

Transforming Mumbai into a World-Class City

First report of the Chief Minister's Task Force

February 2004



महाराष्ट्र

Government of Maharashtra

CONTENTS

CONTENTS	I
ACKNOWLEDGEMENTS	II
INTRODUCTION	1
BACKGROUND	1
WHY TRANSFORM MUMBAI?	2
EXECUTIVE SUMMARY	3
VISION 2013	3
CHANGING THE MUMBAI EXPERIENCE	3
MAKING CHANGE HAPPEN	4
THE APPROACH	7
THE VISION	7
THE STRATEGY	7
THE DELIVERY MECHANISM	8
THE ACCOUNTABILITY MECHANISM	8
RECOMMENDATIONS OF THE TASK FORCE	9
1. STRATEGIC PLANNING AND FINANCING	9
2. HOUSING	11
3. ECONOMIC GROWTH	16
4. PHYSICAL INFRASTRUCTURE	18
5. GOVERNANCE	20
THE BEGINNING	23
ANNEXURE: GOVERNMENT RESOLUTION FOR ESTABLISHMENT OF MUMBAI TASK FORCE	24

ACKNOWLEDGEMENTS

The task force gratefully acknowledges the opportunity, mandated by the Honourable Chief Minister of Maharashtra, for contributing to the process of transforming Mumbai into a world-class city.

A task of this nature would not have been possible without the active and positive support from all the concerned departments of the Government of Maharashtra; implementing agencies such as MCGM, MMRDA, SRA, MSRDC, MIDC, MTDC, railways, port trusts, etc.; and several civil society organisations.

This report would also not have been possible without the tremendous intellectual and institutional support from the chairpersons and members of all sub-groups. We have also benefited substantially from the experience of several individuals and institutions outside of the task force and sub-groups.

We hope that the process of developing the vision, implementing the recommended activities and building consensus continues, leading to a sustained and credible transformation of Mumbai city.

Anand Mahindra

Deepak Parekh

F.C. Kohli

Damodaran

Nasser Munjee

Narinder Nayar

Sharad Kale

V.S. Palekar

Ranjit Pandit

Ajit Nimbalkar

Arun Kumar Mago

K. C. Srivastava

Suresh V Joshi

Ramanand Tiwari

Sanjay Ubale

INTRODUCTION

Background

The Chief Minister of Maharashtra has asked the task force for its recommendations on transforming Mumbai into a world-class city by 2013. This document contains a first batch of proposals ready for implementation by the government and concerned agencies.

These recommendations are the product of diverse minds and intensive deliberation. The vision of a world-class city began with a report on Mumbai's future by the citizens' group Bombay First and McKinsey & Company. The report detailed what Mumbai had to do to become a world-class city by 2013. Upon receiving the report, the Chief Minister constituted the task force, chaired by the Chief Secretary, to study the proposals and make final recommendations.

The task force operated on two principles. We attempted to probe the relevant issues in depth, and we sought solutions satisfactory to Mumbai's diverse stakeholders. The task force enlisted sub-groups to study the six areas of transformation: strategic planning and financing, housing, economic growth, physical infrastructure, social infrastructure and governance. Their mandate was to bring forth proposals ready for implementation.

This report is the combined result of the discussions of those sub-groups and they have the endorsement of the task force. We now submit these plans to the Government of Maharashtra. They are based on needs too urgent to be ignored. We hope and trust that these recommendations will be translated into action without further delay.

Why transform Mumbai?

Our vision is for Mumbai to become the city of the future. If we fail to intervene now, it could deteriorate and become something quite different - an island of lofty ambitions and failed dreams.

In little over a decade, Mumbai will be the largest city in the developing world. It will be a symbol of the megalopolis of the twenty-first century. And, like its counterparts in the developing world, the city's future is marked by great possibility and great peril.

Mumbai hovers perpetually on the brink of collapse, with its swelling population, deteriorating environment, income disparities and lack of funds. According to the U.N., across all nations, one in three city dwellers lives in a slum. In Mumbai, that figure is one in two.

Yet Mumbai offers enormous hope. We live in a globalising age, with the dramatic acceleration of trade and the transfer across geographies of investment, technology and talent. In the next decade, globalisation will afford Indians opportunities that rival any in the nation's prior history. As India's global city, Mumbai is uniquely positioned to exploit them. Rising expectations of the citizens, intense competition from within and outside the country and the distinctly clear voice of an awakening civil society may well be the tipping point that will help Mumbai traverse the path to becoming a truly world-class city.

In this moment of promise and peril, Mumbai must take command of its future. If it neglects to change course, it risks entering the graveyard of failed cities. But if it embraces change, there are few cities better equipped to share in the fruits of the twenty-first century, few places better poised to make an imprint on the world. Mumbai stands in urgent need of a game plan - to avert these threats and seize these opportunities.

EXECUTIVE SUMMARY

Vision 2013

Our vision is for Mumbai to possess, by 2013, the twin elements of a world-class city: dynamic, job-creating growth and a comfortable quality of life.

We suggest that Mumbai aim, realistically, to beat global benchmarks in economic growth - a feat far from impossible in a country with the world's second-fastest growth rate. We also believe that Mumbai can create a quality of life equivalent to that of world-class cities.

A comparison with such cities across ten quantitative indicators revealed that Mumbai scores a "poor" in five sectors, an "average" in four sectors and "above average" only in the healthcare sector. Our ten-year vision is for Mumbai to be globally distinctive in economic growth and healthcare, and to be in line with global best practice in other parameters like housing and transportation.

Changing the Mumbai experience

Our work has been animated by three principles. First, that incremental change does not work and that reform must come in leaps. Second, that change programmes must focus on the solutions most likely to be implemented. Third, and most important, that the programme must transform the texture of life in Mumbai. This programme reflects a comprehensive attempt to improve the lives of all Mumbaikars and it will not succeed until it transforms the Mumbai experience itself. The table that follows captures the contours of the transformation as we envision it:

2003: Best in India		2013: World-class
Struggling to get resources Government doing the job alone Accountabilities vague and internal	Strategic planning and financing	A dedicated development fund Public-private partnership Accountabilities clear, external and more directly to the stakeholders
A city of homes and a city of slums Uncontrolled encroachments in the city Haphazard urban development	Housing	One city, with affordable housing for all Slum dwellers investing in homes Managed, block-by-block renewal
Growth below the Indian average Attracting low-value-added labour All economic activity on the island	Economic growth	Growth above global benchmarks Attracting high-value-added talent Development of the hinterland
A bi-directional North-South axis Overcrowded trains and roads Social services at national standards	Infrastructure	Multiple axes and business hubs High-capacity, end-to-end public transportation Social services at world-class levels
Multiple, conflicting agencies Institutional structures of the past Fragmented vision of the city	Governance	Integrated, responsive governance Government as agent of change One vision for the city with a commitment to time-bound results

Making change happen

Our recommendations can proceed along two tracks. For the fast track, we propose a series of quick wins - programmes where decisions are taken and implementation launched. The purpose of quick wins is to rally public support and to build momentum for change within the government itself. Examples of quick

wins include the beautification of Marine Drive, the “Mumbai Chakachak” clean-up project and the improvement of airport ambience. Other short-term measures include:

- i. Decongesting the north-south and east-west corridors so as to raise them to international standards including the removal and rehabilitation of eligible pavement dwellers;
- ii. Expanding the Chhatrapati Shivaji Terminus to improve the quality of commuting, create a landmark for the city and to exploit the commercial potential of the area;
- iii. Handing over public spaces to NGOs for protection and improvement;
- iv. Setting up milestones for achieving food safety standards;
- v. Restoring the Town Hall;
- vi. Initiating the development of Dharavi and completing at least one block;
- vii. Drastically improving health services at KEM and J.J. Hospitals through structural changes in its management;
- viii. Setting up a Mumbai Development Fund;
- ix. Setting up 20 E-Seva Kendras to act as single window services delivery facility for the citizens; and
- x. Delegating certain powers to the ward officers to enable them to handle the local issues effectively.

For the slower track, we propose far-reaching institutional changes. These reforms are long-term, high-return investments in Mumbai and are also more challenging. They require a mix of public and private funds. Proposals include reforming the Slum Rehabilitation Scheme to create 11 lakh low-income houses and increasing the capacity and frequency of rush-hour trains.

To drive this sweeping agenda, we propose an implementation apparatus that combines public-private partnership with rigorous accountability. Two citizens' committees, sanctioned by the Chief Minister and staffed from the public and private sectors, will drive implementation, finance new projects and track progress by the government agencies responsible.

This plan now requires a mandate from all levels of government, right from the political leadership down to the cutting edge bureaucracy. We urge the government to put the implementing apparatus in place. When the machinery is in order, the proposals below can serve as a starting point: the first recommendations of the Chief Minister's task force.

THE APPROACH

In order for Mumbai to become a world-class city, it was necessary to plan for it. Broadly, there are four elements in the plan.

- The Vision
- The Strategy
- The Delivery Mechanism
- The Accountability Mechanism.

The Vision

Unless the city knows where it has to reach over the next 10 years, no amount of effort will help. A vision statement has therefore been carefully drafted. While there was the temptation to visualise Mumbai as another Shanghai or Hong Kong or Singapore, it was felt that the city's unique character needed to be preserved and that the city primarily has to fulfil its responsibility to its citizens. The vision statement therefore reads as follows:

“Transforming Mumbai into a World Class City with a Vibrant Economy and Globally Comparable Quality of Life for its Citizens.”

The Strategy

We recommend a six-pillared strategy for Mumbai's development. These pillars are: economic growth, housing, physical infrastructure, social infrastructure, governance and financing. These are not stated in any order of importance as they warrant equal and urgent attention. It was also felt necessary to include separate recommendations for the aspects of environment. However, we believe that the governance group in its next set of recommendations will be able to address these adequately.

The Delivery Mechanism

There are a large number of agencies responsible for delivering various services to the city's population. It is not our intention to seek their unification and nor do we think it desirable to do so. However, we do believe that at the administrative and political levels, there should be a mechanism to co-ordinate the implementation with a view to following our vision. At the administrative level, we propose that the newly created post of secretary (special projects) be strengthened and be directly made the charge of the Chief Minister. It should have the responsibility to monitor the progress of various initiatives and ensure that implementation remains focussed and in line with the suggested milestones. At the political level, we propose the formation of a Cabinet Sub-Committee to review the progress of the plan implementation and also provide sanction to the proposed infrastructure projects. To further strengthen this, we propose the replication of the system of directly elected mayor, which has been in existence for the municipal councils in Maharashtra. We also recommend that Memorandum of Understandings (MOUs) be signed with various implementing agencies to ensure timely implementation of task force recommendations.

The Accountability Mechanism

In the past, numerous reports pertaining to various development projects have remained on paper. We do not wish this report to suffer the same fate. We therefore recommend the formation of citizen body called the Citizen Action Group (CAG) that should monitor the implementation of our recommendations. We hope that the body will be made up of citizens of eminence with a genuine commitment to facilitate Mumbai's transformation. We believe that the government and citizens can together work towards making this vision a reality.

RECOMMENDATIONS OF THE TASK FORCE

The sub-groups of the task force that deliberated upon their assigned areas have made the recommendations that follow and we in the task force fully support and endorse them. These are an initial set of recommendations and we believe that the next set will follow implementation of the first set commences. We also do not think that all the wisdom is located only within the taskforce. We would therefore suggest that a mechanism be created to generate useful and implementable suggestions from the people at large to contribute to our common endeavour. We hope that the Citizen Action Group will be in a position to play this role.

1. Strategic planning and financing

Charting a sustainable future for Mumbai. History is littered with failed urban transformations. A sustainable transformation should have three elements: sound finances, able implementation and public support. To ensure reliable funding, we propose a dedicated development fund for Mumbai. To ensure that change materializes efficiently, we recommend that two citizens' committees drive the programme and track progress by employing implementing agencies. To win the support that the programme requires, we propose that a suitable communication strategy be drawn up.

- 1.1. **Financing Vision Mumbai:** To become world-class, Mumbai requires Rs. 200,000 crore (\$40 billion) in investment over ten years, mostly from the private sector. The Government of Maharashtra must invest Rs. 1,500 crore per year, less than one-tenth of the total. We propose a Mumbai Development Fund (MDF) that would draw on central-government funds and minor levies on Mumbaikars. The city's land assets can be leveraged to boost revenue, i.e., by converting leaseholds to freeholds and utilizing the TDR of cess buildings. The MDF should be a separate line item in the Government of Maharashtra's overall budget. It should be ring-fenced by law, reserved for city development.

- 1.2. Creating the implementation apparatus:** We propose a public-private partnership to drive the programme. We recommend the formation of an Empowered Committee as a permanent successor to this task force. This committee will include civil servants, private citizens and representatives from the implementing agencies and will be chaired by the Chief Secretary. It will sign MoUs with the agencies, administer the MDF and shortlist projects to be financed. The committee's steward will be the new Secretary for Mumbai, who will have a place in the Chief Minister's office and serve a three-year term.
- 1.3. Ensuring accountability:** The success of Vision Mumbai depends on many different organizations: MCGM, MMRDA, SRA, BEST, MSRDC and others. To ensure that they carry out the citizens' mandate, we propose the formation of a Citizen's Action Group, made up of eminent citizens of Mumbai and chaired by the Chief Minister. The group will ensure that implementation is timely and up to world-class standards. Members will gather every three months, after each Lok Shahi Din, to receive reports from the agency heads on the progress of implementation.
- 1.4. Communicating to the public:** Building public support for the programme will require forceful communications. Mumbaikars today experience an uncoordinated barrage of public-service messages. We propose an umbrella brand for Mumbai's renaissance that is memorable and all-encompassing, helping Mumbaikars grasp how individual projects fit into a holistic strategy. Our communications will also aim to encourage pride and investment in the city. To signal our resolve, we will launch the overall programme along with "Mumbai Chakachak," a pilot effort to clean the city.

2. Housing

Building better homes for Mumbaikars. Mumbai encompasses two cities - of homes and of slums. Half of Mumbai's residents live in improvised dwellings on less than one-tenth of the city land mass. Outdated regulations leave much land under red tape, raising prices and forcing millions to live in shanties. We can integrate these two cities by dramatically expanding the supply of affordable housing. We also propose that market mechanisms be activated to rationalise the demand for new housing. For the whole city, we also propose a general upgrade in the quality of building through carefully managed block-by-block urban renewal. All such housing reforms must focus on rallying diverse stakeholders around pragmatic win-wins.

2.1. Increasing the supply of affordable housing: We recommend a programme to:

2.1.1. Create 11 lakh low-income houses for slum dwellers by redesigning the Slum Redevelopment Scheme and offering residents a "cafeteria" of options, customized to their location and to the quality of their dwelling. Broadly, slums fall into three categories:

- *Well-developed slums with more than 350 sq. ft. of floor space.* These slums should be converted into homes simply by granting tenure to the residents, in exchange for adherence to building norms and a nominal sum (Rs. 100 per sq. ft.). The Municipal Corporation can use the new revenues to fund improvements in water, sanitation and other infrastructure. The newly approved Gunthewari legislation can be adopted for such areas.
- *Slums dwellers needing rehabilitation but living in an acceptable area.* These slums can be developed *in situ*. We propose granting residents tenure on the condition of joining a

slum-wide redevelopment scheme. The SRA will develop the project and solicit transparent bids from pre-selected developers. The contract should either go to the developer offering the highest payment for an FSI of 4 or go to the lowest FSI. We propose stiff penalties for any party responsible for delays, with an 18-month deadline for all projects. During construction, residents should be given transit tenements. Alternatively, they should be paid monthly rent to facilitate taking another house/tenement on rent. In order to facilitate availability of such rental premises, a certificate should be granted to those slum dwellers that will waive their registration charges and will also expressly exclude them from gaining tenancy rights. The tenure will be for a maximum period of 24 months after which they will have to voluntarily surrender the tenement to the landlord. They would, however, be eligible to rent other accommodation with the same conditions.

- *Slums dwellers who require rehabilitation and live in sensitive areas.* In the case of slums located in important public locations, such as parks, railways and airports, we propose that residents be relocated. They can be moved to unused government lands, including the salt-pan lands and current No Development Zones (NDZs). The development and construction of housing on those lands would then proceed as in the above *in situ* scheme.
- *Slum societies as developers.* Allow the slums to form their own societies and develop their part without any limitations on the size of dwelling, but subject to limitations of FSI admissible under Slum Redevelopment Scheme (SRS).

- 2.1.2. Stamp duty raises the cost of transactions and reduces liquidity. From today's effective rate of 7-8 per cent, we recommend that the duty initially be reduced to 5 per cent. This plan is in accordance with the GoM's MoU with the central government.
- 2.1.3. Further simplify the building approval process to accelerate construction and trim costs.
- 2.1.4. Create Special Rental Housing Zones including high- and low-income housing. This scheme requires stronger foreclosure laws and incentives for builders. For low-income housing, in particular, the GoM could offer the following incentives:
- Unlock some of the No Development Zones making them available for the development of low-income rental housing. Raise the allowable FSI to 2.5.
 - Dedicate some per cent of land currently under the Urban Land Ceiling Act (ULCA) for low-income housing after the ULCA is repealed.
 - Reduce stamp duty on low-income housing to less than 5 per cent.
 - Reduce property tax rates and other charges for low-income houses to 50 per cent of the normal rate.
 - Work with the central government to grant income-tax exemption to low-income rental-housing projects. Just as the dividend income is free from income tax, income from lease/rent should also be freed from income tax. Initially, the government may consider granting a 20 per cent standard deduction from rental income.
 - For those taking houses on rent, allow special additional

rebate for income tax purposes during the validly executed agreement period.

- 2.1.5 Repeal the Urban Land Ceiling Act thereby unlocking large amounts of land for residential construction.
- 2.1.6 The concept of limited period tenancy as it exists in the Delhi Rent Control Act could be incorporated in the Mumbai Rent Control Act.
- 2.1.7. Develop the eastern seafront to world-class standards by using the excess land held by the Mumbai Port Trust.
- 2.1.8. Develop at least three sectors of Dharavi for commercial or office use, and extend the Bandra-Kurla Complex to Dharavi.
- 2.1.9. Redevelop BDD Chawl with the help of private developers. The GoM should sponsor open bidding and award the contract to the highest bidder for an FSI of 4. The builder will be obliged to provide residents with an equivalent house in the same location. The funds raised will flow into the MDF.
- 2.1.10. Implement the Suktankar Committee report on Coastal Regulation Zones to rationalise the restrictions on development of land under CRZ.

2.2. Rationalising the demand for housing: The laws of demand and supply put a constraint on demand at a given price. However, at a very, very low price, the demand will be infinite and no amount of supply can match this demand. Price therefore becomes an important factor to balance demand and supply. We propose a programme to prevent new encroachments in four steps:

- 2.2.1. Rehabilitate pavement dwellers from the streets in collaboration with experienced NGOs.

- 2.2.2. Assign care of selected pavements and public spaces to reputed NGOs and citizen groups in order to improve maintenance and prevent new encroachments.
- 2.2.3. Charge slum dwellers for low-cost housing. Residents will pay between Rs. 25,000 and Rs. 50,000 for 250 sq. ft. of alternative housing. This will reduce the greatest incentive to encroach: the prospect of free housing.
- 2.2.4. Redefine slum redevelopment policy on slum redevelopment in No Development Zones (NDZs). The current policy encourages land owners to promote slum encroachment. We propose that the NDZs be removed from the purview of the SRA.

2.3. Encouraging block-by-block urban renewal: We recommend three initiatives:

- 2.3.1. Develop an urban-renewal scheme that benefits all stakeholders - tenants, owners, developers and the municipality. Tenants and owners could be given increased apartment space and a freeze on property tax. Current occupants would have to be accommodated during construction. The developers should be given an FSI calibrated to assure a 20 per cent return. And because entire blocks must be redeveloped, urban renewal must follow a plan by the GoM or the Urban Renewal Commission, as in world-class programmes like Hong Kong's.
- 2.3.2. Establish an Urban Renewal Commission to serve as an intermediary between stakeholders and arbitrate disputes that may arise.
- 2.3.3. Develop a scheme for cess buildings that benefits all stakeholders - tenants, owners, builders and the municipality. Occupants could be given tenure for an apartment of equivalent

size in the new building. The owner could be given space in the new building. Current occupants would have to be accommodated during construction. The developers should be given an FSI calibrated to assure a 20 per cent return. We suggest penalties for any delays in construction.

3. Economic growth

Revitalising the Greater Mumbai economy.: Economic activity is the lifeline of a world-class city. Mumbai must reclaim its status as India's commercial engine. To do so, Mumbai, like other densely populated mega-cities, must unleash the maximum value from the fewest workers. Just as New York's high-value-added jobs are a magnet for talent, so too we propose to make Mumbai a hub for high-end services like media and finance. Yet the city remains mostly poor, and its long-term health depends on whether it invests in its disenfranchised millions. Thus we also propose measures to spur employment in low-end services and manufacturing.

3.1. Revamping high-end services: We propose that Mumbai become a hub for high-end services like finance, information technology and IT-enabled services, healthcare and media and entertainment. Once India's undisputed capital of finance and media, Mumbai now has to compete with several other cities. To bring back the investors, we propose that the GoM:

- 3.1.1. Fully implement the standing information technology and IT-enabled services policy designed to make Mumbai more attractive to companies in the sector.
- 3.1.2. Take tangible steps toward making Mumbai an international financial centre.
- 3.1.3. Develop the Gorai area into a Special Entertainment Zone in order to jumpstart the entertainment industry.

- 3.2. Expanding low-end services:** High-end services will attract the best talent to Mumbai but the city must also provide employment for less skilled populations. We recommend that Mumbai also work to generate low-end, high-volume services like infrastructure development, construction, retail and hotels and tourism.
- 3.3. Restoring manufacturing excellence:** Mumbai is India's western gateway, with its strategic location and two seaports. Historically, these advantages made Mumbai a manufacturing hub. In recent years, however, high labour and infrastructure costs have hurt the sector. We propose that Mumbai now develop manufacturing and transportation in the hinterland. The GoM should revive the Thane-Belapur industrial belt by offering state-sponsored, SEZ-like incentives, including progressive labour laws and captive power plants. We propose that this area be designated as the first state sponsored Special Manufacturing Zone. In order to revive this once vibrant production centre, we will need to create better infrastructure and devote more of the area's tax collections to its development.
- 3.4. Declaring the Thane-Belapur Industrial Area as the New Township:** The Thane-Belapur industrial area was once booming with activity. One of the reasons for its decline is the deplorable state of its infrastructure. While the area generates substantial tax revenues, very little is deployed for upgrading the infrastructure. We therefore recommend the formation of the Thane-Belapur industrial township with 80:20 sharing of existing resources between NMMC and the township and a 50:50 sharing of incremental revenues.

4. Physical infrastructure

Improving the quality of life for Mumbaikars: The Task Force found transportation to be the city's most pressing need in its bid to become a world-class city. Our recommendations follow three principles. First, we propose an across-the-board upgradation of transport infrastructure to begin the march toward world-class standards. Second, we propose setting a new objective for transport in Mumbai: seamless, end-to-end connectivity through a holistic transport strategy - not the haphazard accumulation of roadways and railways. Third, we propose that Mumbai evolve from a single, North-South axis into multiple axes and dispersed hubs of opportunity. Dispersal is the only sustainable way to reduce the North-South congestion in the long run.

4.1. Expanding rail transport: We propose 6 initiatives to grow Mumbai's rail capacity:

- 4.1.1. Expand existing transport capacity during the peak period by increasing the frequency of trains and the number of coaches in each train.
- 4.1.2. Construct a Mumbai Trans-Harbour Link connecting Sewri and Nhava by road and rail.
- 4.1.3. Upgrade six suburban train stations under the Station Area Transport Improvement Scheme (SATIS) and assign these stations to the Mumbai Rail Vikas Corporation (MRVC) for operations and maintenance.
- 4.1.4. Construct the extension of Mumbai's Chhatrapati Shivaji Terminus (CST).
- 4.1.5. Construct a ring railway link connecting Bandra, Sion, Andheri and Ghatkopar.

4.1.6. Construct a mass rapid-transit system, similar to Delhi's Metro, running from Colaba to Borivali. The Mahalaxmi-Borivali stretch would be developed in the first phase, followed by the Colaba-Mahalaxmi stretch.

4.2. Expanding road transport: We propose eight initiatives to expand road capacity:

4.2.1. Finance and expedite the building of 17 high-speed road corridors under the Mumbai Urban Infrastructure Programme (MUIP). These roads should be built to world-class standards, have dedicated bus lanes and be free of junctions or signals.

4.2.2. Shift transport companies to the Wadala Truck Terminal by offering incentives such as a property-tax reduction or a lease premium.

4.2.3. Classify the key arterial (North-South and East-West) roads as strategically important. These should be developed to world-class standards and should have dedicated bus lanes. The construction and street furniture on these roads should be of world-class quality.

4.2.4. Build an interstate bus terminus at Wadala.

4.2.5. Introduce competition to the taxi system. We propose that the total number of taxis be capped and that the yellow-and-black monopoly be broken. Mumbai should allow multiple taxi companies offering different car-financing plans to drivers. The companies will need to maintain cars and train drivers. The differently colour taxis will be forced to compete on the quality of customer service.

- 4.2.6. Construct pedestrian pathways and an underground storm-water system in the suburbs.
- 4.2.7. Construct Eastern and Western Freeways. (The latter is currently planned as the Western Relief Road, whose name we propose to change.)
- 4.2.8. Resolve the dispute on the Bandra-Worli Sealink and expedite its construction.

4.3. Curbing demand for North-South transport: We believe that the city's transport woes cannot be resolved only on the supply side. We must also reduce demand for North-South travel. To achieve this goal, Mumbai needs alternative central business districts. One approach would be for the GoM and public-sector units to relocate to the Bandra-Kurla Complex or to the commercial sectors of Dharavi.

5. Governance

Achieving customer-focused governance. Government alone cannot transform a city but there is no viable transformation without good governance. We have focused on improving the quality of citizen service. Some are long-term changes; others are quick wins. We have followed three basic values. First, the government must be empowered to do its job, with authority and without bottlenecks. Second, the government must be held accountable, with its progress against output parameters regularly examined. Third, the government must focus on the end customer, the citizen, by offering world-class service and maintaining an accessible public presence.

The biggest service provider in the city is the Brihanmumbai Municipal Corporation (BMC). However, its structure of governance has evolved from that of a small municipal body. A megalopolis of the size of Mumbai needs to evolve alternative structures for accountable, affordable and efficient service delivery. Fortunately, under BMC itself there are shining examples such as BEST. We

believe that BMC should play the role of regulator rather than the provider of services. BMC should therefore define the deliverables and assign responsibilities to the various bodies charged with the responsibility of delivery of services. To begin with, we suggest agreeing to an undertaking, along the lines of BEST, for water and sanitation services. Institutionally, such a structure would be ideally suited to incentivise efficiency. Gradually, the formation of such independent entities will be guided by the following criteria:

- Where user charges are directly collected from the beneficiaries of environmental and economic services such as water, electricity, and transport, such services may be delivered through independent utilities (potentially companies fully or partially owned by BMC under the Indian Companies Act) with a strong regulatory mechanism within BMC
- Where there are either no direct taxes or user fees are leviable for services such as roads, services should be delivered through agencies (municipal undertakings or non-governmental agencies) to which BMC can assign annual budgets in exchange for certain standards of performance including efficiencies;
- Where user fees can be levied for community and social services such as theatres, stadiums and where it is possible to commercialise the municipal functions such as property management, services may be delivered through corporatised entities (either profit or non-profit companies) fully owned by BMC with strong regulatory mechanism within BMC.

5.1. Institutional reforms: We propose following high-impact institutional reforms.

- 5.1.1. Improve water supply by establishing a corporatised entity by separating the Water Supply Department from the Municipal Corporation along the lines of BEST.

- 5.1.2 Choose the Mayor by direct election, not by appointment, and boost the authority of the office by making the Mayor the ex-officio chairman of the standing committee and by granting other executive powers.
- 5.1.3 The Corporation has already proposed a new system for property tax assessment. This needs to be approved and implemented at the earliest.
- 5.1.4. Create a semi-independent agency, within the Municipal Corporation, responsible for maintaining roads and pavements.
- 5.1.5. Empower the Heritage Committee to coordinate city-wide strategy on street furniture, road beautification, street-side shops and urban design. Also, increase funding to the committee.
- 5.1.6. Institutionalise the MoU-based review system for all wards and departments of the Municipal Corporation and for other citizen-serving agencies.
- 5.1.7. Create a unified Transport Authority for Mumbai, and make it responsible for developing an integrated approach to road and rail-based transport.

THE BEGINNING

If the government and the citizens take action on these fronts, Mumbai will be all set to enter the league of world-class cities. Owing to its scale and to India's visibility, Mumbai's development has a chance to shape the future of other cities in the developing-world.

The Government of Maharashtra must act on these recommendations. They have been prepared with great care and deep thought. They reflect the diverse opinions of real Mumbaikars who are too passionate about the city to let it languish. We now appeal to the various government departments to translate our proposals into programmes.

The world is watching. Mumbai is waiting.

**ANNEXURE: GOVERNMENT RESOLUTION FOR ESTABLISHMENT OF MUMBAI
TASK FORCE**

Setting up of the Task Force to prepare
an Action Plan for development of Mumbai¹

GOVERNMENT OF MAHARASHTRA
General Administration Department
Government Resolution No.CS-2003/20/1
Mantralaya, Mumbai - 400 032
Date: 16th October 2003

To prepare an Action Plan for transforming Mumbai into a World Class City by scrutinising the report 'Vision Mumbai' submitted by the Bombay First, Government has set up a Task Force headed by the Chief Secretary and following officials are the members of the Task Force:

1. Chief Secretary ... Chairman
2. Principal Secretary, Urban Development (I)
3. The Commissioner, MMRDA
4. The Commissioner, Brihanmumbai Mahanagarpalika.
5. Pricipal Secretary (Housing)
6. O.S.D. to Hon.Prime Minister.
7. Shri Narinder Nair, Chairman, Bombay First
8. Shri V.S. Palekar
9. Shri Sharad Kale
10. The President of I.M.C., CII and BCCI.
11. Project Director (MUTP), MMRDA.
12. Secretary, General Administration Department ... Member Secretary

Task Force is responsible for submission of its report by 22nd November 2003.

By order and in the name of the Governor of Maharashtra,

(Sanjay Ubale)
Secretary (Special Project)

To
All concerned officer/Members/Institutions
All ACS/Principal Secretaries/Secretaries of Mantrlaya Departments
Principal Secretary to Hon. Chief Minister
Principal Secretary to Hon. Deputy Chief Minister
General Administration Department/Establishment
Select File

¹ Translated from the original Marathi version of the Government Resolution.

For Comments and Suggestions, Please Write to:

Sanjay Ubale
Secretary (Special Projects)
General Administration Department
Government of Maharashtra
First Floor, Room No. 155 (M)
Mantralaya, Mumbai - 400 032