

**ADB Transport Forum**

*'Asia on the move: Energy efficient and inclusive transport'*

**Keynote address on *Indian Urban Transport Policy***

**By**

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It gives me great pleasure to be amongst you all on this important Transport Forum with focus on energy efficient and inclusive transport in Asia.

India is one of the emerging urban economies in the world with a specific shift in terms of contribution to GDP from agriculture to tertiary and manufacturing sectors, thus bringing urban areas to the centre stage of the development process. Because of high economic growth and low urban base, Indian cities are growing at a faster rate than in rest of the world. At present, India has second largest urban system in the world with 310 million people and 5,161 cities and towns.

For urban areas to be able to support the required level of economic activity, they must provide for easy, sustainable flow of goods and people. However, such flow of goods and people has been facing several problems of congestion, pollution and accidents coupled with lack of coordination amongst various agencies. Unless these problems are remedied, poor mobility can

become a major hurdle to economic growth and cause deterioration in the quality of life.

Government of India has, therefore, approved a comprehensive National Urban Transport Policy which focuses on returning the roads to the people which have been colonized by the vehicles. The thrust of the policy is 'to move people' and not the vehicles. The overall objective of the policy is to ensure safe, affordable, quick, comfortable, reliable and sustainable access for the people to jobs, education, recreation and such other needs in our cities.

In a federal system of governance in India, urban transport is primarily a State subject. It means that while the national policy offers guidelines and financial and fiscal incentives to the States and cities for designing their urban transport strategies; it is for the respective state governments to adopt and adapt such policy in their urban centres.

The policy focuses on integration of land use and transport planning. Unless planning of land use and transport is organically interlinked, whatever transportation measures we take later at best can only be a partial remedy. While in respect of new townships, transit-oriented development is being urged; in existing cities, a Comprehensive Mobility Plan prioritizing public transport, non-motorized transport and pedestrianization with the objective of reducing overall transport demand is being insisted. In order to facilitate preparation of such plan, we in the Central Government have a scheme under

which 80% of the cost of such studies is being provided as grant by the Central Government.

An analysis of existing public transport facilities shows that most of the cities do not have even an organized city bus service. Even where the city bus-service is existing; the quality is not high enough to motivate commuters to prefer public transport to the personal. The dependence on large scale bus services appears to be unavoidable in developing countries of Asia. In fact, even the experience in the developed countries points to this inevitability. For example in a city like London, which is famously served by its underground metro system, about 50% of the public transport burden is borne by the buses. Having regard to this, the Central Government in India is emphasizing setting up of an ITS-enabled modern city bus service in all the cities. We are also laying due stress on quality so that the bus system can be sold to the public as a "Branded Product". For standardization of the quality of buses for urban transport, the Central Government has formulated Urban Bus Specifications. As the taxes have been found to be contributing a significant share of the cost of these modern buses, action has been initiated towards reduction of the taxes at the Central and State level. For the first time in 2008-2009, the Central Excise Duty stands reduced from 16% to 12% on buses. Since fare can never be sufficient for financial sustainability of quality public transport; Central Government is encouraging the cities to come up with an advertisement policy

and parking policy to raise the resources. We are also urging the State Governments to set up of a Dedicated Urban Transport Fund—proceeds of which can come from earmarked state and local taxes—to exclusively meet investment requirements of urban transport.

In the advertisement policy, care is being taken to minimize the visual pollution in the cities and use well defined spaces such as buses, metros, foot over bridges and public utilities to maximize the advertisement revenue. Many cities are already using advertisement to fully fund foot over bridges including escalator-enabled foot over bridges, skywalks, road signages etc.

In the parking policy, it is envisaged that the parking fee should truly represent the value of the land occupied. A reasonably high parking fee should be used, not only to reduce travel demand but also to make public transport more attractive. The parking policy envisages a graded scale of parking fee depending upon the size of the car, higher parking fee for Central Business District (CBD) area and lesser in outside area, expensive on-street parking as compared to multi-storied parking etc. Such multi-storied parking lots would be provided with park and ride facility with motorized/non-motorized transport modes to facilitate decongestion of the CBD area. The funds so generated would be used to contribute to the Dedicated Urban Transport Fund for creating paid parking complexes wherever required and, for promoting

public transport. Delhi is already in the process of implementing this policy and other cities are also being encouraged in this direction.

With a view to incentivising investment in public transport systems, the Central Government is providing substantial financial assistance for metro rail projects and Bus Rapid Transit Systems (BRTS). In Delhi, Bangalore, Kolkata and Chennai, Central Government is providing financial assistance up to 35% of the total project cost as equity and loan as joint project promoter with the respective State Governments. For encouraging Public Private Partnership, Central Government is also providing grant of 20% of the estimated project cost as viability gap funding. Metro projects in two cities of Hyderabad and Mumbai are being taken up under this viability gap funding scheme. The total estimated cost of these metro projects for 380 kms is about USD 21 billion. Apart from this, land is extensively being used in all these projects to make them viable while keeping the fares low. Central Government is also providing financial assistance for BRTS projects in nine cities namely Ahemadabad, Surat, Rajkot, Jaipur, Hyderabad, Vijayawada, Vishakhapatanam, Pune, Indore and Bhopal for 360 kms at a total cost of about US\$ one billion. All these BRTS projects have dedicated cycle paths and pedestrian paths. We are planning for BRTS in many more million plus cities of India since BRTS is typically many times cheaper than the Metro. I may add parenthetically that million plus cities are spawning by the year in India.

The National Urban Transport Policy envisages setting up of Unified Metropolitan Transport Authority (UMTA) in all million plus cities to facilitate coordinated planning and implementation of urban transport programmes and projects. Such UMTAs have already been set up in Hyderabad, Chennai, Mumbai, Jaipur and Bangalore.

I am fully aware that India's urban transport is going to be the most difficult challenge if we want the urban centres to drive the country's economic growth. I am happy that we have undertaken all major policy initiatives at the federal level to incentivize the states and local urban governments to align their policies and institutions in line with our National policy.

The key challenge, for quite some time to come, would be a paradigm shift in the way we view urban transport. The twin pillars of this shift would be: One, keeping the interests of the pedestrians/cyclists at the core of all urban infrastructure and transport projects. Second, aligning the land-use and urban planning with the transport requirements of our people. On both these counts, we need to alter our mindset and steer away from the personalized transport to the public transport.

We cannot but empathize with the urge of the newly emerging classes to acquire a personal vehicle of their own because a car means much more than a car to them in a self-validating way, more so when we, in India, have one of the lowest car-ownership per thousand people in the world. Here, I would like

to draw a substantive distinction between owning a car and using it frequently. We can surely, through appropriate policy framework, de-motivate the use of personal vehicles for majority of the trips, like business, employment, education etc.

I may not be entirely mistaken to assert that no city in the world has so far been able to solve the problems of urban transport by adding more roads. As such the focus has to be on increasing road-utilization capacity rather than on adding more flyovers and roads. I am convinced that if we provide attractive options of public transport, which can be a combination of pedestrian walks, cycle paths, metros and above all, comfortable and convenient bus services; it would persuade the urban commuters to shift voluntarily to the public transport systems.

In the end, a public transport costs less not only in terms of commuter's pocket but also in terms of pollution which is one of the major problems of the globe. In one stroke we find a major solution to two major problems—urban transport and global warming. To use public transport and thus rub shoulders with people is surely one welcome way of leading a communitarian way of life rather than landing in elitist and secluded paradise.

Thank you!