RESOURCE (IN)EFFICIENT
TOWNSHIPS

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TWIN URBAN CHALLENGE

The focus is back on urbanization, as it is making its way in the public sphere and debate. In 2011, nearly 31% of the population (377 million people) resided in urban areas and by 2030 it is expected to become almost 50%[1]. The fast changing realities, players and aspirations in the urban areas have made this debate even more relevant and imperative today, than ever before. It is highly unlikely that the millions of urban residents along with the concerned urban authorities, developers, investors, media etc. would remain unaffected by the direction and the shape urban growth is beginning to assume in India.

Urbanization in India is faced with two pronged challenges. On one hand the pressure of the ever-growing existing cities coupled with the colossal challenge of providing them with basic infrastructure and services. But there is also little denying the fact that the civic authorities and government have been trying to make ends meet as far as the quality, adequacy and availability of basic services like water, sewage, electricity, transport etc is concerned. Though there are several limitations and concerns, the efforts and funds are been channelised to make them available and better.

On the other front, increasingly several private developers are beginning to see private cities and townships as the solution to the woes of existing cities. According to the realtors, in the near future growing urban population pressures in the existing cities could make them even more congested and unlivable. They make the case for the private townships by presenting them as planned cities, where the urban residents could avail better services, security and healthy environment.

It is this growing interest, investments and support for the private townships that requires serious introspection and understanding. The stakes in this kind of development are way too high to go wrong since its social, environmental and economic impacts could be immense to annul or amend later.

UNDERSTANDING THE PHENOMENON OF 'PRIVATE TOWNSHIPS'

Although the word township has been commonly used, there is no one nationally accepted definition or format. Therefore anything from 25 to 2500 acres could qualify or termed as a township[2]. Generally townships would include apartments, low rises, villas, plots etc. In realty sector, 25 acres plus areas are referred to as residential townships while projects over 1000 acres are referred to as integrated townships. Integrated taxonomy would imply facilities like schools, dispensaries etc. in addition to other facilities known as lifestyle facilities like shopping and sports centres, clubs, etc. But a few states and cities like Gurgaon, Bengaluru and Maharastra have specified a minimum area (100 acres) for the township projects[3].

In the past the country has witnessed various types of models as far as townships are concerned. After independence, eastern India saw the emergence of industrial towns like Jamshedpur, Bhilai, Rourkela, Durgapur etc. These townships though have corporate or

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industry promoters running their administration and services, but with the consent of the respective governmental authorities. Besides this, several cities have emerged from the design boards like Bhubaneswar, Chandigarh, and Gandhinagar. Thereafter, the country saw a series of satellite towns like Faridabad, Gurgaon etc. and sub cities namely Dwarka, Rohini, Navi Mumbai etc. come up. Although these cities had a different design and growth model but their administration and governance remains almost in the hands of the local government.

Though everybody is engaged in discussing the pros of townships, nobody seems to be aware of the real numbers. Different agencies, consultants, developers have given a varied estimates about the number and extent of townships that have either been constructed or are been planned for the future. According to the MoEF since 2006 39 township projects have been granted environmental clearance[4]. According to EIA notification any area development and township projects above 50 acres have to get environmental clearance from the MOEF. But what about the numerous projects with area less than 50 acres?

A report by McKinsey states that there is a need to build around 20-25 new townships closer to 20 metros and cities across the country[5]. In the much hailed Delhi Mumbai Industrial Corridor (DMIC), several private towns and cities are on the cards. The first phase of industry-city development will involve six locations, and the second phase another 18. Then there are high end claims. According to IDFC's India Infrastructure report 2009, the size of private 'integrated' townships ranges from 100 to over 1000 acres and more than 200 such townships covering more than 200,000 acres are under approval for planning and construction especially around the four metros.The figures must be significantly high in 2012, seeing the trend of property announcements.

But as far as reliable or government estimates on actual number of townships and their actual aerial coverage concerned, there are no valid figures.

RAINING INVESTMENTS

Township projects also seem to have won favours from both national and foreign investors. Real estate consultancy and research firm, Jones Lang LaSalle(JLL) reported that the international investors since 2006 have put in about US$ 15.8 billion in this sector. Of which, US$ 2.7 billion went to residential projects and US$ 2.4 billion to township projects, which is the second highest investment amongst all types of projects, while rest went into commercial, SEZ projects etc. In case of private equity, township projects had received investment of nearly US$ 122 million, which is also on the higher side[6].

The real estate market is upbeat about this sector since it demonstrates favorable environment like 100% FDI, favorable township policies for the investors especially the foreign investors. According to McKinsey average profit from construction in India is 18%, which is double the profitability for a construction project undertaken in the USA[7]. This interest has translated into frenzied partnerships, agreements, land and construction deals worth millions between Indian developers and their

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Box 1: One township = >1000 Crores

- A typical 300-acre integrated township
- Land - 49.6% (Rs 450 cr)
- Site development/infrastructure 17.3% (Rs 157 cr)
- Other basic amenities 0.3% (Rs 3 cr)
- Residential development 32.7% (Rs 297 cr)
- Total Rs 907 cr

Source: Rai Rajiv, 2008, the Township Advantage, May 1, Business Today

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foreign counterparts.

In projects where the foreign investors wants to have 100% investment without any local partners they need to register as an Indian company/ entity according to the government's FDI regulations. The minimum capital that is required to be invested in this case is $ 10 million with 3 years as the minimum lock in period for funds. Otherwise, in case of a local partnership by a foreign investor, a joint venture is formulated. In this scenario the minimum investment limit is US$ 5 million. The joint venture entity is valued on the basis of the land and the money been brought in by the foreign investor. The investor can change partner but cannot withdraw investment out of India before 3 years. Though there is some confusion on whether the 1st installment of money is taken as the benchmark for accounting the initiation of 3 years period or the last batch of investment? But some projects take project approval as the starting point of the three year period. Another clause in the FDI regulation mentions that 50% of the project should complete within 5 years period of its starting time. But again there is lack of clarity about the start of the 5 year period but in the realty sector, commencement of construction activities is taken as the benchmark period.

There are two kinds of projects where the FDI investments are been made in the country today. First, where the foreign investments are made before the project launch. Second, the construction projects where the investments are made when the project has been launched and is underway. In India majority of the projects fall into the second category, since a foreign investors generally considers it safe to park funds in the projects where the local partner already owns the land and has initiated the project related activities on ground. According to market watchers, funds like Pragyna funds, GE capital, JB Morgan, Fire capital are active in Indian realty market.

BUILD NOW, PLAN LATER?

After independence as the cities began to grow, so did the need to plan and manage them better. In the 60's, master planning emerged as a crucial tool for deciding the direction of urban planning and development. Several institutions like towns and country planning organization, some major development authorities etc. were created to produce and administer the city master plans.

Presently, the preparation and implementation of Master Plan is done under the aegis of the Town and Country Planning Act and the Development Authorities Act respectively enacted by states. The master planning exercise leads to a detailed proposal on landuse designation in various pockets of land within the proposed urbanisable land. A linked component is integrating these activities with existing city structure, services, transport corridors etc. thus several agencies are involved besides urban development authority which includes water supply and sewerage boards, Housing Boards, Slum Clearance Boards, Industrial Area Development Boards, Electricity Companies etc. Thus coordination and synergies between these agencies is paramount for effective and structured growth of the city.

But over the years relevance of master planning has seen decline and is probably considered dated. According to the Planning Commission's 12th five year plan's draft paper on urban development, the master plans are available for only 1500 towns out of 5161 urban centers. Further most of these plans are outdated[8]. In addition, poor coordination amongst the various concerned agencies and planned management have lead to inadequate and poor quality services and infrastructure. For example in Karnataka,

Box 2: Magarpatta, Unique Model of Integrated Township

The famous Magarpatta township development near Pune is an amalgamation of residential, commercial, institutional uses and is considered one of the better examples of integrated townships in the country. Today, the Magarpatta City spread over 400 acres and has over 35,000 residents living in it, though it is designed to accommodate 120000 people. It has a cybercity of 28 IT companies, hospital etc.

The township was based on the vision on walk-to-all-destinations be it school, work or recreation. Magarpatta is example of the first unique arrangement in the country where the farmers pooled their land and created a township, rather than selling their land to a real estate developer. Each family got shares in the company according to its landholding and the land title remains in the name of the farmer even when the land is developed and urbanized

Source: Jamwal Nidhi, 2009, The town farmers built, Down to Earth, Jan 15

Karnataka Industrial Area Development Board (KIADB) developed 4000 ha of land in Bangalore districts by acquiring land in advance and allotting it to industrial enterprises. Infact the famous electronic industry corridor (from Whitefield to Electronic City) in Bangalore developed to promote IT industries is not even part of the master plan proposal. As a result the high influx of skilled migrants has led to increased traffic, housing and concomitant increase of mixed land uses to locate high-tech office premises and commercial enterprises in residential areas[9].

Besides master planning, planning at all levels seems to facing its share of concerns. For example in the case of much hailed regional plan of NCR, MoUD in its report mentions that the regional NCR Plan proposals appear to be very sound on paper but suffers from poor coordination and implementation at the state level. Each state in the NCR has to prepare its sub regional plans in conformity with the regional but the state governments continue to ignore it. Case in point the large scale real estate development happening in vast areas around cities and Delhi, Gurgaon, Faridabad, Noida etc., with unprecedented conversion of agricultural land to urban uses. These developments have raised concerns about whether the NCR Plan prevails on the large scale change of landuse in these towns. The worry is that these real estate developments like townships, IT parks, SEZ etc. are coming up without taking into consideration of regional linkages, availability of skilled manpower and efficient and fast mode of transportation.' The report further warns that 'by developing these centers, it could be possible that they may become island of prosperity without benefiting the rural hinterland and also will be against the spirit of balanced and harmonious development of the region'[10].

TOWNSHIPS GROWING ON FERTILE LANDS

The recent spate of farmer agitations against land acquisition is a result of simmering anger against the authorities, developers and builders. As the land inside the city becomes scarce and aspirations and demand for housing rise, the land tracts outside the cities are been fast captured. The builders and developers eye these rich fertile agricultural lands and within no time acquire and occupy them with site offices and giant signboards advertising dream premium townships.

For example, in Pune the state government facilitated land use conversion by granting easy permissions for land use change. The government ordinance of 1994 stated that no permission would be required for non-agricultural use of agricultural land, in areas covered under the Regional Town Planning Act, 1966. Two years later, in 1996, the

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Box 3: Why the Most Fertile Land, Questions the Supreme Court?

Recently, Supreme Court of India also pulled up the Haryana government for acquiring 2700 acres of fertile farm land in Rohtak, Harayana for township project. The court questioned the need and the justification for acquiring "one of the most fertile land of India" for a proposed township in the district. The court asked the government why it did not consider vast barren tracts of land that was available nearby? The question was posed to the state government for acquiring and Ministry of Environment and Forest for clearing the project in the arable lands of Haryana instead of looking for more appropriate options.

Source: Anon, 2011, Haryana government dragged to SC on another land acquisition, The Economic Times, Aug 7

government granted access and right to develop hilltops, slopes and forest areas to the private developers for tourism purposes. And. all this at the expense of rich fertile agricultural lands, ecologically sensitive areas, hill areas etc. in the state.[11]

In Ambala recently farmers were angered when nearly 1852 acres of their fertile land was acquired for an industrial township by the government. The decision by the government would affect about 350 families. Though the government had given the farmers a week to submit their objections, the task was completed in two days when the administration was overwhelmed by nearly 464 objections.[12]

Not far from there in Ghaziabad, Uttar Pradesh similar scenes are common. Farmers agitate against real estate development on their lands. A high rise township situated on NH 24 was seeking additional land from the Ghaziabad Development Authority (GDA). According to GDA it was interested in playing the role of intermediary by acquiring land and selling it to builders. On being resisted GDA invoked the much misused urgency clause in Land Acquisition Act. But, GDA claimed that they were only playing the role of a facilitator for the 360 acres project. The area in and around Ghaziabad has seen rapid development of residential township projects.[13]

In south India, there are similar scenes on the Bangalore-Mysore Infrastructure Corridor (BMIC), where farmers claim forceful land acquisition for a proposed township. The farmer's association is fighting for better compensation for the farmers and also against government and builders greed. According to the local farmer association the land been acquired is much more than what is required for the township. According to the Karnataka government, notification has been issued to 27,363 acres of agricultural land among the identified 1,21,304 acres of land. This acquisition is meant for proposed projects like aerospace (977acres), IT Park (1,028 acres), hardware Park (869 acres) and townships (300 acres). This is when the government has already acquired about 2,874 acres of fertile land for an industrial estate near city's international airport. Farmers believe government acquires land from them at low prices and then pocket profit from its sale to the builders and developers.[14]

On one hand there are farmers who are not willing to part ways with the fertile lands, while others prefer selling it for better options either due to poor returns from or declining interest in agriculture. But, most of them would still have to struggle with the government and builders for fair compensation comparable to the genuine value of the land. But in this process, builders make the most profit by selling off the properties to the consumers at three to four times the cost price. The role and the real gains of the some government officials are also questionable. The simmering struggle of the farmers for their lands is now becoming a major concern for the developers, builders, investors etc. in the last 3-4 years

atleast 17 Indian states has seen protests for land including some violent ones.

TOWNSHIPS, ON LANDS FAR AWAY

There probably is a flip side to the euphoria surrounding the real estate growth in India. According to Liases Foras, a realty research firm, higher land prices are directly related to land scarcity like is the case in Delhi, Gurgaon, Mumbai, Bengaluru, Pune etc. These township projects are coming up in the outskirts of the big cities which can be anywhere between 15-30 kms and even further away from the city limits. Often these projects come up in the middle of villages, farmlands, remote areas which are middle of nowhere.[15]

Though large cities and metro regions have witnessed large scale investments and projects over the years and continue to do so. But significantly this trend is also fast capturing the imagination and lands in the tier II and III cities. It is here that the rising aspirations in lifestyles, employment opportunities etc. to match the metro cities has caught the attention big and small developers. Cities like Indore, Jaipur, Jodhpur, Agra, Ajmer, Kundli, Lucknow, Panipat, Jalandhar, Allahabad, Patiala, Chandigarh, Bhiwadi etc. are the new property hot spots. Developers like DLF, Ansals, Omaxe, Sahara etc. consider the relatively lower land values, land availability, rising demand, fewer players as the prime reasons of their interest in these smaller cities. For example, Omaxe alone owns some 40 residential and integrated township projects in Tier-II and Tier-III cities spread over states like Haryana, Uttar Pradesh, Rajasthan, Madhya Pradesh and Punjab. In these relatively small Class II and III cities Omaxe claims to be doing more business as opposed to class I metro cities. Census 2011 lists 7,935 towns in India, an addition of 2,774 towns since 2001. This only means the network of developers is only going to grow.[16]

WHO CAN WALK TO WORK?

Today, most of the township projects are marketing their projects on the promise of walk to work. On the face of it, it sounds like an environment and pocket friendly idea for the consumers. What the developers promote through their integrated township is self sufficient residential complexes, housed together with offices/commercial centres/ clubs/ schools etc. where the need to travel outside this dream township is minimal and in walkable distances from workplaces.

Although walk to work may have worked in some cities but it may not be applicable in every city and sector. For example Bangalore's Whitefield area is a classic example of this concept. The outskirts of Bengaluru already had several IT companies. Therefore the residential projects that came up adjacent to these companies made sense. Similarly some projects in Noida would also make sense if looked at from this perspective. On the other hand several companies and BPOs like GE, Deutsche bank etc. located their offices on the outskirts of Jaipur, since they did not require workforce with specialized skill sets and could hire them cheaply as opposed to places like Gurgaon and Noida. The relocation also helped the companies save high rents in commercial/institutional areas of Gurgaon and Noida.

But, there is rising skepticism about the much touted walk to work concept. Usually the companies would not like to locate away from the cities as they don't prefer locations far off from the main city. The cost benefit of the company's location is based on critical factors like transportation, cost of land, rents etc. The company may not require the services of local people and in the need of specialized skills which may not be available in distant locations.[17] Eventually if this walk to work concept is taken up blindly, the people who shift to these townships may end up traveling even longer distances to their

workplaces in the main city, forget walking.

POLLUTION CONCERNS

The existing pollution liabilities of some of these areas where the townships are been proposed and constructed has been ignored. Take the case of the industrial town of Bhiwadi, which has been promoted by the government and the developers as the third largest industrial hub in the country. The government claims that this town in Rajasthan is now fast becoming home to townships projects, IT hubs and corporate houses; besides the sleuth of industries like automobiles, pharmaceuticals, electrical appliances, industrial cables, garments, beverages etc. Bhiwadi's industrial expanse currently occupies 10,000 acres of land. The area is also expected to cater to the residential needs of people working in Manesar Gurgaon, especially because of the spiraling land and property prices there.[18] Even though the real estate sector is booming in towns like Bhiwadi. According to CPCB, the effluent generated by the industries is far greater than the treatment capacity, hence majority of the effluent flows into low lying areas. Several industries have no effluent treatment facilities and there are large numbers of illegal recyclers of battery scrap. According to MoEF, Bhiwadi was one of the higher ranking industrial clusters with very high levels of air, water and land pollutions. Bhiwadi has around 2,500 tiny, small, medium, large, industries. It is therefore not hard to imagine the pollution and the nature of pollutants that are effecting the air, water and land in and around Bhiwadi. It is these areas close to the industrial areas that the developers are busy constructing township projects and selling off to the buyers.[19]

RESOURCE CONFLICTS: WHO'S WATER, WHO'S WASTE?

With new townships coming up outside cities and its hinterland, tussle for resource is only going to get worse. Take the case of Lavasa township, which has become synonymous with violations and conflicts over resources. Lavasa after completion would cover a massive 5,000 hectares along the edges of seven hills in the Sahyadri range of the Western Ghats. Lavasa has been advertising its properties for its scenic greens and waterfront development and quaint getaway from city chores.

The luxurious township not only poses serious environmental dangers, but would also create conflicts with its downstream residents. The Warasgaon reservoir is integral to Lavasa not only for scenic purposes but because it would cater to the water demand for its over 30000 residents. But, Lavasa claims that their water withdrawal and use from the dam is not going to affect Pune which is downstream. Eight check dams are being constructed by Lavasa authorities upstream of Warasgaon dam to store water for the project. There are obvious apprehensions that these checkdams would lead to reduced flow of water in the main Warasgaon Reservoir.

Lavasa is adamant that its water requirement is meagre, when compared to that of Pune and would not interrupt with water available to Pune. In summers, when the Pune suffers from acute water shortage due to drying up of the Warasgaon dam reservoir, what will Lavasa do to quench the its thirst. Interestingly, Lavasa acknowledges in its red herring prospectus, filed at the time of initial public offer, that water scarcity may be problem for the township. [20]

This is just one of case of the innumerable cases that are treading the same path. The speed at which the townships are being cleared and constructed around the cities is signaling a potentially volatile situation in the future.

TASK CUT OUT FOR THE CIVIC AUTHORITIES

The dismal state of housing, services and infrastructure in existing cities has become the sales binge for the developers of the township projects. In addition the high land prices and lack of affordable housing units are leading to hyper development in outskirts of cities on fertile lands. The developers maintain that these projects have their captive infrastructure and do not have to be at the mercy of local civic bodies. This view has led to announcements and development of massive township projects. Upcoming projects in Gurgaon, Faridabad, Ghaziabad, Noida, Greater Noida, Kundli, Sonepat, Bhiwadi, Manesar etc. are all examples of this notion of private development and private services being sold by the developers and bought by the consumers. The provision of services both inside and outside of township works out in two ways. The developer pays external development charges to the authority to cut roads, provide sewer lines etc. Similarly, for maintaining the townships the developers charges the residents to maintain parks, open spaces, buildings, elevators etc. therefore even if the township within it may have excellent internal roads, parking facilities, lush gardens, but the external transportation, road connections, power lines, water supplies, sewerage connection are not under its direct control.[21]

Several experts have doubts that liabilities of integrated townships, often self created, may eventually fall onto the local government, municipalities and the civic agencies, since these townships are under the direct control of the developers, with little interventions from the government. Subsequently, when the developers transfers the responsibility to the residents, the likelihood of the local residents failing to mange and sustain these townships is also high given their lack of required skills and necessary experience. The likelihood of these townships exhausting, polluting and consuming their local resources at a much faster rate to meet their lavish demands is also equally real.

Therefore as cities expand, and more private townships come up, the civic authorities are bound to be caught up in a messy battle between existing cities and new townships for resource allocation and service management. Therefore, it is becoming increasingly important to focus attention and find solutions to these potential concerns, right away. The ultimate institutional responsibility has to be clearly defined taking into confidence the developers, local government and most importantly the residents.

NON INCLUSIVE GATED COMMUNITIES

The proliferating integrated townships across India are emerging as potential gated communities with little regard to their poor and deprived neighborhoods. While people living in these gated communities may have access to 24x7 water supply and power due to private borewells and diesel powered gensets, swimming pools, golf courses etc. all at the expense of its poor neighbors with limited means and access. The townships may be well serviced, flaunting luxurious lifestyles with world class standards on one hand. But, contrasting social inequity just outside these units is also equally visible.

The most obvious case to site is of Gurgaon since it was amongst the first cities to have gated communities. Simply stated, gated community is essentially a residential complex, with restricted and controlled access for outsiders. A closer look and shine off Gurgaon's developmental model seem to be fading. Gurgaon is now in news for its almost non existent infrastructure. The city has extremely poor sewerage system, insufficient and erratic water and power supply, inefficient solid waste collection and disposal system, almost absent public transport system and even poorer road conditions are its real

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Box 4: Resistance to gated communities

The Bangalore Development Authority and the Bangalore Metropolitan Regional Development Authority (BMRDA) have stated that their rules had no provision for a "gated community". The agencies also mentioned that the bye-laws do not mention 'gated communities and therefore there is no reason for them to support or maintain them. The authorities were also clear that these communities cannot lay claim ownership if the civic amenities in their campus. It was also unjust for these communities to restrict entry and disallowing general public to enter them. The Bangalore authorities in 2011 took action against the South City complex on Bannerghatta Road, which encroached upon the storm-water drain and obstructing pedestrian movement. The authorities demolished its outer wall for illegal encroachment on public land.

Source: Moudgal Sandeep, 2011, No recognition to gated enclaves: BDA, Deccan Herald, Bangalore, August 23,
http://www.deccanherald.com/content/185876/no-recognition-gated-enclaves-bda.html

concerns. So in the present scenario where government support structures and infrastructure are rather dismal, private developers seem to have their role cut out.

The private apartment complexes and mini townships are becoming suppliers and consumers. Even though the city faces frequent and long power cuts, these gated communities run massive diesel generators for long hours to compensate for lack of power supply. The residents of these communities get water almost through out the day, courtesy the private borewells pumping groundwater. Public transport is hardly an issue, since almost all the residents in these luxury apartments own cars. Garbage is collected from their doorsteps by private sweepers and then disposed off in some distant vacant plots in the city suburbs. In reality, private developers have developed private gated communities, with private infrastructure, which claim to be self contained. But, almost all the resources and services are facing severe crunch and are being brought from distant sources and at a very high cost by the authorities. Even these communities are beginning the face the crunch financially and as these resources run dry.

As more and more cities and its vast outskirts are captured by real estate developers, to build world class integrated townships, the real dangers of such developmental paradigm are also becoming more and more apparent.

ENVIRONMENTAL CLEARANCE: RED HERRING

There is little doubt that the impacts of townships on ecology, environment, communities, resources etc. is profound.

The draft 2005 EIA notification displayed on the MoEF's website for public comments, had infact placed the township and area development projects under Category A projects. This meant that this sector had to follow the same process of scrutiny and environmental assessment, as any other big industries, plants, dams etc.

However this notification was withdrawn and the 2006 EIA notification was implemented instead. In the new 2006 notification, township and area development projects are placed as category B projects with no public consultation, however with a requirement for EIA report and TORs. According to MoEF since 2006, 39 projects have been given clearances. Although at present these numbers are relatively very small as compared building projects but are set to grow phenomenally in the future due to rising demand for housing projects. Though MoEF had at some point of time acknowledged the severity of their impact, present regulation are not reflective of this concern for townships.

Spread over hundred of acres these projects need massive resources and generate even greater amount of wastes apart from other environmental and social implications. Therefore the need for a more detailed evaluation and assessment of these projects cannot be further undermined. Even the Planning Commission's Task Force had made similar recommendations. According to the report, all construction and buildings projects *should not be classified as category B* project, exempted from detailed EIA. All building and construction projects in major cities and in other urban areas with significant level of environmental stress (to be separately classified by the MOEF) should be classified as category A projects as should be all township areas within 20 km of such cities. But in the absence of such stringent regulations for townships and inherent weakness of the EIA regulation, big ticket projects continue to flout norms blatantly.[22]

TOWNSHIPS POLICIES: IS EVERYTHING FINE WITH THEM?

There is no denying the fact that the integrated townships are going to have sizable impact on the urban development scenario. Therefore, it is most logical and appropriate to have a strategy and a policy in place to deal with its regulation and monitoring. These policies

Box 5: How Lavasa ducked EIA

One of the most publicized cases of EIA violations is of Lavasa, which has been indicted of bending rules, overlooking regulations and ignoring environmental statutes since its inception in 90's. Lavasa has made every effort and argument since 2004 to evade scrutiny under all the three EIA notifications 1994, 2004 and 2006.

In 2004 when the Lavasa Corporation limited (LCL) got a clearance from the Maharastra's environment department under the Maharashtra Hill Station Regulations of 1996, LCL decided it required no more.

The company did not apply to the Centre though the EIA notification of 1994 mandated clearance from MoEF for tourism-related projects between 200 mts and 500 mts of high tide line and for projects at an elevation of more than 1,000m from sea level, involving investment of over Rs 5 crore. Since 58 ha of Lavasa city's area is above 1,000m height and the project cost more than Rs 5 crore, LCL ought to have applied to the Centre for clearance. Further, the mandatory public hearing and assessment of EIA report and environment management plan by EAC were bypassed.

Further, the company again claimed that the amended EIA notification of 2004, too did not apply to the project. The notification said "all new construction projects", including townships and colonies meant for more than 1,000 persons or involving an investment of more than Rs 50 crore, need the Centre's environment clearance. When this requirement was pointed out in court, LCL argued the project was not a "new project" because it had sufficiently progressed by 2004 when the notification was issued. But documentary evidences showed the company obtained the first permission for construction only in August 2007.

The developer's continued defiance of EIA was again demonstrated when they ignored the provisions of the EIA notification of 2006, which supersedes the previous two notifications. The notification says all townships and area development projects, covering an area of over 50 ha, commenced or upgraded after September 2006, need environmental clearance from the respective state EIA authorities. Since Maharashtra's State Environment Impact Assessment Authority was constituted by MoEF in April 2008, all new projects should have been appraised by the Centre till that time. But the developer chose to apply to the Maharashtra EIA authority in August 2009.

Source: Dutta. Arnab and Srivastava Sambhav, 2011, Lavasa Exposed, Down to Earth, New Delhi, April 15

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need to ensure that the all important principles of inclusiveness, equity, environmental sustainability and transparency are addressed adequately in these policies. Further, it is important to have adequate clarity and harmony amongst the state and the central government's policies and perspectives dealing with integrated townships to ensure that the development is regulated and has proper directions.

Presently, only a handful of states like Gujarat, Maharastra, Rajasthan and U.P have attempted to come up with their own township policies to have some regulations in place for the multiple proposed townships.

Therefore, every state has its own definition based on the prevailing situation and requirement for the integrated townships. For example, Gujarat, for instance, has an Integrated Township (IT) policy that encourages development of six different types of townships: technology parks, education-based townships, medical and healthcare townships, tourism related townships, logistics parks, and residential townships. The policy requires 80 per cent of the built-up area to be developed for residential use, while making housing for economically weaker sections (EWS) mandatory. Maharastra which is witnessing rapid real estate growth was infact the first state to draft and announce an integrated township policy in 2004. The policy states that such projects are required to have a minimum spread of 100 acres and favours IT establishments and enables easy land use change from agricultural use to non agricultural. The state also offers a sleuth of incentives to the developers like a 50 per cent waiver on stamp duty and no height restrictions, additional FSI etc.[23]

But, what is really missing is an overall vision about the growth and development of integrated townships in the country as a whole. There needs to be a guiding policy, which would provide directions to the state on the extent and the nature of such development that would be feasible. After all, development of townships have to be adequately supported by sufficient amenities, transportation connectivity, supply networks, funds for service provision, management costs etc. for which the role of the centre cannot be undermined.

But, at present there are no separate policy directives or guidance coming from the Centre, except that such a policy has been proposed only for townships that have IT as their commercial epicentre. Till that time, the states would continue to model the township developments without a national perspective, which would have far reaching impact on landuse, resource utilization, agriculture production etc. Although land revenue has become an important source of fund for the state government in lieu of the real estate development, but this has to be seen in the perspective of its larger social, economic and environmental implications. In addition, real estate dealings and developers intentions have not been completely sacrosanct and doubts have been raised about their actions and its impacts by various concerned stakeholders. Even though there is 100% FDI permitted in this sector, there are genuine fears that this might jut end up being a land grabbing exercise and then selling properties to the buyers at higher prices, to corner maximum prices.

The eagerness of the state to grant and the developers to receive clearances for townships is more than evident in Maharastra. Till 2008, the government of Maharashtra had received almost 90 applications for locational clearances for special townships and almost 1/3rd was proposed in Pune. The city already had seven out of eight sanctioned townships. The state township policy states that over 100 acres of land would be required for a township, which gives Pune a significant advantage over Mumbai. 24

Infact Maharashtra's Chief Minister Prithviraj Chavan openly lambasted the special

Box 6: Pune, the New Hub for Illegal Townships

When RTI activist Vijay Khumbkar noticed that the hill at Ghotawade near Mulshi (close to Lavasa) was been slashed, he got curious. His enquiry revealed that a 'special township' of 550 acres was been constructed but without permission from the Pune Collectorate. Alarmed by this, the township was renamed as IT cluster with residential area. Subsequently an RTI was filed demanding the list of special townships which have been given permission and proof of action taken against violation of stringent norms under special township rules. The intention was to know what all has been going on under the cover of special townships. After six months finally the information was revealed. According to the information put up, there are seven sanctioned townships in Pune namely Amanora Park, Nanded City, Blue Ridge, Kumar Ekluch, Riverview, Gulbakshi, Pearl Eiffel City. The commencement documents revealed that all these projects started work much before proper clearances. Though the documents state that the developer can begin work only after procuring environmental clearances and showing proof of how they are going to put the infrastructural facilities in place. The administration chose to ignore the violations. Infact, one developer, on the basis of a commencement certificate of one 'special township', replicated it in another area, without applying for a separate permission."

It is becoming clear that the special townships norms are being flouted. Developers are blatantly claiming building special townships, when in reality they are mere housing societies on a bigger scale.

Source: Deshmukh Vinita, 2011, Special Township projects: RTI query reveals lack of monitoring and adherence to norms, Moneylife September 14,

township scheme. According to Chavan, the township policy was created with the aim of creating small townships across 100 acres of land with all amenities provided by builders, but certain anomalies have been noticed. The sops offered to the developers included bypassing the urban land ceiling restrictions and non-agriculture tax conditional to the provision of 10% affordable houses in these projects. Others concessions included automatic non-agricultural permission, concession in stamp duty and development charges and a floating FSI, provision of land by the state government for a contiguous project. But, it seems these were not sufficient, thereby violations and misuse of these provisions was rampant. Another loophole of this policy was that it did not put a cap on how much government land can be given away for such projects. Therefore even if government gave 40% land, the developer was bound to provide only 10% affordable homes in return, not an equivalent 40%.[25]

TOWNSHIPS - WHO IS IN CONTROL?

These townships which claim to provide a complete world class city experience, efficient infrastructure, job opportunities in walking distance, uninterrupted water supply, electricity, waste management and essential convenience with security, what if they falter on their promise? What if the developers fail to be good town planners, managers or service providers? What if they suddenly gave up their management control, maintenance responsibilities one fine day?

Because up till now the only experience they have is essentially of acquiring land, construction buildings, marketing, selling properties, besides making millions.

Fears are that if the experienced government agencies and service providers with legal mandates can run out of options, so can the developers. The urban local body and municipal corporations can infact be held accountable by the city residents for their

inability to supply water or electricity or for not picking up garbage regularly. After all these agencies are there for larger public good and service provision by their mandate.

But, what can and will hold these profit yearning private developers responsible for lack of sufficient and clean water, power supply to run entire townships (and no running on diesel gensets), regular collection and more importantly proper disposal of waste including wastewater.

Another relevant question for the authorities allotting these projects to the developers for building and managing these townships is, whether there are any instances or provisions where developers past records, experience and intention of managing township and service provision is evaluated? Thus, there is certainly no issue with the intention of these integrated townships of providing community living, nearby work spaces, conveniences all nested together, but the question is on delivery and more critically of its sustainability.

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