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DRAFT REPORT

VOLUME I

**REPORT OF THE COMMITTEE OF STREAMLINING
APPROVAL PROCEDURES FOR REAL ESTATE
PROJECTS IN INDIA**

KEY RECOMMENDATIONS

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1 Abbreviations

AAI - Airport Authority of India
AIM - Aeronautical Information Management
AHQ – Air Headquarters
AHTF - Affordable Housing Taskforce
AIBC - Approved Inspector Building Control
AMC - Ahmedabad Municipal Corporation
AP - Andhra Pradesh
APS - Automatic Plan Sanction
ASI - Archaeological Survey of India
AVL - Avas Vikas Limited
AVN - Avas Vikas Nigam
BCA - Building Code of Australia
BCB - Building Control Bodies
BCO - Building Control Officer
BIS - Bureau of Indian Standards
BMP - Bangalore Mahanagar Palika
BPPA - Buddha Purnima Project Authority
BPSP - Building Plan Scrutiny Pool
BSUP - Basic Services to the Urban Poor
BUC - Building Use Certificate
CAA - Constitutional Amendment Act
CAF - Composite Application Form
CARD - Computer Aided Registration of Documents
CBI – Central Bank of India
CCI - Competition Commission of India
CDA - Cyberabad Development Authority
CGWA - Central Ground Water Authority
CMC - Chennai Municipal Corporation
COA - Council of Architects
CREDIA - Confederation of Real Estate Developers' Associations of India
CRZ - Coastal Regulatory Zone
DA - Development Authority
DD – Demand Draft
DDTP – Deputy Director of Town Planning
DG - Diesel Generator Set
DIPP - Department of Industrial Policy & Promotion
DOB - Department of Buildings
DPC - District Planning Committee
DMU - Delivery Monitoring Unit
EC - Environment Clearance
EIA - Environment Impact Assessment
EWS - Economic Weaker Sections
FAR - Floor Area Ratio
FDI - Foreign Direct Investment

FICCI - Federation of Indian Chambers of Commerce and Industry
FSI – Floor Space Index
GDA - Ghaziabad Development Authority
GDCR - General Development Control Regulations
GDP - Gross Domestic Product
GHMC - Greater Hyderabad Municipal Corporation
GIS - Geographic Information System
GMC - Guwahati Municipal Corporation
GMDA - Guwahati Metropolitan Development Authority
GNIDA - Greater Noida Industrial Development Authority
GoI - Government of India
GVMC - Greater Vishakhapatnam Municipal Corporation
HADA - Hyderabad Air port Development Authority
HCC - Heritage Conservation Committee
HIG – High Income Group
HMDA - Hyderabad Metropolitan Development Authority
HRD - Human Resource Development
HUDA – Hyderabad Urban Development Authority
HUDCO - Housing and Urban Development Corporation
IHSDP - Integrated Housing and Slum Development Programs
JNNURM - Jawaharlal Nehru National Urban Renewal Mission
JTP - Junior Town Planner
LABC - Local Authority Building Control
LIG - Low Income Group
LOP - Layout Plan
MCC - Mysore City Corporation
MCD - Municipal Corporation of Delhi
MCH- Municipal Corporation of Hyderabad
MIDC - Maharashtra Industrial Development Corporation
MIG – Middle Income Group
MoCA - Ministry of Civil Aviation
MoD - Ministry of Defence
MoEF - Ministry of Environment & Forest
MoHUPA - Ministry of Housing & Urban Poverty Alleviation
MoUD - Ministry of Urban Development
MIS - Management Information System
MPC - Metropolitan Planning Committee
NAREDCO - National Real Estate Development Council
NBC - National Building Code
NDA – National Defence Academy
NeGP - National e-Governance Plan
NHAI - National Highway Authority of India
NHB - National Housing Bank
NIC - National Informatics Centre
NMA - National Monument Authority
NOC - No Objection Certificate
NSDG - National e-Governance Services Delivery Gateway

NSIG - National Institute for Smart Government
NSSO - National Sample Survey Office
OBLS - Online Business Licensing Service
PMC - Patna Municipal Corporation
POA – Plan of Action
PPP - Public Private Partnership
PWD - Public Works Department
QBSA - Queensland Building Services Authority
RAY - Rajiv Awas Yojna
RICS - Royal Institution of Chartered Surveyors
SAPREP - Streamlining Approval Procedures for Real Estate Projects
SEAC - State Environmental Appraisal Committee
SEC - Socio-Economic-Classification
SEIAA - State Environmental Impact Assessment Authority
SMC - Surat Municipal Corporation
SNPUPR - Support to National Policies for Urban Poverty Reduction
SPB - State Planning Board
SPS - Single Point Source
TCPO - Town & Country Planning Organization
UDA - Urban Development Authority
ULB – Urban Local Body
UPDFI - Urban Development Plans Formulation & Implementation
UT - Union Territory
WDA - Works of Defence Act

2 Preface

In India, the need and demand for both housing and infrastructure are enormous. With the population crossing 1.20 billion in 2011, the magnitude of housing shortage at the end of the 10th Plan was around 24.7 million units for 67.4 million households. It is estimated that 99% of this shortage pertains to Economic Weaker Sections (EWS) and Low Income Group (LIG) categories. During the 11th Plan, the total housing requirement (including backlog) will be around 26.53 million units for 75.01 million households. At present, nearly 70% of the country's population lives in rural areas. But with Foreign Direct Investment (FDI) pouring in the country, urbanisation is spreading its roots in India like never before. It is estimated that by 2030, 40% of the country's population will be living in the urban area. With urbanisation and growth of cities, there is need and urgency for better governance.

Even though, Real estate in India is the 2nd most important sector after Agriculture, having secondary and tertiary linkages in terms of employment, GDP growth etc. and linked to the three basic ingredients of ROTI, KAPDA, MAKAAAN in human growth, there is no well defined regulatory regime in this sector in the Country. The building approval process is slow and expensive when compared to other countries. Most of the clearances needed are at state level like land, water, electricity, town and country planning and a whole lot of clearances are needed of which some are sequential rather than parallel, and many a times, projects get stuck in 'snake and ladder' kind of a situation, when after some clearances, because of a new factor, the whole sequence had to be followed de-novo. The cost of project gets compounded due to delays and time and cost over-runs, including possible corruption at some layers, resulting in ultimately the Consumers having to bear the brunt. For example, for housing projects, a developer needs to get about 51 approvals from respective state authorities and other agencies. The approvals for land use (use conversion in Master Plan), and environmental clearance consume most of the time and consequently delay the projects. The duration for taking these specific approvals is about six months to one year and sometimes it stretches to two years or more especially for approvals related to land.

If the current system is allowed to continue it will have a serious effect on the overall economic competitiveness. The Regulations do not exist for the sake of regulation but for speedier and orderly development of the sector where all the stakeholders can play their legitimate roles. It is very important to evaluate which regulations are necessary and which need simplification and to see that the cost of compliance of those regulations commensurate with the benefits involved and are in line with the objectives initially stipulated. A single-window or a facilitative window, either at Centre or at State level is the key.

I would like to thank the Committee members for their contribution and advice in compiling the recommendations - Shri Susheel Kumar, Joint Secretary (H) and Member Convenor, SAPREP (MoHUPA), Smti Gauri Kumar, Additional Secretary (MoEF), Shri J. B. Kshirsagar, Chief Planner (TCPO, MoUD), Shri Vijay Kumar, Secretary, Urban Development (Govt. of Andhra Pradesh), Shri S. Sridhar (Advisor to RICS South Asia and Former CMD, Central Bank of India (CBI), NHB), Shri K. K. Muhammed, Regional Director (ASI), Joint Secretary (MoCA), Mr. E.F.N. Ribeiro, Chairman Board of Governors, School of Planning and Architect, Bhopal, Shri S.P.S. Parihar, Principal Secretary, Urban Development (Govt. of Madhya Pradesh), Shri Ashish Sharma, Municipal Commissioner, Pimpri Chinchwad Municipal Corporation (Govt. of Maharashtra), Municipal

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The Committee appreciates the invaluable inputs provided by other esteemed members who contributed in various Sub-Committee meetings - Smti S. R. Rajashekar, Director (H) (MoHUPA), Shri S. S. Meena, Under Secretary (MoHUPA), Dr Achala Mediratta (TCPO, MoUD), Shri OmaNand, Under Secretary (MoCA), Shri Abinash Kumar Singh, Estate Officer (Patna Municipal Corporation (PMC)), Shri Lalit Kumar Jain, President (CREDAI), Shri C. Shekar Reddy, Vice President (CREDAI), Shri Getamber Anand, Vice President (CREDAI), Shri Prasanna Hota, Honorary Advisor (CREDAI), Shri Navin M. Raheja, President (NAREDCO), Brig. (Retd.) R.R. Singh, DG (NAREDCO), Smti Mousumi Roy, Director (FICCI), Smti Tora Saikia, Urban Planner (SNPUPR), Smt Deepti Gaur Mukerjee, Director, (HUDCO & RAY, MoHUPA), Shri Santosh Mathew, Deputy Director (FICCI), Shri G. S. Sandhu, Principal Secretary (Urban Development & Housing, Govt. of Rajasthan), Shri Rama Kamaraju, Project Manager, eBiz Project (NISG), Shri Satish Kalothra, Under Secretary (DIPP), Shri N. Ganesh, Executive Director (AIM, AAI), Shri S. K. Purwar, GM (NOC, AAI), Shri R. C. Taneja, Advisor (Unitech), Shri S. K. Yadav, Vice Chairman (Ghaziabad Development Authority (GDA)), Shri P. K. Tripathi, President (Unitech Ltd.), Shri S. C. Gaur, Town Planner (GDA), Shri Arvind Bhatnagar, Chief Operating Officer (Janaadhar Constructions).

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3 Introduction and Key Recommendations

3.1 Background

Urbanisation is an undisputed driver of the process of economic growth. The number of cities & towns and the urban population in India has increased steadily over the last 60 years and likely to touch 590- 600 million in 2030 as per projections. The consequential challenges of urbanisation are threat to urban planning and resource availability and the menace of proliferation of slums. The study by a technical group constituted by the Ministry of Housing and Urban Poverty Alleviation, (MoHUPA) Govt of India, revealed that the total shortage of dwelling units in urban areas in 2011 was 26.53 million out of which 99% pertain to the Economically Weaker Section (EWS) and Low Income Group (LIG). So, creating an urban housing stock as a preventive strategy to contain ever-increasing slum population has become a top priority for sustainable urban planning and development.

The financial resources needed to meet this mammoth shortage are beyond any public initiative and need partnership with the private sector i.e. the Real Estate developers. However, the private players seek some incentives and primarily a business-friendly environment to enter into the not-so-profitable venture of providing Affordable Housing for the LIG.

One of the foremost demands of the Real estate industry across the Country is to facilitate fast-track and transparent system of project approval procedures. The current procedures followed by local Governments, starting from receiving the application to giving the completion certificate, are ridden with a lack of clarity or structure, complexity of design and operation, inefficiency and uncertainty and time/resource consumption. Therefore, it is important to study the procedures that are leading to inefficient outcomes and that are giving scope for either apathy towards developers or corruption.

Anecdotal evidence suggests that the process of approval involving statutory authorities of Central Govt, State Govt and Local Municipal Corporations takes 90 to 600 days. McKinsey estimates that the delay in project approvals certainly has a huge bearing on the project cost to the tune of 40 percent. The single intervention in approval process that can make a huge difference was equivocally said to be e-based single window mechanism to enable coordination among the multiple authorities dealing with various permissions/approvals.

Realising this need, the Ministry of Housing and Urban Poverty Alleviation (MoHUPA) has constituted a Committee to study various successful models in various States in India & international best practices and to suggest a methodology for fast track Central/State building clearances.

While the whole process mapping can be time consuming and long exercise, this report is aimed at process mapping of some critical processes e.g., building permission process, which can help in identifying the reform areas. For the purpose of detailed diagnosis, mapping of the implementation process needs to be undertaken, particularly in those critical processes that play a very important role.

3.2 Terms of Reference

The Terms of Reference (TOR) stipulated for the Committee and the strategies worked out in various deliberations in the meetings are as below. However, it was decided by the Committee that since lot of research have already been done by Government and Private agencies, in stead of de-novo work on the subject, SAPREP Committee should study available documents/publication /reports and deliberate on how a practical and acceptable mechanism may be suggested to the States.

TOR- A) Examine few best practices on streamlining building plan approval processes in cities like Pune, Hyderabad, Mysore and Indore etc.

TOR- B) Study of Bihar model on the obtaining of building plan approvals from certified architects.

1. Collect information from existing data and internet and put in Matrices to understand current practices followed in various States and the bottlenecks.
2. Prepare Questionnaire for the states for additional information and to send request letter to States through M/oHUPA requesting response to the questionnaire and collect with the help of SAPREP members.
3. Documentation of all the data/reports and make Summery report.
4. Invite representative from Bihar/Pune/ Hyderabad/ Madhya Pradesh to share their practical experiences in SAPREP meetings.
5. Study Flow chart of TCPO/NAREDCO/CREDAI/ FICCI and others and put it in Matrices for comparison. See which of the activities are in sequence which could be made parallel to reduce time of approval.
6. Have public views on the subject by publishing in the website so that the relevant ones may be part of the recommendations.
7. Study the possibility of creating empowered professional bodies for Engineers in the line of Indian Council of Architects (ICA)/ Indian Council for Architects of India (ICAI)/Bar Council of India (BCI) which can issue professional membership on the basis of certain eligibility criterion so that the registered members can act as facilitators in the approval procedure.

TOR- C) Suggest a methodology for fast tracking Central/State building clearances.

8. Study fast tracking methods including checklists developed by various agencies like CREDAI/HDFC/FICCI and other such available documents in States in India.
9. Study Single Window mechanism available in India and International ones which may be relevant to SAPREP requirements and suggest a fast tracking mechanism with standardized process chart with activities/clearances in the process showing approval authority for clearances and sequential and parallel activities therein.
10. Study online mechanism already available and deliberate if an online single window mechanism may be suitable and desirable to bring necessary reform in the fast tracking Central/State building clearances.

TOR- D) Suggest a systematic approach through which all cities and states can develop fast track, single window clearance mechanism giving specific focus on simplification of procedural aspects, formulating single composite form with complete listing of the set of documents necessary to accord sanction by the authorities and automated system for building plan approval with special emphasis on Affordable Housing.

11. Study on the need of some improvised online mechanism including developing customised software for real estate projects under M/oHUPA.
12. Explore if online mechanism is already available in India which can be useful and can be replicated/ integrated/ value added for SAPREP purpose and may be initiated by M/oHUPA.
13. Study & suggest developing Monitoring and Overseeing mechanism including creating Empowerment Committee at Centre, States and Districts.
14. Study status report of Indira Awas Yojana, Rajiv Awas Yojana, Affordable Housing in Partnership, JNNURM etc as a learning experiences for making the Report of the Committee.
15. Study and suggest creating a separate Green channel of clearance for affordable housing in the mechanism which may include the approval process for land as well inside it in addition to the automated system for building plan approval.
16. Study and suggest on Capacity building to make it an essential component for effective implementation.
17. Consider that the quality of construction and basic development norms including the environmental and ecological issues are taken care of in suggesting reform in the process.
18. Consider interest of the consumer with equal importance for confidence building and the benefit of the real estate sector as a whole.
19. Compile all the suggestions as above and put in a Summary report and deliberate further in the SAPREP Committee for incorporating in the final SAPREP report.

3.3 Key recommendations of SAPREP Committee

3.3.1 Adopt a single window for clearance or facilitation of approvals

The concept of a 'Single window' or 'One stop shop' is widely recognized as an effective tool to ensure speedy approvals. This has been used very successfully in India by the Department of Industrial Policy and Promotion, to improve the investment climate by improving the 'ease of doing business' in the country.

Single window concept can be applied to either the entire gamut of departments, processes, approval stages or its scope can be kept limited to a certain services activities that can be accessed through this single window. 'Single window' can be implemented in various forms –

- a) Appointing nodal agency or authorized officer
- b) Enacting 'single window' legislation that extends the nodal agency concept to include other enabling mechanisms such as empowered committees
- c) By connecting all/select departments by a technology interface, which acts like a single window

At the moment, automation of building plan approvals (option reform under Jawaharlal Nehru National Urban Renewal Mission (JNNURM)) is termed as 'single window clearance' by some cities. However, it is clarified that, the scope of such single window is limited to 'building plans' and

cannot be termed as 'single window' in the broad sense. Further, the role of the 'single window' can vary to be 'advisory/facilitative' or 'empowered to make decisions/award clearances'

Central Government

- 1. The Committee recommends that MoHUPA considers providing incentives as part of JNNURM or other schemes, to states that undertake implementation of single window concept (in addition to automation of building plans), for all real estate projects or for affordable housing**

State Government

- 2. The Committee encourages states to follow the model being followed by various state departments of industries and put in place, 'single window clearance services' available through online platform**

The states of Rajasthan, Punjab and Maharashtra serve as useful case studies where such 'single window clearance services' have been implemented and similar services may be extended to cover real estate projects as well

- 3. States may also consider directing the local bodies, to put in place a 'dedicated cell in Urban Local Body (ULB) to act as single facilitation or clearance window'**

3.3.2 Invest in adopting robust technology platform(s) at state level

Today, majority of Real estate approval processes involve a lot of paperwork, physical visits to various central, state and local government departments, all of which are a main contributor to the cumbersome and lengthy approval process.

The Committee strongly recommends investing in robust technology platforms, at the state level (in the first phase) and subsequently in local bodies, wherein all central, state and local government departments are connected through a strong technology backbone and all project applications and approvals are processed online. It is imperative to leverage technology to expedite approvals and added advantages such as -

- Remove paperwork and physical visits
- Improve transparency and accountability through regular reporting & escalation mechanism
- Remove ambiguity and discretion by auto detection / verification where possible
- Minimize corrupt practices by e-payment facilities

The Committee has evaluated the e-biz model being implemented by Department of Industrial Policy & Promotion (DIPP) and is convinced that it can be extended to real estate sector, with reasonable effort

Central Government

- 4. The Committee recommends MoHUPA to seek advice of DIPP and fund development costs for extending the e-biz model for real estate projects. MoHUPA may collaborate with one or two progressive states to pilot this initiative.**

A scheme on cost-sharing basis may be designed to implement the e-biz portal in States (as pilot projects), including associated capacity building needs.

State Government

5. The Committee urges state governments to partner with MoHUPA to pilot implementation of e-biz platform in their state.

While initial costs may be borne by the central government, further enhancements or additional features/services may be funded by state governments.

3.3.3 Consolidate and streamline building laws at national and state level

The Committee believes that in order to remove overlapping or contradicting building bye laws, to remove ambiguity, to factor in advancements in building technology and finally, to take into consideration the pressing development needs of the fast urbanising India, it is imperative that the state building laws are consolidated in a simpler format and streamlined according to the current needs, without compromising public health and safety standards.

Central Government

6. The Committee recommends the Ministry of Urban Development (MoUD) to work with Bureau of Indian Standards (BIS) to undertake a review of NBC, with a four-fold objective –

- a) Update provisions of NBC which are outdated or impractical in ensuring speedy approvals, without compromising standards
- b) “Part III, Annexure C of the National Building Code of India” lays out the norms for low cost housing. This code focuses a great deal on cluster development and the coverage of group housing needs updating. The Task Force recommends that the MOHUPA should carry out a separate study on building standards and norms to revise the provisions of “Part III, Annexure C of the National Building Code of India” with respect to Affordable Housing, especially for group housing society projects which are not included in the code at present. This section may contain specific provisions for ‘affordable housing’ with densification and revised norms for built-up area from an affordability perspective
- c) Aligning the chapter on ‘sustainability’ to be inline with the provisions of ‘environment law’ or requirements for ‘environment clearances’

State Government

7. The Committee recommends that all states consider ‘streamlining of building bye-laws’ to provide ‘clear overarching laws and guidelines’, especially with respect to various NOCs required from Central and state governments.

The revolutionary changes in building byelaws brought about by Govt. of Andhra Pradesh may be studied as a successful model for ensuring speedy approvals as well as densification for growing housing needs.

3.3.4 Clear processes and timelines for greater clarity and predictability

One of the main issues in real estate project approvals is the uncertainty and ambiguity with constantly varying requirements of documents and inter-dependencies on approvals /NOCs which are not known beforehand. This leads to applicants / developers approaching various departments multiple times without understanding complete requirements or processes. Because of this uncertainty and lack of clarity, it makes it impossible for applicants to ascertain timelines for receiving necessary approvals.

To attract private sector to develop affordable housing projects, it is critical that they are given surety of speedy approvals within a stipulated time period, which would allow them to deliver projects faster, and make up for thin margins.

State Governments

- 8. The Committee recommends all state governments to lay down clear processes to be followed across all approval stages, while making effective use of flowcharts. Approvals may be categorized as sequential and parallel activities to ensure most efficient process is followed**
- 9. The Committee also strongly recommends state governments to standardize 'project related information' required as an input in application forms, across all approval stages. States are encouraged to adopt a 'Composite Application Form' (CAF), along with single window system to reduce duplicity of effort.**
- 10. To minimize error and processing of incomplete applications, states and local bodies should prepare standard checklists of required approvals, along with listing supporting documents and prescribing time limits for each approval.**

3.3.5 Examine approval processes that can be removed, simplified or delegated

Approval of real estate projects is a complex process involving many departments across central, state and local governments. The plethora of state and local laws regulating real estate development makes it difficult for the Committee to identify exact type of approvals/activities that may be improved upon, to reduce the complexity and time involved in getting those approvals.

To ensure streamlining of real estate project approvals, in addition to the recommendations also provided above, a review of existing processes may be pursued at state/local level to ascertain & implement the following -

- Remove duplicity or unnecessary approvals activities/documentation - eg dual process of getting conversion of land use approval from revenue department as well as town planning / local dept may be done away with
- Simplify approval process by clearly stating applicable rules and restrictions – there may be opportunities to cut down the need for NOC from different authorities (eg NMA, AAI if the restricted areas are made available in public domain beforehand.
- Identify activities / services that can be automated - eg building plans, payments
- Identify activities / approvals that may be delegated – eg planning approvals (zoning plan or change in land use) can be delegated to local bodies when they are adequately trained

Central Government

- 11. The Committee recommends MoHUPA to work with all central government departments such as Ministry of Environment & Forest (MoEF), Airport Authority of India (AAI), National Monument Authority (NMA), Ministry of Defence (MoD) to identify opportunities for simplification, delegation or automation, to reduce time taken for such NOCs**

State Government

- 12. The Committee recommends all state governments to review the approval processes for their states and local bodies in order to identify the activities that can be removed, simplified, delegated or automated.**

3.3.6 Expedite decision making and clearance of long pending applications

Considering the urgent need of expediting real estate project approvals to provide affordable housing and to improve the ease of doing business in this sector, steps need to be taken to dispose off applications that have been long pending.

State Governments

- 13. The Committee recommends state governments to consider constituting empowered Committees at state level, to take a decision on all pending applications, in order to grant approvals or intimation of disapproval**
- 14. State governments are encouraged to use the concept of 'Deemed approval' after expiry of prescribed time limit, in a judicious manner.**

Deemed approval may be allowed for situations that have low risk involved as well as for special cases such as affordable housing, where there is well established urgency to act faster.

3.3.7 Introduce fast track channels for projects that meet 'affordable housing'¹ criteria

Central Government

- 15. The Committee recommends MoHUPA to declare the 'definition of affordable housing' projects and notify all Central and States agencies to consider fast track processes and exemptions for projects that meet the affordable housing definition**
- 16. The Committee recommends MoHUPA to work with key Central Ministries such as MoEF, Ministry of Civil Aviation, Ministry of Defense to agree on certain exemptions and special treatments for NOCs required for such affordable housing projects**
- 17. The Committee recommends MoHUPA to provide incentives for states to introduce fast track processes for affordable housing projects and reward states for improved performance**

States may be incentivised by MoHUPA to perform well on metrics such as – increase in housing stock, % gap reduced in housing demand and supply, no. of days reduced within the clearance process etc

State Government

- 18. The Committee recommends states to adopt 'single window system' through a special vehicle or nodal agency, to expedite approvals for affordable housing projects, on the lines of Rajasthan - Avas Vikas Limited (AVL)**

¹ As defined by MoHUPA under Affordable Housing Policy or other relevant schemes

19. **Preferential treatment may be given to process 'Affordable Housing' applications via 'Single Window Clearance Portals' set up at state level**
20. **The Committee also urges all States to devise fast track mechanisms with 60-90 day clearance window for 'Affordable Housing' across different approving authorities**
21. **States may further incentivize and reward local agencies and individuals that take positive measures to simplify approval procedures**

3.3.8 Empower or empanel 'competent professionals' at state/local level to support ULB staff

It is well established and documented that the urban local bodies in India do not have adequate capacity and expertise to function efficiently. In some parts of India and in other countries, assistance is taken from the private sector by either empowering professionals to 'self certify' small sized projects, thereby doing away with the requirement of approvals empanelling 'competent and licensed professionals' to perform certain activities in the approval process where they are competent, thus reducing the work load on ULB staff

Central Government

22. **The Committee recommends that MoHUPA issues guidelines for empanelling and licensing 'competent professionals/surveyors' along with minimum competency criteria**

The central Government may issue guidelines for licensing the following professionals by state governments.

- Architects – may be empanelled to review and verify building plans and zonal/layout plans for building projects
- Civil / structural engineers – may be empanelled to review application of building plans, construction as well as structural design requirements
- Building surveyors / inspectors – may be empanelled to review adherence to stipulated building codes and bye laws, including site inspection (for commencement and completion certificate)
- Lawyers and law firms – may be empanelled to verify legal documents including ownership and non-encumbrance certificated

23. **'Competent professionals' recognized by central government (ministry of HRD (Human Resource Development)) for employment to senior posts in Government, may be allowed to be empanelled automatically**

State Government

24. **The Committee urges states to augment capacity in local bodies by strengthening the concept of 'licensed professionals/surveyors' and allowing them to perform important activities in the approval process**
25. **Further the Committee recommends that states consider empowering such licensed architects, engineers and surveyors to self-certify building approvals for smaller projects (G+4)**

3.3.9 Build capacity in local bodies by training ULB staff in ‘planning & development’ areas

The 74th constitutional amendment devolved the power and responsibility for planning and development functions, from state government to cities (urban local bodies, district planning Committees, metropolitan planning Committees).

Planning

Despite this, state governments have not yet transferred the power to ‘grant planning permissions’ to local bodies. As a result, local bodies rely on state governments to process planning applications, leading to time delays. A large factor, apart from political will at state level, is the fact that local bodies do not have sufficient expertise in planning functions. The Ministry of Urban Development estimates that India needs approx 40,000 urban planners whilst the number of registered planners (in a country of 7,935 towns²) is only 3,000³. According to an RICS Research⁴, as of 2011, there is a total supply of 16,000 planners in the country and only 616 planners are being added every year, from 21 planning institutions. This capacity issue is at the heart of the delays in granting planning permissions (such as land use, zoning plan etc)

Development

In addition, most local bodies do not have sufficient capacity to carry out the quantum of site inspections required across key construction stages, to ensure building norms are not being violated. Enforcement of building codes is a serious issue that has not been dealt with adequately. Anecdotal evidence confirms that the number of building collapses or fire related accidents in India are high even though there are no recorded statistics. Thus, it is imperative that steps are taken to augment the capacity of building inspectors or civil engineers trained on building codes.

Planning related recommendations - State Government

26. The Committee reinforces the urgent need to build capacity of urban planners at local level, who are competent in town planning laws to be able to award planning permissions, hence reducing the time delays

Building capacity of urban planners at the local level will enable local bodies to prepare city development plans, in line with master plans prepared by states or metropolitan planning authorities. This will eventually make planning policies and plans very clear, and decisions /permissions faster

Development related recommendations - Central Government

27. The Committee recommends that MoUD to consider constitution of a professional body for engineers and building surveyors

Given the huge requirement of professional engineers and building surveyors in the country, to ensure quality and safety requirements as well as resource management in construction, the Committee recommends Ministry of Urban Development, to consider constituting a

² 2011 Census

³ McKinseyGlobal Report –India’s Urban Awakening

⁴ RICS Research – Real estate and construction professionals in India 2020

professional body for civil engineers and building surveyors and empowering it to register and license such professionals. Industry and professional bodies like 'Indian Roads Congress', 'Indian Building Congress', 'Institute of Engineers', 'Royal Institution of Chartered Surveyors' and premiere Institutions may be consulted for this purpose.

28. The Committee recommends that MoHUPA takes the lead in building capacity of building inspectors or engineers trained in building codes, to expedite building approvals in local authorities

MoHUPA may embark on a capacity building programme for building inspectors with a pilot training programme for select states/ cities. Eventually MoHUPA may consider training few building inspectors as 'master trainers' who could then work with states and cities to train staff in local bodies.

Development related recommendations - State Government

29. State Governments are also encouraged to conduct training programs to train engineers on building regulations, so as to build capacity of 'building inspectors'

4 Urbanisation and Housing Trends in India

4.1 Increasing urbanisation

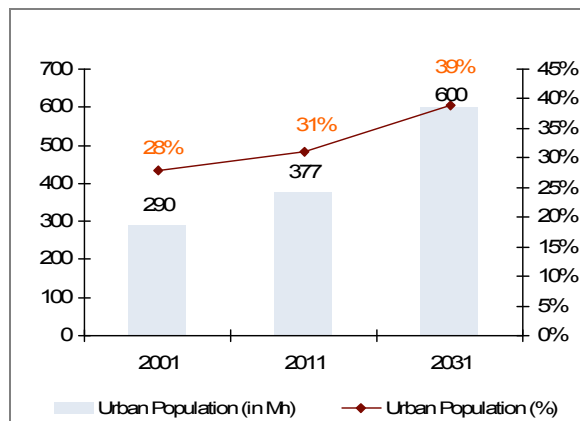
As in most countries, India's urban areas make a major contribution to the country's economy and contribute to economic output, host a growing share of the population. Cities have been at the heart of India's economic success - urban India accounted for 62-63% of the country's GDP in 2009-10. According to estimates, the contribution of urban areas is expected to rise to 75% of GDP in 2030.

Urbanisation is not a side effect of economic growth; it is an integral part of the process. It is a known fact that there is a strong correlation between urbanisation and economic development. The relationship between GDP growth and urbanisation exists because high population density provides scale benefits that boost productivity, which in turn enhances growth - a virtuous cycle.

With direct migration to urban areas accounting for 20-25% of the increase in urban population, India will see urbanisation spread across the nation and impact nearly all states.

Census data indicates that India's urban population has grown from 290 million in 2001 to 377 million in 2011, which accounts for over 30% of the country's population. The number of urban cities and 17 towns has also increased from 5,161 in 2001 to 7,935 in 2011. Additionally, the number of 1 million plus cities has grown from 35 in 2001 to 53 in 2011.

Figure 1: Urban Population



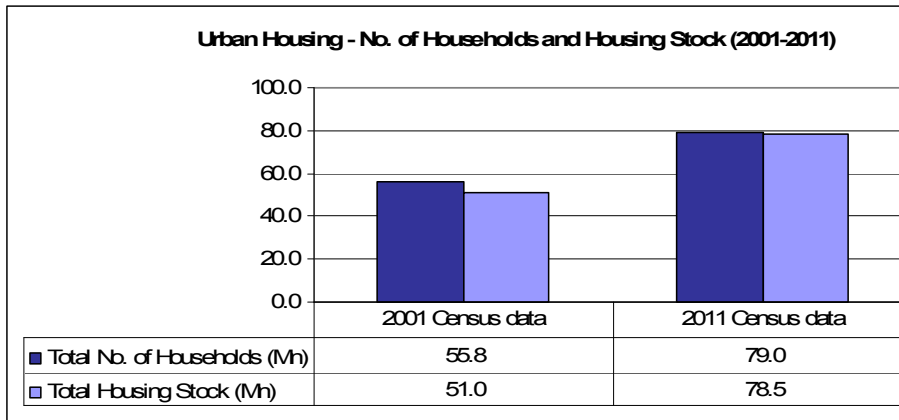
4.2 Current situation of housing

All countries have problems of housing supply but the scale of the problem in India is immense. One of the most serious and insurmountable problems is that of housing on account of a growing and migratory population moving to cities.

Current demand supply gap of housing

The total number of urban households in the Country stood at 79.0mn in 2011 as compared to 55.8mn in 2001, reflecting an increase of 42% over a period of 10 years. The total urban housing stock on the other hand reflected an increase of 54% over the same period, increasing from 51mn in 2001 to 78.5mn in 2011. **This indicates an average addition of 2.32mn households and 2.75mn housing stock, per year, over the last 10 years.**

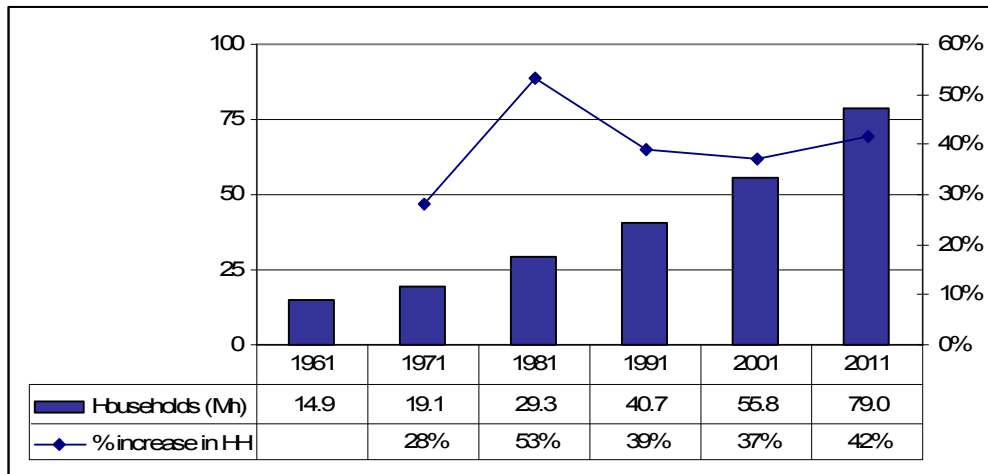
Figure 2: Urban Households and Housing Stock (2001-2012)



Source: Census data

No. of households has only seen a marginal growth over 2001-1011, in line with the past trends, as can be seen in the figure below.

Figure 3: Urban Housing - No. of Households (1961-2011)



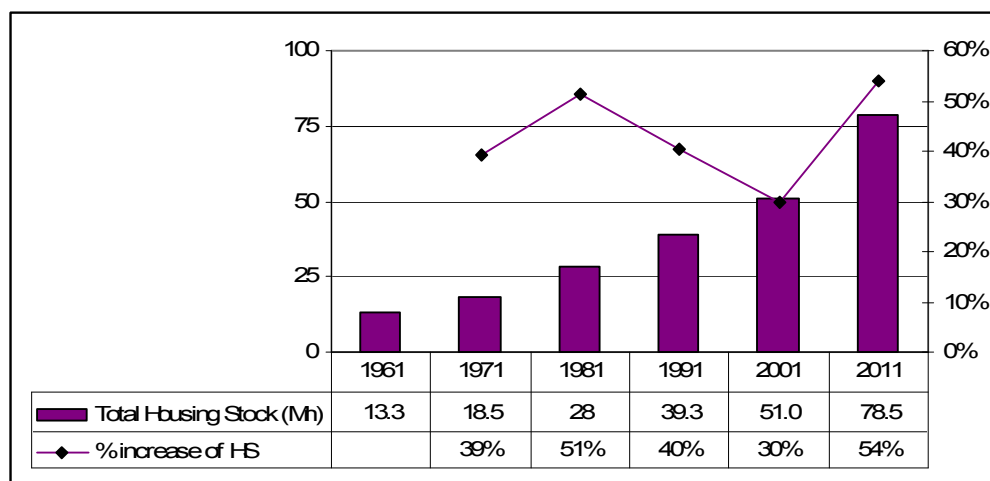
Source: Census data, RICS Analysis

Contrastingly, the housing stock has grown by 54% over 2001-2011, as compared to only 30% over 1991-2001. This is a key indicator, implying that the overall capacity of housing supply has increased in India.

The average growth of housing stock over the 20 year period from 1981 to 2001 has been approximately 1.1 million units. During 1997-2002, about 1.45 million constructions were estimated as being added to the housing stock every year⁵, amounting to the annual exponential growth rate in the housing stock of approximately 2.6%.

However, there has been a significant increase in the overall urban housing stock added over 2001-2011. Nearly 27.5 million units have been added to housing stock in this 10 year period, implying an average of 2.7 million units has been added to the housing stock every year in the last 10 years. This is a significant increase from the historical trends.

Figure 4: Urban Housing - Housing Stock (1961-2011)



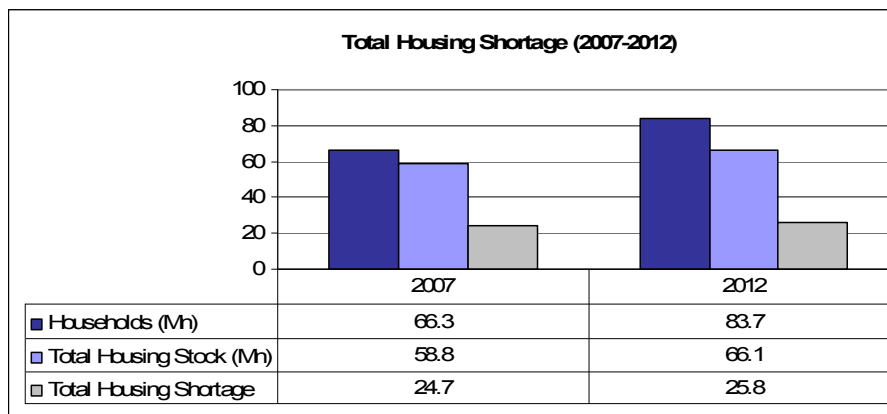
Source: Census data, RICS Analysis

⁵ NSSO report No. 488

Estimated housing shortage

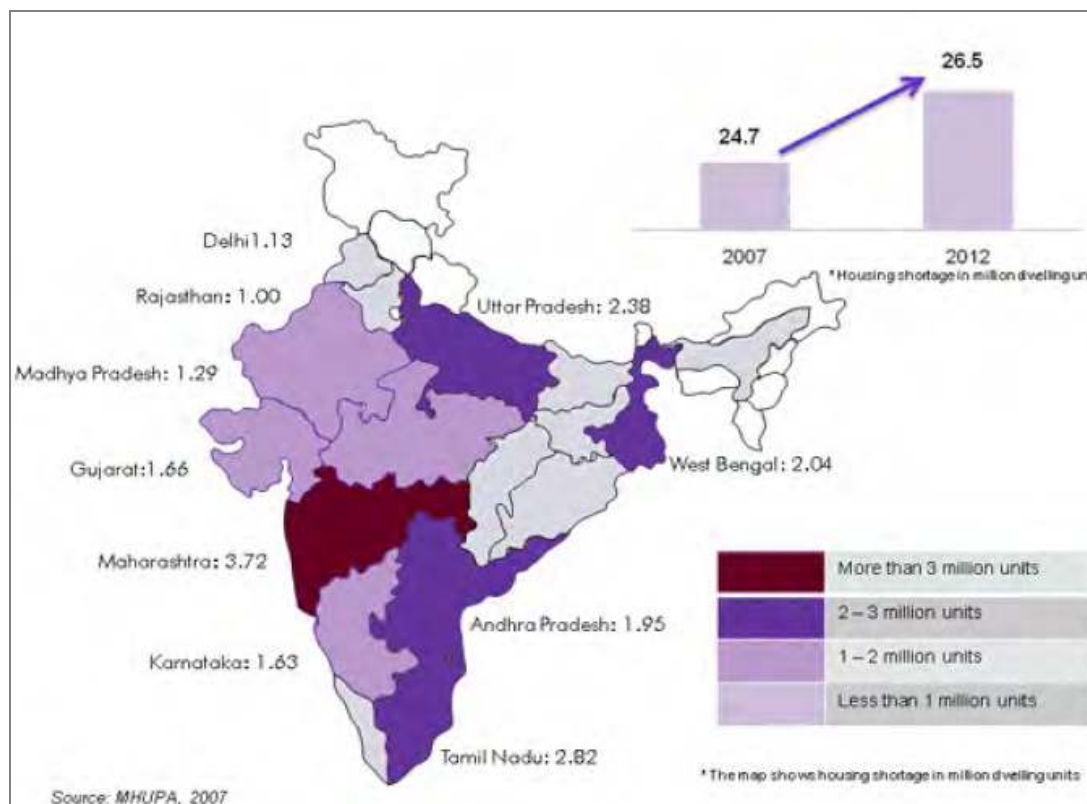
As depicted in above figure, the urban housing shortage in the country at the end of the 10th Five-Year Plan (2007) was estimated to be 24.71⁶ million for 66.30 million households. 88% of this shortage pertained to houses for EWS and another 11% for LIGs. This depicts a huge demand for affordable housing in the country. Medium and luxury housing is also expected to observe quantum growth in coming years as this market segment is comparatively very small and has huge potential for further developments.

Figure 5: Total Housing Shortage (2007-12)



Source: Report of the Taskforce on Housing Shortage (2006)

Figure 6: Housing Shortage across States (2007)



Source: MHUPA 2007 report, RICS Research – Making Affordable Housing Work in India

⁶ According to estimates of the Technical Group constituted by MoHUPA

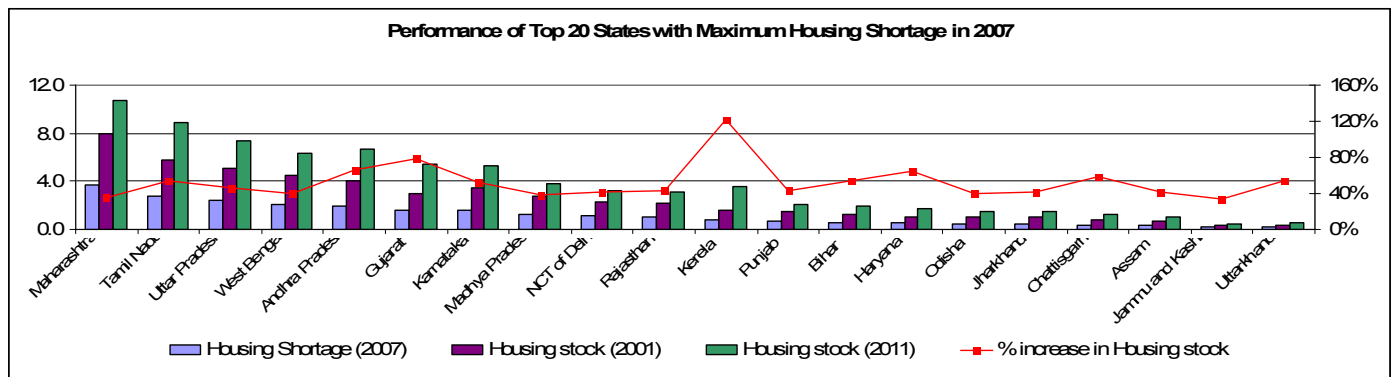
State-Wise addition of housing stock (over 2001-2011) in States with maximum housing shortage (2007)

The figure below plots 20 states, which have the maximum housing shortage as discussed in the above section. Along side the housing shortage, the graph shows the total housing stock in 2001 and 2011, with the percentage increase of housing stock (over 2001-2011).

As per this analysis, for the top 20 States with maximum housing shortage, housing stock has increased in the range of 34% to 121%, as depicted in the figure below.

In 2007, the maximum amount of housing shortage was faced by the State of Maharashtra (3.7mn) followed by Tamil Nadu (2.8mn), Uttar Pradesh (2.4mn), West Bengal (2.0mn), Andhra Pradesh (2.0mn) and Others. **The percentage increase in housing stock in these 5 States over the last 10 years has ranged between 35% and 65%** (35% for Maharashtra and 65% for Andhra Pradesh).

Also, Kerala has emerged as the State with highest percentage increase (121%), in housing stock as compared to these 20 states with significant housing shortfall. The States of Gujarat and Andhra Pradesh have also added significant housing stock, increasing by 79% and 65% respectively.



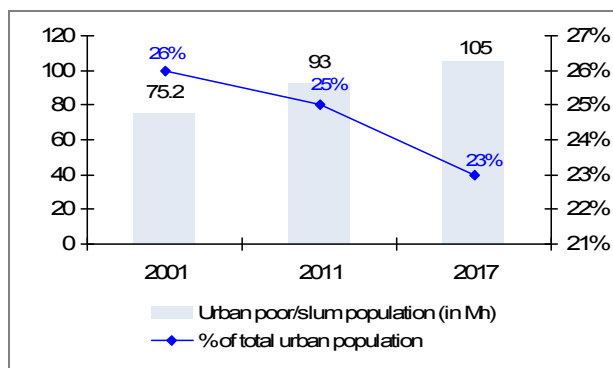
Source: Census data, Report of the Taskforce on Housing Shortage (2006), RICS Analysis

Increasing slum population

Due to the paucity of houses to accommodate people, cities are being reduced to slums, which have become an inevitable part of the Indian urban landscape with most major metropolises dealing with concerns of slum/squatter settlements. Despite the robust economic growth at the national level, the number of the urban poor has steadily increased in recent decades.

Estimated at 75.2 million in 2001, the urban poor represented about 26% of the urban population in India. Many of them are subject to deplorable living conditions. According to an expert Committee set up to estimate the 'reliable' urban slum population, as of 2011, the slum population in the country is estimated at 93 million, having increased by nearly 17.8 million. While the national population is growing at 2%, the urban population is growing at 3% in the smaller cities and 4% in the larger cities, the worrying factor is that the slum population is growing at 5%.

Figure 7: Slum population (2001-2017)



Source: Census 2001 and 2011 data, Estimates in report of Committee on Slum Statistics, RICS Research - Real estate and construction professionals

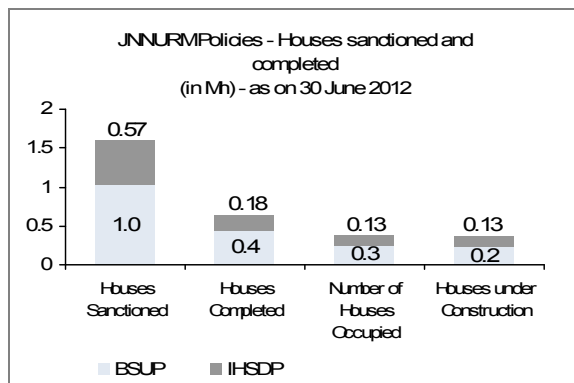
Government schemes to promote affordable housing and housing for poor

To achieve the goal of urban and housing development, several housing boards and development authorities emerged to keep up with the housing needs of the nation. JNNURM which was launched on 3rd December 2005 has been the flagship program of the Government, which envisages a reform-driven, fast-track and planned development of cities, with a focus on efficiency in urban infrastructure and service delivery mechanism, community participation and accountability of ULBs towards its citizens.

Basic Services to the Urban Poor (BSUP) and Integrated Housing and Slum Development Programs (IHSDP)

One of the key reforms proposed under the scheme is the focused attention to integrated development of Basic Services to the Urban Poor (BSUP) in the cities covered under the Mission. The Integrated Housing and Slum Development Programs (IHSDP) is another integral aspect of the mission whose objective is to strive for holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas. As per the Delivery Monitoring Unit (DMU) Report approx 1 million and 0.5 million houses have been sanctioned under the BSUP and IHSDP programmes respectively, while the houses completed equate to 0.4 million and 0.18 million. Additionally, the houses under construction under BSUP and IHSDP are 0.2 million and 0.13 million respectively.

Figure 8: JNNURM Policies - Houses sanctioned and completed as on June 2012 (in Mn)



Source: DMU Report: JNNURM as of 30th June 2012

Affordable Housing in Partnership

The Scheme of Affordable Housing in Partnership aims at operationalising the strategy envisaged in the National Urban Housing & Habitat Policy (NUHHP) 2007, of promoting various types of public-private partnerships – of the government sector with the private sector, the cooperative sector, the financial services sector, the state parastatals, urban local bodies, etc. – for realizing the goal of affordable housing for all.

The Ministry of Housing and Urban Poverty Alleviation has constituted a Task Force for developing transparent qualified criteria and a separate set of guidelines for affordable housing in PPP projects for circulation to states. This taskforce focuses on strategic and tactical issues in promoting Affordable Housing and has studied various models for incentivizing the private sector in the States especially with regard to reservation of land for EWS/LIG and their involvement under Rajiv Awas Yojana

Rajiv Awas Yojana

Rajiv Awas Yojana (RAY) was launched by the government under JNNURM in 2011. The scheme envisages a 'Slum-free India' with inclusive and equitable cities in which every citizen has access to basic civic and social services and decent shelter.

M/o HUPA had selected 30 cities across 16 states for initiating the 'National Slum Free City Campaign' to design and implement model pilot initiatives. However, **states have expressed some reluctance to comply with mandatory provisions for availing central funds** under the scheme such as according property rights to slum dwellers and earmarking 25% of the municipal budget for spending in colonies and slums where the urban poor live. Under RAY, while the Centre gives 50% of the project cost to redevelop existing slums and create new affordable housing stock, the remaining 50% cost has to be borne by states, municipalities and the beneficiaries.

The flagship scheme is being revisited to modify some “mandatory provisions” to make it more acceptable to states. It is also being considered shift RAY's focus on developing infrastructure in existing slums. While the ministry would provide funds for improving basic amenities, slum dwellers would be given interest subsidy on loans to improve their homes.

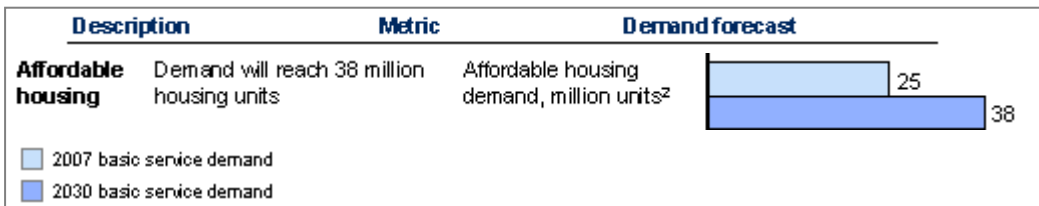
Future housing demand

It is further anticipated that the 225 million increase in urban population by 2030 is estimated to generate unprecedented demand for quality real estate and infrastructure to house and employ this population. However, if statistics are anything to go by, there is a wide gap between the demand and supply of housing - both in terms of quality and quantity in urban India.

Estimates given in McKinsey Global Institute Report - India's Urban Awakening

Taking into consideration the housing shortfall at the start of 11th five year plan, a McKinsey report⁷ has extrapolated figures to indicate that the demand for affordable housing will reach 38 million units by 2030 in comparison to 24.71 million units in 2007.

Figure 9: McKinsey Estimates – Affordable housing demand due to urbanization (2007-2030)



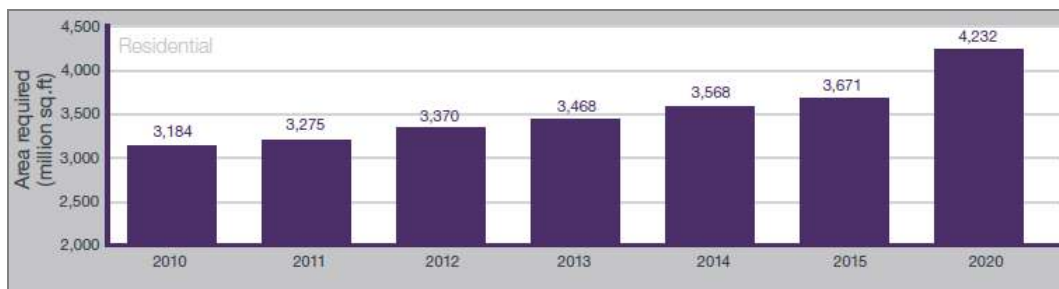
Source: McKinsey Global Institute Report 'India's urban awakening: Building inclusive cities, sustaining economic growth'
Affordable housing demand – is net of supply

Estimates given in RICS Research - Real Estate & Construction Professionals in India 2020

This RICS report provides estimates of the total potential demand for real estate space across different asset classes including residential.

The report indicates that based on the Socio-Economic-Classification (SEC) pattern in India in 2009-10, per person average residential space requirement is approx 304 sq ft⁸. Given this per capita requirement and the incremental urban population, India may potentially need to build an average of approx 4 billion square feet of residential space every year. **Assuming a household of 4 people, approximately 3.5 million units is the annual potential demand/requirement.**

Figure 10: RICS Estimates - Demand for residential real estate space – in million sq ft (2010-20)



Source: RICS Research – Real Estate and Construction Professionals in India by 2020

⁷ McKinsey Global Institute Report 'India's urban awakening: Building inclusive cities, sustaining economic growth'

⁸ Assessment for demand for per capita residential area has been estimated on basis of paying capacity of the Indian population from the Indicus sample survey 2009 – 2010. The demand for larger units are likely to be generated by high paying propensity educated and employed class, whereas smaller units are likely to be demanded by a population segment with low income levels. SEC A is likely to opt for larger unit size accommodating 4 and 5 BHK units within an area size of 4750 sq. ft, SEC B is likely to opt for 3 BHK with average area of 2500 sq ft and SEC C may opt for 2 BHK within an average area of 1,500 sq ft. However SEC D and E are likely to fall in the low income bracket with less paying propensity, therefore are likely to opt for smaller units within an area range of 600 and 275 sq ft respectively

4.3 Approval processes for housing and other projects – a key bottleneck

Even though the real estate and housing contribute significantly to India's economic growth, the sector has peculiar complexities which arise because of the uncertainties, interdependencies and inefficiency in operations of various process workflows and authorities.

The building approval process in India is relatively slower and more expensive in comparison to several other countries. **As per a World Bank Report⁹, India stands at 181st rank in the ranking of 183 economies on the ease of dealing with construction permits.** The report highlights that an average 34 procedures over a period of 227 days are needed for obtaining construction permits in India vis-à-vis 14 approvals over an average of 150 days in the OECD region and 16 approvals over an average of 222 days in the South Asia Region.

Figure 11: World Bank Report 2012 – Ease of dealing with Construction Permits

Indicator	India	South Asia	OECD Average
Procedures (number)	34	16	14
Time (days)	227	222	150
Cost (% of income per capita)	1,631.4	980	55.53

Source: World Bank Report 2012: Doing Business in a More Transparent World

In India, various types of approvals are required at different stages by different authorities. Development authorities allocate approvals based on land use and zoning regulations, while municipal corporations are responsible for the enforcement of building regulations as stipulated by the 'NBC'. Additionally, several non-planning permissions are also required to be obtained from various authorities such as the Traffic and Coordination Department, Airport Authority of India (AAI), Coastal Regulatory Zone (CRZ) authorities etc. as an assurance that buildings do not adversely affect its surrounding areas. Permits are also needed from utilities departments such as water and sewerage departments, electricity boards, etc.

Additionally, a FICCI research report 'Streamlining Approval Procedures for Real Estate Projects' carried out across five states, suggests that it takes anywhere between 2.5 – 4 years on an average to acquire the necessary building approvals. Refer comparative chart from the report below.

Figure 12: Comparison of major approvals and time taken in different states

Approvals	Maharashtra	Gujarat	Orissa	Tamil Nadu	Haryana
NA Permission / Land Conversion	3 months (+)	2 months	3 - 6 months	9 months	6 months
Ownership Certificate	15 Days	60 Days	6-12 months	12 months	3 days
Building Layout Approval	1 month	6 months	6-12 months	45 days	6 months
Commencement Certificate	15-30 days	2-3 months	6 months	1-4 months	6-9 months
ASI	6 months	Over 1 year	3 - 24 months		2 months
AAI	3-4 months	6 months	6 - 12 months	1-2 months	3 months
Environment	3 months (+)	1 year	30 days to 12 months	4-8 months	2 years
Building Completion Certificate	30 days	3-4 months	6-12 months	3-6 months	6 months
Occupancy Certificate	60 days				6 months

Source: FICCI Report

⁹ World Bank Report 2012: Doing Business in a More Transparent World

5 Legal and Regulatory Framework Governing Real Estate Projects Including Housing

5.1 Background on legal and regulatory framework

The table below highlights the main laws, rules and regulations that govern construction of building projects in the country. To ensure conformance with all statutes, different tiers of Government (Central, State, Local Parastatals) have laid down requirements for a number of approvals that need to be sought before development can begin.

While the long list of permits often exceeding fifty in number for each state/project, these can be broadly classified as 6 broad categories as depicted below. Such a categorization would help in understanding and simplifying the procedures for building permits.

Figure 13: Legal and regulatory framework governing real estate projects

Category	#	Type of approval	Objective of scrutiny	Governing law / framework	Departments responsible
Land title	1	Ownership Certificate/Extract OR Patta Copy/ Patta Sheet	Establish ownership based on verification of past records	Indian Registration Act , 1908 / Various State legislations	<u>State Government</u> Revenue Department (Tehsildar)
		Non encumbrance Certificate			
Planning & Land	2	Conversion of Agricultural land	Allow non-agricultural urban uses	Land Revenue Acts by all State Governments	<u>State Government</u> Revenue Department
		Change of Land Use approval	Conformity to Master/ Zonal/ layout plans	Town and Country Planning Acts by all State Governments	<u>Parastatal/ Local govt./ State government</u> Town Planning and Development authorities
		Planning permission or Zonal plan approvals			
Construction of buildings	3	Lol for Building Plan	Adherence to various codes and standards to protect public health, safety & gen. welfare	National Building Code 2005 and Local Building Bye-Laws	<u>Parastatal/ Local government</u> Development authorities and ULB's including Municipal corporations
		Building permit or Development license			
		Completion certificate			
		Occupancy certificate			
NoC from Central Govt. (delegated to state govt. for smaller projects)	4	Environment Clearance		Environment Impact Assessment (EIA) Notification S.O. 1533 (2006)	Ministry of Environment & Forests
		NOC from AAI			Airport Authority of India
		NOC from NMA		Amendment to Ancient Monuments and Archaeological Sites and Remains Act, 1958	National Monument Authority (NMA) formerly handled by Archaeological Survey of India (ASI)
		NOC from Ministry of Defence		Works of Defence Act 1903 (WDA)	Ministry of Defence

		Bore well Registration Certificate		Sub-section (3) of Section 3 of the Environment (Protection) Act, 1986	Central Ground Water Authority (CGWA)
		NOC from Coastal Zone Authority	Construction is not allowed upto 500 meters from the coast line.		Central Coastal Zone Authority
		Tree cutting Approval		Forest Conservation Act, 1980 Various acts enacted by states to enforce / extend the central act	Forest Department (MoEF) State level Forest departments
NoC from State Govt.	5	Consent to establish OR Consent to operate		Water (Prevention & control of pollution) Act, 1974 and Air (Prevention & control of Pollution) Act, 1981	State Pollution Board
		NOC for DG set installation			
		Road Access			NHAI / PWD
Service Installations	6	Water connection Sewerage connection Gas connection Telecom connection Power / Electricity connection			

Land title

The Registration Act, 1908 - An Act to consolidate the enactments relating to the Registration of Documents. It extends to the whole of India except the State of Jammu and Kashmir.

The Land Titling Bill, 2011 - An Act to provide for the establishment, administration and management of a system of conclusive property titles through registration of immovable properties.

Planning and Land

Town and Country Planning Acts - Almost all states, across different points in time, have enacted planning legislation in the form of Town and Country Planning Acts.

The **Master Plans/ Development Plans** of the cities provide for spatial planning, zoning, land uses allowed, nature and intensity of development and sub-division regulations, which are to some extent based on the Urban Development Plans Formulation & Implementation (UDPFI) guidelines prepared by the MoUD, Government of India.

Town Planning and Development authorities are responsible for giving planning permission on project plans according to land use and zoning regulations. They base their decision on town planning act and policies (law) set at state level, then they are fine tuned by Local Development Frameworks (master plans).

Construction of Buildings

The **NBC 2005**, formulated by BIS is a comprehensive building Code providing guidelines for regulating the building construction activities across the country. It serves as a Model Code for adoption by all agencies involved in building construction works be they Public Works Departments (PWDs), other government construction departments, local bodies or private construction agencies.

The Code mainly contains administrative regulations, development control rules and general building requirements; fire safety requirements; stipulations regarding materials, structural design and construction (including safety); and building and plumbing services. The building that does not satisfy building code or violation of NBC could lead to penalty, cancellation of sanction or demolition of the building.

Building bye laws are the regulations that are generally made by local governments or the municipal departments of State governments, with the intention of controlling urban development in harmony with that envisaged in the Master Plan and for ensuring structural safety, public health and hygiene. The main rationale of building bye laws is to exercise control over city development for ensuring planned development, for conserving architecture, for ensuring safety and for protecting public health. Besides, they also list out the procedures to be followed for making application, support documents and drawings to be attached, undertakings to be given, certification process and inspection/ monitoring mechanism.

Figure 14: Aspects and parameters of Building Byelaws

Aspect	Parameters
<i>Zoning, land use and sub-division rules</i>	Occupancy/use, plotting, road space, open space and amenities
<i>Site and building planning</i>	Set backs, parking area, development density (FSI/FAR), building plan, minimum plot area and building height
<i>Structural design and provisions</i>	Loading capacity, Design of Exits, Design of Common Facilities e.g., water supply tanks, and other Engineering specifications
<i>Building safety, services and amenities</i>	Fire safety provisions in building, Fire control systems, Plumbing services, HVAC, Garage, Courtyard etc.
<i>Other Planning controls for special areas e.g., Heritage structures/areas</i>	Allowable activity/use, Permissible development/ redevelopment, Building maintenance provisions

Source: JNNURM Best Practices

The powers to formulate building bye laws lie in the municipal legislations/ acts of local government or development authority within its jurisdiction or the municipal acts of State Government. Development authorities and Municipal corporations are responsible for enforcement according to national building code and local building bye-laws.

Figure 15: Requirements under Building Byelaws

<i>Building Requirements</i>	<i>Structural Design and other requirements</i>
- Site requirements and building plan	- Design of Structure, sub-structure and super-structure
- Development control regulations	- Fire safety and building services
- Land/property use wise norms	- Plumbing and telecom services
- Other norms like parking	- Provision for other aspects e.g., Earthquake and other disaster resistance, Solar and other energy accessories, Ramp for disabled and Rain Water Harvesting
- Separate provisions for Special purposes viz., heritage areas	

Source: JNNURM Best Practices

NOCs from Central and State Governments

1. Environment Impact Assessment (EIA) Notification S.O. 1533 (2006)

This is the overarching legislation for environment clearances (EC) in India, under MoEF. It is intended to ensure that all new projects are given EC after the suitability of a site and environment impact has been duly assessed.

According to this law, all real estate and construction projects (all sizes – buildings and townships) come under CATEGORY B – which will require clearance from the State EIA Authority (SEIAA) based on the State Environmental Appraisal Committee (SEAC). The SEIAA is constituted by Central Government based on nominations from State. This means that states have been empowered by the central government to give EC for majority of real estate and construction projects.

2. Section 3 of the Environment (Protection) Act, 1986

Central Ground Water Authority (CGWA) was constituted under sub-section (3) of Section 3 of the Environment (Protection) Act, 1986 for the purposes of regulation and control of ground water development and management in the country. The Authority is engaged in various activities related to regulation of ground water development to ensure its long-term sustainability

3. Water (Prevention & control of pollution) Act, 1974 and Air (Prevention & control of Pollution) Act, 1981

All the industries which are covered under the provisions of Water (Prevention & control of pollution) Act, 1974 and Air (Prevention & control of Pollution) Act, 1981 are required to obtain **consent to establish for establishment** of any new unit or before carrying out expansion/modernization of any existing unit. These units after establishment are required to obtain **consent to operate** before commencing commercial production. This Act was enacted for prevention and control of water pollution and maintaining or restoring of wholesomeness of water. The **Central and State Pollution Control Boards** have been constituted under section 3 and 4 of the Act respectively.

This Act states that “*On expiry of period of 4 months of filing an application completed in all respects consent shall be deemed to be given unconditionally unless consent is granted or refuse earlier. This will not hold however, if application is not complete or State Board raises any query which remain unanswered*”.

4. Forest Conservation Act, 1980

The Forest (Conservation) Act, 1980 came in to force with effect from October 25, 1980. Under the provisions of this Act, **prior approval of the Central Government is essential for diversion of forest lands** for the non-forestry purposes. In the national interest and in the interest of future generations, this Act, therefore, regulates the diversion of forest lands to non forestry purposes. In exercise of powers conferred under Section 3 of the Forest (Conservation) Act, 1980 read with Rule 3(1) of the Forest (Conservation) Rules, 2003 and **in compliance Supreme Court orders**, the Government of India has reconstituted the **Forest Advisory Committee**.

5. Central Coastal Zone Authority

Notification under section 3(1) and section 3(2)(v) of the environment (protection) act, 1986 and rule 5(3)(d) of the environment (protection) rules, 1986 **declares coastal stretches as coastal regulation zone (CRZ)** and regulates activities in the CRZ.

The development or construction activities in different categories of CRZ area are regulated by the concerned authorities at the State/Union Territory level. Detailed norms and procedures have been established for regulating construction activities across different CRZs.

Figure 16: Environment (Protection) Act, 1986 - Classification of Coastal Regulation Zone

Environment (Protection) Act, 1986 - Classification of Coastal Regulation Zone:
<p>6(1) For regulating development activities, the coastal stretches within 500 metres of High Tide Line on the landward side are classified into four categories, namely:</p>
<p>Category I (CRZ-I):</p>
<ol style="list-style-type: none">1. Areas that are ecologically sensitive and important, such as national parks/marine parks, sanctuaries, reserve forests, wildlife habitats, mangroves, corals/coral reefs, areas close to breeding and spawning grounds of fish and other marine life, areas of outstanding natural beauty/historically/heritage areas, areas rich in genetic diversity, areas likely to be inundated due to rise in sea level consequent upon global warming and such other areas as may be declared by the Central Government or the concerned authorities at the State/Union Territory level from time to time.2. Area between Low Tide Line and the high Tide Line.
<p>Category-II (CRZ-II):</p>
<p>The areas that have already been developed upto or close to the shoreline. For this purpose, "developed area" is referred to as that area within the municipal limits or in other legally designated urban areas which is already substantially built up and which has been provided with drainage and approach roads and other infrastructural facilities, such as water supply and sewerage mains.</p>
<p>Category-III (CRZ-III):</p>
<p>Areas that are relatively undisturbed and those which do not belong to either Category-I or II. These will include coastal zone in the rural areas (developed and undeveloped) and also areas within Municipal limits or in other legally designated urban areas which are not substantially built up.</p>
<p>Category-IV (CRZ-IV):</p>
<p>Coastal stretches in the Andaman & Nicobar, Lakshadweep and small islands, except those designated as CRZ-I, CRZ-II or CRZ-III</p>

6. National Highway Authority of India (NHAI) or Public Works Department (PWD)

Commercial centers, residential complexes, factories, etc. abutting to the road ("Road Access") comes under the jurisdiction of Public Works Department (PWD). The proposals for approach road are required to send to PWD. On Scrutiny, if the proposals found suitable, the permission is granted by the Chief Engineer.

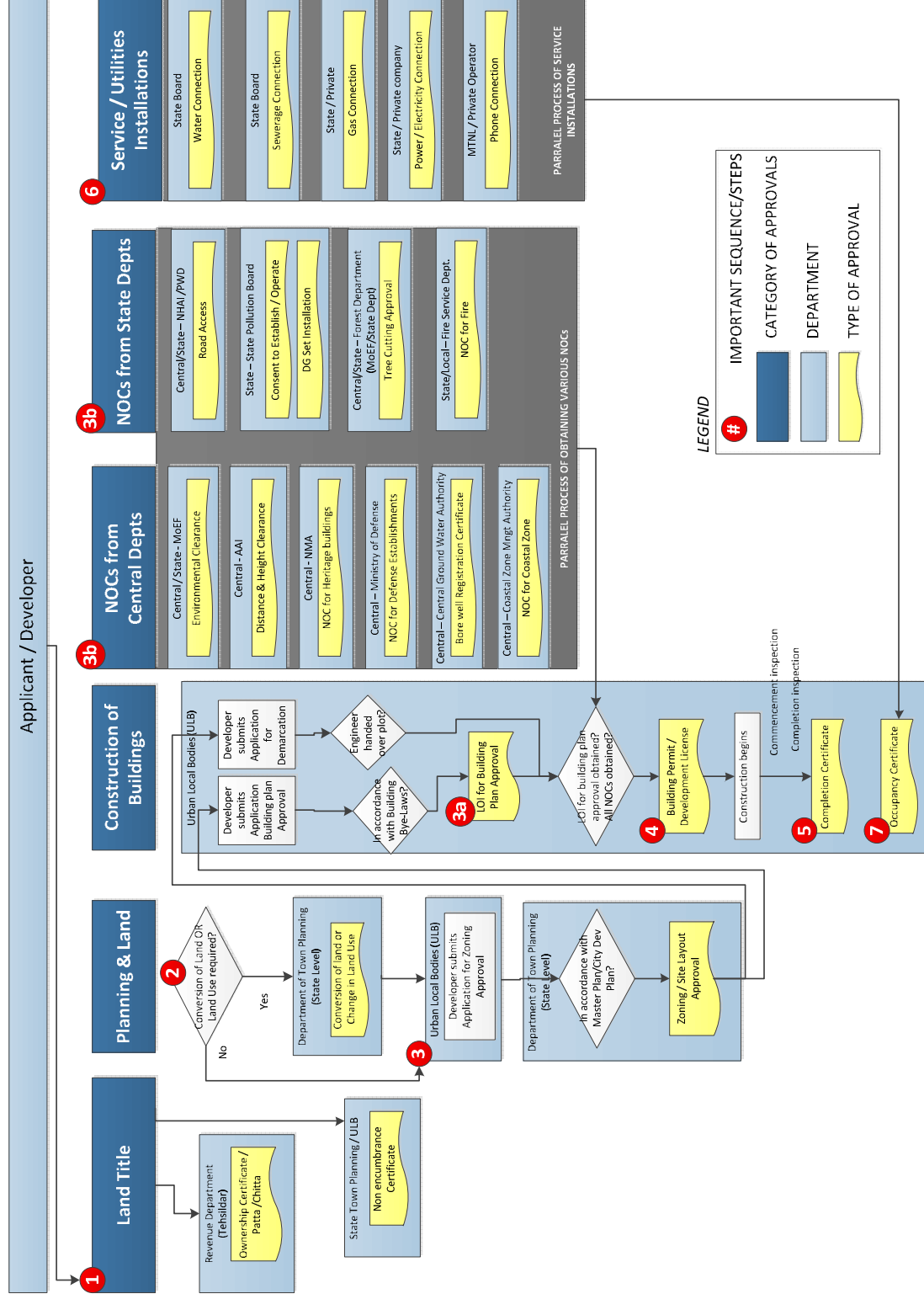
If the project is adjacent to National Highway, the concerned National Highway Division will be responsible for giving the permission to access road. If it is adjacent to the State Highway /Major District Road/Other District Road/Village Road, then Public Works Division/Zilla Parishad (Works) Division will be responsible for giving the road access permission.

7. Other approvals and NOCs for restrictions

In addition to the ones mentioned above, there are many other restrictions of building activity and areas where NOCs may be required, depending on the requirements which vary from state to state. Some of these include

- **Railways** - NOC by Railway Authority for minimum distance from Railway property boundary to the building
- **Oil/Gas Pipelines** - In case of Sites in the vicinity of Oil/Gas pipelines, clearance distance and other stipulations of the Respective Authority may need to be complied with. The Oil / Gas Authorities specify the clearances required stretch wise to Local Body.
- **Religious Structures** - In case of Sites located within a radius of 100m from the notified religious structure, there might be restriction on the construction height.
- NOC for High Rise Buildings / Complexes from Airport Authority of India and **Fire & Emergency Services Department**

5.2 Existing process for real estate project approvals – cumbersome for applicants



Source: RICS Analysis

5.3 Factors contributing to slow and cumbersome approval processes

The poor state of governance in Indian cities is evident to any citizen living in one of them. Answers to simple questions like – Who is the single point authority in an Indian city? What is the relationship between a metropolitan authority and local municipality – are hard to find. Given that by 2030, many of India's cities and metropolitan areas will become larger, it is vital that India addresses such questions.

Despite the fact that the 74th amendment to India's constitution devolved power and responsibility from state government to cities (urban local bodies (ULB), district planning Committees (DPC), metropolitan planning Committees(MPC)) on 18 key functions, state policy makers have been mostly silent on the implementation of these reforms. Despite the transfer on paper, most decision making power remains with the states. The reluctance of state governments and chief ministers to devolve power to the cities remains at the heart of this situation.

Some of the main factors contributing to slow approval processes are as follows -

Rigid planning process - The planning process carried out through master plans in India's cities is rigid and deterministic. It lacks the integration of spatial planning (including transportation and land use planning) with sectoral planning. Master plans have aimed to be too detailed and therefore, even after years of plan preparation exercise, zonal plans have not been completed. In the absence of these guiding plans, decisions regarding land use and zoning are time consuming and subjective.

Lack of institutional clarity - The existing institutional framework for urban planning and governance doesn't specify clearly the roles and responsibilities of the State Government, parastatals like Water Supply and Sewerage Boards, Urban Development Authorities, DPC/ MPC and urban and rural local governments in plan preparation, implementation, enforcement and monitoring. This leads to confusion and lack of accountability

Complexity and coordination hurdles - The application process is sometimes ridden with complexity in terms of the details to be given and the procedure of submission. Compliances from multiple Authorities e.g., for development control and building regulation; and multiple jurisdictions of agencies make the owner confused. Co-ordination with other authorities remains to be very poor and, therefore, the decisions remain pending, leading to loss of time. In some cases, the applicant is asked to bring NOC from various agencies, which may not be relevant for that building and which takes too much effort that is of not much use.

Complex building bye laws with excessive control - The existing building bye laws require through too many procedures, excessive bureaucratization and too much resource consumption. Excessive control has stifled the release of housing. Some stipulations are so complex that even experienced technical person or architect find them hard to understand and in the process, tend to violate the laws.

Ambiguity and discretion - Some areas of building bye laws provide scope for ambiguity, which brings in lot of discretion power vested to the authority/ officer, who can game play with the

applicants by rejecting application without proper reason or cause delays. This paves way for collusion and corruption.

Lack of transparency and corruption - Most of the sanction and certification processes in building permission lack transparency and are ridden with corruption at various levels. The decision making process of sanction/rejection is not transparent and it can be arbitrary. The deficiencies in the system give enough room for foul play by fraudulent persons operating within the system, harassing applicants/builders for 'payments'. Deficiencies in inspection and certification of building completion (compulsory signing by concerned official) also promote corruption and/or collusion.

6 Streamlining Approvals Processes – A Key Imperative

Given the plethora of laws and government departments, the process of seeking permissions, sanctions, conversions etc. is complicated, cumbersome and time consuming; thus creating huge bottlenecks in the building approval process for housing and other real estate and construction projects. *A McKinsey report states that the cost of building approvals alone accounts for 40% of the sale value of units.*

A simple and efficient building approval process is essential in aiding the provision of appropriate property, especially in a country like India where there continues to exist a huge housing shortfall which requires supply to improve and also as infrastructural facilities continue to be strengthened.

More importantly, delivery of affordable housing in India requires participation by the private sector i.e. the Real Estate developers. However, the private players seek some incentives and primarily a business-friendly environment to enter into the not-so-profitable venture of providing affordable housing for the low income group. One of the foremost demands of the real estate industry across the country is to facilitate fast-track and transparent system of project approval procedures

Thus, it is imperative to create a simple building approval mechanism that allows for effective decisions on projects to be taken within a reasonable timeframe while also maintaining high building control and regulatory standards.

6.1 Small steps taken towards reforms in this area

Both the National Housing Policy 2007 and JNNURM have identified 'simplification of the building approval process' as an important area for action.

The National Housing Policy encourages simplification of legal and procedural frameworks and adoption of a single window approach by the ULBs/ parastatals for approval of Building Plans and securing Certificates in collaboration with the Council of Architects (COA) or their State/UT chapters.

An optional reform under JNNURM - Streamlining of the building approval process, with the broad objective of establishing a simple, transparent and lesser time-consuming process that encourages development. **31 mission states and 67 cities¹⁰, have already implemented this**

¹⁰ JNNURM Annual report - 31 March 2012

reform, and only 9 cities are yet to implement this reform. These include Patna, Bodhgaya, Delhi (MCD), Faridabad, Kochi, Kohima, Puducherry, Gangtok and Mathura are the cities that are yet to adopt this reform.

Further, 33 mission cities and 172 towns have undertaken implementation of the e-governance (mandatory) reform, under which it is desired that - Building plans can be submitted online and scrutiny/approval process completed within 7 days.

While these reforms seem to have been undertaken with good progress, the actual benefits do not appear to be accruing to developers and public since the approval process is still believed to be lengthy and time consuming. The Committee recommends MoHUPA and MoUD to investigate this aspect further.

Report of the Working Group on Urban Strategic Planning¹¹

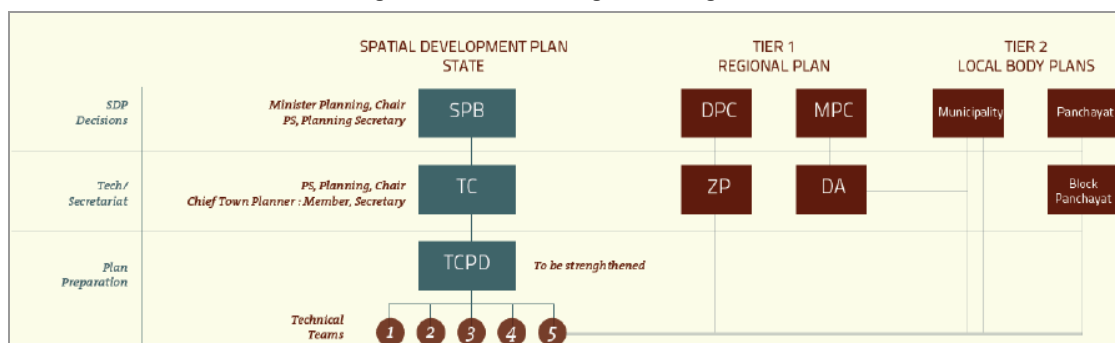
Amongst many recommendations, this steering Committee has recommended the following –

- **Revise the nomenclature of Master Plan” to “Spatial and Development Plan”**
Currently most common term used for the plan of cities is ‘master plan’ which is both limited in outcome and over-bearing in perception and prescription. The State Government needs to revise the nomenclature of Master Plan to “Spatial and Development Plan” so as to capture both the spatial and socioeconomic development aspects of the planning. The nomenclature is important to provide focus on what the plan is to deliver rather than communicating a command and control concept.
- **States to revise “Town and Country Planning”, “Urban Development” and “Municipal Acts” to respond to the challenges of urbanisation and to policy thinking appropriate to the times based on principles of urban strategic planning**
The recommended revision/establishment of Town and Country Planning Acts/Municipal Acts should provide a broad framework, within the purview of the 74th Constitutional Amendment Act (CAA), to address the present day challenges of urbanisation – with entrenching planning functions and objectives into municipal system. The Urban Development Acts and Urban Development Plan Formulation Guidelines need to be changed to suit the needs of faster and more inclusive growth.
- **Constitute/revamp State Planning Board (SPB)**
All states must revive and strengthen where constituted, or constitute where not constituted - State Planning Boards that are mandated with the preparation of state-wide strategic State Spatial and Development Plans or State Spatial Plans. These plans must reflect the state and central governments' economic, infrastructure and social development priorities and resource allocations, which will be an input document for the plans of the lower levels of government.
- **Constitute MPC/DPC to prepare Metropolitan/District Spatial Development Plan**
Under the Constitution, the DPC/MPCs are supposed to ‘consolidate’ the draft development plan of the district/metropolitan area. The State Government should also notify

¹¹ 12th Five-year plan Steering Committee on Urban Development & Management

Districts/Metropolitan Areas, municipalities, and panchayats as "Planning Areas" and notify their respective authorities as sole Planning Authorities.

Figure 17: Urban Strategic Planning



Source: Report of the Working Group on Urban Strategic Planning (MoHUDA)

Regional Planning approach must be covered by a systematic hierarchy of Planning Authorities, at two levels - first, for the region as a whole, and second, for individual local bodies. However, as an interim measure, it is recommended that the existing metropolitan and urban Development Authorities (MDA and UDA) may prepare all the 3-tier plans within the district, the establishment of long-term structures need to be put in place.

- **Transfer planning function to local bodies**

At present, in many states planning function is entrusted with urban development authorities or some other state level entities. Many states have not transferred the planning function to the urban local bodies, as mandated by the 12th Schedule of the 74th CAA, 1992. It is recommended that all the state should transfer the planning function to the urban local bodies to enable them to prepare development plan in a participative manner.

- **Restructure the Role of the Development Authorities (DA)**

Development Authorities (DA) are currently responsible for developing plans for the metropolitan region and of the metropolitan cities. To this end, the DA's technical capabilities as a metropolitan level planner and regulator must be strengthened.

MDA may be vested with the responsibility of enforcing and regulating the Development Plan, and be the appellate authority for conflict resolutions on the Spatial Plans for all Local Planning Authorities in the metro region. All land parcels owned by the Development Authorities must be transferred to the respective local governments.

- **Create a Single Window System at local body level, for plan sanction & building approvals**

Each municipality should have its own "Single-Window Service Centres", and all plan sanctions and approvals from centre, state, and local governments should be facilitated through this one-window system. Multiple sets of plans can be submitted for the multiple approvals at this single window of the municipality and its plan area. In case of a rejected plan, the owner has recourse with the ombudsman. In the case of development projects in the panchayats, a common district / metropolitan single-window service centre can be

thought of, and local governments should be brought under one umbrella by establishing 'one stop service centres'.

The plan sanctioning and building approvals process is obscure, elaborate and held hostage to repeated instances of politics and rents seeking. A single window system will go a long way in addressing these issues. Call centres, electronic kiosks, web based services and other tools of modern technology should be used by all municipalities to bring speed, transparency and accountability into delivery of approvals and services to the citizens.

For oversight, the State Government should set up an "Urban Services Streamlining Task Force" made of members both from within and outside government, to examine and suggest simplification of Development Control Regulations, procedures and transparency in all ULB plan sanctioning activities.

- **Establish Office of Ombudsman**

State Government should establish an Office of a Metropolitan/District Ombudsman that would look into complaints of corruption and maladministration against functionaries of local bodies, both elected members and officials. The Ombudsman would mediate any conflicts between citizens and specific authorities.

Affordable Housing Taskforce Report (AHTF) 2012

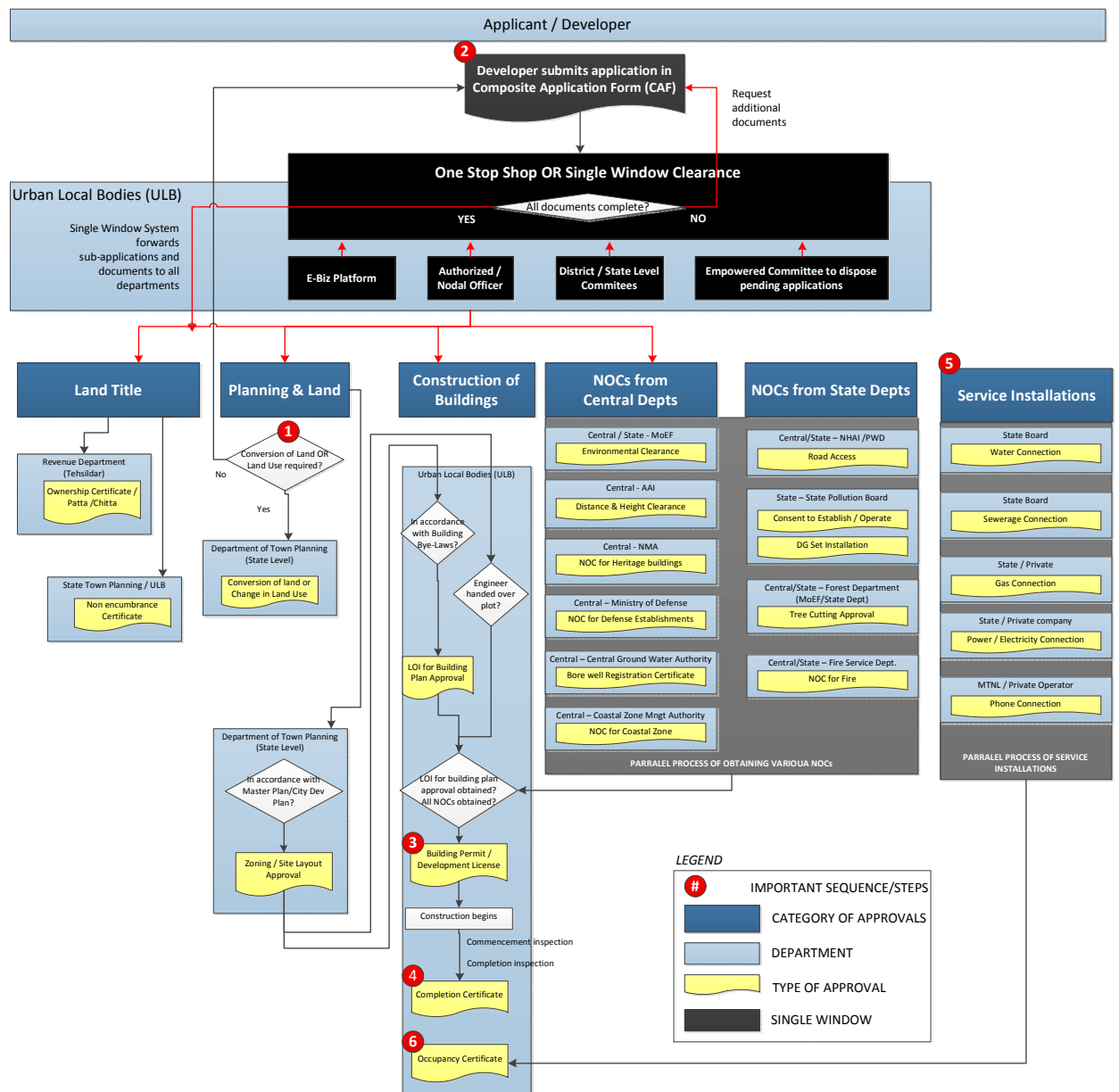
As per the report of the AHTF, streamlining of building plan approval procedures need to be undertaken, city by city across the country and would require a concentrated medium term effort on the part of all stakeholders.

The Task Force recommends that all state governments should in the immediate/short term create a "single window system" for approval of Affordable Housing projects to be taken up under Government of India or State Government subsidy schemes.

The AHTF also recommends that the state government must create an empowered agency, which may be the State Level Nodal Agency under RAY/JNNURM; supported by the RAY Technical Cell, to act as a single window for state and city level clearances under Central or State schemes. Further, the Task Force recommends that after a single window, a fast track mechanism is created to scrutinize and sanction Affordable Housing projects at the state level, an outer time limit to clear or reject each project should be set up. The Task Force proposes that a maximum of 60 days' time to scrutinize and sanction Affordable Housing would be adequate and after this time limit, projects should be deemed to have been approved.

6.2 Vision for future: 'One stop shop' enabled by technology

The vision for future consists of a 'One stop shop' or 'single window clearance' all regulatory authorities at the Central, State and local government levels are connected by a robust technology platform (shown as e-biz in chart above). This single window would allow single payment to be made electronically against a composite application form (CAF) for multiple services and the subsequent splitting and routing of payments to individual departments and agencies.



Source: RICS Analysis

7 Key Recommendations across Various Approval Stages

7.1 Land title verification / establishing ownership

7.1.1 Introduction - Ownership Certificate / Extract / Patta Sheet

There are three levels of documents that support title. These are title documents, approvals or other municipal records and revenue records. Patta is a revenue record which shows the ownership of the property. Depending on the nature of the property, the Patta in respect of any of the transactions above referred to, can be obtained from the Revenue /Registration Department. This certificate is necessary under various state acts such as Orissa Land Reforms Act, Punjab Land Preservation Act etc.

Obtaining the Ownership Certificate / Patta copy is believed to take anywhere from 3 days (Haryana) to 12 months (Chennai / Orissa). It takes nearly 15 days to get this in Maharashtra and around 60 days in Gujrat. A personal visit is required.

7.1.2 Introduction - Non Encumbrance Certificate

Non-Encumbrance Certificate is issued for the purpose of mortgaging the property for the purpose of seeking loans or for lease. In any transaction of sale or purchase of property, a 'no encumbrance certificate' is an important document, which is also issued for the purpose of mortgaging a property while seeking a loan. The certificate certifies that the property in question is not already mortgaged. If it is already mortgaged, the liability for the outstanding loan may also devolve on the new owner.

To obtain this certificate, an application needs to be made to the office of Sub-Divisional Magistrate in whose jurisdiction in whose jurisdiction the property is located. After the receipt of the application, the same is sent to Sub-Registrar in whose office the ownership document has been registered, for enquiry and report. In case the report is favourable, the requisite certificate is issued to the applicant. *Time taken to obtain this certificate varies from 3 days (Haryana) to 20 days (Delhi). In some cities, personal visits are required.*

7.1.3 Recommendation – Encourage independent title verification by empanelled law firm

The Committee recommends a process of empanelling law firms for independent verification of land title. Once obtained, the title verification certificate should be submitted to the Tehsildar or District Revenue Authority for time bound verification and penalty provision for delays. This may help in expediting obtaining these certificates, along with a thorough in verification.

7.2 Land and planning

Master Plans are prepared for towns and cities to provide necessary guidance and frame work for a balanced and integrated development of a city or a town. The comprehensive plan lays down the basic land use policy for the city. It provides a ready reference to the future land requirements and the relationship of different land uses to each other indicating the urban pattern envisaged for the

community. **Urban land may be classified according to land use type** - residential, commercial, industrial, recreational, roads, rail and waterways, agriculture etc.

The method of accomplishing the best arrangement of the different components of a city, or in other words, land-uses is known as Zoning. It is a part and parcel of a development plan but does not mean any rigid arrangement. The essence of good zoning is utilization of the available land to the right use and the correct location of each zone so that there will be no contest and no nuisance.

While the most important solution to urban planning and local development issues has been long established as decentralized planning (with local level planning initiatives at municipal level), this change has not been implemented and urban local bodies still rely on the state town planning authorities for decisions related to planning and development.

The Municipal Acts of different states seldom describe the steps involved in preparing the 'Development/Master Plan'. The much recent Model Municipal Act of 2003 also fails to sufficiently elaborate on the Development Plan preparation process.

Legislation defining the ULBs e.g. Delhi Municipal Corporation Act and the Bombay Provincial Municipal Corporation Act or the Municipalities Act in Gujarat, should prescribe how, when, and who (within the ULB) should make the development plan. **It should define a position for an urban planner within the ULB and the relationship of the planner with other functionaries and office holders within the ULB.**

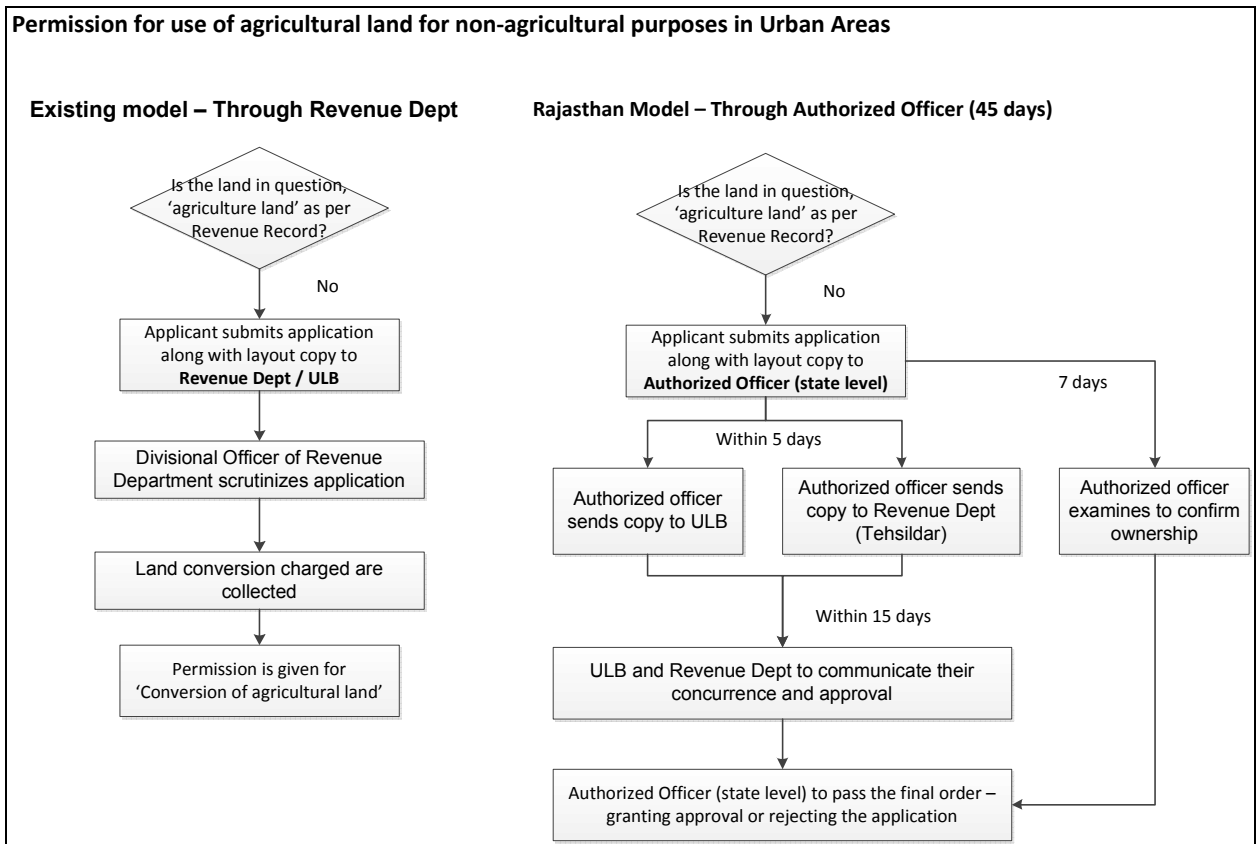
7.2.1 Introduction - Conversion of Agricultural Land

As cities grow and expand, **agricultural lands surrounding them need to be converted to non-agricultural use** to meet the demands of housing and commerce. Conversion of agricultural land to non-agricultural use falls under **state land revenue laws. These laws discourage alienation and non-agricultural use of farm land.**

The growth of urbanisation and progress of industries and services sectors have increased the demand for conversion. The rules for conversion as prescribed under the old laws are restrictive, and as a result, proposals for conversion face many obstacles. This is also a major source of corruption. There is therefore an urgent need to simplify the process of land conversion to facilitate the growing demand for urbanisation.

The existing process for conversion of agricultural land is given below. This is believed to take anywhere from two to nine months. Rajasthan model suggests that by appointing an authorised officer and stipulating time limits for every sub-process, the overall process of conversion of agriculture land is possible in 45 days.

Figure 18: Permission for use of agricultural land for non-agricultural purposes in Urban Areas



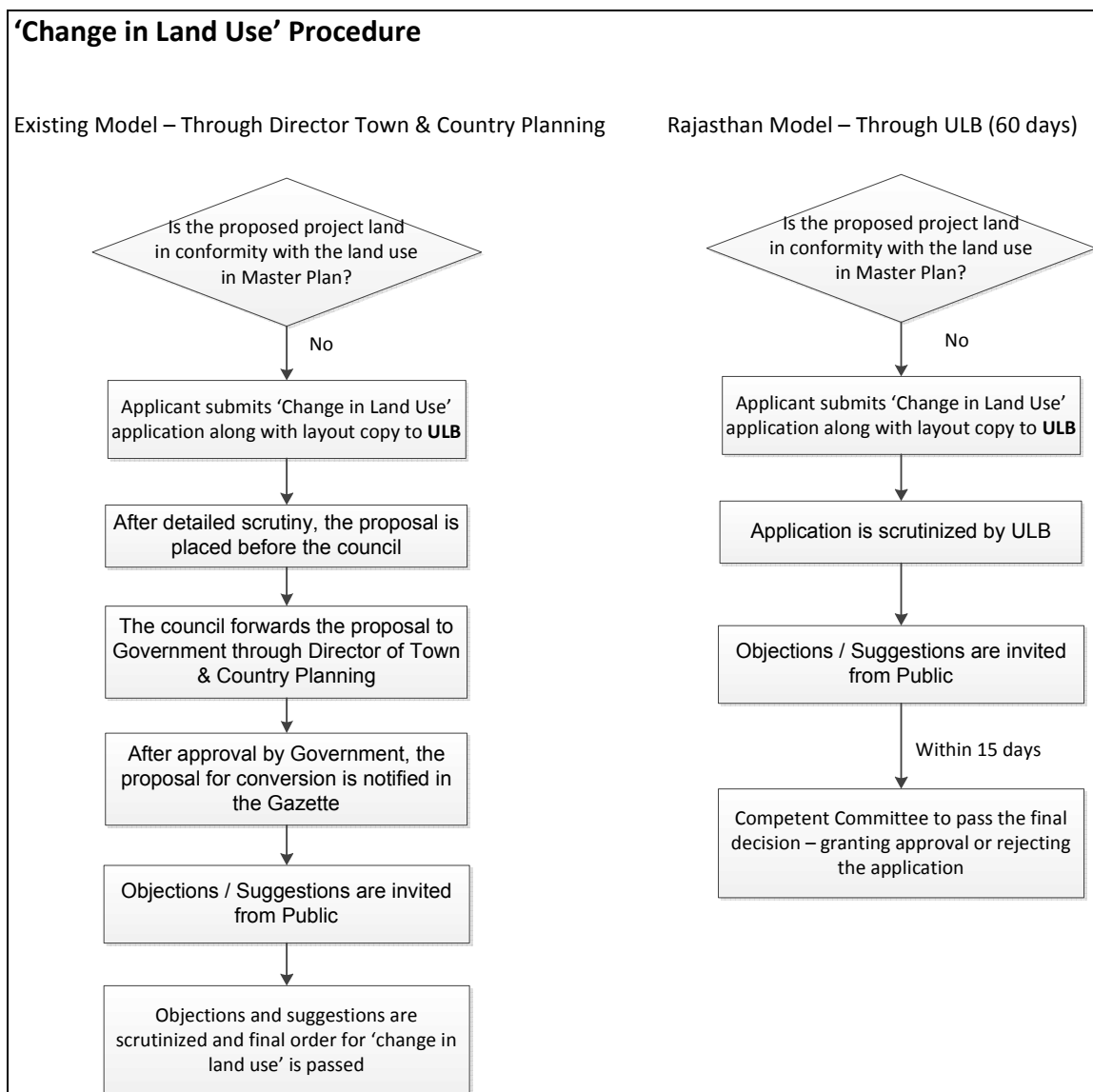
Source: FICCI/CREDAI submissions, Rajasthan Affordable housing model, RICS Analysis

7.2.2 Introduction - Conversion of Land Use

The existing process for conversion of land use is time consuming as the approvals are given by Director, Town & Planning Department at the State level.

Rajasthan model suggests that by empowering ULBs to grant these approvals, it is possible to complete the process much sooner – prescribed as 60 days in this case.

Figure 19: Change in Land Use Procedure



Source: FICCI/CREDAI submissions, Rajasthan Affordable housing model, RICS Analysis

7.2.3 Recommendation 1 – Delegation of authority from state to local bodies, to the extent possible

The process of conversion of land use from agriculture to non-agriculture can be simplified if the local bodies are empowered to make the final decisions based on certain guiding principles and policies defined in the master / city development plans. These could include:

- Classifying agriculture land into wet and dry land. Dry land conversion into non agriculture use can be simplified by delegating it to local body.
- While preparing the Master Plan, identify sufficient land as future urbanisable use, which can be released by local body based on the availability of infrastructure

7.2.4 Recommendation 2 – Remove dual processes for revenue and master plan

Currently, the process for conversion of agriculture land needs to be first completed by the revenue department. After the land is converted for non agriculture use, this change of land use needs to be reflected in master plans, the process for which is completed through state town planning departments.

To simplify, the dual processes for conversion of agriculture land i.e Revenue and Master Plan needs to be done away with. The applicant should only be responsible for the first process & this information could be passed on to state town planning department for updating the master plan.

7.2.5 Recommendation 3 – Automatic permission for land zoned as non-agriculture

Non-Agriculture Permission is required even for land which is zoned and within municipal limits. Conversion from Agricultural to marked usage in the respective Master plans should be automatic just by payment of the requisite fee and the discretionary power of the officials should be done away with.

7.2.6 Recommendation 4 – Appoint an authorized officer for coordination

The process can also be expedited if an authorized officer is appointed at state / ULB to coordinate these approvals from the State Government (Town Planning)

Figure 20: Case example 1 – Rajasthan

Permission for use of agricultural land for non-agricultural purposes in Urban Areas (maximum 45 days):

Application for permission under the provisions of section 90A of the Revenue Act, for use of agriculture land for non-agricultural purposes with copies of Layout Plan shall be made to the Authorized Officer.

The Authorized Officer shall send one set to Local Authority and one set to Tehsildar concerned for their concurrence within 5 days of receiving the application who shall communicate its concurrence and approval of Layout Plan within a period of 15 days.

Each application submitted shall be examined simultaneously and enquired upon for confirming the ownership by the Authorized Officer within 7 days. The Authorized Officer may either reject the application or pass an order granting permission for use of agricultural land for non-agricultural purpose applied for in accordance with these rules within 45 days.

Change of Land Use (maximum 60 days)

In case proposed land is not in conformity with the land use of Master Plan approval for change in land use is required to be obtained as follows:

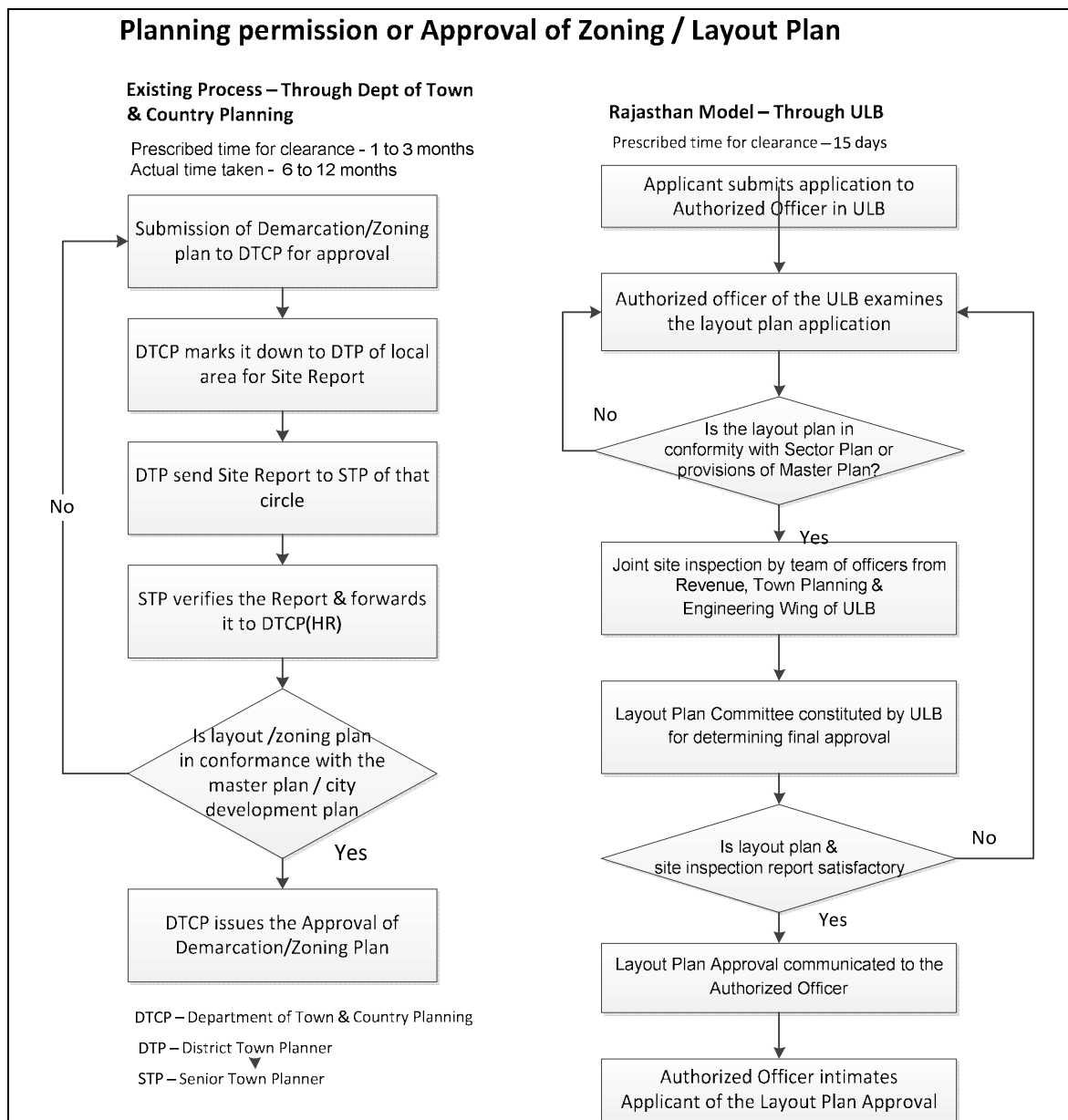
- **Application for Permission** - Any person holding any land in urban area shall apply to the concerned Local Body before submitting application for conversion or approval of layout plan.
- **Scrutiny of Application** - Scrutiny of Title document and other documents, Site report.
- **Inviting Objections/Suggestions form the public** - On the proposals for change in land use objections/suggestions shall be invited from public within a period of 15 days
- **Decision of competent Committee constituted for the purpose** - The matter will be placed before the competent Committee for final decision on change in land use.

7.2.7 Introduction - Planning permission or Approval of Zoning/Layout Plan

For all residential townships, group housing, industrial & commercial layouts, applicants or builders need to submit application for planning permission or zoning /layout plan approval. This application is examined and scrutinized with reference to the Zoning of Land use regulations of master plan and city development plans.

In majority of cities, this application is processed through the State Department of Town Planning with site inspection by the district town planner. This makes the process lengthy and cumbersome as the application needs to be processed through various officers.

Figure 21: Planning permission or Approval of Zoning/ Layout Plan

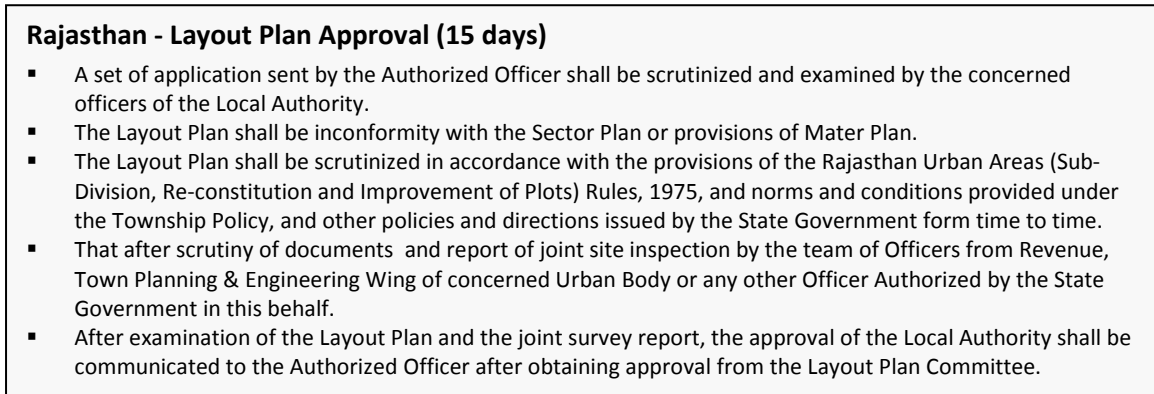


Source: FICCI/CREDAI submissions, Rajasthan Affordable housing model, RICS Analysis

7.2.8 Recommendation – Delegation to local bodies supported by experts & authorized officer

The process can be shortened to a large extent if the decision making powers are delegated to the ULBs. As the local bodies do not have sufficient urban planning expertise in-house, expert Committees can be formed to take collective decision on zoning plan applications, as in the case of Rajasthan model. Using this approach, it is possible to shorten the time scale to approx 15 days.

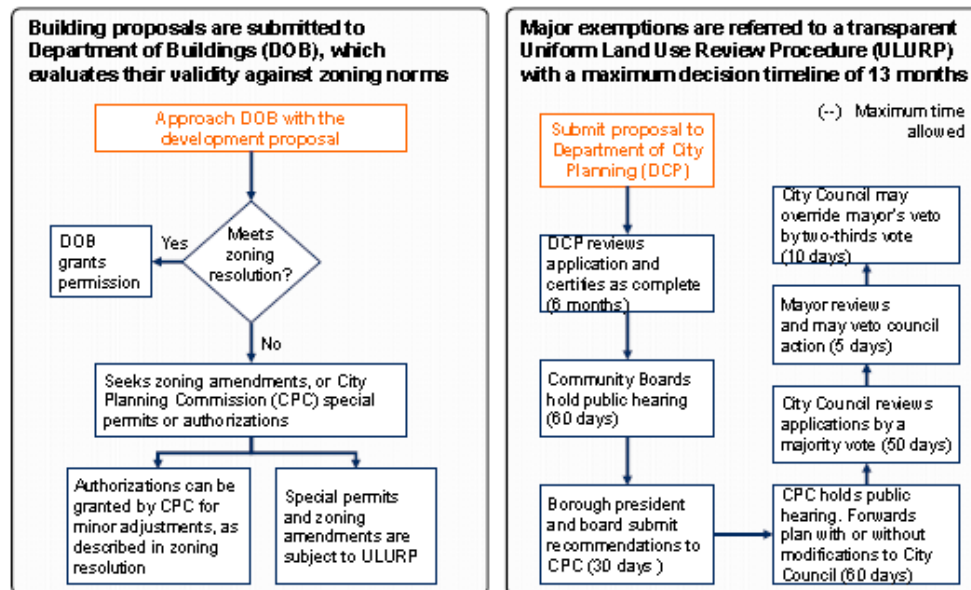
Figure 22: Case example 1 – Rajasthan - Layout Plan Approval (15 days)



The New York example below indicates that the zoning plan approvals are granted by the Department of Buildings (local level) against the specified zoning norms. For minor changes, the department is empowered to seek amendments to the zoning norms. For major exemptions, a separate procedure is followed.

Figure 23: Case example 2 – New York

In New York, urban plans are sacrosanct and exemptions transparent



SOURCE: Department of City Planning, New York City; New York City Charter; McKinsey Global Institute analysis

7.3 Construction of buildings as per building bye-laws

Prior to the implementation of 74th CAA in most of the urban local bodies, town planning section was responsible for issuing the permissions for building plan approval.

But in the post 74th CAA implementation scenario these functions are transferred to ULBs and ULBs need to equip themselves to take care of this function in an efficient and effective manner

The building plan approval is envisaged to facilitate quick processing and disposal of building plan permissions, standardization of building fee & other charges, automation of the technical scrutiny, effective monitoring of file processing.

However, today most of the building plan applications & drawing plans are submitted manually in paper format. Processes related to scrutiny, approval and rejection are carried out manually. This involves longer processing time, errors & variance in evaluation, more cost & more resources. Moreover, status tracking by the citizens & department officials becomes difficult & cumbersome with manual process in place.

Apart from above, following are also the hurdles in the building plan approval process.

- Lack of mapping of city master plan and Management Information System (MIS) on Geographic Information System (GIS) platform with required accuracy
- Lack of information to the citizens for self checks etc.
- Limited availability of delivery channels and availability of facilities or services for limited periods.
- Citizens physically visit the municipalities several times to obtain, submit and check status for the application.
- No facilities for Online Fee calculation / Payment
- No readily available historical data/ MIS given the accurate and updated information
- Non integration with accounts department delays the process of reconciliation and generation of the financial statements process

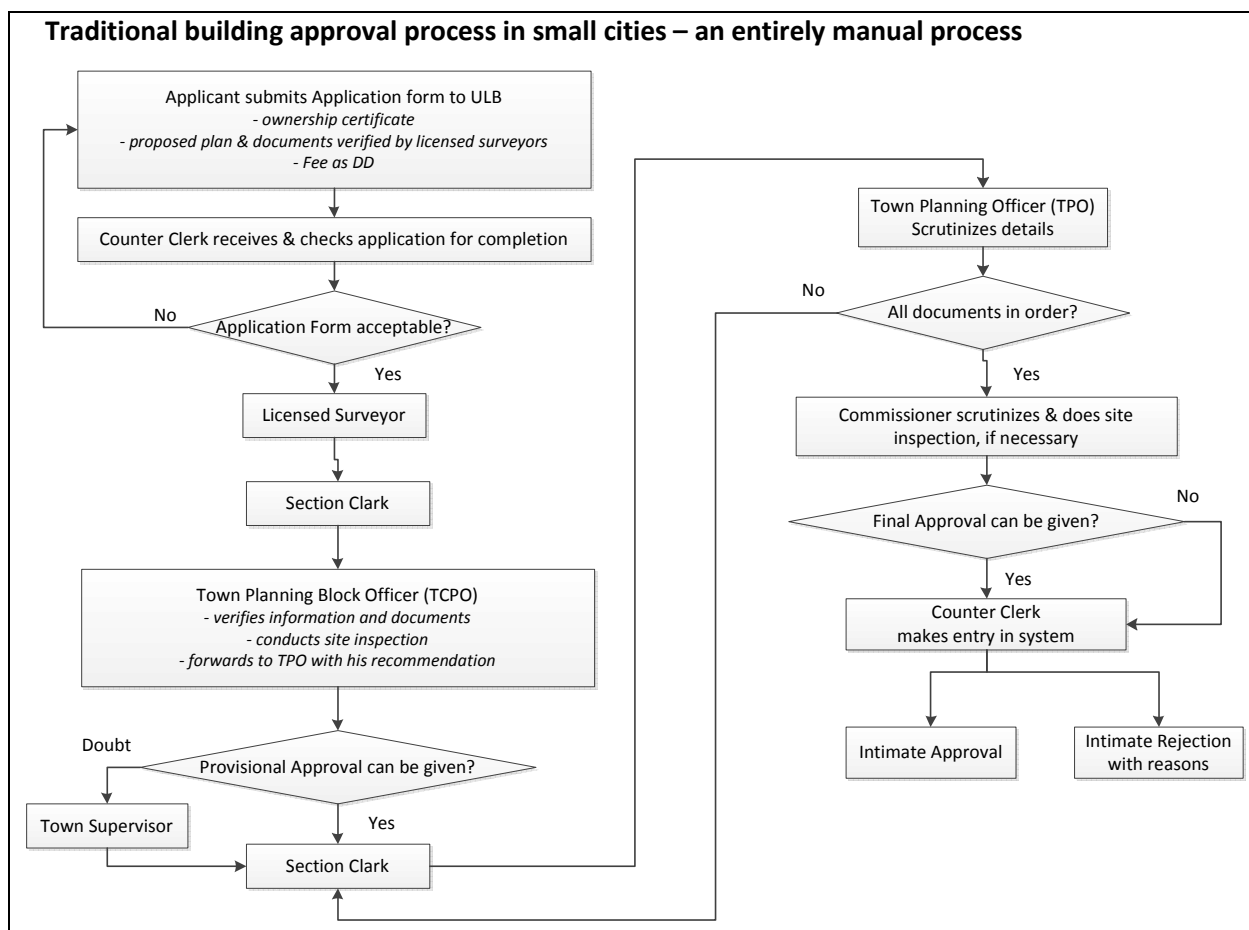
7.3.1 Introduction – Building permit or Development license

Once the applicant / developer has received the zoning plan approval as well as physical possession of the plot, he makes an application to the local bodies (development authority or municipal corporation) for a building permit or development license. Every building permit application is required to be submitted in a prescribed form, commonly referred to as 'notice' in some cities or 'application'; in other cities.

There are several mandatory documentary requirements necessary for applying for building permits. These include - Proof of ownership, approved sub division/layout survey number, specifications, supervision certificate¹², development permission fee receipt, structural stability certificate, NOC from property tax department and various affidavits & undertakings based on the general mandatory requirements across all cities. In addition, Rainwater harvesting certificate is now mandatory and security deposit may be needed in some cities.

¹² certificate of supervision by the licensed surveyor/ engineer/ structural engineer/ supervisor or architect

Figure 24: Traditional building approval process in small cities



Source: JNNURM Best practices

Reforming the building permission process and incorporating changes in various procedures may be done by the ULB or UDA of State Government within the existing procedures that allow such changes.

Revision of building bye laws to streamline the approval process for construction of buildings and development of sites is an optional reform under JnNURM. Because of this reform, several JNNURM mission cities have undertaken steps such as automation of building approval process. However, there is much scope for strengthening and improving the entire process.

7.3.2 Recommendation 1 – Revision and simplification of building bye-laws

The revision of building bye laws has long been felt as a necessary reform in order to improve the functioning of cities and to make them prepared for the emerging patterns and trends of urbanisation.

The Committee recommends consolidation and simplification of building bye laws. This would involve bringing together the provisions under the legislations/acts of more than one authority e.g., local Authority, urban development authority and State level authority, or some times by the

authorities with multiple jurisdictions e.g., local Authority and special authorities like Airport authority, River/lake water authority etc. **Andhra Pradesh provides a good example of such simplification. Refer case study which indicates how all NOC requirements are clearly documented.**

Consolidated and simplified bye laws can pool the provisions and make it clear which of them would be binding, and also simplify the provisions in the process. **To enable this, the Committee urges all states to make necessary changes to existing legislation/act.**

The Committee also recommends bifurcation of bye-laws to Site and Area level planning control. There is some times confusion created by spatial norms and development norms at site level and area level. This can be avoided by a clear cut definition of the responsibility to Local Authority in the case of site level norms (or building norms) and to Development/Planning Authority in the case of area level norms (or zoning and planning norms). This will avoid confusion associated with two different provisions.

7.3.3 Recommendation 2 – Consider elimination of Floor Area Ratio (FAR) concept - TBD

Figure 25: Case example 1 – Hyderabad - Consolidation of Building Bye Laws

Hyderabad – Consolidation of Building Bye Laws

The building bye laws of Hyderabad city were originally framed under the Hyderabad Municipal Corporation Act, 1955 and were revised at various points of time.

The presence of various development authorities like, Hyderabad Urban Development Authority (HUDA), Buddha Purnima Project Authority (BPPA), Cyberabad Development Authority (CDA) and Hyderabad Air port Development Authority (HADA) created confusion with respect to the prevalence of development planning and building bye laws that need to be followed as the jurisdiction of these authorities is either adjacent or within or overlapping with the Municipal Corporation of Hyderabad (MCH). The building stipulations became cumbersome with too many parameters for regulating and controlling development and building activities.

Government decided to review the building stipulations and come out with comprehensive building rules, thereby, **making building stipulations clear, easy to comprehend, user friendly, promoting various types of development** and building activities, and also giving design freedom and choice with optimum use of land on one hand and reducing the trend of violations and unauthorised construction on the other, without compromising on the community good.

For example, the concept of Floor Area Ratio (FAR) / Floor Space Index (FSI) has been eliminated and replaced it with a system of simple controls for setbacks related to road width and height. The quantum of built up area is controlled only by these simple controls and the fees charged on the development. **On large plots facing roads whose “proposed” width is 30 meters or more, there is no height limit.** Even the all round set backs that are conventionally related to building height as per National Building Code, have a cap of 16 meters.

The State Government has decided to further rationalize the standards of building requirements for different types of buildings, uses and occupancies in MCH, HUDA, HADA, BPPA and CDA so as to have **uniform application of the rules relating to regulation of building construction** in the above areas. This is one of the few attempts made to reform current system of building bye laws through consolidating the building bye laws, thereby, making it clear and easier to understand the compliances.

Figure 26: Case example 2 – Andhra Pradesh – Building Rules 2012

Andhra Pradesh – Building Rules 2012
<p><u>Objectives in the modification of Building Rules of AP:</u></p> <ol style="list-style-type: none">1. To provide the Building Rules in a comprehensive manner making the building stipulations clear, easy to comprehend, user friendly, promoting various types of development and building activities2. To facilitate freedom to design and choice with optimum usage of land on one hand and to reduce the violations and unauthorized constructions on the other without compromising on the community good.3. To rationalize the standards of building requirements for different types of buildings, usages and occupancies in all ULBs so as to have uniform application of the Rules.4. Strengthen the building control and enforcement mechanism.
<p><u>Introduction of restrictions of building activity for the following areas</u></p>
<p><u>Railways</u></p> <ul style="list-style-type: none">▪ Distance from Railway property boundary to the building shall be minimum 30m or as per NOC given by Railway Authority
<p><u>Electrical Lines</u></p> <ul style="list-style-type: none">▪ For High Tension electrical lines a minimum safety distance (both horizontal and vertical) of 3m shall be maintained between the building and high tension electrical lines and 1.5m for low tension electrical lines▪ The land all along the tower line shall be developed as green belt to an extent of the width of tower base and on either side of green belt there shall be a minimum of 10m wide roads or as defined in the Master Plan, which ever is higher.
<p><u>Airport</u></p> <ul style="list-style-type: none">▪ For Building activity within the Restricted Zone / Air Funnel Zone near the airport, necessary clearance from the concerned Airport Authority shall be obtained.▪ The building heights and other parameters shall be regulated as per the stipulations of the AAI as notified in Gazette of India Extraordinary (S.O.1589) dated 30-06-2008▪ Irrespective of their distance from the aerodrome, even beyond 22km limit from the aerodrome reference point, no radio masts or similar installation exceeding 152m in height shall be erected except with the prior clearance from Civil Aviation Authorities.▪ In respect of any land located within 1000m from the boundary of Military Airport no building is allowed except with prior clearance from the concerned airport authority with regard to building height permissible and safe distance to be maintained between the building and boundary of the aerodrome.
<p><u>Other Structures near to Airport</u></p> <ul style="list-style-type: none">▪ No chimneys or smoke producing factories shall be constructed within a radius of 8km from the Airport Reference Point▪ Slaughter house, Butcheries, Meat shops and Solid Waste disposal sites and other areas for activities like depositing of garbage which may encourage collection of high flying birds, like eagles and hawks, shall not be permitted within 10 km from the Airport Reference Point.▪ Within a 5km radius of the Aerodrome Reference Point, every structure / installation / building shall be designed so as to meet the pigeon / bird proofing requirement of the Civil Aviation Authorities.▪ Such requirement may stipulate the prohibition of any cavity, niche, or other opening on the exterior of such building / installation / structure so as to prevent the nesting and habitation of pigeon or other birds.

Andhra Pradesh – Building Rules 2012 (Contd.)

Defence Establishments

- In case of Sites **within 500m distance** from the boundary of Defence Areas / Military Establishments prior clearance of Defence Authority shall be obtained.

Oil/Gas Pipelines

- In case of Sites in the vicinity of Oil/Gas pipelines, clearance distance and other stipulations of the Respective Authority shall be complied with.
- The Oil / Gas Authorities shall also specify the clearances required stretch wise to Local Body.

Heritage Structures

- In case of Sites located **within the distance up to 100m** from protected monuments as notified under Archeological Monuments and Ancient Sites and Remains Act 1955 and as amended no construction is allowed.
- For the Sites located within distance of **above 100m and up to 200m** from the protected monuments, the construction is allowed only after obtaining prior permission from the NMA.
- For the Sites located **within the vicinity of any Heritage Structure** notified as per the respective law, the prior clearance from the concerned authority shall be obtained.
- For the **development / redevelopment of any notified Heritage Structure** the stipulations as prescribed by the respective authority shall be followed.

Religious Structures

- In case of Sites located **within a radius of 100m** from the notified religious structure as given in the list in Annexure – VII / notified from time to time, the construction is allowed **upto 10m height only**.
- For the Sites located **within a radius of above 100m and up to 300m** from the notified religious structure as given in the list in Annexure – VII / notified from time to time, only **non high rise structures** are allowed.

Additional Requirements for buildings above 12m height

- Report of soil test
- Structural designs and drawings duly certified by Structural Engineer/Consultants firm empanelled with Local Authority
- Building Plan and application shall be signed by Owner, Builder, Architect and the Structural Engineer with their present and permanent address
- If the construction is being taken up by a Builder, attested copy of registered agreement shall be submitted
- Contractor shall submit Risk Insurance Policy for construction period

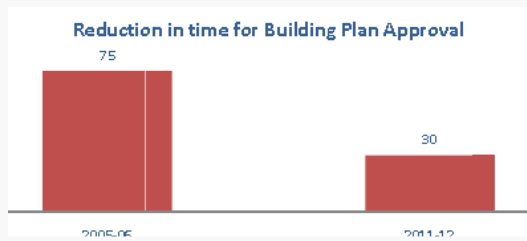
REQUIREMENTS FOR HIGH RISE BUILDINGS

- High Rise Buildings / Complexes shall be permissible only in areas other than those given in Annexure – I (congested areas) & II (prohibited for High Rise Buildings).
- Minimum size of plot shall be **2000sq.m**.
- High Rise Building shall be accompanied by detailed plans, floor plans of all floors and detailed specifications duly certified by a qualified structural engineer.
- Prior Clearance from **Airport Authority of India**.
- Prior NOC from the **A P Fire & Emergency Services Department**
- 10% of total site area shall be reserved for organized open space at ground level open to sky and shall be a minimum width of 3m and **minimum area of 50sq.m at one location**.
- The balcony projection of up to 2m may be allowed projecting onto the open spaces for upper **floors from 6m height onwards**.

Figure 27: Case example 2 – Assam - Revised building bye laws

In the state of Assam, Guwahati Municipal Corporation (GMC)/ Guwahati Metropolitan Development Authority (GMDA) is responsible for preparing building bye-laws. New revised building bye laws were prepared in 2005-06. Some radical changes were made in FAR/ FSI and ground coverage. The building bye-laws are uniform throughout the city and a building permission considers four parameters: Master Planning & Zoning Regulation; Road width; Area of Land; and Planning of Building.

Prior to implementation of the reform, average time taken for sanction of building plans was 60 days for residential building and 90 days for high rise building, making the total average time to be 75 days. Currently, the number of days required in approving a building plan is only 30 days.



7.3.4 Recommendation 3 - Automation of building plan approval process

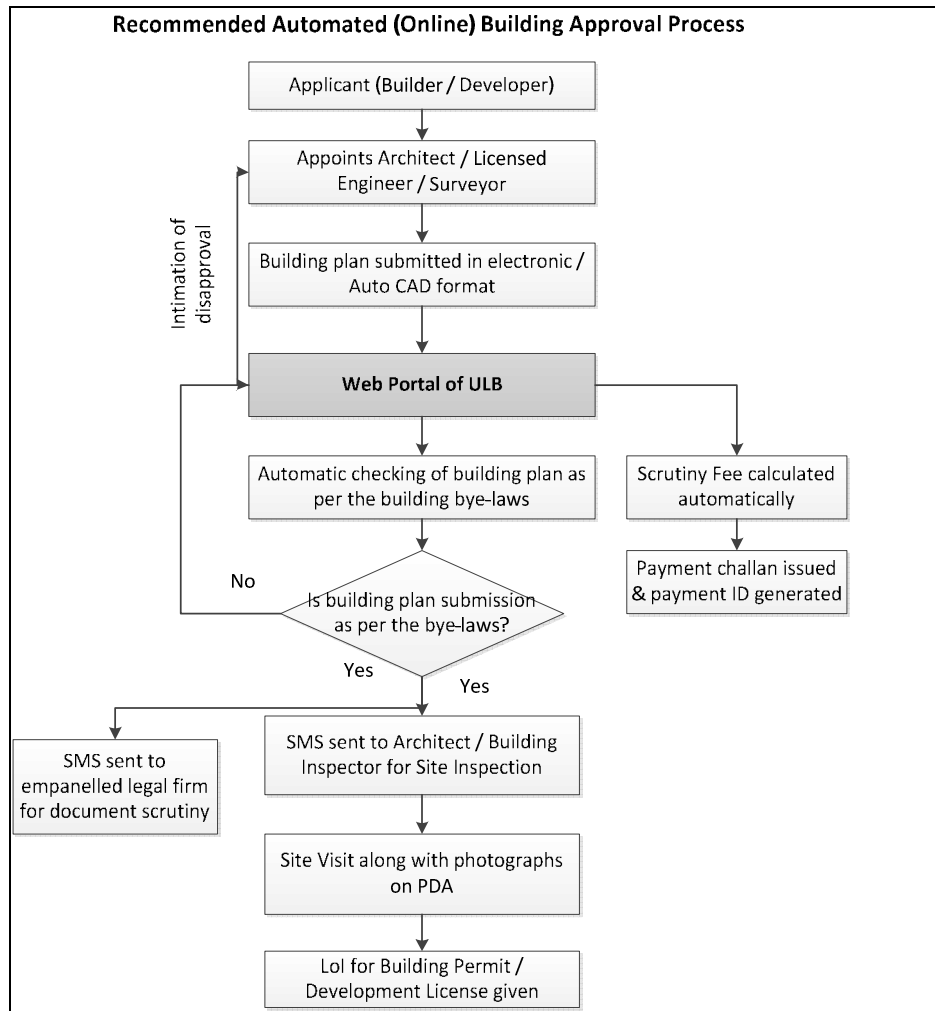
Automation of permission process can be built by development of websites and Management Information Systems (MIS) that allow most of the manual operations e.g., application submission, status enquiry, decision on application, communication to applicant etc, to go online.

Online building permission is a major step towards making the process very simple and cutting down the time to a great extent. Development of such software can also help automatically detect deviation from prescribed norms, thereby minimizing discretion elements.

As per JNNURM, e-governance including automating building approvals has been a mandatory reform. Accordingly, many cities have taken steps to automate the building plan approval process, represented through various case studies.

The Committee recommends that further efforts be made by these cities, as well as others to improve the online process for building approvals. Also, there is a need to ensure that such online platforms are functioning properly and are regularly updated.

Figure 28: Recommended Building Approval Process



Source: JNNURM Best Practices

Figure 29: Case example – Bangalore – Automatic Plan Sanction

Bangalore – Automatic Plan Sanction (APS)

Automatic plan sanction is a single window initiative of Bangalore Mahanagar Palika (BMP) to sanction residential building plan within 3 working days, provided the plan prepared and documents enclosed are in order and in compliant with the Building bye laws of BMP. It is applicable to:

- i) All properties falling under BMP limits and is restricted to residential plans on site area not exceeding 4000 sq ft and not exceeding G+3 floors (height not exceeding 15 m)
- ii) Any additions/modifications to existing residential building in site area not exceeding 4000 sq ft not exceeding G+3 floors (height not exceeding 15 m)

Under the APS, the owner/proposer has to fill the APS application form with assistance from the Engineer/ Architect/ Supervisor duly registered with the BMP. The filled-in form has to be addressed to Assistant Director of Town Planning and has to be handed at the Single Window Counter of respective jurisdictional (Zonal) office along with all required documents and affidavits (checklist of all requisite documents to be filed is provided along with the application form). The application fee in the form of DD is payable at the single window counter itself and the fee structure details are provided in the application form. The application form will be acknowledged and the acknowledgment needs to be shown to receive the permit.

As the owner/proposer needs to obtain other certificates – commencement certificate and occupancy certificate - in order to proceed with building construction as envisaged in the plan, simplified procedures for the same are also established. **The sanctioned plan under APS is valid for 2 years from the date of sanction, and it will lapse if the construction work is not undertaken within this period.**

By making this legislation, the BMP not only simplified the building permission process to a very simple exercise, but also it has reduced the time taken for the certificates given to building after the permission i.e., commencement and occupancy certificates. **Further, it also incorporated another model of “empanelled architect/ engineer/ supervisor” into the design of building permission process**, which enabled it to provide sanctions to building permissions faster than otherwise. This scheme also allowed fresh submission of application/plan for sanction at the expiry of permit validity through Single Window Counter and also made provisions for considering minor deviations, if they were justified and found valid by the BMP.

Figure 30: Case example – Pune – Automated Building Plan Approval through ‘Single Window’ system

Pune - Automated Building Plan Approval through ‘Single Window’ system (21 days)

The Pune Municipal Corporation has re-engineered their building permit processes integrating computerized procedures for submission and verification of documents and drawings through ‘Single Window’ system. **It ensures smoother approval of building permission within a fixed time, through the consent of the stakeholders which is a transparent mechanism to approve the Plans.** Instead of running from pillar to post for days on end, the residents can now get their plans approved by filing an application online (by using Bio-Metric login verification) and submitting the hard copies through a single window system.

The online system is applicable to both ordinary citizens and the building community. **Not only applications, the builders and citizens will also make the payment online.** This would be done through credit cards or electronic clearing system. The approval of the building will also be done online.

Achievements of the Reform:

The most important aspect of this approach is the adoption of workflow automation, reducing human error, increasing accountability and enhancing efficiency. **After adopting the new system, time required for sanctioning of building proposal is reduced to 21 days from 45-50 days.** Workforce efficiency is also increased from paper based system of 60% to Auto-DCR system of 95 %.

- i) Time required for sanctioning of Building proposal is reduced to 21 days from 45-50 days.
- ii) Revenue Generation increased to Rs. 218 Cr. (FY 2006-07) from Rs. 26 Cr (FY 2002-03)
- iii) Workforce efficiency increased from paper based system of 60% to Auto-DCR system of 95%.
- iv) Reduction of the Architect’s/Authority’s effort for drawing and calculations.
- v) Eliminates the Human Errors & Manipulation and produces accurate reports.
 - vi) Tremendously reduce the time cycle of approval
- vii) Escalation of Alerts on unnecessary delays
- viii) Standardize the submission and scrutiny process

Figure 31: Case example – Chennai - Building Plan Automation

Chennai - Building Plan Automation (24 hours)

Building plan automation has been landmark project in Chennai Municipal Corporation (CMC) e-governance road map and has generated immense confidence to all stake-holders in taking up similar initiatives in future. Following are the steps to be followed in the automated building plan approval process:

- i) Log on to www.chennaicorporation.gov.in and click on ‘Building Plan Submission’.
- ii) One would be directed to a page with links to “New Plan”.
- iii) **Digital copy of the building plan (in Auto CAD) can be uploaded.** The applicant would be provided an online receipt number.
- iv) **Clicking on the link “View Plan Report”- the submitted plan would be scrutinized (with a maximum time of 24 Hours) by the software and a report will be generated regarding compliance.** After scrutiny, approvals are given and a copy of the approved plan is sent to the local office in the PDF format.
- v) If there are any corrections to be made, applicants are intimated to submit a fresh plan using the “Resubmit Plan” option. This can be done numerous times as per requirement.
- vi) Even though the Corporation does not have powers to approve multi-storey buildings the Auto DCR software has the capability to process plans for such buildings.
- vii) **Payment of online processing fee through a payment gateway.**

Figure 32: Case example – Surat - Web based Building Approval Process

Surat - Web based Building Approval Process (15 days)

The Surat Municipal Corporation (SMC) implemented a web based building plan approval system on 9th September 2009 to provide an accurate and quick scrutiny process (**the scrutiny period of the plans is reduced from 60 days to 15 days**), bring transparency in the process, create an effective monitoring system and stage wise data management. **The application is web based; the utility software AutoDPA** is hosted on the web site: www.suratmunicipal.gov.in. However, online submission of application will be done in the next stage. Following applications have been prepared till date:

- i) **Building plan approval system:** The data related to development permission application are submitted through a predefined system - Auto DPA, which is a utility software hosted on Website of SMC. The data submitted through Auto DPA are processed through Web Application –Building Plan Approval System and a comprehensive scrutiny report is generated with status of compliance.
- ii) **Stage wise Progress certificate:** Checking of Construction of building in 4 stages (1) Plinth level checking (2) First slab level checking and further such floor slab level checking. The application generates progress certificate as the input is given by the concerned supervisor from the site.
- iii) **B.U.C. (Building Use Certificate) process:** The software checks all the inputs like NOC's and certificates and then generates the Building Use Certificate. The owner or the user of a building can use her/his building only after the BUC.
- iv) **Registration and Renewal of Professionals:** The development permission applications are required to be submitted through registered professionals. These professionals are registered through this application.

Features of the application:

- i) File submission in electronic format
- ii) Applicability of Regulations and requirement of documents decided through system
- iii) Scrutiny through system
- iv) Generation of reports/notes through system
- v) Generation of data of property Tax Assessment.
- vi) M.I.S. (Management Information System) The system can be upgraded to include other features like internal correspondences, GIS applicability, link with property tax database.

Figure 33: Case example – Ahmedabad - Building Plan Approval through Computer-aided system

Ahmedabad - Building Plan Approval through Computer-aided system

As part of Ahmedabad Municipal Corporation's (AMC) commitment to good governance, e-Governance was introduced to alleviate the problems encountered by both the administration and the citizens.

Applicant has to submit the plan in AUTOCAD format (soft copy and hard copy on paper) with all required documents in pre-decided standardized formats. The application can be made on-line on the web site of AMC www.egovamc.com through the access account code of registered license holder professional Architect/ Engineer/ Structural Engineer.

Auto-cad based software has been used with a provision of certain in-built 'checks and controls' like FSI, ground coverage, built-up area, height of the building, margin and open spaces etc. with regard to General Development Control Regulations (GDCR), which automatically verifies the data entered and if found in order, it generates the amount of fees to be paid. The case is then scrutinized manually.

A centralized system of scrutiny of building plan has been initiated for making the procedure nearer to single window, simplified and transparent. A **special team of officers called Building Plan Scrutiny Pool (BPSP) scrutinizes the case in accordance with the provisions of GDCR.** There after the final approval is issued with computer generated' permit of construction (Commencement Certificate). The status of the plan can be known from the e-governance site of the corporation www.egovamc.com.

The case is then sent to the concerned zonal office for site-verification and monitoring of construction.

Completion Certificate (occupancy permit) is issued by the zonal office after carrying out the inspection of site at recognized stages of construction (plinth, first storey, middle storey, last storey). The applicant/ engineer has to submit the progress report at each stage and completion-report along with completion plan to obtain the occupancy certificate.

The building plan approval procedure is carried out with the support of computer based software, in which the data entered is stored in the centralized server, which is easily retrievable. The system creates a better database in addition to providing critical checks and guidance in the approval procedure. As a result, building plan approval has become easy and less time consuming. About 70% of the cases get cleared on the same day. The remaining, that take a few days, are related to special clearances the documents of which need special scrutiny.

Figure 34: Case example – Delhi – Instant Sanction and Single Window Scheme for Building Approval

Delhi – Instant Sanction and Single Window Scheme for Building Approval

Delhi has come out with a Single Window Scheme together with Tatkal scheme in simplifying the building permission process operational in the city. Building bye laws of Municipal Corporation of Delhi (MCD) specify the following three options available for getting the building plans sanctioned:

1. **Instant Sanction:** This scheme envisages instant sanction and is applicable **for residential plots upto 500 sq m, which are lying vacant and form part of approved LOP (layout plan)** with respect to its size, shape and area of plot and where mandatory set backs, position, size and shape of garage blocks are also shown in the layout plan.
2. **Single Window Service:** The concept of single window clearance for sanction of building plan application was initially introduced first at head quarters and extended to all Zones of the Corporation. The days and time for single window service in each zone are also fixed. This Service is available for following facilities:
 - i) To accept application for building plan, completion certificate and certified copy of any of these documents;
 - ii) To deposit necessary building fees and taxes;
 - iii) To provide any guidance relating to sanction of the building plans, completion certificate under the provisions of both Building Bye-laws and Master Plan and any other information relating to building activity in the zones;
 - iv) To provide counseling for submission of fresh building plan application;
 - v) To fix up time and date for inspection both for sanction of building plan as well as completion certificate, if the same has not been notified earlier;
 - vi) To carryout corrections in the building plans or for making any compliance;
 - vii) To deliver sanction of building plans, completion certificate and certified copies;
 - viii) **To issue Completion Certificate at the spot under 'Tatkal' Scheme;**
 - ix) To accord sanction to building plan application, which are complete in all respect and the proposal is as per building bye laws, Master Plan provisions and site is found in order.
3. **Normal channel:** In the case of approved colonies, building plans are normally sanctioned in about 7 to 15 days time after necessary compliance/ corrections. However, where policy decision or interpretation of Building bye laws is needed, such cases are placed before Building Plan Committee - both at head quarters level and at the Zonal level for decision.

Although Delhi has come out with such good models in the case of building permission, **the certificates issued at the time and after construction still take a good amount of time and attempts can be made to reduce the time taken in their issuance through some process innovations and reform options.**

7.3.5 Recommendation 4 – Simplification of Approval Process

Approval of real estate projects is a complex process involving many departments across central, state and local governments. The plethora of state and local laws regulating real estate development makes it difficult for the Committee to identify exact type of approvals/activities that may be improved upon, to reduce the complexity and time involved in getting those approvals. For the purpose of detailed diagnosis, mapping of the implementation process needs to be undertaken, particularly in those critical processes that play a very important role.

The Committee recommends a review of existing processes may be pursued at state/local level to ascertain & implement the following

Remove duplicity or unnecessary approvals activities/documentation - eg dual process of getting conversion of land use approval from revenue department as well as town planning / local dept may be done away with

Simplify approval process by clearly stating applicable rules and restrictions – there may be opportunities to cut down the need for NOC from different authorities (eg NMA, AAI) if the restricted areas are made available in public domain beforehand.

Identify activities / services that can be automated - eg building plans, payments

Identify activities / approvals that may be delegated – eg planning approvals (zoning plan or change in land use) can be delegated to local bodies when they are adequately trained

An example of how Mysore simplified its building plan approval process from 45 days to 30 min is presented below.

Figure 35: Case example – Mysore - Simplification of building plan approval system

Mysore - Simplification of building plan approval system (30 min for G and G+1 Structures)

The Mysore City Corporation (MCC) simplified the procedures for issue of building construction license in 2001 for Ground and Ground +1 residential structures. As a result, the **construction approvals are now issued on the same day within 30 minutes which previously used to take 45 days or more.**

Under the new system, approval for these structures do not require structural drawings and clearance from departments like fire, urban development, airport authority, etc.

The approval process has the following steps:

- (i) Submission of application along with necessary documents to the Junior Town Planner (JTP) at the Citizens Service Centre
- (ii) **Verification of application and the Building Plan as per the byelaws by the JTP.**
- (iii) If the application is in order, the IT operator takes file from JTP, enters the data and verifies, the computer calculates the fees and generates a challan. The challan is signed by the JTP and issued to the applicant.
- (iv) If application is not in order, the applicant is asked to resubmit along with required changes suggested.
- (v) If approved, the applicant pays the challan at bank counter at MCC Citizens Service Centre.
- (vi) After receipt of fee payments, IT operator prints the license, signed by the JTP and issued to the applicant.
- (vii) If the application is in order, the IT operator takes file from JTP, enters the data and verifies, the computer calculates the fees, verifies, and generates a challan. The challan is signed by the JTP and issued to the applicant.

7.3.6 Recommendation 5 – Empower or Empanel ‘Competent Professionals’ to support ULB staff

It is well established and documented that ULBs in India do not have adequate capacity and expertise to function efficiently. In some parts of India and in other countries, assistance is taken from the private sector by either.

The Committee recommends the following mechanisms to support ULB staff:

- 1) **empowering professionals to ‘self certify’ small sized projects**, thereby doing away with the requirement of approvals

- 2) **empanelling ‘competent and licensed professionals’ to perform certain activities** in the approval process where they are competent, thus reducing the work load on ULB staff

The central Government may issue guidelines for licensing the following professionals by state governments:

- **Architects** – may be empanelled to review and verify building plans and zonal/layout plans for building projects
- **Civil / structural engineers** – may be empanelled to review application of building plans, construction as well as structural design requirements
- **Building surveyors / inspectors** – may be empanelled to review adherence to stipulated building codes and bye laws, including site inspection (for commencement and completion certificate)
- **Lawyers and law firms** – may be empanelled to verify legal documents including ownership and non-encumbrance certificated

The Committee recommends that MoHUPA issues guidelines for empanelling and licensing ‘competent professionals/surveyors’ along with minimum competency criteria. ‘Competent professionals’ recognized by central government (ministry of HRD) for employment to senior posts in Government, may be allowed to be empanelled automatically

The Committee also urges states to augment capacity in local bodies by strengthening the **concept of ‘licensed professionals/surveyors’ and allowing them to perform important activities** in the approval process.

Empanelling professionals for inspection of plans, design and site as well as compliance with the provisions under building bye laws can take away the load of the municipal authority and reduce the process time. However, necessary measures have to be incorporated to avoid mis-use, ensure accountability and get correct outputs.

Further the **Committee recommends that states consider empowering such licensed architects, engineers and surveyors to self-certify building approvals for smaller projects (G+3)**

The principles of self-certification are based on giving people who are competent in their field the ability to self-certify that their work complies with the building bye-laws without the need to submit a building notice and thus incurring local authority inspections or fees.

The move towards self-certification will significantly enhance compliance with the requirements of the building regulations and reduce timelines involved in building approvals. While the concept of self certification or empowering architects and engineers is much debated, there is a consensus of sorts that this does prove to reduce the operational burden on the local authorities and is recommended for

- low risk low impact applications – eg individual households
- applications at a certain threshold – eligibility criteria can vary based on different thresholds

In certain cities, this is already applicable and **there is a provision that licensed architects and engineers can approve residential buildings of G+2 and less in plots up to 300 m2.**

For buildings of G+2 or less on plots of 300 m2 or less, **approval process is separated into two:**

- At commencement stage, the applicant submits an outline application on a simple plot layout sketch detailing plot area, building height, setbacks, use, and access. The **municipality approves the planning permission** (height, use, set back, coverage, access and parking)
- At completion stage, the applicant submits full plan showing building details to **licensed surveyor / professional who will approve the building regulations** and forward to the planning section, for its records.

Figure 36: Case example – Hyderabad - Green Channel (G+3 buildings)

Hyderabad - Green Channel for G+3 buildings

The Greater Hyderabad Municipal Corporation (GHMC) introduced building permission under 'Green Channel' on October, 2010 to dispose of building applications and also to eliminate malpractice. It was implemented for buildings up to Ground+3 floors (12 meters height) or plots of up to 1,000 square meters of area in the approved layouts of Hyderabad Metropolitan Development Authority (HMDA).

'Green Channel' enables applicants to obtain **fast-track clearance for their development proposals** from HMDA in **7 clear working days for non multistoried buildings and layouts and 30 days (one month) for multistoried buildings**.

Under the 'Green Channel' scheme, **a panel of architects and document auditors who are conversant with land laws of Andhra Pradesh, has been appointed and registered with HMDA** to scrutinize applications from owners, builders and developers both technically and in terms of ownership and land ceiling aspects respectively.

HMDA has empanelled 42 architects (16 for multistoried buildings and layouts and 26 for non multistoried buildings and layouts) for scrutiny of plans and 9 document auditors for scrutiny of ownership documents and adherence to ceiling laws and rules in force.

Following is the procedure to apply in Green Channel:

- Applications have to be submitted through registered Architects or Engineers/ Surveyors**, who would check all the drawings of the proposed buildings and other documents whether they are prepared as per the master plan or building rules or zonal regulations for releasing the permission.
- Along with the building application the applicant / owner has to **submit notarized affidavit** that "all the rules and regulations have been adhered to and they are **personally held responsible for any lapses** in this matter."
- On completion of the necessary scrutiny and certification of building plans by the Licensed Technical Personnel the applicants shall submit their plans through the Licensed Technical Personnel at Citizen Service Counter in the Citizen Service Centres of concerned Circle offices of GHMC in full form duly enclosing all relevant documents with payment of prescribed fee in the form of DD in the name of Commissioner, GHMC.
- The plans will be scrutinized by the concerned Town Planning officials** at the Circle offices / Zonal Offices and after approval of Deputy Commissioners / Zonal Commissioners (as the case may be) **permissions will be given within 4 clear working days pending post site inspection**.
- The Town Planning staff will inspect the site within 15 days and corroborate all details in the application and confirm the permission on file to the Competent Authority** i.e, concerned Zonal Commissioner or Deputy Commissioner as the case may be.
- As per this system, **the official concerned would be penalized at the rate of Rs. 50 per day**, if there is any delay, in processing the application and site inspection.

The applications under Green Channel can be submitted by licensed Technical Personnel viz., Architects registered with HMDA / GHMC / Council of Architecture or Engineers / Surveyors registered with GHMC. Moreover other architects/engineers/ surveyors willing to register themselves with the GHMC can apply to GHMC for necessary registration. Most importantly, no additional fee would be levied for builders/ applicants under this channel.

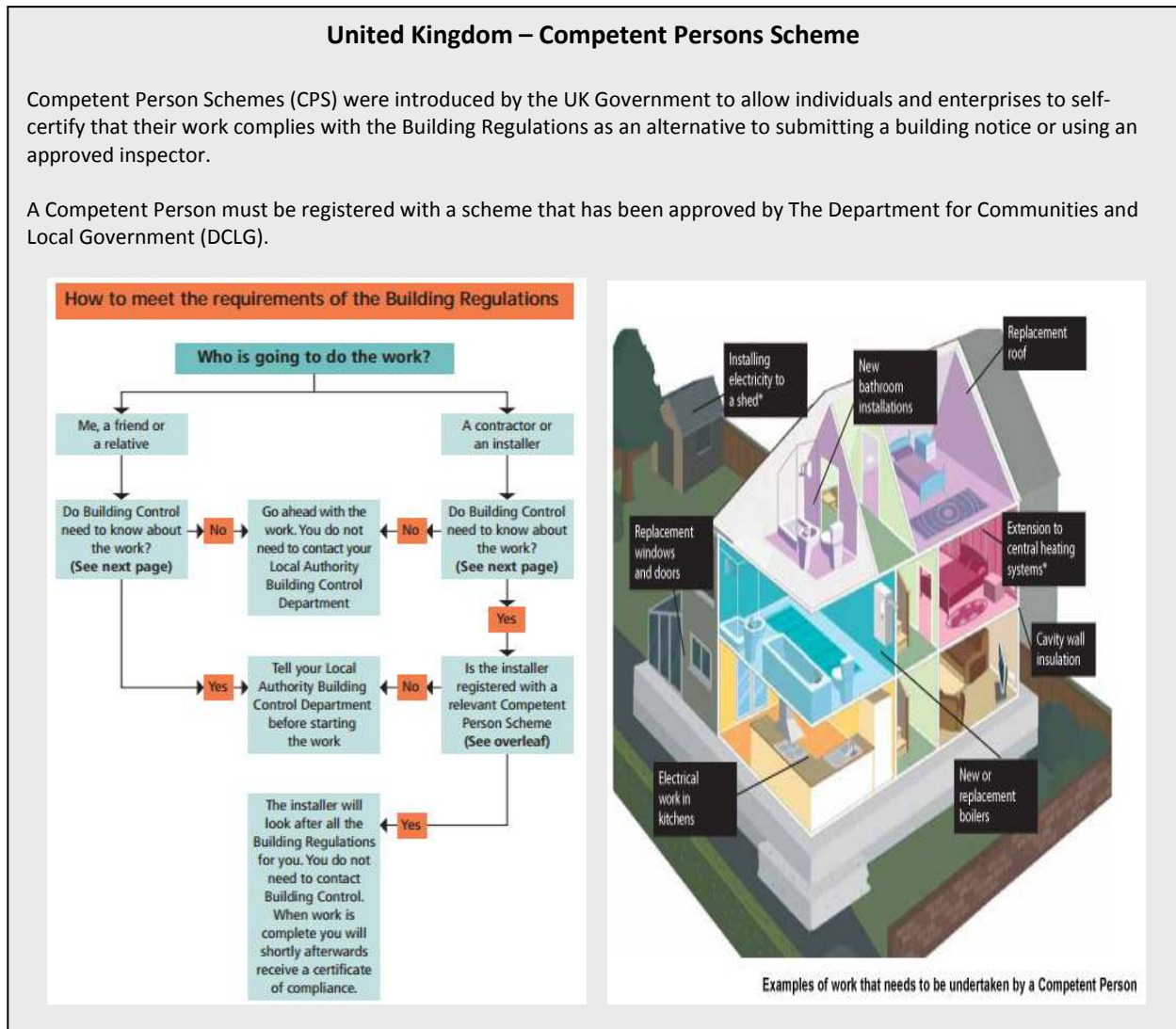
Figure 37: Case example – Greater Noida - Empowered Architects for Building Plan Approvals



Figure 38: International Case example – United States (NYC) – Self Certification



Figure 39: International Case example – United Kingdom – Competent Persons Scheme



7.3.7 Recommendation 6 – Create ‘Building Control’ expertise and train ‘Building Inspectors’

Most local bodies do not have sufficient capacity to carry out the quantum of site inspections required across key construction stages, to ensure building norms are not being violated. Enforcement of building codes is a serious issue that has not been dealt with adequately. Anecdotal evidence confirms that the number of building collapses or fire related accidents in India are high even though there are no recorded statistics. Thus, it is imperative that steps are taken to augment the capacity of building inspectors or civil engineers trained on building codes.

Other countries like United Kingdom and Australia have specialised ‘Building Control’ bodies and building surveyors who are trained on building regulations and work with local bodies or as empanelled or approved building inspectors, to offload the volume of work that local bodies have.

This work is outsourced to building surveyors / building inspectors who undertake the work on behalf of Authorities. Prior to outsourcing, these countries faced the same problems that the ULBs India are facing but this approach has been working very successfully in transparent and streamlined manner.

The Committee reinforces the urgent need to build capacity of urban planners at local level, who are competent in town planning laws to be able to award planning permissions, hence reducing the time delays

Building capacity of urban planners at the local level will enable local bodies to prepare city development plans, in line with master plans prepared by states or metropolitan planning authorities. This will eventually make planning policies and plans very clear, and decisions /permissions faster.

The Committee recommends that MoHUPA takes the lead in building capacity of building inspectors or engineers trained in building codes.

MoHUPA may embark on a capacity building programme for building inspectors with a pilot training programme for select states / cities. Eventually MoHUPA may consider training few building inspectors as ‘master trainers’ who could then work with states and cities to train staff in local bodies.

State Governments are also encouraged to conduct training programmes to train engineers on building regulations, so as to build capacity of ‘building inspectors’

Figure 40: International case example – United Kingdom - Building Control Bodies and Approved Building Inspectors

United Kingdom – Building Control Bodies and Approved Building Inspectors

Building Control Bodies

The main function of building control is to ensure that the requirements of the building regulations are met in all types of non-exempt development. Generally they examine plans, specifications and other documents submitted for approval, and survey work as it proceeds. Most building control surveyors are now actively involved at design stage for many schemes and are acknowledged to provide valuable input at all stages of development.

The role of checking that Building Regulations are being complied with falls to Building Control Bodies (BCBs). There are two types of BCB –

- a **Local Authority Building Control (LABC)** and
- a **private sector Approved Inspector Building Control (AIBC)**.

Customers are free to choose which type of Building Control Body they use on their project.

A building control officer (also known as a **building inspector, BCO**), is generally known as a Building Control Surveyor in the United Kingdom. **This is a person with the authority to control building work that is subject to the Building Regulations.** The title Building Control Officer is one predominantly used by local authorities in the UK, which confer the title of Officer to many of their staff who have regulatory, supervision or enforcement roles.

Approved Building Inspectors

Approved Inspectors are companies or individuals authorised under the Building Act 1984 to carry out building control work. Many are **members of the Royal Institution of Chartered Surveyors (RICS) - chartered building surveyors or chartered building control surveyors.** They practice in either the public or private sector with local authorities or with companies, or as individuals, who are **recognized approved inspectors**

'Approved inspectors' are **bodies or individuals who must be appointed by an organization designated by the Secretary of State as having the authority to control building work.** Surveyors who work for approved inspectors generally do not refer to themselves as officers.

Figure 41: International case example – State of Israel – Developing Building Control Expertise

State of Israel – Developing Building Control Expertise

Israel's worst civil disaster happened on 24 May 2001. During a celebration at the Versailles wedding hall in Jerusalem, a large part of the third floor of the four-storey building collapsed: 23 people died and 380 were injured

A further government enquiry led by former judge Vardimos Zeiler examined the safety and stability of all buildings. The Committee's 800-page report pinpointed major faults in the whole of the building sector. **It demanded a total overhaul in the structure of the industry.** A year later the Israeli government determined the following –

1. Organisation and standardisation of Building Regulations through production of a national building code
2. Supervision of building design and execution by **creation of independent building control bodies (BCBs)** regulated by the government
3. A system which would allow for a 'one-stop' process, **where government approval would be outsourced to independent BCBs.** This would **eliminate unnecessary bureaucracy** through an open e-permitting system and by **differentiating between major and minor projects** and building works where a permit was unnecessary
4. An online database of Building Regulations, guidelines and standards
5. Checking and improvement of the qualifications and professionalism of all those involved in the building works.

The most important boost came from the new administration. In November 2009, the 'first 100 days team' of Israel's present Prime Minister decided to give the building and planning sector a boost aiming at safety and financial issues, to raise Israel's rating in the 'doing business' ranking of the world bank, especially in 'dealing with construction permits'. **Israel is currently ranked 120, and wants to move to around 40, thus improving its standing in the general index.**

This decision made the improvement of the quality of building both a sectorial issue and a national goal led by our office, the Ministry of Finance and the Office of the Prime Minister. A worldwide search for the right models, learning from experience elsewhere was initiated.

Israel's current planning and building systems are based on the British system: its population and building density have similarities to those of Europe. In the year following the Israeli government's decision and our meeting with CEBC, we redrafted our permit system to one based on Israeli planning situations and the experiences of the European building sector. This was approved by the Israeli government.

Nov 2011 - A decision was made to contact European bodies, including RICS, to be partners in developing the expertise needed to bring Israeli building control to the highest level. A year-long pilot project has commenced, involving 6 local authorities also using a professional team which has been hired to simulate a BCB. At the end of the year the new law will hopefully be approved by Parliament, and then we will gradually transfer to the new system.

Source: International case study by Rafi Rich is Senior Director for Building, Ministry of the Interior, Israel (RICS i-surv)

Figure 42: International case example – Australia - Building Surveyors as Private Certifiers

Australia – Accredited Building Surveyors allowed to operate as Private Certifiers

What is a private certifier?

(Section 68A, Section 89, Regulation 89 and Regulation 92)

A private certifier possesses building surveying qualifications and must be registered. They have the same power as a council in assessing applications for Building Rules Consent. **The private certifier acts as the council in the public interest and has a professional responsibility to ensure that the application is complete and that it complies with the Building Rules, including the current version of the Building Code of Australia (BCA).** In instances where the certifier feels that the public interest would not be served by granting a Building Rules Consent, the application may be refused.

A private certifier is authorized to undertake the building rules assessment function and associated tasks as follows:

- assessing a development against the Building Rules, assigning a classification under the BCA and, if appropriate, **granting a Building Rules Consent** (but not a Development Approval);
- **imposing any conditions** under which the building work must be executed, if the certifier deems necessary;
- issuing a Schedule of Essential Safety Provisions; and
- processing **Statements of Compliance** and issuing a **Certificate of Occupancy** (if required) at completion of the building work.

In order to register, the private certifier must meet the following three criteria:

- **be an accredited building surveyor;**
- have the required experience; and
- hold a policy for professional indemnity insurance as prescribed by the Regulations.

Licensing as a building surveyor/certifier in Queensland and the need for a Certificate of Accreditation

The Queensland Building Act (1975) defines the role of building certifiers and the regulation of building certifying functions in Queensland. Applicants applying for or renewing a licence as a building certifier in Queensland must first obtain a **Certificate of Accreditation from an approved Accreditation Standards Body** before applying to Queensland Building Services Authority (QBSA) for a licence. The Certificate of Accreditation is confirmation that you have the knowledge, competence, ethical standing and up to date skills needed to act as a building certifier. The Certificate is valid for 3 years after which it must be renewed. Renewal is the responsibility of the applicant

The RICS Accreditation Standards Body for Queensland is a body approved by the Department of Local Government and Planning (Building Legislation and Standards Branch) to assess the educational qualifications, experience, competence and continuing professional development of applicants wishing to gain or renew their Certificate of Accreditation in Queensland.

7.3.8 Introduction – Commencement and completion certificate

Commencement Certificate

The applicant files intimation of commencement of work at the local body office or single window where available. After completing the building upto the plinth level, he files an application for Commencement Certificate. Site inspection will be made by an authorized officer and commencement certificate is given

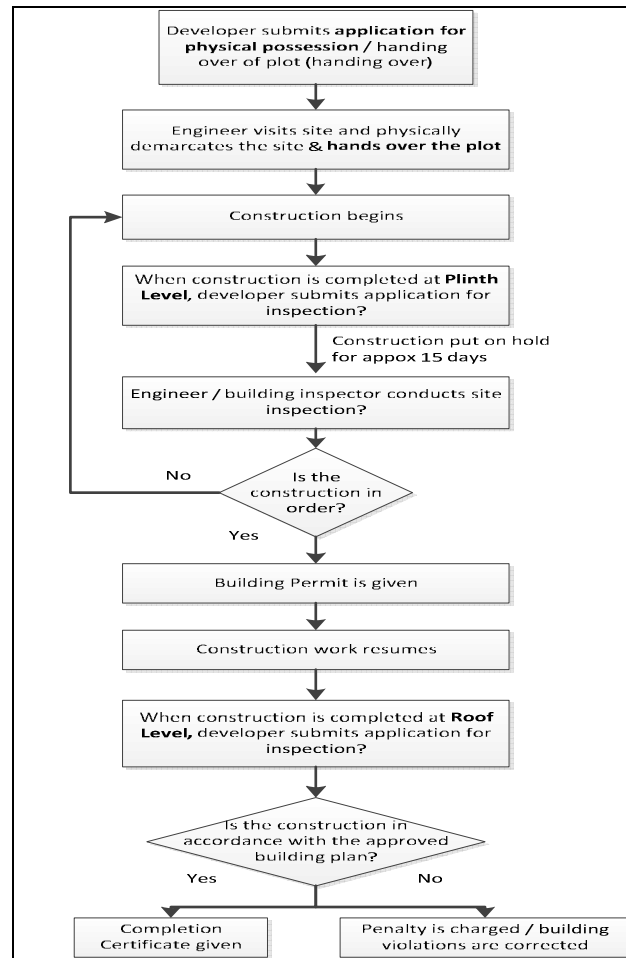
Completion Certificate

After the building/civil work is completed according to the sanctioned plan and the provisions of building bye laws, the applicant files an application for Completion Certificate. The designated engineer inspects the building for its adherence to the sanctioned plan and, if found to be in order issue the Completion Certificate.

Occupancy Certificate

After obtaining the completion certificate, the applicant makes applications to various service utility departments such as water, gas, electricity, phone etc. After all these are installed and all NOCs required under various laws have been received, the applicant makes an application to local body for an Occupancy Certificate.

Figure 43: Process for seeking Commencement and Completion Certificate



7.3.9 Recommendation – TBD

7.4 Protecting ‘Consumer Interest’ across the approval process

7.4.1 Introduction – Importance of quality infrastructure and buildings for public

An inefficient building/construction system that is burdened under the pressure of project delays, corruption and bureaucracy, coupled with the rampant violation of building codes, have resulted in structures being more susceptible to structural and safety malfunctions. These present a potential danger not only to its inhabitants but also its immediate surroundings.

Adding to these woes is the number of illegal buildings that have mushroomed across the country as informal or squatter settlements housing the urban poor. The incidents in Delhi, Mumbai and Rajasthan, in the recent past where such residential structures have collapsed and caused fatalities, highlight both the enormous urban planning problem at hand and the need and relevance of building/construction audits and inspection.

There is definitely a need for better practice to be followed in the country, where the creation of a strong and effective system in the absence of regulation and mandatory enforcement of building laws, can only be brought about through a combination of self certification, external performance reviews by accredited agencies and by random construction inspections/audits.

The Committee therefore recommends States to consider appropriate mechanisms to regulate building construction activities with a two fold purpose –

- a) to ensure **consumers are not duped by investing in projects that do not have necessary approvals in place**
- b) to **avoid high incidence of mishaps and accidents** because of poor building standards and quality

7.4.2 Recommendation 1 – Easy access to building approval information to avoid consumer frauds

For construction activities by developers and builders

Some of the major means of improving public information to avoid consumer frauds include

- Providing prompt notification of application approvals and uploading a list of all projects where necessary approvals have been obtained by the builder. This will ensure consumers do not make investment in projects that have not yet received necessary approvals.
- Providing information on the status of building approval applications that are in process
- Providing complete information on official website and making the urban groups aware of the requirements.

Availability of all building related rules and status of all projects (on the website of the local authority) where building approvals are pending, will go a long way in curtailing pre-launches without necessary approvals and therefore reduce incidence of consumer frauds.

This may be included as part of the Citizen's Charter and publicity leaflets and campaigns on such issues may be considered by States and local bodies.

For self construction activities

Application process is the starting and important stage of building permission process, which itself can be simplified by improving the public information. Improved public information simplifies and demystifies planning and building approval processes and includes following areas

- Details of where application is available and how to obtain it
- Explaining the application process (information on fee rates, lists of licensed architects etc)
- Applicable building rules
- Checklist of documents required for approvals
- Ability to track applications

7.4.3 Recommendation – Strengthen regulatory mechanisms to enforce building standards and ensure quality

Under the envisaged real estate regulation bill, provisions may be made

- to ensure all new projects are registered with the real estate regulation authority and have obtained all necessary approvals required by central and state legislation and procedure
- to ensure regulation of various state building laws (building bye-laws) as well as property laws and rules such as Delhi ownership act, Delhi rent control act, Haryana property dealers act, etc, through appropriate mechanisms and delegation of authority to local building authorities or third party inspectors or quality control companies
- to provide consumer redress for non-conformance to building standards or building laws or building defects

International practices for assurance building quality to consumers are given below

Figure 44: International Case Example - Republic of South Africa (RSA) - National Building Council

Republic of South Africa (RSA) - National Building Council

(Deals primarily with building defects)

In the Republic of South Africa, the National Home Builders Registration Council (NHBRC) is a statutory body which provides protection in terms of the Housing Consumers Protection Measures Act. It is mandated to provide protection for all new housing consumers against defined building defects such as:

- Assisting consumers by ensuring that home builders meet their obligations under the Act
- Rectification of major structural defects
- Detect contraventions from the Act that require disciplinary action or prosecution

However, a consumer's attorney is expected to handle disputes over matters of contract. Examples of matters of contract where the NHBRC cannot help are disputes about date of entry, prices of 'extras', plot size, room dimensions, colour of sanitary ware, or type of floor coverings. Similarly, problems arising out of rights-of-way and access, and matters of legal title to property are referred to legal officers.

An observation by NHBRC has indicated that decreased late enrolments by builders result in a reduced number of complaints. If a builder enrolls prior to construction, it affords NHBRC an opportunity to inspect homes, thus limiting future complaints from housing consumers.

In relation to remedial works, NHBRC technical staff and inspectors have been provided with training to be able to identify and alleviate technical problems during construction in order to minimise the risk to the housing consumer and the Warranty Fund.

Figure 45: International Case Example - UK - National House Builders Council (NHBC)

UK - National House Builders Council (NHBC)

(Deals with defects under a warranty scheme)

In the UK providers of new-build residential housing usually conform with standards set down by the National House Builders Council (NHBC) and offer an NHBC Certificate warranty on completion. Alternatively, there are some insurers who provide Latent Defects Insurance against problems arising after completion.

The NHBC provides warranty and insurance, covering 80% of new homes built in the UK. It also undertakes extensive consumer satisfaction research to provide builders with information on perceived quality of product and service. NHBC also conducts effective training and development of staff to respond to the dynamic industry and meet regulatory requirements.

The Regulatory Authority should encourage the 'promoters' to adopt the Latent Defects model, which is becoming increasingly accepted as a more desirable alternative to Certification. It typically provides a higher standard of construction due to validation and supervision by the insurers, and certainly offers better protection for owners once the purchase has been completed.

Figure 46: International Case Example - UK – Consumer Code for Home Builders

UK – Consumer Code for Home Builders

(For all complains not covered under NHBC)

The Consumer Code for Home Builders Scheme which came into effect on April 1, 2010 in the UK, sets mandatory requirements that must be met by all home builders in their sales, marketing, and customer service activities.

The purpose of the Code is to ensure that Home Buyers:

- are treated fairly;
- know what service levels to expect;
- are given reliable information upon which to make their decisions;
- know how to access speedy, low-cost dispute resolution arrangements if they are dissatisfied.

Home Buyers who think they have a dispute because a Home Builder has failed to meet the requirements of the Code may refer their dispute to the independent Dispute Resolution Scheme. This **Dispute Resolution Scheme** establishes an independent process set up to deal with disputes under the Code that do not fall within the Home Warranty Body's Home Warranty cover.

Disputes are resolved using an adjudication process. During this process, a trained adjudicator reviews written submissions from both parties and issues an award based on his or her conclusions. They decide whether or not a Home Buyer has a legitimate dispute and has suffered financial loss as a result of their Home Builder failing to comply with the Consumer Code requirements.

8 No objection certificates (NOCs) from various Govt departments

A variety of non-planning related permits are required to ensure that building development does not negatively impact or disrupt any other areas such as - environment, infrastructure or national heritage.

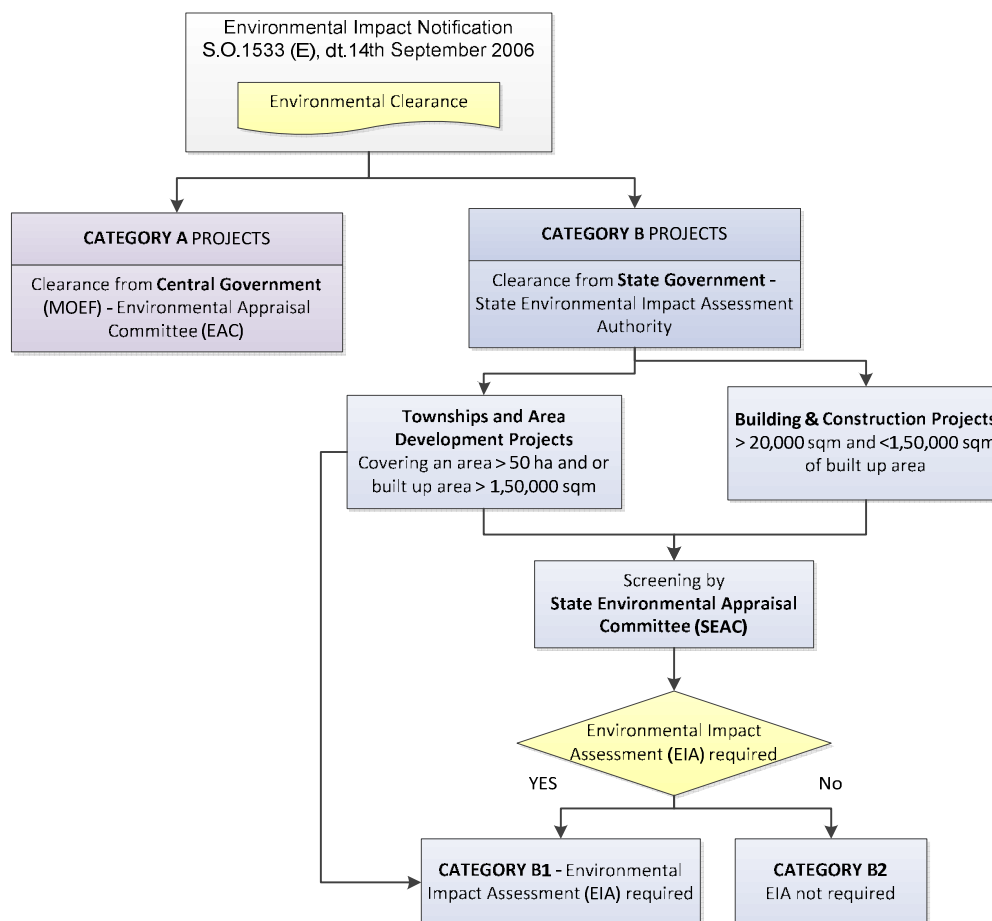
8.1 Central/State agencies – Ministry of Environment and Forests (MoEF)

8.1.1 Introduction – Environmental Clearance

The Ministry of Environment & Forests (MoEF) is the nodal agency in the administrative structure of the Central Government, for the planning, promotion, co-ordination and overseeing the implementation of India's environmental and forestry policies and programmes.

Environmental Impact Notification S.O.1533 (E), dt.14th September 2006, as amended 2009, issued under Environment (Protection) Act 1986, has made it mandatory to obtain environmental clearance (EC) for scheduled development projects. Projects are classified and processed by Central or State Government based on the following segmentation.

Figure 47: Environment Clearance - Central or State Government



The notification has classified projects under two categories 'A' & 'B'

- Category A projects (including expansion and modernization of existing projects) require clearance from Ministry of Environment and Forest (MoEF), Govt. of India (GoI) and
- Category B projects require clearance from State Environmental Impact Assessment Authority (SEIAA), constituted by GoI.
 - The projects requiring an Environmental Impact Assessment (EIA) report are termed as Category 'B1'
 - Remaining projects are termed as Category 'B2' and do not require an Environment Impact Assessment report.

The EIA clearance process for the building construction, townships and area development projects is as follows

Figure 48: Approval Process for Environmental Clearance of Category A Projects

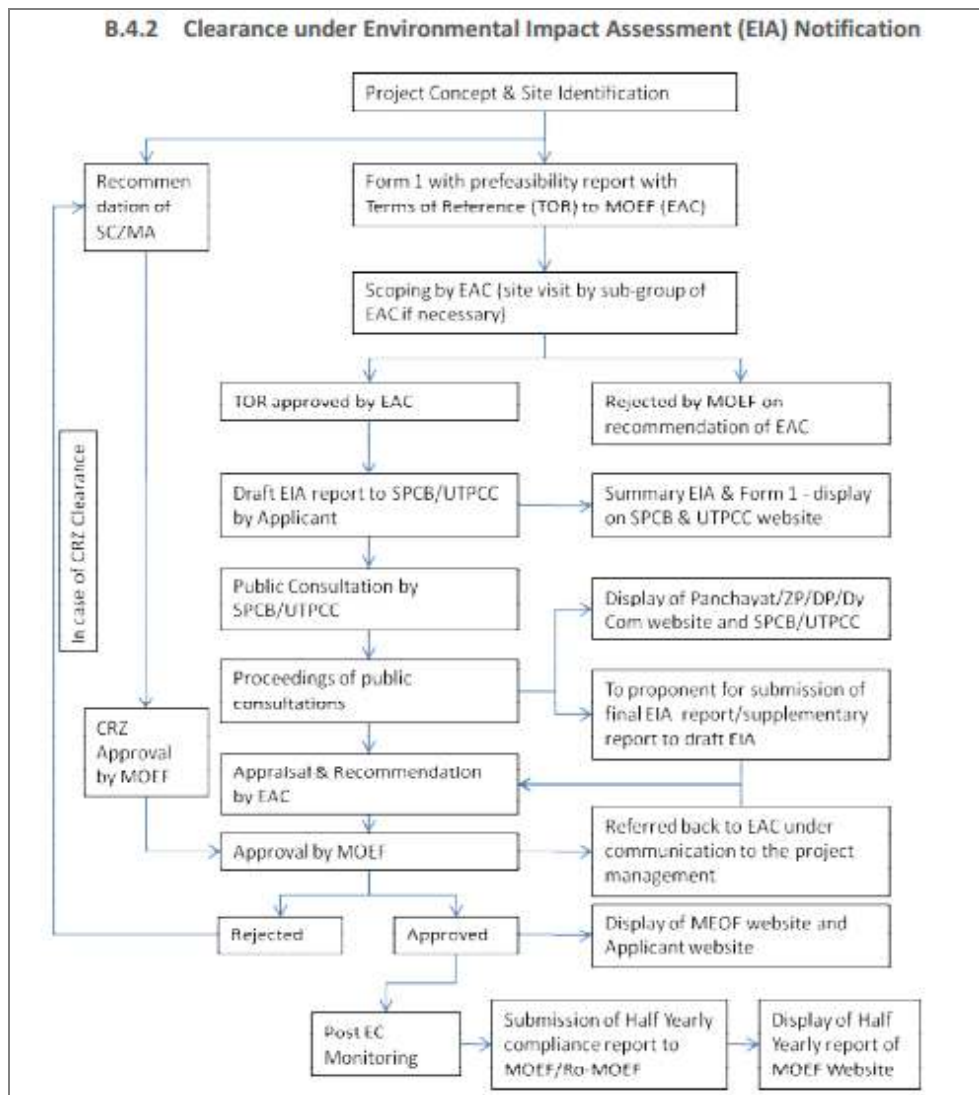
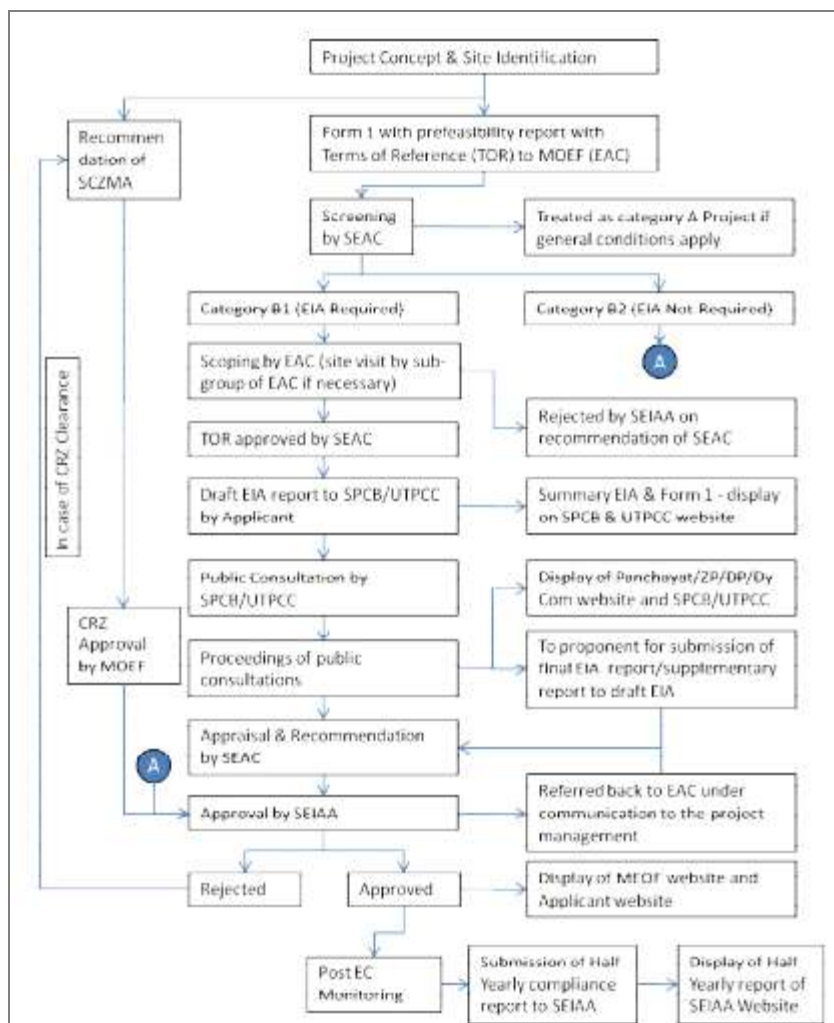


Figure 49: Approval Process for Environmental Clearance of Category B Projects



Steps involved in obtaining the Environmental Clearance are:

- a) Submission of application - Application for Prior EC has to be made in Form 1 (gives general info about the project) and Form 1A (requires in-depth study) for construction projects. Form 1A is for Item 8 construction projects. Conceptual Plan to be provided.
- b) Screening – SEAC determines whether it falls in Category B1 (EIA¹³ required) and B2 (EIA not required). Ideally, as per the construction manual, for categorization of projects into B1 or B2 except item 8 (b), the Ministry of Environment and Forests should issue appropriate guidelines from time to time. For Category A and B1 (township) projects – Terms of Reference (TOR) for EIA are issued by AC/SEAC. TOR relevant to individual projects is to be added by the proponent and should be submitted with the application along with 'Form 1' and 'Form 1A' and the State Level Expert Appraisal Committee.
- c) Scoping – Scoping is not required for Category B2 projects. Appraisal is based only on Form 1 & 1A

¹³ Environment Impact Assessment

Process to be followed for projects requiring environmental clearance under Coastal Zone Notification 1991

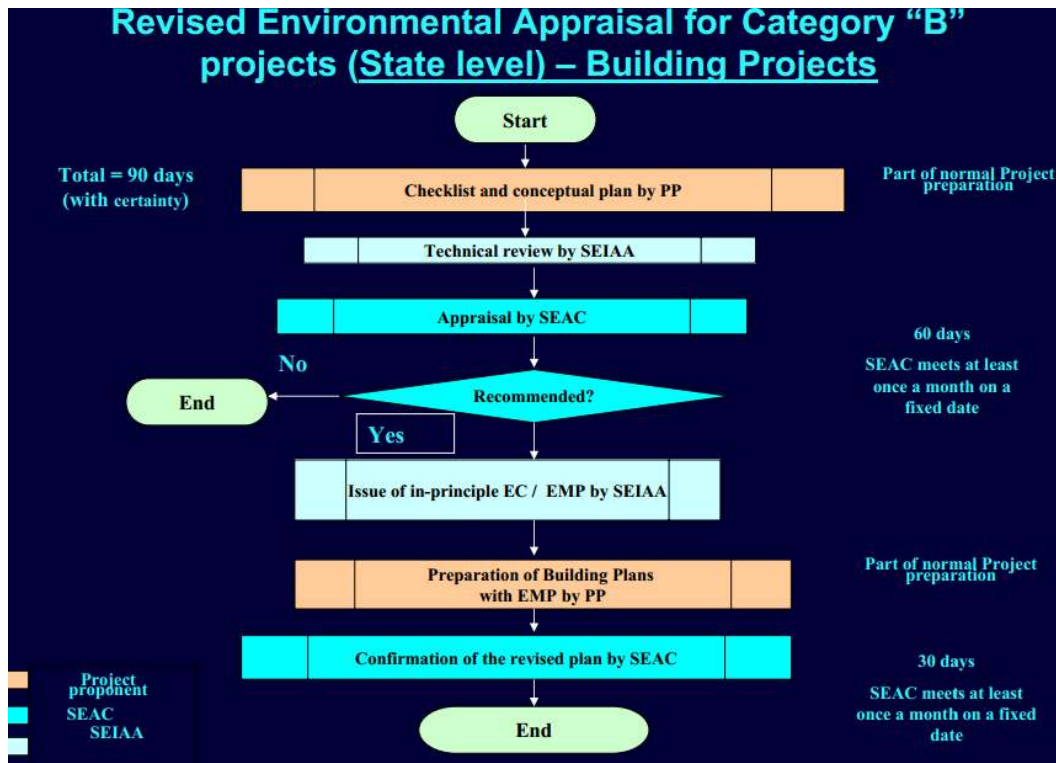
Figure 50: Process for obtaining EC for projects under Coastal Zone Notification 1991

- ▶ The projects involving clearance under Coastal Regulation Zone Notification, 1991 shall submit with the application a CRZ map duly demarcated by one of the authorized agencies, showing the project activities, w.r.t. C.R.Z (at the stage of TOR) and the recommendations of the State Coastal Zone Management Authority (at the stage of EC). Simultaneous action shall also be take to obtain the requisite clearance under the provisions of the CRZ notification, 1991 for the activities to be located in the CRZ
 - ▶ The projects to be located within 10km of the National Parks, Sanctuaries, Biosphere Reserves, Migratory corridors of wild animals, the project proponent shall submit the map duly authenticated by Chief Wildlife Warden showing these features vis-à-vis the project location and the recommendations or comments of the Chief Wildlife Warden thereon (at the stage of EC)
 - ▶ All correspondence with the Ministry of Environment & Forests including submission "of application for TOR/Environmental Clearance, subsequent clarifications, as may be required from time to time, participation in the EAC meeting on behalf of the project proponent shall be made by the authorized signatory only. The authorized signatory should also submit a document in support of his claim of being an authorized signatory for the specific project"
- Ref:- EIA notification - Amendment 2009

Time limits for Environment clearance

As per the guidelines, time limits have been set for the entire process – see chart below

Figure 51: Time limits for Environment clearance - Category B Projects



Source: Revised Environmental Clearance Process by MoEF

Some issues to consider

- Issue # 1 - There are no clear guidelines stating what type of projects will be categorized as B1 and B2 – it is left to the state Committee’s judgment whether project is B1 or B2. Clear guidelines defining what are the parameters for ‘high risk’ projects that will be categorized as B1 will eliminate the need for this screening process, reducing one level in the manual approval process.
- Issue # 2 – Terms of Reference (TOR) can also be a possible bottleneck causing delays and needs to be investigated further.
- Issue #3 - FORM 1 A that needs to be submitted as the first step, contains 60 open ended questions which are subjective in nature and require descriptive answers. These forms ask open ended questions about a very vast scope –majority of which would have already been covered as part of building codes (NBC, Building bye-laws, ECBC, various NOCs obtained from different departments). There is scope in narrowing down the application form or information that is requested. For eg - For areas such as building material and energy efficiency – the guiding standards should be the national building code (a new chapter on sustainability has been introduced) and ECBC – which specifies the best practice as far as these aspects are concerned.
- Issue #4 - Such detailed level of information may not also be very relevant / understood by the state level Committees. However, for example, one State Committee has been observed to have only 3 people with background in electrical engineering, chemical engineering and Metallurgical Engineering – they may or may not possess the expertise to evaluate aspects such as land use, water, energy efficiency in buildings. The above indicates that the process of different Committees screening this kind/level of technical information is not very optimal/ practical.
- Issue #5 - According to the MOEF guideline, the total time taken for this process should be 90 days – however as per the info given by CREDAI, RICS and FICCI, this process can take upto 2 years. The likely reasons for these delays are – unavailability of Committee members to meet as often as required, backlog of pending projects which need to be reviewed, the level of information that is required to be furnished by the project proponent, which may require back and forth.

8.1.2 Recommendation 1 - Environment Impact Assessment to be carried out at Master Plan stage

Since the Master Plan contains zoning of development area including distribution of residential, commercial, institutional, green spaces etc and stipulates development control norms, it would be appropriate to carry out Environment Impact Assessment of the Master Plan. This should be a part of the Master plan approval and individual projects within the Master plan area should not require obtaining EIA clearance subject to the certification of empanelled Architect/Environmental consultant that the environmental parameters of M/oEF are within the prescribed limits. The Environment Department should notify their guidelines to be followed for different types of projects and should also put the guidelines on their website. The responsibility of compliance should be left to the developers and of enforcement and monitoring to the project approving authority.

8.1.3 Recommendation 2 – Separate State Environmental Appraisal Committee for construction sector

A separate Committee for according environment clearance to the construction sector should be set up. Presently there is only one state environment appraisal Committee which is responsible for all projects across sectors. Having a specialized environment appraisal Committee for construction sector will bring in higher efficiency and speed up the approval process

8.2 Central agencies – Airport Authority of India (AAI)

8.2.1 Introduction – NOC from AAI

Airports Authority of India (AAI) is entrusted with the responsibility of creating, upgrading, maintaining and managing civil aviation infrastructure both on the ground and air space in the country. It provides air navigation services over 2.8 million square nautical miles of air space.

NOC for height clearance for construction is required by AAI to evaluate the location from the points of view of the flying path and navigation.

Airports Authority of India introduced an online "No Objection Certificate Application System (NOCAS)" for Buildings and Masts Height Clearances with effect from 1st April 2011.

NOCAS is a complete work flow based application providing on-line routing of application to Regional Headquarter /NOC Cell and lets the AAI to finally decide on the issue of NOC. This system is accessible from AAI website www.aai.aero for submission of NOC Applications on line.

Based on the NOC calculation sheet provided by NOCAS application, height clearances are decided by the NOC Committee with following options –

- (a) NOC application cleared with requested height clearance
- (b) NOC application cleared with restricted height clearance
- (c) NOC application rejected.

NOCAS provides automatic generation of various types of letters and formats as required during various stages of NOC case processing to bring uniformity in process of issuance of NOC.

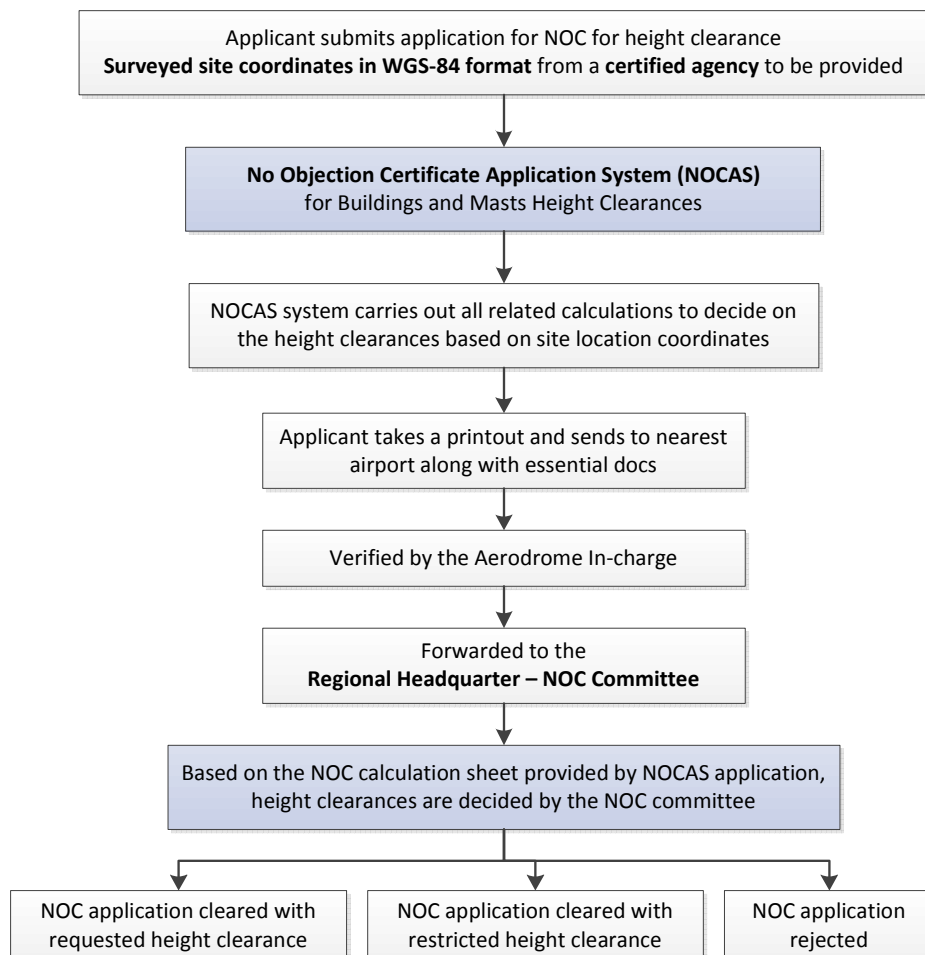
With this system, applicants will not only be able to apply for NOC online but will also be able to track the status of their applications. The NOCAS system carries out all related calculations to decide on the height clearances based on site location coordinates provided by the applicant.

Thus with the implementation of NOCAS, it will be mandatory for the applicant to provide surveyed site coordinates in WGS-84 format from a certified agency. Without appropriate coordinates submission of application on-line will not be possible.

- Applicants are required first to register themselves on line and only thereafter they can submit their applications for NOC online.
- On registering in NOCAS an applicant will get a NOCAS ID that can be used for future references including status check of the application.

- After submission of the online application the applicant will take the printout of the application and forward the same to nearest airport along with other essential documents.
- **Documents required** - 1. Application for NOC, 2. Location plan of scale 1:8000, 3. Architectural drawing of plan & elevation, 4. Site plan with dimension of proposed structure, 5. Site elevation certificate authenticated by a govt. agency, 6. Undertakings
- **On receipt of the documents at respective airport, AAI user will scrutinize the NOC documents and will decide whether the application can be accepted or returned.**
- All the cases are decided in accordance with the provisions of Gazette Notification S.O. 84 (E) dated 14.01.2010.
- In case of any non compliance in the NOC application, **intimation to the applicant will be forwarded on-line** with the details of discrepancies observed in the application.
- Applicant will then be required to submit the relevant documents to the airports in order to make the application acceptable for further processing.

Figure 52: AAI - No Objection Certificate Application System (NOCAS)



Source: NOCAS instructions, RICS Analysis

8.2.2 Recommendation 1 – Earmark restricted and high risk areas in city development plan

Due to the absence of a Zoning procedure time and again developments in a particular locality have to replicate the entire process of making an application, liaisoning ,co-ordination etc resulting in unnecessary delays and costs which gets passed to the end user. The co-ordinates will not change with respect to the flying zone restriction, air-funnel etc for developments next to each other. NOC from AAI should therefore be linked to the city development plan.

Airport Authority in consultation with the local planners and approving authorities should identify the no-flying zones, air funnel and flight paths and demarcate them in the city master plan. *Information for all such restricted or regulated areas should be put up in public domain.*

- The city development plans should clearly earmark the **restricted zones, flight paths and other concerned areas that are high risk** and would require AAI clearance of projects

8.2.3 Recommendation 2 – Ease the process for low risk areas or no-flying zones – empower local bodies, consider self certification or deemed approval

- For **no-flying zones and other low risk areas, the need for obtaining individual NOC's** for projects within such designated locations **could be done away with**
- Alternatively, a **self-certificate by developer undertaking adherence to AAI norms** (as per the publication S.O-84, Gazette of India) may be considered sufficient, instead of an NOC
- **For buildings upto a certain height (eg 75m), the local authorities may be empowered to provide the height clearance**
- Clear time limits for processing and disposal of applications by AAI should be laid down. Failure of AAI to pass final orders within the prescribed time limit may be considered 'deemed to be approved'

8.3 Central agencies – National Monument Authority (NMA)

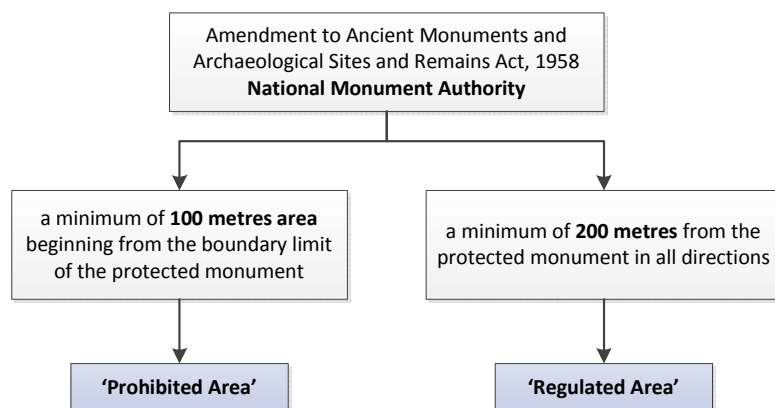
8.3.1 Introduction – NOC from NMA

In order to prohibit the illegal constructions activities near the heritage and protected monuments, the Central Government, last year had brought amendments in its Ancient Monuments and Archaeological Sites and Remains Act, 1958. The Ancient Monuments and Archaeological Sites and Remains (Amendment and Validation) Act, 2010, which came into force on 30 March, 2010, provides for the establishment of a National Monument Authority. The Authority has been constituted so as to give consent for the construction activity within the monument radius. Until now, this provision was enjoyed by Delhi-based head office of Archaeological Survey of India.

As per the new amendment, a minimum of 100 metres area beginning from the boundary limit of the protected monument is specified as the 'prohibited area', beyond which, in all directions, a minimum of 200 metres is categorized as 'regulated area'. Thus, the residents in the protected area (100m radius) of the protected monuments cannot raise any construction and in regulated

area, they could undertake construction, repair and alteration only with the permission of the NMA. Thus, any construction, repair, alteration, whatsoever, in and around the restricted areas will be prohibited and any other repair work could be undertaken only with the permission of the NMA.

Figure 53: NMA - Prohibited and Regulated Areas



Under the law, National Monument Authority, the Chairperson and members are required to have proven experience and expertise in the fields of archaeology, country and town planning, architecture, heritage, conservation-architecture or law;

8.3.2 Recommendation 1 – Relax the NOC process based on importance of monument structures

Currently, all the monuments/heritage buildings under the purview of Archaeological Survey of India (ASI) are given equal weightage with regard to conditions applicable for development around these structures. This makes the process very slow – eg in Gujarat, this process takes nearly a year.

A re-survey of the monuments/heritage buildings in the state should be carried out to differentiate the level of importance of these structures. Based on the survey, the conditions for development of real estate around these structures could be selectively relaxed.

8.3.3 Recommendation 2 – Notify all restricted monuments on website and consider self certification, time limits

The need for NOC might be done away with if all restricted monuments were notified in the ASI (or NMA) website with location map and a self-certification was submitted by a registered Architect to the effect that the proposed site of new project was not within 100 m or 300 m radius of any restricted monument. Also, there is need for prescribing a time limit for issuance of an NOC from NMA.

8.4 Central agencies – Ministry of Defence (MoD)

8.4.1 Introduction – NOC from MoD

Constructions around defense establishments are governed by **Works of Defense Act 1903 (WDA)** which imposes restrictions upon use and enjoyment of land in vicinity of Defense Establishments. **On the basis of sensitivity of the defense establishments, constructions are not permitted within a radius of 100, 500, 1,000 and 2,000 metres of NDA.**

Obtaining an NOC for height from the defense is not mandatory. The concern over high-rises has been, however, taken note of at the highest level. A MoD letter dated May 18, 2011 says WDA needs to be comprehensively amended so as to take care of concerns of the defense forces.

While the process of amendment has been put in motion and may take some time, it was felt necessary to issue instructions in the interim to regulate grant of NOC. The objective of these instructions is to strike a balance between the security concerns of the forces and the right of public to undertake the construction activities on their land.

Following guidelines are therefore laid down:

- a) In places where local municipal laws require consultation with the Station Commander before a building plan is approved, the Station Commander may convey its views (after seeking approval from next higher authority not below the rank of Brigadier or equivalent) within 4 months of receipt of such requests or within the specified period, if any, required by law. Objection/views/NOC will be conveyed only to State Government agencies or to Municipal authorities, and under no circumstances shall be conveyed to builders/private parties.
- b) Where the local municipal laws do not so require, yet the Station Commander feels that any construction coming up within 100 meter (for multi-storey building of more than four storeys the distance shall be 500 meters) radius of defense establishment can be a security hazard, it should refer the matter immediately to its next higher authority in the chain of its command. In case the next higher authority is also so convinced, then the Station Commander may convey its objection/ views to the local municipality or State Government agencies. In case the municipal authority/State Government do not take cognizance of the said objection, then the matter may be taken up with higher authorities, if need be through AHQ/MoD.
- c) NOC once issued will not be withdrawn without the approval of the Service Head quarters.

8.4.2 Recommendation - TBD

9 Single Window Clearance or Facilitation System

9.1 Introduction

The concept of a 'Single window' or 'One stop shop' is widely recognized as an effective tool to ensure speedy approvals. This has been used very successfully in India by the Department of Industries to improve the investment climate by improving the 'ease of doing business' in the country.

Single window concept can be applied to either the entire gamut of departments / processes / approval stages or its scope can be kept limited to a certain services / activities that can be accessed through this single window. 'Single window' can be implemented by –

- Appointing nodal agency or authorized officer
- Enacting 'single window' legislation that extends the nodal agency concept to include other enabling mechanisms such as empowered Committees
- By connecting all/select departments by a technology interface, which acts like a single window

At the moment, automation of building plan approvals (option reform under JNNURM) is termed as 'single window clearance' by some cities. However, it is clarified that, the scope of such single window is limited to 'building plans' and cannot be termed as 'single window' in the broad sense.

Further, the role of the 'single window' can vary to be 'advisory/facilitative' or 'empowered to make decisions/award clearances'.

9.2 Invest in 'Single Window Clearance Portal' enabled by technology

Today, majority of real estate approval processes involve a lot of paperwork, physical visits to various central, state and local government departments, all of which are a main contributor to the cumbersome and lengthy approval process.

The Committee strongly recommends investing in robust technology platforms, at the state level (in the first phase) and subsequently in local bodies, wherein all central, state and local government departments are connected through a strong technology backbone and all project applications and approvals are processed online.

It is imperative to leverage technology, in order to expedite approvals. In terms of added advantages, technology platform would help in the following ways -

- Remove paperwork and physical visits
- Improve transparency and accountability through regular reporting & escalation mechanism
- Remove ambiguity and discretion by auto detection / verification where possible
- Minimize corrupt practices by e-payment facilities

The Committee has evaluated the e-biz model being implemented by DIPP and is convinced that it can be extended to real estate sector, with reasonable effort

The Committee recommends MoHUPA to seek advice of DIPP and fund development costs for extending the e-biz model for real estate projects. MoHUPA may collaborate with one or two progressive states to pilot this initiative.

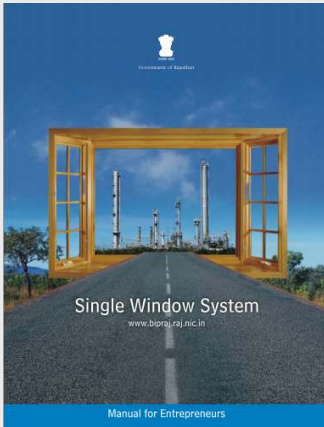
The Committee also urges state governments to partner with MoHUPA to pilot implementation of e-biz platform in their state. While initial costs may be borne by the central government, further enhancements or additional features/services may be funded by state governments.

Figure 54: Case example - Single window Portal (Rajasthan)


Rajasthan - Single Window Clearance System for investment proposals

Rajasthan Single Window Clearance System is a single point contact to reduce the time and efforts involved in various clearances and approvals of layouts/applications for the proposed investment, submitted by investors. **This online application shall render transparency to the system thereby facilitating investors with expeditious and time-bound clearances and approvals.** It will also provide updated information relating to relevant rules, regulations, orders and policy initiatives and schemes for guidance.

Rajasthan Single Window Clearance Mechanism will also serve as a **single point interface between investors and various government departments.**



Single Window System
www.bopg.raj.nic.in
Manual for Entrepreneurs



Form Name	e-Submit Date	Physical Receipt Date	Nodal Agency Action		Department Action		Due Date For Clearance	Action	View	Status
			Action Taken	Action Date	Action Taken	Action Date				
Factories & Boilers Form I	18/05/2011									Edit View Print Certificate

Status Symbols

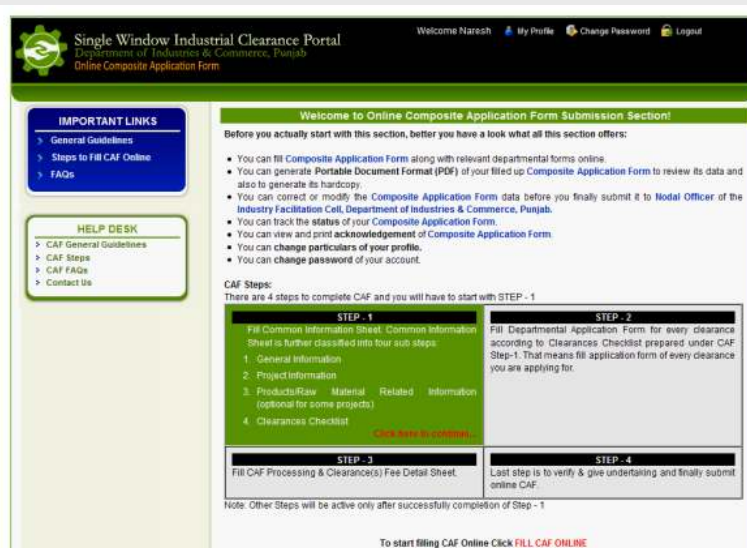
- Forwarded to Nodal Agency.
- Forwarded From Nodal Agency to Department.
- Incomplete Application.
- Cleared by Department.
- Rejected by Department.
- Objected by Department.

Figure 55: Case example - Single window Portal (Punjab)

Punjab – Single Window Industrial Clearance Service

The Government of Punjab has introduced the **Single Window Industrial Clearance Service** in the State of Punjab, with the intent of expediting the issue of various clearances for new Industrial Projects and expansion of existing Industrial Projects. The basic aim is to facilitate the industries by **providing a single-point, time-bound clearance system required for establishment and operation of industrial undertakings.**

The Department of Industries & Commerce, Punjab under Single Window Service **has formulated a Composite Application Form (CAF) for common clearances** by and large required from various government departments / agencies. With the objective of providing the facility of speedy approval of clearances to entrepreneurs and industry of Punjab, the department has come out with this **Single Window Industrial Clearance Portal** which is a **One-Stop Information Centre for Industry Clearances, and provides a facility for Online Submission and Tracking of CAF.**



Consolidated Processing Time Lines

The time lines for processing and disposal of applications for industrial clearances by the competent authority as notified vide notification no. US/CO/PSEB-2008/1096 dated 19-08-2008 of Department of Industries & Commerce Punjab are as mentioned below.

S.No	Clearance/Approval Required	Competent Authority	Time Lines
Land/Building Plans			
1	Change of Land Use	Department of Housing and Urban Development Department of Local Government	40 days 40 days
2	Approval of layout Plan	Department of Housing and Urban Development Department of Local Government	40 days 40 days
3	Approval of Building Plan	Chief Town Planner, Department of Housing and Urban Development Department of Local Government PUDA Director of Factories PSIEC	40 days 40 days 40 days 40 days 40 days
Water/Sewerage Requirement			
4	Sanction of Water Supply and Sewerage Connection	PSIEC Department of Local Government /Municipal Corporation/Council PUDA	10 days 10 days 10 days
Environment Clearance			
5	Consent to Establish(NOC)	Punjab Pollution Control Board	Green Category 15 days Red Categories Large & Medium 21 days Small Scale 15 days CSA-cum-SAC 21 days
6	Consent to Operate	Punjab Pollution Control Board	Green Category 15 days Red Categories Large & Medium 30 days

Punjab – Single Window Industrial Clearance Service

Composite Application Form:: Step 1 of 4

Common Information Sheet: Section B – Project Information

Note: All Yellow fields are mandatory. Please read the general guidelines before you start filling registration form.

1.	Industry Type	Medium Enterprises	select the industry from list only						
2.	Registration / Industrial Entrepreneur Memorandum(EM) / Industrial Licence(L) No.	681000345	between 2-50 & a-z, A-Z and 0-9, (dot), '-', '/' are allowed						
3.	Constitution of the firm/Company	Partnership	select the constitution of the firm/company						
4.	Name of the Partners/Directors	<table border="1"> <tr> <td>Director</td> <td>+</td> </tr> <tr> <td>Prem Kumar</td> <td>Partners</td> </tr> <tr> <td>Naresh Thakur</td> <td>Director</td> </tr> </table>	Director	+	Prem Kumar	Partners	Naresh Thakur	Director	between 2-100 characters & a-z, A-Z and whitespace are allowed. select designation from list only. Click (+) button to add and (-) button to remove
Director	+								
Prem Kumar	Partners								
Naresh Thakur	Director								
5.	Proposed date of commissioning	12-Mar-2010	select the proposed date of commissioning through calendar only						
6.	Project Cost (Rs in Thousands):								
a.	Land Cost	10000000	only numeric value allowed e.g. 1000, 1455						
b.	Building Cost	5400000	only numeric value allowed e.g. 1000, 1455						
c.	Plant & Machinery Cost	2500000	only numeric value allowed e.g. 1000, 1455						
7.	Areas of Land Proposed to acquire/already acquired	120.00	only numeric values upto 2 decimal places are allowed, select measurement unit from list only						
		Acres							
8.	Land is Situated Under:								
a.	Select Area	Municipal Jurisdiction	select the area of land from the list only						
b.	Area Details		between 2-100 characters & a-z, A-Z, 0-9, comma, dot and whitespace are allowed.						
9.	Power Load Requirements	100	between 1-4 characters & 0-9 are allowed						
		Kilo Watt							
10.	Employment	500	between 1-7 characters & 0-9 are allowed						
	Back to Previous Step	Save & Move to Next Step	Move to Next Step without Saving						

Composite Application Form:: Step 1 of 4

Common Information Sheet: Section D – Clearance Checklist

Note: This list appears according to Nature of Project and Area.

Select the clearances you require and department concerned

Approval of Building Plan

Department of Local Government

Permission to Construct, Extend or take into use any Building as a Factory, By Director of Factories

Sanction of Water and Sewerage Connection

MC

Water

Sewer

Requisition / Sanction / Release of Power Connection

Clearance from Chief Electrical Inspector

Requisition for Industrial/Bulk Supply by Punjab State Electricity Board (for load exceeding 500 KW)

Sanction/Release of Power Connection (for load upto 500 KW)

Permission to Install Generator Set

Consent to Establish (NOC)/ Operate/ Authorisation for Storage, Transport, Disposal of Hazardous Wastes

Consent to Establish (NOC)

Consent to Operate

Authorisation for Collection/ Reception/ Treatment/ Transport/ Storage/ Disposal of Hazardous Waste

For Grant of Environmental Clearance from CSA and Approval of Site from SAC

Registration and Grant Renewal of License by Director of Factories

Prior Approval under Section 2 of Forest Conservation Act 1980 of the Proposals by State Govt. and Other Authorities

Registration under VAT

Applicant's Detail:

Name	Naresh Thakur	between 2-100 characters & a-z, A-Z, 0-9 and spaces are allowed
Designation	Director	between 2-50 characters & a-z, A-Z, 0-9 and spaces are allowed
Address	C 180, Phase 8B, Industrial Area, Mohali	between 2-200 characters are allowed
Place	Mohali	between 2-50 characters are allowed

- Creating a consolidated Clearances Checklist is the last step of Common Information Sheet and this is what you do under this step.
- Here you carefully select all those clearances you required and their respective approving authorities.
- You do not fill the actual departmental application forms here, these forms are filled in Step 2 of CAF
- Hence, just create a Checklist of Clearances here.

Figure 56: Case Example – Maharashtra – Single Window Clearance

Maharashtra – Single Window Clearance by MIDC

- Maharashtra Industrial Development Corporation (MIDC) launched a service that permits both - online submission and approval system through a dynamic interactive portal developed and commissioned by Microsoft – “Digital Single Window Clearance System”.
- The single window environment aims to expedite and simplify information flows between trade and government and bring meaningful gains to all parties involved in trade. The portal will provide a single window view for the approvals and clearances from MIDC required by the MIDC customers.
- SWC service is one more feature that strengthens MIDC’s service offerings to investors and entrepreneurs, who can now access services pertaining to Line departments like Planning, Land acquisition, Engineering & Maintenance, Fire and supporting departments like Accounts & Finance, Legal and General Administration, and Technical advisor's office through a single gateway

MIDC SERVICES	
Land Department- Services	
Fire Department- Services	
Provisional Fire Approval	Application for Provisional Fire Approval (Before Plan Approval from SPA) [Annexure-24]
Final Fire Approval	Application for Final Fire Approval [Annexure-25]
Renewal of Final NOC	Renewal of Final No-Objection Certificate
Engineering - Water Department- Services	
Engineering - Drainage Department- Services	
Engineering - Power Department- Services	
SPA Department- Services	
Technical Advisor Department- Services	
IT SEZ Department- Services	
NON-MIDC SERVICES	
Directorate of Industries - Services	
Labour Department- Services	
Airport Authority of India - Services	
Public Works Department - Services	

Figure 57: Case Example – e-biz Mission Mode Project – by DIPP

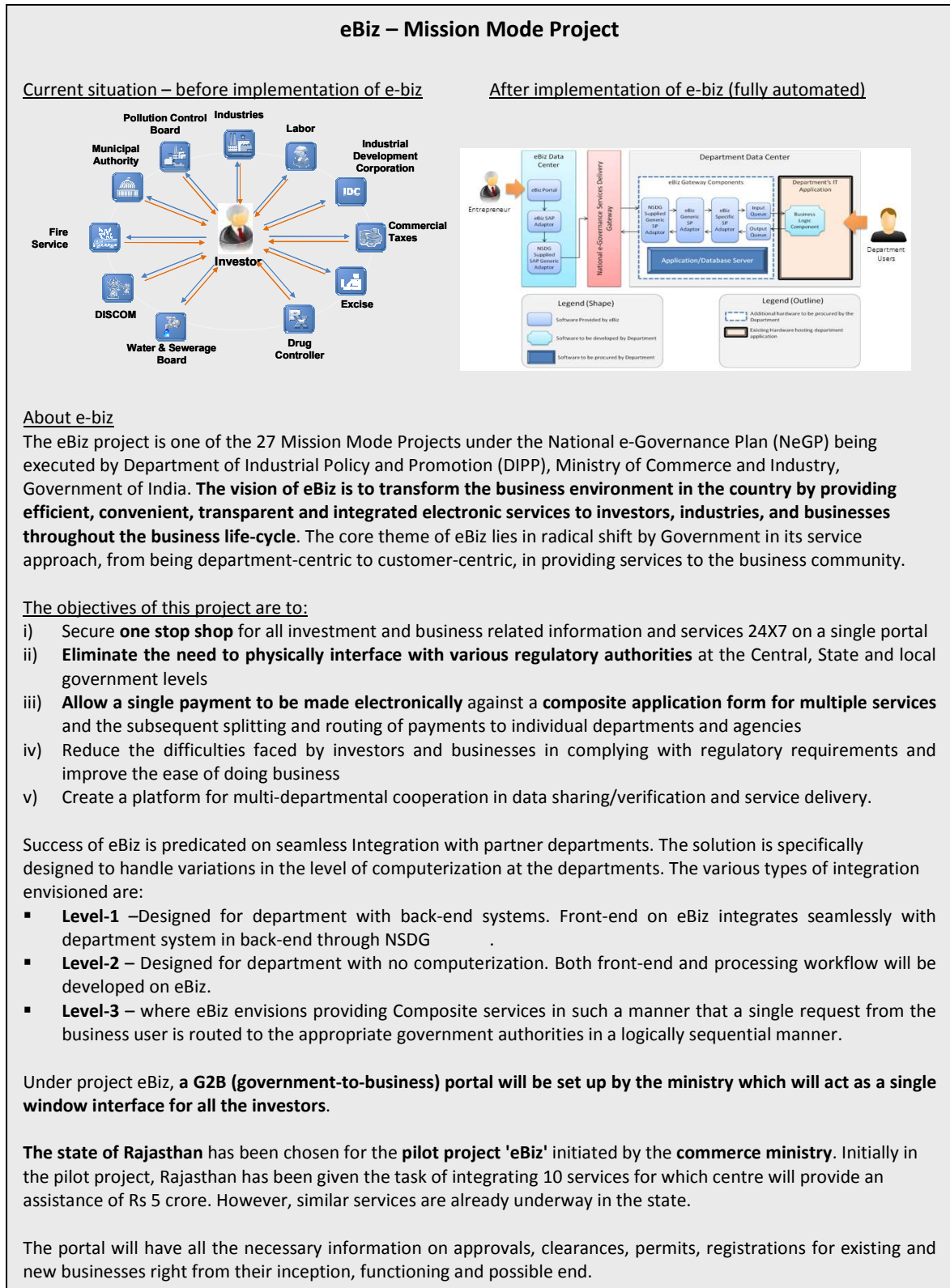


Figure 58: Case Example – Singapore

Singapore - Online Business Licensing Service (OBL) and Corenet

Singapore Government's Online Business Licensing Service (OBL) is a one-stop portal for businessmen to apply for all the required Singapore government licenses in a single online transaction. The system routes all applications to various government agencies for processing. OBL allows businesses to apply, update, renew or terminate any combination from a suite of 80 online business licenses issued by 17 government agencies, in one online transaction. More than 80% of start-up businesses in Singapore are served by OBL without having to visit Government counters. Based on the cost-benefit analysis done at 31 Dec 2006, businesses have benefited from the OBL project with an estimated cost savings of US\$27 million (since the pilot launch in Jan 2004). Singapore is ranked No. 1 in World Bank's Ease of Doing Business and 4th in Starting a Business indicator.

CORENET electronically links up construction and real estate stakeholders ranging from Government Approving Agencies, Qualified Professionals, Citizens, Developers etc to one central hub for the exchange of information and data, making the concept of 'many agencies one government' possible

Because of this initiative, Singapore was ranked (in 2008) as the world's easiest place to do business, by World Bank. In 2009, Corenet reduced building permit process time from 102 days to 38 days and in 2010, it was further reduced from 38 days to 25 days.

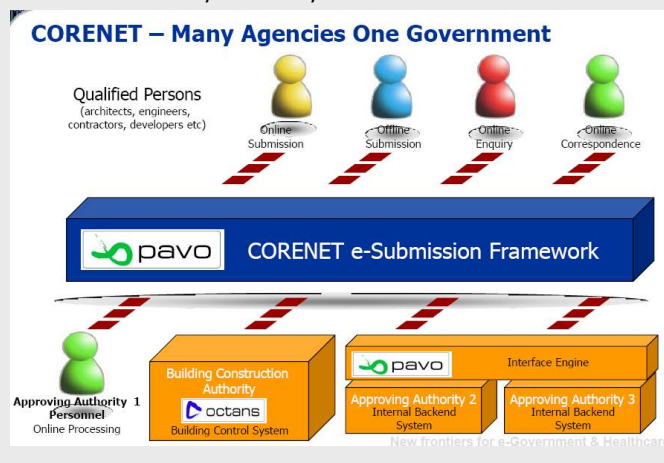


Figure 59: Other International Case Examples

Other International Case Examples
<ul style="list-style-type: none">▪ Hong Kong SAR (China), as part of its “Be the Smart Regulator” program, merged 8 procedures involving 6 different agencies and 2 private utilities through a one-stop centre.▪ Columbia - In 1995, building authorizations in Bogotá took 3 years on average. Today about a month, thanks to a broad program of reforms targeting the construction permitting process. Government transferred the administration of building permits to the private sector, created a risk-based approval process and introduced electronic verification of the ownership status of buildings and land.▪ Georgia -Government overhauled the construction permitting system between 2005 and 2009. It created a one-stop shop and gradually consolidated 25 procedures into 10, reducing the time to comply with formalities from 195 days to 98.

9.3 Create dedicated cells and appoint nodal officers in local bodies

Given that ULBs are being empowered to function as the responsive third tier of Government and that transfer of City Planning functions will ultimately occur on account of the commitments made by the State Governments, it is imperative for ULBs to function as such and be empowered to function as the Single Point Source (SPS) for according all building plan approvals.

As the first step towards single window system, the Committee recommends creating a ‘Dedicated Cell in ULB/Development Authorities’ for according clearances.

This specialized cell in ULB/Development Authorities could be manned by ‘**Case Officers**’ assisted by a team of ‘**Qualified Personnel**’ conversant with the procedures and the interpretation of development regulations.

The **broad purpose of appointing a case officer** is to improve communication between the local authorities and the developer/customer, and to improve the co-ordination within the authority and possibly also with external agencies. The exact functions of the case officer will vary but broadly the types of role which a case officer may undertake are as follows -

- To act as the named point of contact within the authority for the developer
- To co-ordinate the authority's response to the application
- To liaise with other agencies (including non-planning related bodies) on the developer's behalf

Developers who are putting projects through the approval process need to be able to obtain accurate information about the status of their application and any problems that are arising. To ensure this happens it is essential that there is direct access and communication with an official working on a particular case (“case officer”). This will avoid time delays and confusion that could occur as a result of dealing with an official who is not aware of the application or any issues that are affecting it. This will speed up the system and increase confidence among those using it.

The **team of qualified personnel** could be headed by a qualified Town Planner and assisted further by a team of empanelled Architects, Engineers, Environment Specialists and Legal Experts among others. Such expertise can also be designated to assist developers/builders with complex projects and to constantly improve the sanction process by reducing delays.

9.4 Appoint facilitation and empowered Committees for expediting approvals in special cases

State Governments may consider setting up District and State level Committees for various project sizes with an empowered Committee to make final decision where required.

Examples of such Committees set up in various states for facilitation of industrial approvals are mentioned below. In Ghaziabad also, such a mechanism is in place.

District Single Window Clearance Committee – headed by district collector, the Committee can receive applications for clearances where the proposed investment is upto a specified amount. Committee can forward the case to State Committee, if it so desires.

State Single Window Clearance Committee – headed by the Commissioner of industries, the Committee can receive applications for clearances where the proposed investment is upto a specified amount. Can forward the case to the Empowered Committee, if it so desires.

Empowered Committee – *Set up to review and monitor the disposal of applications by State Committee, District Committees and the competent authorities and also take decisions that are binding on all these Committees.*

Figure 60: Ghaziabad - Facilitation Committee

Ghaziabad - Facilitation Committee
Building bye-laws have been revised as per NBC. The revised bye-laws stipulating time frame for clearances have been circulated to all ULBs for strict adherence.
The time for approval for various categories of residential projects is as follows: <ul style="list-style-type: none">▪ Residential Upto 300 m2 – building plan approved and stamped on the same day of submission.▪ Residential above 300 m2 - Within 30 days of submission, letter of Intent or the objections issued. Objections if any put up in website or e-mailed.▪ For rest of the projects including Group Housing - a Committee for approval comprising representatives of all concerned departments and authorities (except AAI and MOEF) giving NOC sits twice in a month and disposes the clearances within 90 days, as stipulated in the bye-laws.

10 Fast Track Mechanisms for Affordable Housing Projects

10.1 Define criteria for 'Affordable Housing' to benefit from fast track mechanisms

As discussed in the earlier sections of the report, it is critical that emphasis is given to incentivise the private sector to develop houses for urban poor and thus help in reducing the demand/supply gap of housing in the country. **To enable this, it is essential that MoHUPA issues clear definition of projects that will qualify as 'affordable housing'.**

A separate Taskforce has been set up by MoHUPA for developing transparent qualified criteria and a separate set of guidelines for affordable housing in PPP projects for circulation to states. **Clarity and consistency on this front is fundamental for ensuring that State Governments set up fast track processes for development approval of such projects.**

10.2 Devise fast track mechanisms with 60-90 day clearance window for 'Affordable Housing' across different approving authorities

The Committee believes that MoHUPA and all State Governments should work towards devising fast track mechanisms across different approval stages, so as to ensure that all State and local clearances are received within a maximum period of 60 days. Some suggestions in this regard are mentioned below -

- **Fast track mechanisms by State and local town planning authorities for 'Change in Land Use' and 'Planning and building approvals'** - Working with the clearly defined 'affordable housing' projects definition, State and local town planning authorities may consider creation of **an institutional mechanism to facilitate faster conversion of agricultural land to non-agricultural land** for such projects. As part of this special mechanism, it would be essential to **prescribe maximum time limit** for a decision on 'conversion of land' applications, **which may be considered between 30 – 60 days.**
- **Fast track mechanisms by Local bodies (development authorities and municipal corporations) for 'Planning and building approvals'** - Similarly, working with the clearly defined 'affordable housing' projects definition, local development authorities and municipal corporations may consider putting in place a 'separate fast track process' or **'green channel' for processing applications** of such affordable housing projects, **within a stipulated 60-90 day clearance window.**

10.3 Exemptions and special treatment by Central or State Governments for required NOCs

MoEF - Central and State Environment Clearance Committee

The M/oEF in its 2009 draft EIA notification, proposed to extend the limit of 20,000 sq m to more than 50,000 sq m. However, there was public criticism and protests from the states given that there were very few projects above 50,000 sqm and MoEF had to eventually drop this recommendation. However, now it is relevant to review and look into the issue from the

perspective of Affordable Housing in partnership scheme. There is an urgent need of creating huge affordable housing stock for EWS/LIG segment to cope up with fast-growing urbanisation and simultaneously to contain slum development in cities. However, the environmental clearance required for projects of 20,000 sq meter built-up area threshold is a significant bottleneck, with clearance time extending to as long as 2 years. It is essential for the affordable housing projects for low income segment to limit profit margin to make it affordable for the target group and long idle period for project clearances make them totally unviable due to cost escalation with time. Consequently, the purpose of AHP scheme gets defeated.

- **The Committee therefore urges MoEF to consider that affordable housing projects under AHP scheme are given a special dispensation in getting clearances from MOEF and the threshold for such projects should be increased from 20,000 Sq. meters to 50,000 square meters.**

Airport Authority of India and National Monument Authority

- Exemptions for NOCs for affordable housing projects may be considered by **substituting the standard NOC process by a self-certification or undertaking by the applicant.**
- Alternatively, **an officer of AAI or NMA could be designated as the nodal officers for such affordable housing projects.** Such officers may also be deputed in the development authorities for issuing NOCs

10.4 Set up state level ‘Single Window’ through a nodal / empowered agency

The Committee recommends that all state governments should in the immediate/short term create a “single window system” for approval of Affordable Housing projects to be taken up under Government of India or State Government subsidy schemes.

The Committee recommends that the state government must create an empowered agency, which may be the State Level Nodal Agency under RAY/JNNURM; supported by the RAY Technical Cell, to act as a single window for state and city level clearances under Central or State schemes.

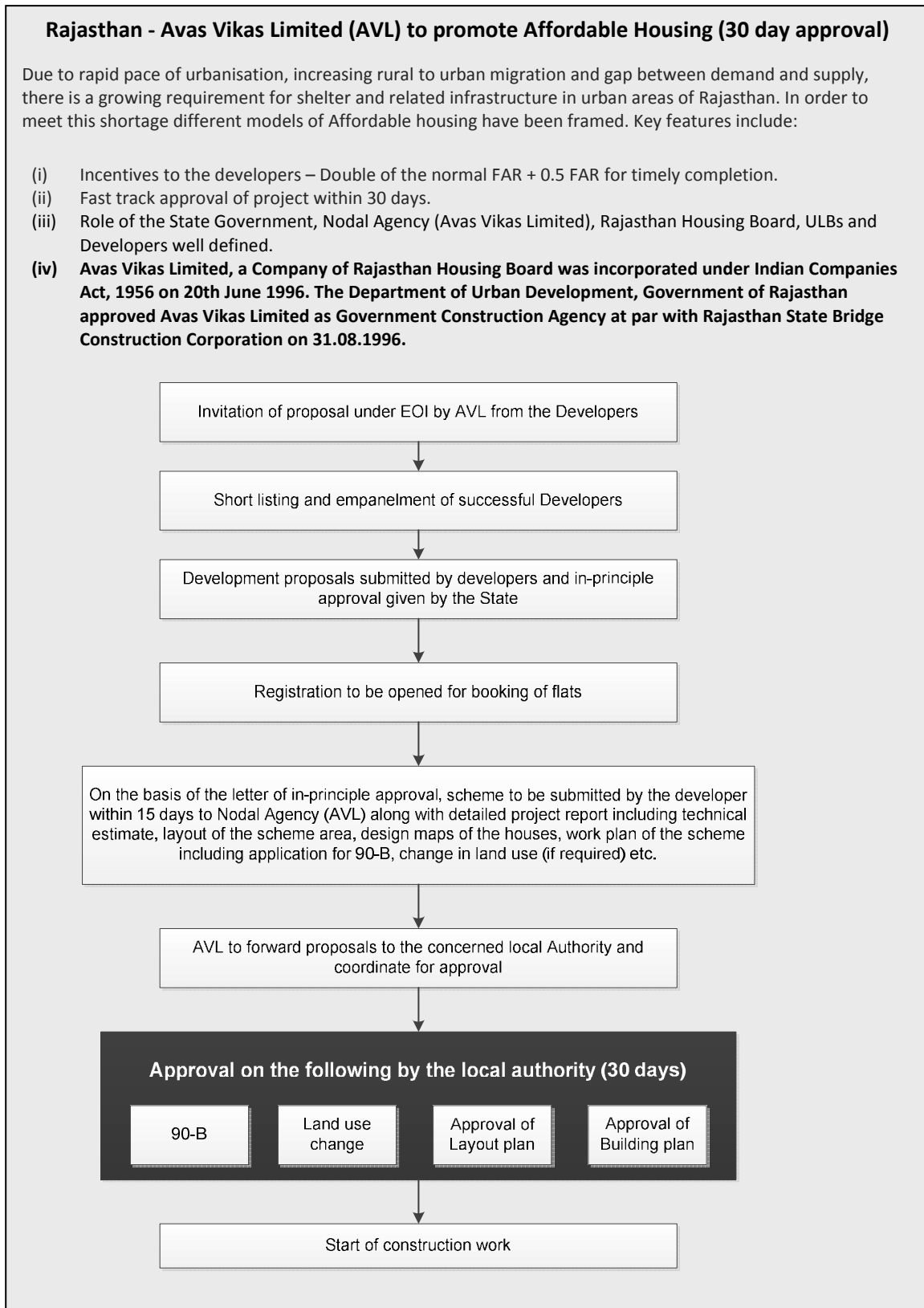
As part of this approach, an outer time limit to clear or reject each project should be set up. This may vary from 30 to 60 days.

Rajasthan presents a good model for such an approach as it is the only state which has implemented a fast track approval process for Affordable Housing projects, through a special nodal agency called - Awas Vikas Limited (AVL). Refer figure below.

Rajasthan has gone further ahead and also implemented a process by which projects floated under its Affordable Housing Policy can also receive building plan approvals within 30 days of acceptance of an application.

The Committee strongly recommends other states to study the process designed by Rajasthan and apply similar mechanisms for Affordable Housing projects.

Figure 61: Case Study - Rajasthan - Avas Vikas Limited (AVL) to promote Affordable Housing (30 day approval)



10.5 Preferential treatment to process 'Affordable Housing' applications via 'Single Window Clearance Portals'

With the move towards automation and channelling all approval processes through a single window clearance portal, enabled by technology, it is only imperative that technology is leveraged to further expedite applications made for the defined 'affordable housing' projects.

To this end, it is recommended that there is provision in the single window portal to identify and process such affordable housing applications with different process / approval stages and/or with more stringent timelines for faster processing of approvals.

11 Annexures

11.1 Annexure 1 – Terms of reference



F. No. O – 17034/139/2010 – H (Part)/FTS – 5524
Government of India
Ministry of Housing & Urban Poverty Alleviation
(Housing Section)

Nirman Bhawan, New Delhi
Dated April 11, 2012

CORRIGENDUM

Subject: Committee on Streamlining Approval Procedures for Real Estate Projects – regarding.

Some mistakes crept in inadvertently, in the Office Order of even number dated 04.04.2012 of this Ministry conveying the constitution of a Committee on streamlining approval procedures for real estate projects in the country. The earlier Office Order as mentioned above may please be deemed cancelled and composition of the Committee with Terms of References (ToRs) and reimbursements may please be read as under: -

1.	Shri Dhanendra Kumar, Former Chairman, Competition Commission of India	Chairman
2.	Joint Secretary (Housing), Ministry of Housing & Urban Poverty Alleviation	Member Convener
3.	Shri S. Sridhar, Former Chairman and Managing Director, National Housing Bank (NHB)	Member
4.	Shri Gauri Kumar, Additional Secretary, Ministry of Environment & Forests	Member
5.	Official from Archeological Survey of India (ASI)	Member
6.	Joint Secretary from Ministry of Civil Aviation	Member
7.	Shri J. B. Kshirsagar, Chief Town	Member

	Planner, Town Country Planning Organisation	
8.	Mr. E. F. N. Ribeiro, Chairman, board of Governors, School of Planning and Architect, Bhopal	Member
9.	Shri S. P. S. Parihar, Principal Secretary (Urban Development), Government of Madhya Pradesh.	Member
10.	Shri Vijay Kumar, Principal Secretary (UD), Government of Andhra Pradesh.	Member
11.	Shri Ashish Sharma, Municipal Commissioner, Pimpri Chinchwad Municipal Corporation, Government of Maharashtra	Member
12.	Municipal Commissioner, Patna Municipal Corporation, Government of Bihar	Member
13.	Shri Subhir Hari Singh, Chairman, Bengaluru Development Authority	Member
14.	Shri Ramesh Ramanathan, Chairman, Board of Director, Janalakshmi Social Services, Bangalore	Member
15.	A representative from CREDAI	Member
16.	A representative from NAREDCO	Member
17.	A representative from FICCI	Member

2. **The terms of reference for the Committee will be as under:**
 - I. **Examine few best practices on streamlining building plan approval processes in cities like, Pune, Hyderabad, Mysore and Indore etc.**
 - II. **Study of Bihar model on the obtaining of building plan approvals from certified architects.**
 - III. **Suggest a methodology for fast tracking Central/State building clearances.**

IV. Suggest a systematic approach through which all cities and states can develop fast track, single window clearance mechanisms giving specific focus on simplification of procedural aspects, formulating single composite form with complete listing of the set of documents necessary to accord sanction by the authorities and automated system for building plan approval with special emphasis on Affordable Housing.

3. The Committee will hold its meeting with frequency as per requirement. The Ministry of Housing & Urban poverty Alleviation will provide secretariat support to the committee. The committee will submit its report within 4 months from the date of the constitution of the Task Force.

4. The expenditure towards TA/DA in respect of non official members for attending the meetings of the Committee will be borne by the Ministry, as per the Rules & Regulations and shall be regulated as under:

Journey- The outstation non-official members will ordinarily travel by train in AC-II tier. They can travel by air with the prior permission of Secretary (HUPA) by Economy Class and to and fro airfare from their normal place of station to the place of meeting will be reimbursed. The Air Travel will be subject to provisions contained in appendix -II of FR & SR Part II and air travel is to be performed by Air India flights and in economy class only.

Daily Allowance & Conveyance Allowance- The outstation members will be reimbursed DA/Conveyance at the rate it is admissible to officers of Government of India drawing grade pay of Rs. 6,600/- per month as prescribed in Department of Expenditure's O. M. dated 23.09.2008 i.e. hotel accomodation up to Rs. 1,500/- per day, taxi charges up to Rs. 150/- per day for travel within the city and food bills up to Rs. 200/- per day.

The non official members shall not depute any other person on their behalf and TA/DA will be given to non official members only if they actually perform the journey and attend the meeting.

7. The TA/DA in respect of official members will be borne by their respective Departments.

8. Inconvenience caused is highly regretted.



(S. S. Meena)

Under Secretary to the Government of India
Telefax: 2306 2252

11.2 Annexure 2 – Composite Application Form (CAF)

Department of(State)
Composite Application Form
COMMON INFORMATION SHEET

To be filled by the Applicant:

- Nature of Project (Tick One)
 - a. Hotel
 - b. Industrial Manufacturing
 - c. Industrial Park
 - d. Multiplex
 - e. Commercial (Mall)
 - f. Residential-Individual
 - g. Residential- Group Housing
 - h. Residential Township
- Whether Unit is existing or new (Tick One)
 - a. New Unit
 - b. Existing Unit
- Name of the Industrial Unit

Site Location with Complete Address:

- Location

- District

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- Tehsil

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- Town/Village

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- Site Plan Attached Yes No (Enclose Site Plan with this sheet)

Correspondence Address:

- Address Line 1

- Address Line 2

- Address Line 3

12. Country	<input type="text"/>
13. State	<input type="text"/>
14. Postal Index Number	<input type="text"/>
Contact Details:	
15. First Name	<input type="text"/>
16. Middle Name	<input type="text"/>
17. Last Name	<input type="text"/>
18. Gender (Tick One)	Male <input type="checkbox"/> Female <input type="checkbox"/> Others <input type="checkbox"/>
19. Telephone Number	<input type="text"/>
20. Mobile Number	<input type="text"/>
21. Fax Number	<input type="text"/>
22. Website	<input type="text"/>
23. Email Address	<input type="text"/>
24. Industry Type (Tick One)	a. Large <input type="checkbox"/> b. Medium <input type="checkbox"/> c. Micro <input type="checkbox"/> d. Small <input type="checkbox"/>
25. Registration IEMIL No.	<input type="text"/>

26. Constitution of the firm/Company

- a. Partnership b. Proprietorship c. Public Ltd d. Private Ltd
 e. other Specify: _____

27. Name of the Partners/Directors

S.No.	Name	Designation (Managing Partner/Director)

28. Proposed date of commissioning (dd/mm/yyyy)

29. Project Cost (Rs in Thousands):

- a. Land Cost
 b. Building Cost
 c. Plant & Machinery Cost

30. Areas of Land Proposed to acquire/already acquired (square yard/acre/hectare)

31. Land is Situated Under

- i) Area Type (Tick One)
 a. Municipal Jurisdiction b. Approved Industrial Park c. Industrial Area
 d. Industrial Focal Point e. Outside Lal Laker of Village f. FEZ
 PUDA PSIEC Under Affordable Housing in Partnership Scheme RAY

ii) Details of Land

32. Power Load Requirements (Kilo Watt)

33. Employment

34. List of main products proposed to be manufactured/produced with designed daily production capacity

S.No.	Main Product Name	Daily Production Capacity with unit

35. List of by-products proposed to be produced with daily production capacity

S.No.	By-Product Name	Daily Production Capacity with unit

36. List all raw-materials with daily consumption at full production capacity

S.No.	Raw Material Name	Full Consumption Capacity

37. Tick the clearance you required and also tick the department concerned

S. No.	Select Required Clearances	Tick	Select the department concerned	Tick
1	Change of Land Use		Department of Housing and Urban Development Department of Local Government	
2	Approval of Layout Plan		Department of Housing and Urban Development	
*	NOC from various various Ministries/Authorities		MOEF RAI NMA DEFENCE FIRE NH&PWV FOREST COASTAL ZONE AUTHORITY	
3	Approval of Building Plan		Department of Housing and Urban Development Department of Local Government PUDA PSIEC	
	Permission to Construct, Extend or take into use any Building as a Factory, By Director Factories			
*	Approval during construction		Permanent water connection, Sewerage Demarcation request Inspection at DPC level Submission of progress report at 100 level Inspection	
4	Sanction of Water and Sewerage Connection		PSIEC (Water) PSIEC (Sewer) MO (Water) MO (Sewer) PUDA (Water) PUDA (Sewer)	
5	Requisition / Sanction / Release of Power Connection		Clearance from Chief Electrical Inspector Requisition Form for Industrial Bulk Supply by Punjab State Electricity Board (for load exceeding 500 KW) Application for Sanction/Release of Power Connection (for load up to 500 KW) Agreement for High Tension and Extra High Tension Supply (for load above 100 KW only) Supplementary Agreement for Large Industrial & Bulk Supply Consumers (HT/EHT Supply) Application for Permission to Install Generator Set	
6	Consent to Establish (NOC) Operate / Authorisation for Storage, Transport, Disposal of Hazardous Wastes		Consent to Establish (NOC) Consent to Operate Authorisation for Collection/ Reception/ Treatment/ Transport/ Storage/ Disposal of Hazardous Waste	
7	Registration and Grant Renewal of License by Director of Factories			
8	Prior Approval under Section 1 of Forest Conservation Act 1980 of the Proposals by State Govt. and Other Authorities			
9	Registration under VAT			

Place : Date :	Signature & Name of Applicant
<ul style="list-style-type: none">• List of Main Products, List of By-Products, List of Raw-Material Not applicable in case of Multiple & Mixed Projects• Tick(✓) the clearance applied for and fill in the applicable form.• The application should be accompanied by a processing fee of Rupees One Thousand in the form of a Bank Draft payable to the Chief Coordinator, City of Sahyadri at Chhindrapur.	