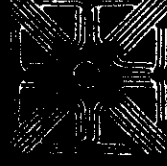


Outline for  
Basic Strategies and Financing Mechanisms  
for the Utilisation of Funds for the Eighth Five  
Year Plan (1992-1997) for the Development of  
National Capital Region



National Capital Region Planning Board  
Ministry of Urban Development  
September 1992

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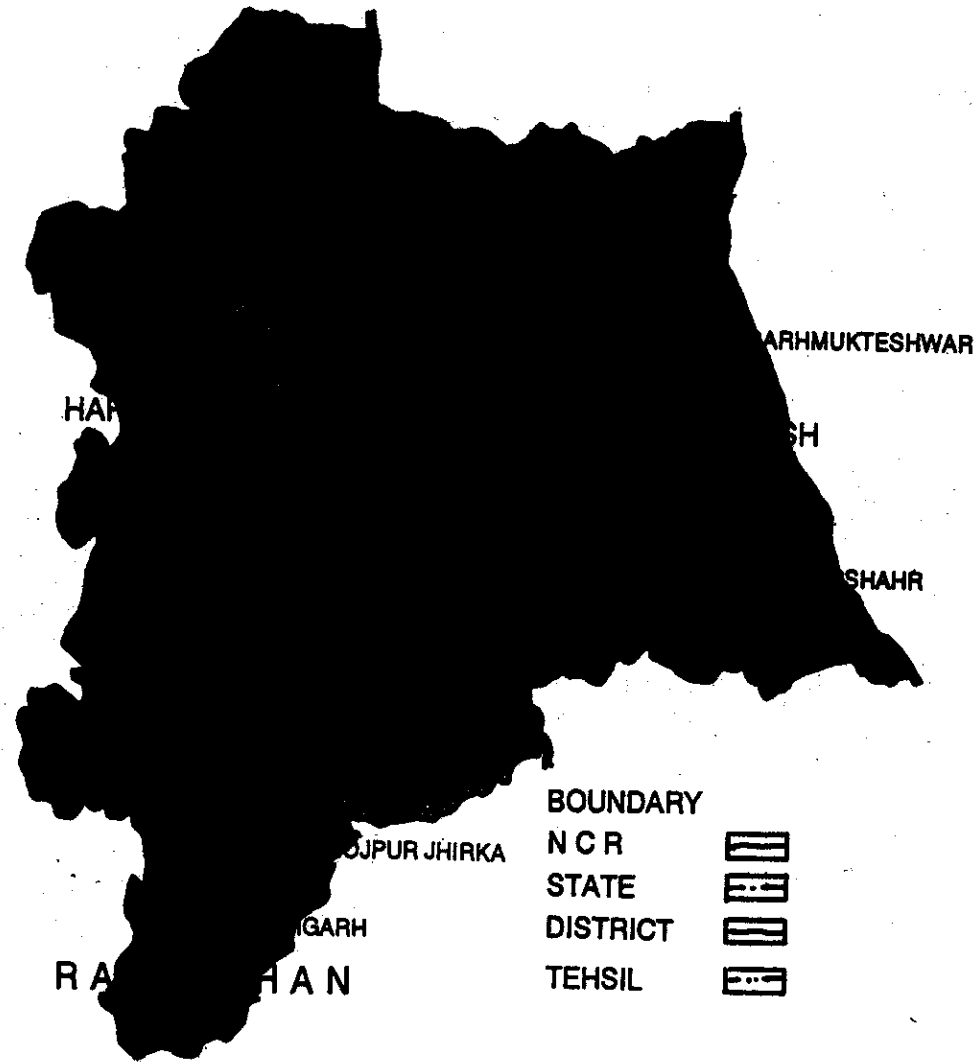


**National Capital Region Planning Board  
Ministry of Urban Development  
September 1992**

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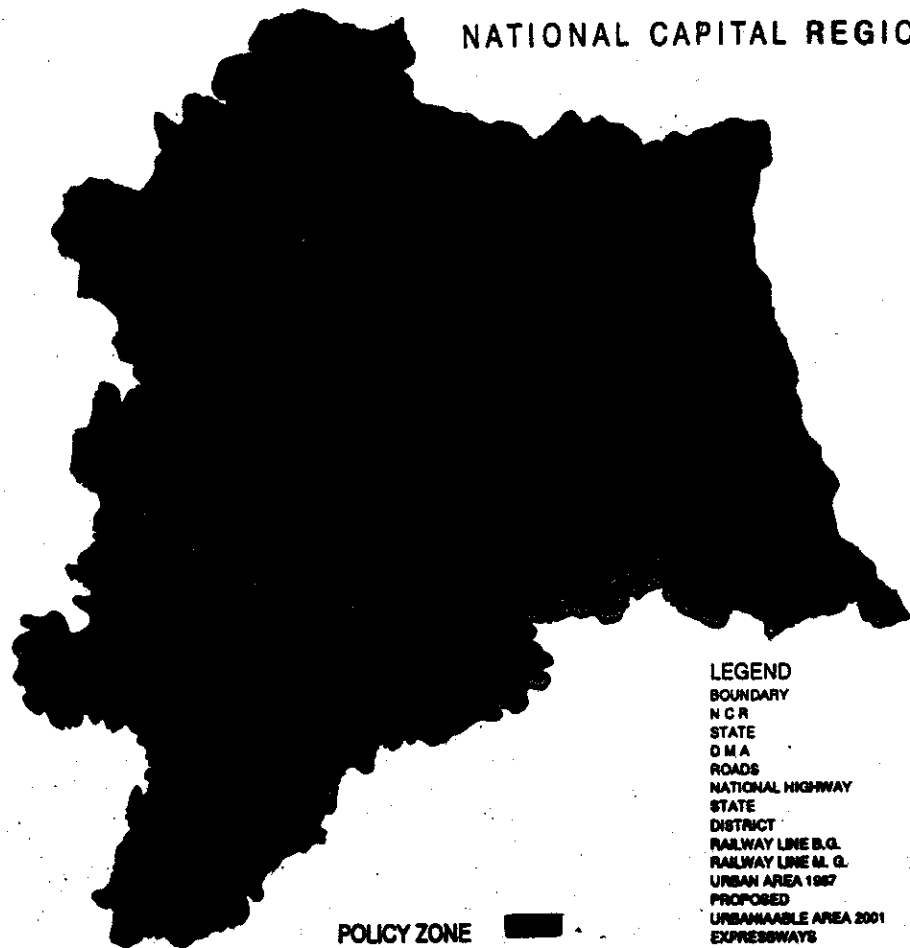
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# NATIONAL CAPITAL REGION





## NATIONAL CAPITAL REGION



POLICY ZONE [shaded box]  
 POLICY ZONE [shaded box]  
 POLICY ZONE [shaded box]

### LEGEND

BOUNDARY  
 N C R [thick solid line]  
 STATE [dashed line]  
 D M A [dotted line]  
 ROADS  
 NATIONAL HIGHWAY [solid line with double dashes]  
 STATE [solid line with single dashes]  
 DISTRICT [solid line with no dashes]  
 RAILWAY LINE B.G. [line with cross-ticks]  
 RAILWAY LINE M. G. [line with cross-ticks]  
 URBAN AREA 1987 [line with cross-ticks]  
 PROPOSED [line with cross-ticks]  
 UNSUBSIDIARIZABLE AREA 2001 [line with cross-ticks]  
 EXPRESSWAYS [line with cross-ticks]  
 OUTER GRID 2 LANE [line with cross-ticks]  
 INNER GRID 2 LANE [line with cross-ticks]  
 RLY LINE B.G. DOUBLE LINE [line with cross-ticks]  
 RLY LINE G.G. SINGLE LINE [line with cross-ticks]

## II. REGIONAL PLAN-2001

### Broad Objectives and Policies:

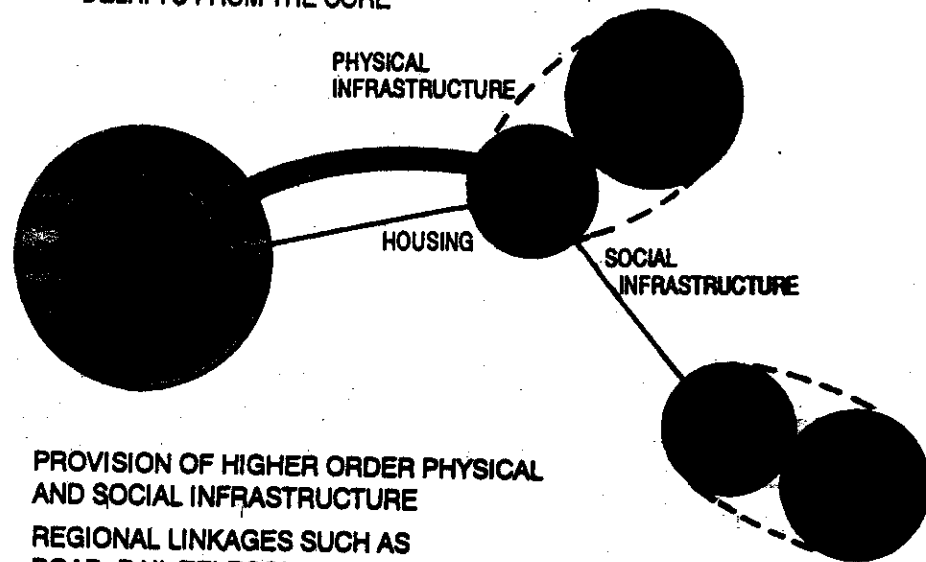
- \* The Regional Plan-2001 for the National Capital Region was approved and notified by the National Capital Region Planning Board with effect from January 23, 1989.
- \* The Regional Plan has the following core objectives:
  - a) reducing pressure of population in Delhi.
  - b) balanced and harmonious development of National Capital Region.
- \* To achieve these objectives it provides for a package of inter-related policy measures aiming at:
  - a) Containing the growth of National Capital Territory of Delhi (NCT-D) as a whole within manageable limits;
  - b) moderating the growth of Delhi Metropolitan Area (DMA) excluding NCT-Delhi and
  - c) inducing the growth of the rest of the region.

## CONCEPT OF NEW TOWNSHIP DEVELOPMENT

DEVELOPING NEW TOWNSHIPS ADJACENT TO PRIORITY/DMA TOWNS

NEW TOWNS TO CENTRE AROUND CORE ECONOMIC ACTIVITIES

ACTIVITIES TO BE SHIFTED FROM DELHI TO FROM THE CORE



PROVISION OF HIGHER ORDER PHYSICAL AND SOCIAL INFRASTRUCTURE

REGIONAL LINKAGES SUCH AS ROAD, RAIL, TELECOM AND POWER TO BE PROVIDED

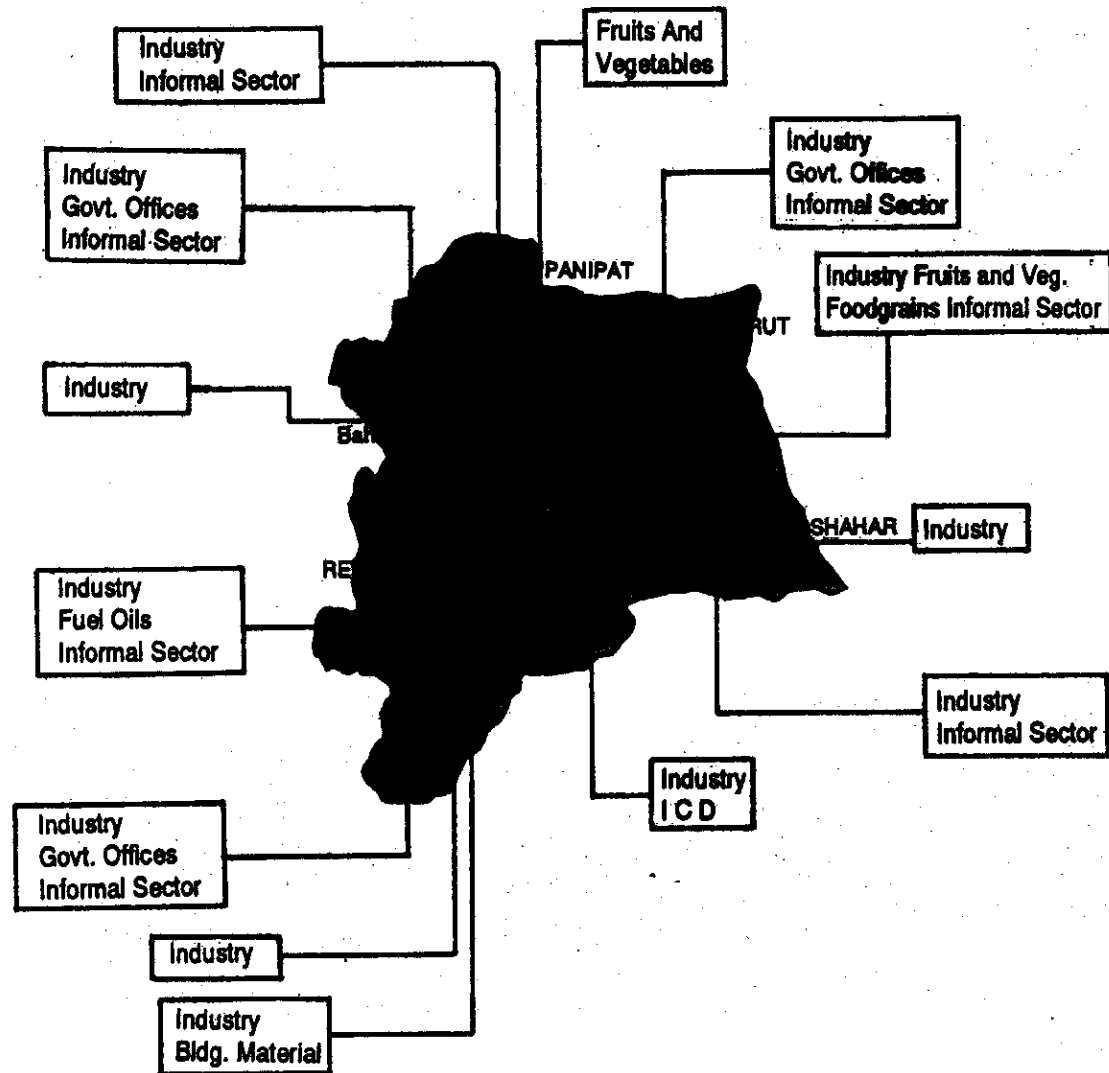
## III. STRATEGIES FOR DEVELOPMENT

The Regional Plan envisages deflection of 20 lakh population from NCT-Delhi during 1990-2001. Based on this, a population of 10 lakhs would need to be deflected during the Eighth Five Year Plan (1992-97) itself. The deflected population would have to be accommodated mainly in the 8 Priority Towns complexes and DMA towns (illustration) through a process of induced development of self-contained integrated townships in the vicinity of the existing towns. The strategies suggested in order to achieve the above objectives are:

1) Developing new townships alongside the identified Priority/DMA towns in accordance with specific Master Plans each providing for a total population growth assigned in accordance with the overall population profile of NCR envisaged for the year 2001. The State Governments and their implementing agencies would be mainly responsible for development of these townships including the trunk services infrastructure.

ii) The townships to be so developed should be centred around core economic activities such as large/medium industries, large commercial complexes like ICD and whole-sale market yards and office complexes, to be relocated out of Delhi as part of the over-all dispersal strategy, or else as new green-field projects of the State/Central Government.

**SUGGESTED LOCATIONS FOR CORE ECONOMIC ACTIVITIES IN PRIORITY AND DMA TOWNS**



iii) Higher-order social facilities of regional or national importance such as educational/medical/engineering institutions, universities, hospitals, sports complexes, tourists centres and industrial estates may also be among the specific activities to be promoted in these townships.

iv) Such major infrastructural works such as expressways national highways, railway lines and telecom-munications and power supply facilities, which are essential to the balanced and harmonious development of NCR, should be dovetailed with the development activities in these townships and funded by the concerned Ministries of Central Govt. through a special NCR component plan.

v) As a part of the process of dispersal of economic activities beyond NCT-Delhi concrete linkages should be developed, as far as possible, between the core economic and other activities to be developed in the new townships and those activities which are identified for relocation out of Delhi. Without these linkages it would not be possible to ensure that the twin objectives of NCR Plan are achieved simultaneously.



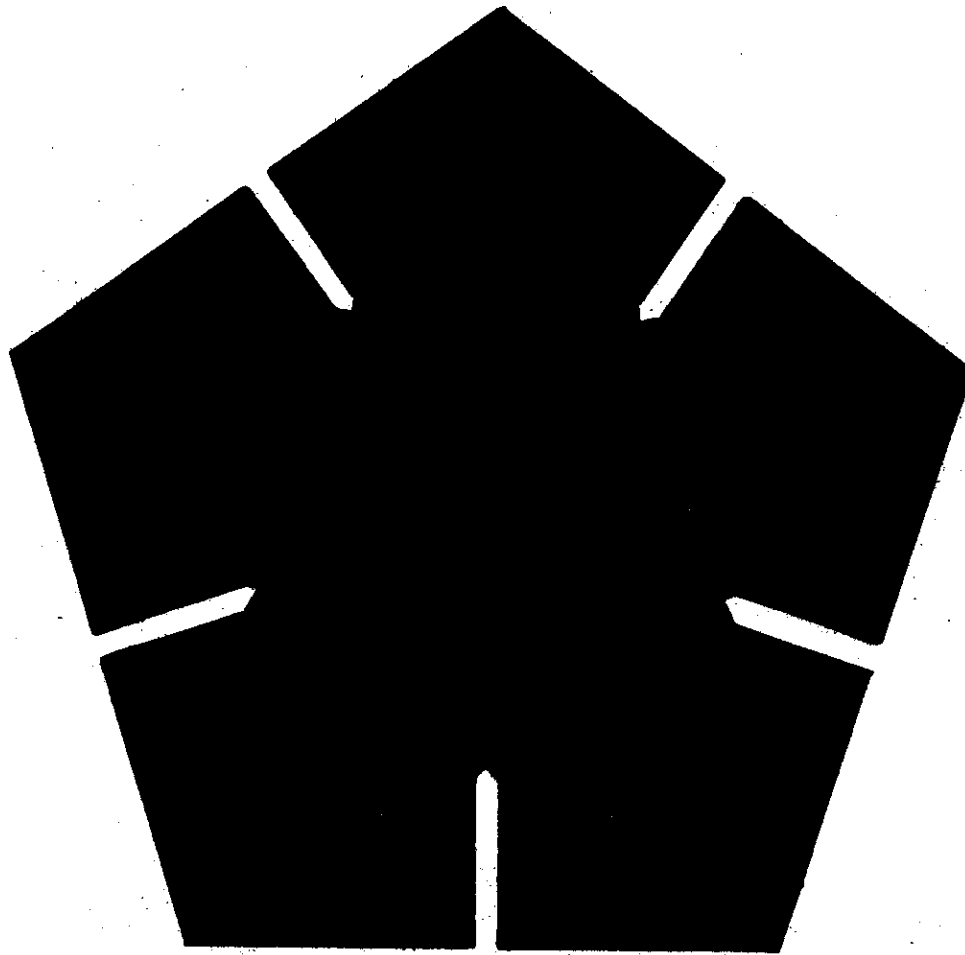
#### IV. INSTRUMENTAL FRAMEWORK

##### i) Master Plan and Area Development Plan

The Master Plan to be drawn up for each new township will prescribe the specific land uses provided for core economic activities, housing, transport and social & physical infrastructure, keeping in view the aggregate population assigned to it for the year 2001, prescribed participation rate and the occupational structure as proposed in the Regional Plan-2001 for the DMA/Priority towns. At least 20% of the land should be earmarked for the core economic activities in these areas.

##### ii) Implementing Institutions

A Sub-regional Area Development Authority could be designated the overall development agency at the sub-regional level. In addition, there could be a separate town development authority for implementation of the respective township Master Plan, Area Development Plan. Alternatively, joint sector companies could be set up either at the sub-regional or local level for this purpose.



PT-PRIORITY TOWN  
DMA-DELHI METROPOLITAN AREA TOWN  
SRC-SUB-REGIONAL CENTRE  
CMA-COUNTER MAGNET AREA

## V. PROGRAMME

The specific projects to be drawn up for inclusion in the Eighth Five Year Plan as per the over all strategies outlined in this document are as follows:

1) Projects for the acquisition and development of land for the proposed new townships in accordance with prescribed Master Plans. This includes provision of concomitant physical and social infrastructure in an integrated manner by way of support for the core economic activities in the new townships.

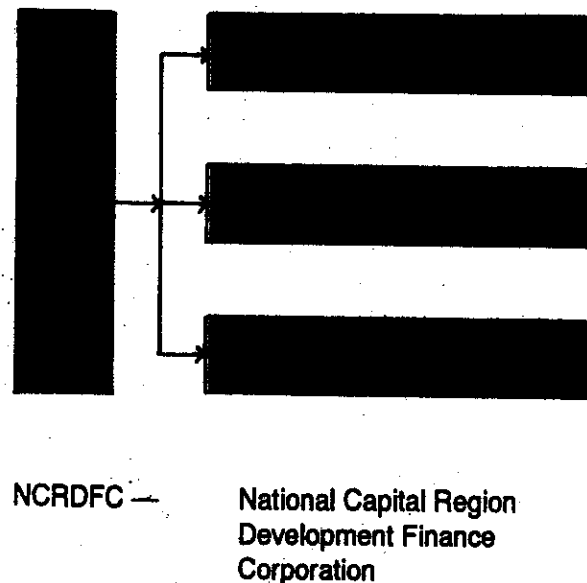
2) Projects for development of core economic activities in each of these new townships e.g. a wholesale market at Kundli, a wholesale market as well as an industrial complex in Hapur, Central Govt. Office complexes in Alwar.

3) Concomitant schemes for relocating industries and other informal sector activities as well as informal sector housing (squatter settlement) from NCT-Delhi to the new townships.

4) Schemes for promotion of employment-generating activities and physical and social infrastructure in Sub-regional Centres.

5) Schemes for promotion of counter-magnet towns as regional growth centres in the regions of their setting.

6) Schemes for a) augmentation of requisite regional level infrastructure such as regional roads (both Inner Grid and Outer Grid); b) transmission and distribution network for power supply; c) development of Expressways and upgradation of National Highways; d) development of Regional Rail By-pass and augmentation of rail network including gauge conversion; e) provision of modern telecom facilities which are both linked with and on par with that of Delhi.



## VI. FINANCING MECHANISMS

### (I) Setting up of NCR Development Finance Corporation (NCRDFC).

In order to trigger the large-scale development in NCR within the limited available time-frame of 9 years (1992-2001) as per the basic strategies outlined above, it is vital that the central budgetary support of Rs. 200 crores in the Eighth Five Year Plan should be optimally utilised as 'seed money' to raise additional resources through a judicious mix of public and private sector investments. Accordingly, there is need to set up a separate financial institution for the National Capital Region at the apex which would be in a position to raise additional resources through market borrowings and loans from various financial institutions such as HUDCO, UTI, NHB, LIC & GIC. In this context, it is proposed that the NCR Planning board will invest the aforesaid amount of Rs. 200 crores together with Rs. 30 crores of net anticipated internal accruals, as and when realised, to float a captive financial institution called National Capital Region Development Finance Corporation Ltd. (NCRDFC), under the Companies Act, 1956. This company, which may also invite equity support from the participating States, NCT-Delhi for their agencies as well as the aforesaid financial institutions, will be the nodal financing institution for the large-scale town development projects envisaged in the NCR investment programme for the State Sector VIII Plan period and beyond. Incidentally, the National Capital Region Planning Board Act, 1985 will have

to be suitably amended so as to provide for the creation of National Capital Region Development Finance Corporation (NCRDFC) as its subsidiary.

As regards the mode of financing the said large scale development projects at the sub-regional level through the NCRDFC, the following options are available:

**1) Joint Stock Companies**

**a) Concept**

The NCR Planning Board, through NCRDFC, to promote joint stock limited companies under the Companies Act, 1956 for development of new towns as per overall strategy cited above. Equity participation in the joint stock companies could be to the extent of 51% by the participating States, the Board and the financial institutions taken together and the remaining 49% may be left for private sector investment. A certain portion of the share capital should be reserved for subscription by those whose lands are acquired for development of such projects.

**b) Action required to be taken :**

1) Promoting of Joint Stock Companies by the Board would require suitable amendments in the NCR Planning Board Act, 1985.

**2) Creation of 'Revolving Fund' by the Participating States**

**a) Concept**

Each participating State Government may create a Revolving fund with the seed money provided by the Board (through its subsidiary, NCRDFC) and the respective States, on a matching basis, for developing the new townships. All the surplus revenues generated by these projects should be credited into this fund for the purpose of further development. The revolving fund is to be operated by the respective Sub-regional Development Authorities so that the surpluses could also be ploughed back in to the development of other Priority/Sub-

regional/Service Centres with in the same sub-region, if need be.

**b) Action required to be taken:**

1) Constitution of a statutory Sub-regional Development Authority, as and where necessary, by the respective State Governments.

**3) Creation of 'Development Fund'**

**a) Concept**

The Board has already introduced the system of creation of a separate 'Development Fund' for each counter-magnet town in which Board and the concerned State Government contribute equally the Board's share being in the shape of an interest bearing loan. This pattern of funding could be extended to the development of Priority Towns and Sub-regional Centres also with the money being channelised through NCRDFC.

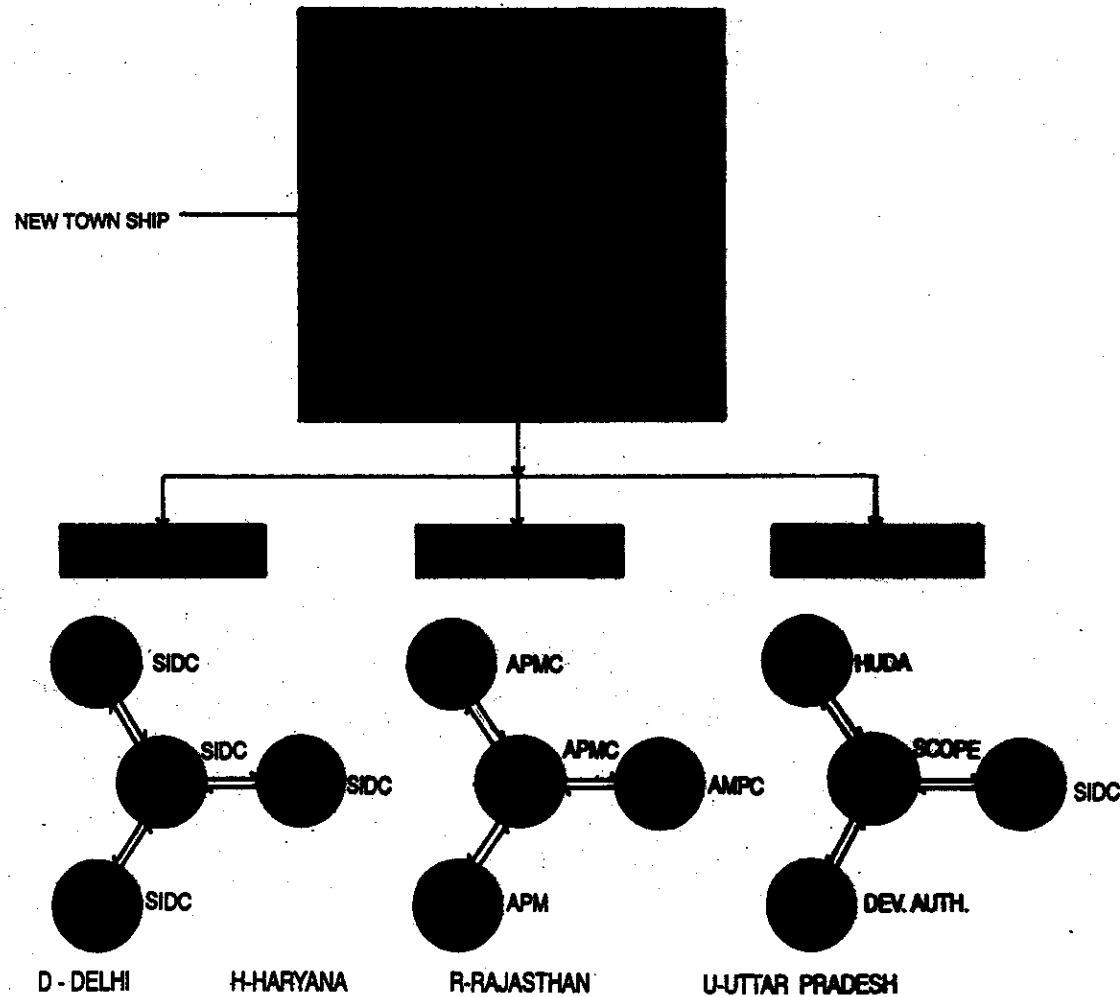
**VII. PARTICIPATION OF THE PRIVATE SECTOR**

**a) Concept**

In addition to investing in the proposed joint stock companies, the private sector may be induced to take up the execution of individual, commercially viable projects envisaged as part of the overall investment programme such as high income group housing, development of commercial centres and setting up of large/medium scale industries within the new township. The private Sector could also be entrusted with specific projects for development of infrastructure such as power supply units and Expressways on BOT basis.

**b) Action required to be taken :**

1) Suitable terms & conditions would have to be laid down for involving the private sector in such development projects so as to ensure that the overall objectives of both the Regional Plan and the respective Master Plans are fully subserved by them. These terms and conditions would have to be made enforceable through statute.



## VIII. FINANCING OF CORE ECONOMIC ACTIVITIES

To ensure optimal linkages with NCT - Delhi in the development of Core Economic Activities in the proposed new townships, such as industrial enterprises, wholesale market yards, commercial complexes, etc. joint venture projects could be set up on a partnership basis between the development agencies of NCT-Delhi and counterpart agencies of the participating States e.g. the wholesale market at Kundli could be established as a joint venture between the APMB's of Delhi & Haryana. These development agencies, if required, may seek loan assistance from NCRDFC for the development of Core Economic Activities.

- **GOVT OF NCT-DELHI**—Identification of projects for relocation, participation in joint Ventures, financing of projects.

- **PARTICIPATING STATES**—Participation in core economic activities, development of new townships, provision of regional and local level infrastructure, financing of project, project formulation, coordination at sub-regional and local levels, monitoring.

- **CENTRAL MINISTRIES**—Financing and implementation of regional infrastructure (National Highways, Expressways, Railways, Telecommunications and Power).

- **NCR PLANNING BOARD**—Coordination, assistance in project identification and project formulation, appraisal, monitoring and evaluation of NCRPB assisted projects.

## **IX. INSTITUTIONAL ROLES**

### **(a) Role of Govt. of NCT - Delhi**

(i) Govt. of NCT - Delhi, either by itself or through statutory bodies like DDA and public sector agencies like DSIDC, Agriculture Produce Marketing Board etc. will have to play the lead role in identification and dispersal of the economic activities to be relocated in the priority and the DMA towns, as part of the core economic activity of these towns. As they will be acting as the main exporting agencies they will have to prepare an overall dispersal strategy and formulate specific schemes for the purpose, in collaboration with the respective development authorities, counterpart agencies of the State Govt. concerned. As part of this strategy NCT-Delhi will also have to provide necessary funds & a package of incentives to facilitate implementation of these schemes.

ii) The Sub-regional Plan for NCT-Delhi as well as Functional Plan for Delhi should be drawn up to reflect this role.

iii) A special sub-component Plan should also be prepared for the schemes to be implemented as part of the Sub-regional Plan for the VIII Plan period.

### **(b) Role of State Governments**

(i) The State Governments and their agencies, with the assistance of the various financing institutions like HUDCO, NHB, NABARD and also NCRPB, will be responsible for overall development

of the new townships by providing physical and social concomitant infrastructure including housing and trunk/peripheral services.

(ii) The development of the core and other economic activities in the new townships will also benefit the State Governments and their agencies which are the receiving entities. As such it is very much in their/own/interest also to both fund and subsidise joint venture schemes in conjunction with the Govt. of NCT-Delhi/exporting agencies.

(iii) The Sub-regional Plan of the State Governments as well as the Functional Plans for each Sub-region may be drawn up to reflect this role.

(iv) Separate Sub-component plans should be drawn up by each participating State Government for the schemes to be implemented as part of the Sub-regional Plan in the VIII Plan period.

**N.B.:** The guiding factor for the success of these joint venture schemes would be the gains accruing to both the exporting agencies and their receiving counterparts, in each and every case.

#### **(c) Role of Central Ministries:**

The various Ministries/Departments of the Central Government viz., Surface Transport, Railways, Power and Communications will be responsible for providing the necessary major infrastructural facilities pertaining to their respective sectors in the VIII Plan period. Separate sub-component plans should be drawn up by each of these ministries/deptt. to facilitate monitoring of these schemes.

#### **(d) Role of NCR Planning Board (NCRPB)**

(i) The NCR Planning Board has so far been interacting mainly with the urban development bodies of NCT-Delhi Haryana/Rajasthan/U.P. For the purpose of preparing sub-regional plans and various functional plans under the new strategy its area of interaction will widen to include various agencies of the Central/State Governments along with other financial institutions and private sector units involved in implementing the investment programme for the VIII Plan.

(ii) The NCRPB will monitor and co-ordinate the process of preparation and implementation of the respective Sub-regional plans, functional plans and VIII Plan sub-component investment plans for NCR.

(iii) The NCRPB and its subsidiary, NCRDFC will utilise its funds and expertise to serve as a catalytic agent in the implementation of these various plans.

(iv) The NCRPB will mainly provide funds through its subsidiary NCRDFC for the development of new townships under the VIII Plan investment programme of NCR.

(v) The NCRPB will liaise with various financing institutions like HUDCO, NHB, NABARD etc. and also the Central Ministries involved in the implementation of the various projects and schemes comprised in NCR VIII Plan investment programme.

(vi) The NCRPB will assist in identifying and formulating projects and in the process of appraisal, monitoring and evaluation of the projects undertaken by the participating States/NCT-Delhi.