

Annexure-1

Detailed guidelines for financing purchase of buses for urban transport

systems under JnNURM

1.0 Introduction

1.1 Under the second Stimulus Package announced by the Government on 02nd January, 2009, it has been stated that " States, as a one time measure upto 30.06.2009, will be provided assistance under the JNNURM for the purchase of buses for their urban transport systems. A scheme towards this end will be announced shortly".

2.0 Guidelines for extending Additional Central Assistance:

2.1 In pursuance of the stimulus package, Additional Central Assistance shall be provided as a one time measure upto 30.06.2009 for procurement of buses for urban transport systems under JnNURM as per the existing procedures and the following guidelines:

- i) All JnNURM cities will be eligible for Additional Central Assistance (ACA) for procurement of buses for urban transport.
- ii) The financing for buses under JnNURM is exclusively for urban transport i.e. city bus service and/or BRTS for the city/urban area for which buses are procured. In order to ensure that the buses procured under JnNURM are utilised exclusively for urban transport, the States/UTs/ULBs/para-statals shall set up a city specific wholly owned SPV/umbrella public body for controlling and managing the city bus service/BRTS.

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- iii) Detailed Project Report shall have to be submitted by State Government/SLNA including details about city bus service/BRTS planning, financing arrangements, sustainability, user charges, operation, maintenance, the ultimate benefit which will become available to the urban commuters (Annexure-II).
 - iv) The cost of preparation of DPRs shall also be reimbursed as per the guidelines for reimbursing the cost of DPRs under JnNURM subject to actual or 1% normally & with exceptional justification upto a maximum of 2% of the overall project cost.
 - v) The financing pattern for procurement of buses shall be as per para 18.1 of the JnNURM Guidelines for Submission of Urban Infrastructure and Governance.
 - vi) The Additional Central Assistance(ACA) shall be in the form of grant as specified in para 19.1 of JnNURM Guidelines. ACA will be available to ULB/para-statal only.
 - vii) The funds will be released in instalments as per para 19.2 of JnNURM Guidelines.
 - viii) Proposals for public private partnership would be given priority while sanctioning. However, the ownership of buses will remain with the para-statals/ULBs.
 - ix) The para-statal/ULBs shall commit to maintenance of these buses in top most condition throughout their useful life and put them in operation immediately.

x) All million plus cities should procure buses as per the Urban Bus Specifications (as available on MoUD website and as circulated to all States/UTs/ULBs). In case of less than one million population cities, standard ordinary buses may also be procured, but the mini/midi buses to be procured should conform to Urban Bus Specifications.

xi) At least 20% of the buses procured under JnNURM for all million plus cities should be low floor buses.

xii) All the buses procured under JnNURM shall carry distinct JnNURM logo on both sides, the details of which will be advised in due course.

xiii) The buses procured shall be in line with the Auto Fuel Policy approved by Government of India in 2002 which lays down roadmap of tighter emission norms upto 2010 i.e. introduction of Bharat Stage-III and Stage-IV vehicles.

xiv) The procurement by para statals/SPVs/such umbrella bodies for the buses has to be focused not only on the initial price but the life cycle cost so as to encourage modern buses.

xv) The project cost shall be arrived at after deducting the state and ULB taxes. These taxes shall either be waived off or reimbursed by the State Government/ULB.

xvi) To improve the average speed of buses and their efficiency, all the million plus cities would be required to have either dedicated bus lane or demarcated bus lane on all the arterial roads.

xii) While sanctioning the projects, the overall Statewise allocation/additional city wise allocation as indicated by Planning Commission in their letter

No.PC/H/8/5/26/2008-HUD dated 24.12.2008 (copy enclosed) would be kept in view.

xviii) The procurement of buses should promote products with chasis and buses from manufacturing facilities in India.

3.0 Reforms in Urban Transport

3.1. The Additional Central Assistance would be tied to following reforms in the field of urban transport as part of structural reforms under JnNURM:

State level

- i) Setting up of a city-level Unified Metropolitan Transport Authority (UMTA) for all one million plus cities, duly backed by a legislation, to facilitate coordinated planning and implementation of projects relating to urban transport and their integrated management.
- ii) Setting up of a Dedicated Urban Transport Fund at the State level(Refer Annexure-IA).
- iii) Change in bye-laws and Master Plan of cities to integrate land-use and transport by densification alongwith the MRTS corridors and areas around the stations.
- iv) Nominating a single department at the State level to deal with all urban transport issues as against different departments at present.
- v) Setting up of a regulatory / institutional mechanism to periodically revise fares for all public and intermediate public transport systems.
- vi) The State government and ULB waiving off / reimbursing all its taxes on urban Buses & city bus service/BRTS.

City level

- i) Setting up of a Dedicated Urban Transport Fund at the city-level (refer Annexure-IB).
- ii) An advertisement policy which taps advertisement revenue on public transport, intermediate public transport and public utilities for public purposes subject to relevant legislations.
- iii) Parking policy wherein parking fee represents the true value of the land occupied, which is used to make public transport more attractive; banning of parking on arterial/ring roads, multi-level parking centres in City Centres with park-and-ride facility etc.
- iv) A well organized and efficient city bus system by using ITS through city-specific SPV for bus services, preferably on PPP, under well-structured contracts where the umbrella institution of the government professionally does the role of planning, coordination, contracting, monitoring, supervision as well as management of common infrastructure and services etc .
- v) Multimodal integration, including suburban railways (by involving MoR) to provide network-connectivity in the region and single ticketing to provide seamless travel.
- vi) Setting up of a Traffic Information Management Control Centre for effective monitoring and enforcement of traffic as well as data-generation and data-collection for future planning.

3.2 The para-statal/ULBs shall enter into MoA with the Mission Directorate to undertake above reforms in addition to reforms as per Annexure-II of UIG

guidelines. There shall be a time bound plan for implementation of all these reforms within the mission period.

4.0 Sanctioning procedure:

4.1 The DPRs shall be appraised by Urban Transport Division in the Ministry of Urban Development, Government of India keeping in view the above guidelines.

4.2 After the appraisal, the proposals for Additional Central Assistance shall be submitted for consideration and approval by the Central Sanctioning and Monitoring Committee under the Chairmanship of Secretary (Urban Development) which shall also have a representative of DoRTH and Department of Heavy Industries also as special invitees.
