA in coordination with the Advisory Committee will finalise the factors and prioritization methodology for the selection of these areas, Some of the parameters that can be considered for the selection and ranking of the areas (based on the proposals) are:

1. Population structure of the proposed area:

- i. Population of each of the villages/Census Towns under consideration as per the last census report i.e. 2011.
- ii. Density of population therein of the proposed area as per Census 2011

2. Whether the new area proposed for inclusion is contiguous to the existing limits of the Municipality area.

3. Whether there exists and details therewith:

- i All weather communication
- ii High Schools
- iii. Colleges
- iv. Hospitals or Dispensary
- v. Police Station
- vi. Sub-register's Office
- vii. Banks

4. Revenue mobilisation:

- i. Revenue Generation capacity of the area, source wise in detail: -
- ii. Assets/liabilities of the concerned Gram Panchayats/Census Towns within the proposed area:

5. Land Structure:

- i Total area of proposed GP/Census Town and out of which availability of Government land
- ii Total area of proposed GP/Census Town and out of which percentage of agricultural land
- iii Decadal rise in land values of the proposed area -

6. Employment structure:

- i The percentage of employment of the population in non-agricultural activities within the proposed area
- ii Decadal increase in non-farm work force participation in the area

7. The Economic Importance:

- i. Information on presence of Business centres/Industries/Tourist Spots within the proposed area, in detail
- ii. Information on presence of commercial growth centres like wholesale depots, retail markets, daily markets etc., in detail
- iii. Presence of other economic clusters in the proposed area

8. Mobility:

- i. Availability of public transport linking the proposed area with District Head Quarters & other important places:
- ii. Information on total road length and types of road available in the proposed area.
- iii. Proximity to transport corridors of the proposed area

9. Infrastructure details:

- i. Number of households in which systems have been developed for drainage, water supply and electricity, in detail — should also include details of service providers of the above-mentioned services in these areas.
- ii. Information on public properties like community halls, playgrounds other ancillary property details.

- Any other parameters which SUDA considers relevant may be included in the above list for selection and prioritization of the proposed areas.
- These proposals will also be forwarded to the relevant Collector/District Magistrate of the area to acquire the information needed for the ranking and prioritization exercise.
- After approval from SUDA, the final notification will be given by H&UD Department after evaluation of the proposals.

7. Implementation Strategy

7.1. Creation of Platforms for ULBs

The SUDA and relevant DUDAs/DAs will carry out certain duties in the short and long term in order to develop a 'city-systems' focused platform model, with the aim of improving the quality of life of the residents. The platforms will focus on:

- i. **Urban Planning and Design:** SUDA will assist the identified peri-urban areas in designing spaces that is mindful of the needs of different demographics through inclusive, mindful design. This would be done by assisting ULBs in developing robust area based and GIS master plans and in cases where master plans already exist, seeking to amend them to suit changed needs. The infrastructure that is to be developed in areas would also be in line with urban standards and would keep inclusive needs in mind
- ii. **Urban Capacities and Resources: Before handing over the defined area to ULBs, care would be taken to strengthen government capacities and enhance resources through training and process improvements.** This would involve seeing to that the proposed ULBs have adequate staff to function in a self-sufficient manner. Additionally, it would also involve training the staff in administrative tools and related requirements, such that sufficient skilled staff are available to understand the functional and operational requirements of running an urban local body.
- iii. **Empowered and legitimate political representation:** SUDA would also aid the defined peri-urban areas in ensuring that there is scope for citizen participation in the defined area. **For this** purpose, SUDA would work towards defining the electoral wards and build ward offices in areas that do not have such existing systems. Indirectly, this is aimed to empower elected representatives with sufficient resources and tools to impact local governance.
- iv. **Transparency: Following** the 5Ts of governance, SUDA will work towards ensuring transparency and accountability in all the works carried out in the identified peri-urban areas. This will involve constant monitoring and evaluation, third party evaluation and stringent accountability measures to ensure that the work happens in a time-bound manner and leads to overall transformation.

7.2. Institutional Powers and Responsibilities

7.2.1. Powers and Responsibilities of the Steering Committee

Powers of the Steering Committee

The Steering Committee has the following powers to carry out its responsibilities:

- Ratification of annual budget for the implementation of the policy
- Ratification of the implementation strategies, action plans, reports, master plans, selection frameworks pertaining to the selected peri-urban areas
- Ratification of amendments to laws and regulations pertaining to the implementation of this proposed policy
- Final approval of the selected peri-urban areas to be considered under the policy
- Final approval of the notified DUDAs/DAs of the selected peri-urban areas to act as the on-ground implementation agencies or 'spokes'
- Sanctioning of the officials and additional staff required under the Task Forces at SUDA, DUDA, DAs and clerical staff in the selected areas
- The Chairperson may invite representatives from any other department on special invite as deemed proper
- The Chairperson may constitute the Advisory Committee and invite experts/academicians/civil society organisations/community organisations on special invite as deemed proper

Responsibilities of the Steering Committee

The following responsibilities will be carried out by the Steering Committee:

- Take necessary direction for the identification of annual targets with respect to the implementation of the policy and ensure that it is in alignment with the overall goal of the State Government.
- Conduct quarterly review meetings to understand the progress of the implementation vis a vis the defined targets
- Provide recommendations to the implementation agencies on their strategies and work plans
- Timely monitoring and ensuring the quality of the implementation
- Identifying and monitoring risks to effective implementation of the policy
- Providing advice and taking necessary steps about changes to implementation strategies, as the projects develop

7.2.1. Powers and Responsibilities of the Steering Committee

Powers of SUDA

SUDA has the following powers to carry out its responsibilities:

- Hire consultants/executive agencies/professionals to discharge the responsibilities (as part of the Task Force at SUDA and DUDAs/DAs), by issuing tenders and following the H&UD Department protocols.
- SUDA has the power to review, along with the Expert/Advisory Group, reports and plans being sent by the DUDAs/DAs concerning the selected areas
- Propose amendments to laws and regulations pertaining to infrastructure development, revenue mobilization, land acquisition, staffing and other relevant issues for the selected periurban areas
- Authority to recommend restriction of fund flow in case the DUDAs/DAs are not able to meet the targets without any valid explanation.

Responsibilities of SUDA

The following responsibilities will be carried out by SUDA:

i. Selection of Areas

- a. SUDA will notify the framework for the selection of the areas, including the indicators and weightages. Based on the framework, SUDA and the Expert/Advisory Group will rank and prioritize the proposed areas for selection
- b. Based on expert insights, the framework can be reviewed and amended every 5 years
- c. After the ranking and prioritization exercise, SUDA will propose the names of the selected areas for approval from the Steering Committee

ii. Data Collection and Planning

- a. SUDA and Expert Group will provide feedback and/or ratify the data collection processes for the gap assessment to be undertaken by the DUDAs/DAs for the selected areas.
- b. SUDA will provide feedback on the master plan to be developed by the DUDAs/DAs. The body will also initiate the processes to approve or amend the master plan for the proposed areas.

iii. Development of the Area Integrated Action Plan

- a. SUDA and Expert Group will deliberate, and provide feedback for the Peri-Urban Area Integrated Action Plans (PAIAPs) to be developed by the DUDAs/DAs for each of the selected areas.

iv. Infrastructure Development

a. SODA would have sub-contracting power to execute the works. It also has the power to allocate work to the PRIs for execution of certain works.

- For capital works the implementation of all components of the projects would be carried out by either Government Agencies or through a Public Private Partnership Model/Community Partnership Model, as is decided by the implementation plan.

b. Operations and management (O&M) of all operating assets would be done by SODA till the area becomes a full-fledged ULB. This can also be carried out through a sub-contracting model:

- SUDA shall nominate or appoint agencies for operations and maintenance during the phase (that is until the area is officially handed over to the identified urban local body) either through conventional contracts or management contracts with private sector operator/community partners or as per the IAAP. This will involve a) O&M of project components by government agencies or private/community partners b) O&M of components such as water supply, sewerage, solid waste management etc. as a combined utilities management contract with a private/community sector operator

c. SUDA will monitor all the implementation works undertaken by the DUDAs/DAs with respect to infrastructure development in the selected areas and ensure that the work has been carried out as per the standards of the adjoining urban areas in which the selected area is to be merged. For this purpose, SODA can also carry out periodic field assessments for all the selected areas

v. Institution Building

a. At an appropriate time, SUDA would approve the posting of all executive officers/clerical staff needed in the identified area in advance, even before the area is identified as a new ULB or subsumed within an existing one. The staff could be nominated as Officers on Special Deputation (OSD) or Executive Officers

b. SUDA would provide feedback and give approval for building or retrofitting physical infrastructure needed for the administrative functioning of the area

- c In coordination with the Expert/Advisory Group, SUDA would develop standardized training modules regarding all the areas of work which the clerical staff posted within the area will have to undertake
- d. SUDA would undertake regular trainings for all the master trainers within the DUDAs/DAs

vi. Revenue Mobilization

- a. SUDA would notify the process for the incremental revenue recovery from the residents of the areas
- b. SUDA would notify the user charges to be levied as and when the relevant 'urban' infrastructure has been developed. SUDA would send out a notification to HUDD when the newly built/retrofitted infrastructure meets the pre-defined urban quality and standards, as per the adjoining urban areas in which the area is to be merged.
- c. Steering Committee would take the final call if 100% user charges are to be levied, once the area transitions from SODA to the ULB.

vii. Monitoring and Evaluation

In line with Odisha Government's 5T Charter of transparency and time-bound processes, a robust monitoring system has to be enacted for the purpose of this policy:

- a SUDA will act as an oversight and monitoring body for all works undertaken by the DUDAs/DAs within the selected areas
- b. SUDA will initiate the development of a centralized web-monitoring system in which progress taken up under all the projects within the selected areas are to be tracked. Photographs of all assets at different stages are to be uploaded, which are to be used for tracking the outputs vis a vis the targets set under the TAIAP
- c. SUDA will conduct regular, randomized field visits to the selected areas to check on the on-ground progress of works undertaken by the DUDAs/DAs
- d. SUDA can send out questions to Collector/Chairperson-DUDA, and Vice **Chairperson** — DA, in case the work has not been completed and/or not done in a satisfactory manner. In case of no suitable or valid explanation by the DUDAs/DAs, SUDA can recommend pausing the fund flow for future development purposes until a resolution on the matter is achieved

- e. In case of any grievance from the citizen, SUDA can step in to find a solution if the DUDAs/DAs are unable to do so
- f. On an annual basis, SUDA is to submit a report to the Steering Committee on the outcomes delivered by the DUDAs/DAs, which are to be measured against the respective targets set under their IAAPs

viii. Fund Flow and Release Processes

- a. SUDA will draft a fund flow and release mechanism for all works which are to be implemented by the DUDAs/DAs
- b. SUDA will be in charge of releasing the requisite amount based on the fulfilment of targets by the DUDAs/DAs
- c. In case of additional resources required by the DUDAs/DAs, SUDA will deliberate and/or sanction the same.

7.2.2. Powers and Responsibilities of the DUDAs/DAs

Powers of the DUDAs/DAs

The DUDAs/DAs have the following powers to carry out its responsibilities:

- Based on approval from SUDA, the DUDAs/DAs have the power to outsource their responsibilities to relevant Government agencies/parastatal agencies/community organisations/private consultants
- DUDAs/DAs have the power to recommend the restriction of fund flow to the contractual implementing partners if the work has not been completed as per the targets and no valid explanation is given

Responsibilities of the DUDAs/DAs

The following responsibilities will be carried out by the DUDAs/DAs, under supervision by SUDA:

i. Data Collection and Planning

- a. The DUDAs/DAs would take up enumeration of households, property tax assessment, provision of solid waste and septage management, drinking water, street lighting, road drain, and other civic infrastructure. The mapping would be carried out as per the provisions of the relevant Municipal Acts.
- b. The DUDAs/DAs would also carry out special indexing exercises and baseline surveys, in order to analyse the gaps and create implementation plans.

c. Area based and GIS master planning to be carried out by the DUDAs/DAs for land use/zoning — for areas with no master plan. If master plans already exist for the identified area, then the DUDAs/DAs would suggest changes, post which it will be amended by SUDA, if approved.

d. The DUDAs/DAs would also demarcate the electoral wards before handing the area over to the new U LB, and put it up to SUDA for approval.

iii. Development of the Peri-Urban Area Integrated Action Plan

a. Based on the gap assessment, the DUDAs/DAs will develop the Peri-Urban Area Integrated Action Plan (PAIAP) for future development of the selected areas, with yearly targets and indicators for tracking the progress of the selected areas.

b. As per the requirements of the area, the DUDAs/DAs can also sub-divide the PAIAP into multiple phases or make sectoral plans which can run in concurrence.

c. The DUDAs/DAs should ensure that a holistic perspective, including a multi-disciplinary approach of socio-economic, gender, urban poor perspectives and climate action viewpoints are taken into consideration during the development of the TAIAPs.

iii. Infrastructure Development

a. The DUDAs/DAs would ensure that all new infrastructural development would be as per Urban infrastructure quality standards/service standards, including road, drain, water supply, energy, parks and playgrounds, water bodies etc. These standards would depend on either the adjoining urban local body or as per the body (Notified Area Council/Municipality/Municipal Corporation) in which it is to subsumed.

b. During implementation, local resources would be utilized as far as possible, including local workforce, traders etc.

c. The DUDAs/DAs will take up all responsibilities regarding procurement for the infrastructure/service development in the areas, based on approval from SUDA.

d. Infrastructure could also be developed by using resources under wage employment schemes such as MGNREGS, which is to be operationalized by the DUDAs/DAs and not the Panchayati Raj Institutions (PRIs). In case, MGNREGS funds are not sufficient for such activities, available funds under H&UD

Department for MUKTA is to be used by routing it through SUDA and providing it to the relevant DUDAs/DAs.

iv. Institution Building

- a. The DUDAs/DAs would take care to build or retrofit buildings to suit the needs of the new ULB and wards. This would involve either retrofitting the PRI office or building a new one, in case no potential structure is available for use
- b. The DUDAs/DAs would ensure that all executive officers/clerical staff are posted in the identified area in advance before the area is identified as a new ULB or subsumed within an existing one.
- c. With respect to wards, DUDA/DAs would aid in the development of ward management groups.
- d. The DUDAs/DAs would play a facilitative role in training and capacity building of the human resources to be allocated to the UIBs.

v. Revenue Mobilization

- a. The DUDAs/DAs would initiate collection of revenue from the residents of the selected areas in an incremental manner, as per ratified notifications to be approved by SUDA and the Steering Committee.
- b. The DUDAs/DAs would levy user charges as and when the relevant 'urban' infrastructure has been developed, from the residents as per the notification from SUDA and Steering Committee.

vi. Monitoring and Evaluation

- a. The DUDAs/DAs will regularly monitor the work being undertaken by the outsourced agencies as defined by the targets under the PAIAPs and contracts with respective agencies
- b. On a weekly basis, the DUDAs/DAs will ensure that all the relevant information is uploaded on the web-monitoring system for SUDA's review
- c. The DUDAs/DAs should convene regular, on-ground citizen grievance redressal sessions to solve any challenges that might develop due to the interventions being undertaken as part of the PAIAP in the selected areas. In case no resolution can be achieved, the DUDAs/DAs can refer the issue to SUDA for solution.

d. The Collector/Chairperson-DUDA and Vice Chairperson-DA should provide explanations, with evidence to all the questions asked by SUDA regarding any works being undertaken in their respective areas.

e. The DUDA/DAs should submit monthly reports on the progress of the works being undertaken in their respective areas, in connection with the targets of the PAIAP and attached work plans.

vii. Fund Flow and Release Processes

a. The DUDAs/DAs will submit an annual budget based on the PAIAP yearly targets to SUDA for review

b. The DUDAs/DAs can request for additional finance and human resources support to SUDA, as and when required

8. Financing of the Implementation Strategy

8.1. Funding of the Projects

a. The funding for the effective implementation of this policy shall be mobilized through convergence of relevant schemes and funds and other resources available at the Central and State level. These funds are to be provided by the respective departments and agencies to SUDA, DUDA and DAs.

b. H&UD Department shall provide Critical Gap Funding (CGF) for the policy to ensure time-bound implementation, in case of fund requirement over and above available funds through convergence.

c. Appropriate user charges/taxes to be levied (as and when approved by the Steering Committee) during the transition period.

8.2. Financing of SUDA and DUDAs/DAs.

a. Funds to be transferred to SUDA, and relevant DUDAs/DAs by the identified government agencies.

b. Revenue available with DA through devolution of stamp duty may also maybe leveraged for this purpose.

9. Contractual Obligations of SUDA

a. SUDA is obligated to report the progress of the implementation strategy to the Steering Committee on a regular basis.

b. SUDA should monitor the works of all DUDAs/DAs on a regular basis and check if all the defined works have been delivered in the given deadlines. The fund release mechanism should depend on the progress of the projects.

c. At any point of time, the existing powers, contracts, and assets managed and owned by SUDA *can* be transferred to the defined ULB. after a government notification. After that point of time, it would be the responsibility of the ULB to manage the assets and collect revenues.

10. Arbitration and Dispute Resolution

a. The Development Commissioner, Planning and Convergence Department, Government of Odisha is the Authority to arbitrate grievances and disputes, wherever required. The Commissioner could also nominate an officer of appropriate rank to arbitrate disputes.

b. An appropriate grievance redressal mechanism shall be constituted under the chairpersonship of the Development Commissioner for handling local level grievances, in case no resolution could be delivered by SUDA and/or DUDAs/DAs.

By Order of the Governor
G.MATHI VATHANAN
Principal Secretary to Government.