Introducing KMA

Kolkata Metropolitan Area (KMA), the largest urban agglomeration in eastern India, extends over 1851.41 sq. km. and envelopes 3 Municipal Corporations including Kolkata Municipal Corporation, 38 Municipalities and 24 Panchayat Samitis. Today’s KMA is nothing but the metropolitan outfit of Kolkata City that has evolved over more than 300 years. The demographic and economic primacy of KMA is significant.

KMA holds a population of 14.72 million, according to 2001 Census, as against the total urban population of West Bengal of 22.5 million. An important demographic attribute of KMA is that its average residential density is the highest among the metropolises in India at around 8000 persons per sq. km. Interestingly, the city of Kolkata has been witnessing sharp decline in the decadal population growth because of the near saturation obtaining in the city. But population in the municipal towns immediately surrounding Kolkata City has been growing at higher rates.

The demographic primacy of KMA has been to some extent the result of a vibrant economy that the metropolis experienced over a sustained period of time in the history. KMA’s contribution to SDP is estimated to be around 30 percent, although KMA accounts for only 18 percent of the State’s population. KMA accounts for three-fourths of the organized sector industries and employment. KMA houses the major financial, commercial, educational, health, research and other organizations that cater to the requirements of not only of KMA but also the entire State, the eastern region and the country. The per-capita income in KMA is much higher than what it is in the rest of the State and this has created an opportunity for growth of various service sector industries including real estate development.

The State is now poised for rapid pace of industrialization and KMA has to play an important role in facilitating the process of industrial growth. The population of KMA is projected at 17 million in 2011, 20 million in 2021 and 21.1 million in 2025. It is not only to support the future population but also the emerging economic activities within KMA like the IT & ITeS industries, specialized financial services, necessary infrastructure and facilities shall have to be created through planned interventions such that the growth in population and economic activities could be sustained in a healthy and environment-friendly manner.

Role of KMDA

KMDA, established in 1970 under presidential ordinance and later sanctified under the KMDA Act of 1972, functioned essentially as a development agency with the specific purpose of carrying out major infrastructure development in KMA. With the enactment of West Bengal Town and Country (Planning & Development) Act in 1979, KMDA was designated as the statutory planning and development authority for KMA. Between 1970 and 1981 KMDA functioned as an overarching development authority in KMA, as most
of the units of local self-government in KMA were under suspension with no elected representation in place. It is only with the State Government’s avowed policy of decentralized planning and development across the urban and rural areas of the State that elected representation was installed in all the urban local bodies of the State including those in KMA. KMDA has been working in tandem with the elected ULBs towards the overall development of KMA.

The process of decentralized planning and development had taken a further stride following the enactment of West Bengal Metropolitan Planning Committee (WBMPC) Act in 1994 in line with the 74th Constitutional Amendment Act of 1992. Following the provisions of WBMPC Act of 1994, Kolkata Metropolitan Planning Committee (KMPC) had been established in KMA towards the end of 2000. Of the 60-member KMPC, 40 are elected from amongst the local elected representatives. The WBMPC Act provides for preparation of a Draft Development Plan for KMA by KMPC having regard to the plans prepared by the individual units of local self-government. The Act further mandates that KMPC should co-ordinate all the development activities undertaken by the different agencies of the State and Central Governments within the geographical boundaries of KMA to ensure conformity of developmental actions to the development plans. KMDA has become the Technical Secretariat of KMPC.

KMDA has always been sensitive to the needs of carrying out urban development on ground. To accelerate the process of urban infrastructure development, KMDA has been the pioneer in enlisting private sector participation by invoking the paradigm of public-private partnership in development and management of urban development projects.

Above all, with the evolution of functions of KMDA over the long 38 years, KMDA has become an epitome for urban planning and development in KMA.

**Broad functional domains of KMDA**

As already mentioned, KMDA’s functional domains broadly extend over three areas, namely, regulatory functions, planning for development and project implementation. Besides these major functional areas, KMDA is also engaged in providing consultancy services and implementing projects on behalf of other public sector departments and agencies.

Under provisions of the West Bengal Town and Country (Planning & Development) Act 1979, KMDA has to prepare existing Land Use Maps and Registers (LUMRs) for different zones within KMA to be able to prepare Land Use and Development Control Plans for those sub areas. KMDA has to follow the process of preparation of LUMRs and LUDCPs as laid down in the Act itself. Adoption of the statutory planning documents is preceded by publication of the documents for public inspection, invitation of public objection, hearing of public objection and incorporation of the necessary modifications in these documents. The LUDCPs provide for regulatory measures, enforcement of which would lead to obtaining an environment-friendly, eco-friendly urban growth subject to protection and conservation of exhaustible natural resources and heritage. As the process
of official adoption of LUDCPs usually takes a longer time, Development Control Regulation (DCRs) are often drafted and enforced to prevent unregulated and haphazard use and development of land, as an interim measure. In most cases, the responsibility of enforcement of LUDCPs and DCR are delegated to the units of local self-government. KMDA, however, retains the enforcement power to itself in selected areas/zones.

KMDA is engaged in carrying out different levels of planning exercise right from perspective plan to formulation of investment programme. KMDA keeps on updating the perspective plan and sectoral development plans to take into account the changing physical, social and other contexts. KMDA does these exercises at periodic intervals. Whereas the perspective plan sets out the broad goals and objectives and puts forward a ‘vision’ to be achieved over a longer period of time, the sectoral master or development plans set out the norms and standards of infrastructure, services, the projected requirement of such infrastructure and services, the strategies to be adopted for achieving the projected requirement and an indicative requirement of funds for the purpose. KMDA strives to ensure that the project-level interventions conform to the long-term plans.

KMDA formulates short-term action plans based on inter se priorities between different sectors of infrastructure, between zones of KMA and between economic groups of beneficiaries. Based on short-term action plans, KMDA undertakes preparation of project reports towards execution of the same by adopting a competitive tendering process. A large number of projects have so far been executed by KMDA covering different sectors of infrastructure such as water supply, sewerage and drainage, traffic and transportation, township and area development, housing and slum improvement, commercial complexes, parks and playground and so on and so forth. It should be very pertinent to note that in design of interventions, the urban poor have always received priority attention. KMDA’s interventions have not confined to development of physical infrastructure alone and have extended to cover the fields of health and community development especially of the urban poor.

Notwithstanding the mandates laid down in the WBT&CP Act and WBMPC Act, KMDA willy-nilly has to operate and maintain some infrastructure facilities, especially those trans-municipal in nature.

KMDA has been designated as the nodal agency for implementation of the Government of India sponsored Jawaharlal Nehru National Urban Renewal Mission (JN-NURM) for Kolkata and Asansol urban areas. KMDA would also function as one of the executing agencies for JN-NURM projects in KMA.

KMDA has been approached by different government department/agencies for planning, designing and implementing certain projects that require specialized skills. This has happened because of the credibility that KMDA has achieved over the long years of its existence. KMDA is provided with the funds for implementing the projects on turnkey basis and is allowed to retain service charges at mutually acceptable rates. In KMDA parlance, these are called ‘deposit works’. KMDA has also extended consultancy services to government departments and agencies in specific areas. Introduction of Geographic
Information System (GIS) in municipal functioning has been one of the prime areas where KMDA has provided a great deal of consultancy services to ULBs.

**KMDA Organization**

KMDA is a parastatal – an authority functioning under the administrative control of Urban Development Department of Government of West Bengal. KMDA derives its powers and functions from the provisions of WBT&CP Act, 1979. KMDA has an 11-member Board or Authority that includes both elected peoples’ representatives and nominated bureaucrats. The Hon’ble Minister-in-charge of Urban Development in the Govt. of West Bengal is the ex-officio Chairman of the Board of KMDA. All the members of KMDA Board are also members of the KMPC, which has been done with a view to providing functional convergence between the two bodies. The Hon’ble Chief Minister of West Bengal is however the Chairman of KMPC. The Board or Authority of KMDA takes all major policy decisions that are incidental to running the business of KMDA. However, for decisions in certain matters that may have impacts across other organizations and areas outside KMA, the same are forwarded to the State Government via the Urban Development Department, after the Authority of KMDA recommends the same.

KMDA’s day-to-day administration and planning and development activities are carried out under several directorates under control of a Chief Executive Officer – a senior IAS officer. The administrative functions are primarily organized under Secretary, again an IAS officer, through a number of functional units. The technical functions of planning and project formulation and execution are performed by 11 directorates or sectors in KMDA – each usually headed by an officer in the rank of Director/Chief Engineer. In addition, KMDA has a separate directorate for finance headed by a Director. All the heads of directorates report to CEO directly or via some officer of the rank in between such as Director General or Secretary or Special Secretary. A diagram showing the organizational structure of KMDA is presented in the Annexure-I.

**KMDA’s Resources**

At the hour of KMDA’s emergence, KMDA was endowed with special central assistance for capital works and was given half of the net collection of Octroi that was levied on all goods entering Kolkata as a buoyant source of recurrent annual revenue. From time to time KMDA continued to receive both plan and non-plan allocations under annual budgets. Govt. of India (GoI) projects on urban infrastructure development extending GoI assistance for such projects in Kolkata helped KMDA receive tied funds through budgetary allocations. A major part of KMDA’s capital works programme under the 3 phases of Calcutta Urban Development Programme (CUDP) between 1974 and 1992 came from the World Bank and channeled through GoI allocations. However, Octroi was withdrawn in the late 1980s and the World Bank assisted CUDP was discontinued since 1992. The State Government decided to extend fixed revenue grant to KMDA, in lieu of Octroi, to the tune of what KMDA was getting from Octroi; but this source has lost the buoyancy Octroi provided. KMDA started receiving central assistance under the centrally sponsored Calcutta Megacity Programme since 1996 for capital works projects, although
the actual receipt was found to be much lower than what was anticipated. Calcutta Megacity Programme has also been discontinued from the current fiscal. Besides these, funds under the State Plan and also under some other programmes – assisted by both the State and Central governments – have been received by KMDA for capital works.

Presently, the major sources of receipts under both revenue and capital accounts are as follows:

On the revenue account, the following are important sources:
- Fixed grant to KMDA (in lieu of Octroi since abolished)
- Grant for operation & maintenance (O&M) of assets created under the different capital works programmes of KMDA
- Disposal of capital assets (surplus)
- Interest on time deposits

The major sources of capital receipts are:
- Loan from the State Govt.
- Loans from financial institutions
- Grants from the State Govt. (for Megacity projects, Basic Minimum Services [BMS], GAP-Phase-II etc.)
- Grants from Govt. of India (GAP-Phase-II, VAMBAY, NLCP etc.)
- Disposal of flats, commercial spaces, lands etc.
- Deposit works (against projects that KMDA implements on behalf of other government departments/agencies)
- Central assistance under the ‘Infrastructure & Urban Governance’ Sub-Mission of JN-NURM
- Central assistance under the ‘Basic Services for Urban Poor’ Sub-Mission of JN-NURM
- Escrow Account containing the proceeds of lease premium/dividends etc. received from private partners against the PPP projects

The annual receipt for capital works from the different external sources averages out to Rs.250 crore per annum in the recent years. It is likely to make a quantum jump in the coming years, as funds would start flowing under JN-NURM and other PPP projects.

The annual receipt from revenue sources averages out to between Rs.200 and Rs.250 crore. KMDA’s own sources of revenue are constituted of the sales proceeds that KMDA receives from lease of lands, flats and commercial spaces constructed by KMDA itself, development fees under provision of T&CP Act, water charges, road tolls, advertising rights, sale of tender papers etc. The annual income from own sources averages out to around Rs.100 crore per annum for the last five years.

It should be evident from above that the major sources of revenue receipts of KMDA are in the form of transfer from the government sources.