

JAL JEEVAN MISSION (URBAN) TO PROVIDE UNIVERSAL COVERAGE OF WATER SUPPLY

Relevant for: Developmental Issues | Topic: Government policies & interventions for development in various Sectors and issues arising out of their design & implementation incl. Housing

UNION BUDGET 2021-22 - MINISTRY OF HOUSING & URBAN AFFAIRS

During her Budget speech, the Hon'ble Finance Minister announced **JAL JEEVAN MISSION (URBAN) which has been** designed to provide **universal coverage of water supply to all households** through functional taps in all 4,378 statutory towns in accordance with SDG Goal-6. Providing coverage of sewerage/septage management in 500 AMRUT cities is the other focus area. The Finance Minister also announced that Swachh Bharat Mission (Urban) 2.0 will be launched under the "Health and Wellbeing" vertical. The Finance Minister further said that a Scheme to induct over 20,000 city buses in 5 lakh plus cities including Hilly/ UT/ North East State capital cities (total: 111) will be launched to strengthen organized city bus services, improve urban mobility and ease in living.

The details of announcements pertaining to the M/o Housing & Urban Affairs are as under:-

JAL JEEVAN MISSION (URBAN)

Salient features of Mission

SWACHH BHARAT MISSION (URBAN) 2.0

During her Budget speech, the Hon'ble Finance Minister announced that Swachh Bharat Mission (Urban) 2.0 will be launched under the "Health and Wellbeing" vertical. In her speech, the FM said: *"...for further swachhata of Urban India, we intend to focus on complete fecal sludge management, waste water treatment, source segregation of garbage, reduction in single use plastic, reduction in air pollution by effectively managing waste from construction and demolition activities, and bio-remediation of all legacy dumpsites".*

A total outlay of Rs 1,41,678 crores was announced for SBM (U) 2.0, for the next 5 years. This will be a continuation of the Swachh Bharat Mission (Urban), with the following components for funding and implementation across all statutory towns, viz.

At the end of the Mission, the following outcomes are expected to be achieved:

SCHEME TO AUGMENT CITY BUSES & URBAN GREEN MOBILITY

City Bus Augmentation

A Scheme to induct over 20,000 city buses in 5 lakh plus cities including Hilly/ UT/ North East State capital cities (total: 111) will be launched to strengthen organized city bus services, improve urban mobility and ease in living. Scheme components include procurement, for city operations, of all types of new buses with clean fuel (excluding hybrid/ battery electric buses already covered under the FAME Scheme of Deptt of Heavy Industries (DHI)), associated infrastructure and opex support for a period of 5 years after procurement. An outlay of about 15,000 cr has been kept for this Scheme. It will boost automobile industry, generate direct/ indirect employment and facilitate the cities to adhere the Covid-19 guidelines i.e. social distancing in urban transport. Scheme will promote public transport, help in reducing congestion, pollution and accidents and promote clean air in these cities.

Green Urban Mobility

This Scheme intends to provide impetus to green and clean urban mobility projects. It is a step in the direction of meeting climate change mitigation and sustainability goals. The focus of this Scheme is to improve Non-Motorised Transport (NMT) infrastructure, promote innovative urban transit modes, strengthen Intelligent Transport System (ITS) facilities, retrofitting buses & other modes for energy efficiency/ clean fuel, and other technological and innovative measures for green urban transport. An outlay of about 3,000 cr has been kept under this Scheme for projects, which will be selected through Green Urban Mobility Challenge. This will help in reducing pollution levels through changes in traveling practices, improvement of urban mobility infrastructure and services such as pedestrian/ cycling pathways, last mile connectivity, enhance Information Technology applications and adopt innovations in implementation and financing of urban mobility projects.

Metro Projects

Name of project

No of corridors

Route length

Sanctioned cost (in Rs crore)

Chennai phase-2

3

118.9

63,246

Bangalore 2A and 2 B

2

58.19

14,788

Nagpur Phase-2

4

43.80

6,708

Nashik (MetroNeo)

2

33

2,092

Kochi Phase-2

1

11.2

1,957

Low cost Metro solution for tier2/3 cities

MetroLite

MetroNeo

Cities to be provided with MetroLite and MetroNeo system

Some of Tier-2 cities like Gorakhpur, Allahabad, Jammu, Srinagar, Rajkot, Baroda, Dehradun, Coimbatore, Bhiwadi- Daruhera etc. are making proposals under MetroLite/ MetroNeo and Nasik has already sent a proposal for MetroNeo, which is under consideration.

REAL ESTATE SECTOR

HOUSING FOR ALL

GOVERNMENT PROPOSES TO 100% INCOME TAX EXEMPTION FOR AFFORDABLE RENTAL HOUSING PROJECTS

Extract from Union Budget Speech 2021-22:

It is proposed to insert sub-section (1A) in the said section so as to provide for hundred per cent. deductions of the profits and gains derived from the business of developing and building affordable rental housing project.

In order to encourage proactive participation from Public/Private Entities, following incentives have been provisioned through Government of India:

SI No

Incentives

Status

similar lines as that of 'Affordable Housing' under section 80-IBA of Income Tax Act, 1961.

Announced in Budget 2021-22

2

Exemption of GST on any profits and gains derived from operation of ARHCs, at par with rental services of residential premises, vide Notification number 12 of 2017- Central Tax (Rate) dated 28th June 2017.

Accepted earlier by Ministry of Finance, Government of India (*vide letter dated 5th June 2020*)

3

Project finance/loan at lower interest rate through concessional window under Affordable Housing Fund (AHF) by Housing Finance Companies (HFCs) and Priority Sector Lending (PSL) by Commercial Banks, upon inclusion of ARHCs in Harmonized Master List (HML) on the same lines of 'Affordable Housing'

Accepted earlier by Ministry of Finance, Government of India (*vide gazette notification dated 24th August 2020*)

Background:

COVID-19 pandemic resulted in massive reverse migration of workers/ urban poor in the country. This brought issues of housing to forefront. In line with Hon'ble Prime Minister's clarion call of 'AtmaNirbhar Bharat', Union Cabinet on July 8, 2020, approved Affordable Rental Housing Complexes (ARHCs) as a sub scheme under PMAY-U. The objective of this scheme is to provide ease of living to urban migrants/poor to provide dignified living with necessary civic amenities close to their workplace at affordable rent.

This Scheme is implemented through the following two Models:

BUDGET HIGHLIGHTS

[FINANCE WING]

15TH FINANCE COMMISSION(FC) RECOMMENDATIONS FOR GRANTS TO URBAN LOCAL BODIES (FY 2021-22 TO FY 2025-26)

Key Highlights:

- 1. Substantive increase in funds to Rs 1,55,628 crore (from Rs 87,143 crore in 14th FC period, 78% increase)**
- 2. Effort to mainstream Metropolitan Governance for the first time since 74th CAA, 1992**
- 3. Two game-changer entry conditions applicable to EVERY municipality, to avail ANY grant**
- 4. Conditions for accessing grants:**
- 5. Deadline of March, 2024 for States to strengthen State Finance Commissions**
- 6. All 28 service level benchmarks, annual accounts to be published on www.cityfinance.in (Will enhance service delivery and performance management)**

MoHUA recommendations accepted by 15th FC:

RJ/NG

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