

**Primer:**

**SIMPLIFICATION OF LEGAL AND  
PROCEDURAL FRAMEWORK FOR  
CONVERSION OF AGRICULTURAL  
LAND TO NON-AGRICULTURAL  
PURPOSES**

**Optional Reform under JNNURM**

## **The Reform: Simplification Of Legal And Procedural Framework For Conversion Of Agricultural Land To Non-Agricultural Purposes**

### **Background**

Rapid economic development and consequent urbanisation; growth in the housing sector; improved national highways bringing urbanisation closer to rural hinterland; demand for land for large infrastructure projects in urban hinterland – all of these factors have contributed to expansion of urban boundaries. Demand for land, coupled with absence of structure plans designating land-use has led to speculative land markets and an insatiable appetite for urban land. Lack of transparency in process of conversion of land, valuation of land, complexities in documentation and processes for holding / transferring clear title, etc. have all only added to bottlenecking of supply of land, further accentuating land prices. The price of this land increases, as its urban character of its surroundings changes and consequently its economic value. The time period of impending urbanisation typically sees the process of conversion of agricultural land to non-agricultural purposes. In the absence of a structure plan, land owners and buyers tend to speculate on future urban form in that area, the potential uses the particular parcel of land can be put into, i.e. its economic value, and therefore its price. Therefore, it is desirable to have a simple and transparent land-use conversion processes that takes into account environmental considerations and larger public good.

### **Part of package of land and property market reforms**

Reforms for simplification of legal and procedural framework for conversion of agricultural land, should not be seen in isolation, but as part of the overall package of reforms in land and property markets. Simplification of conversion process will impact and be impacted by few other reforms, also considered under JNNURM. Other reforms linked this are: Rationalisation of Stamp Duty, Property Tax reforms, Property Title Certification, Earnmarking of Land for Poor, Computerised Registration of Properties and Integration of city planning and delivery functions with ULBs. They are either impacted by these other reforms, or will inturn impact them. Improved registration and titling systems will simplify the process of verification of ownership in course of granting land-use conversions. Enhanced land supply will ease land availability for housing the poor. Stamp Duty yield from transactions on non-agricultural land, and property tax on non-agricultural land should fetch higher revenues to Government. Improved city planning will provide clarity on intended land-use, and make the grant of land-use conversions a transparent and rational process.

### **Shortcoming of existing laws and procedures for conversion of land-use to NA**

While laws and procedures vary across States, the general shortcomings observed are:

- a) In many cases, the process for conversion does not specify clear linkages to the spatial planning process of urban areas. The process is time-consuming even in places where Master Plans exist. The laws are unclear on the basis for grant of change in land-use in case of absence of approved Master Plans. In absence of a Master Plans, conversion and development approvals done on plot by plot basis generally lead to unplanned urban form
- b) Large quantum of documentation requirements, mostly associated with proving ownership, while the decision for grant of change in land-use has little to do with ownership but rather depends on the future urban form in that area.
- c) While provisions for deemed approvals by efflux of time exist, in practice they are rarely effective in ensuring time bound approvals.

- d) Disclosure of procedures, easy access to forms, documentation requirements, etc. lead to very high levels of information asymmetry, and make the process difficult for common citizens.
- e) The eventual development plan is expected to be laid out at the time of conversion, making the process lengthy as enforcement of development control is purely an urban planning function, while procedures require it to be routed through the Revenue Dept. The burden of compliance with plethora of laws related to environment, development control, etc. are all embedded into the land-use change process, making it very unwieldy.
- f) The quantum of conversion charges rarely bears any proportionality to the enhanced economic value, or the burden on environment and infrastructure on account of change in land-use. Laws are also unclear about the use to which the revenue from conversion charges will be put into use.
- g) Penalties for violations in land-use are generally very less, and laws provide a channel for offences to be 'regularised' through payment of fees / penalties.

## Desired outcomes

The desired outcomes from this reform are those that contribute to the improvement of land and property markets in urban areas. Viz.

- a) **Make more land stock available for urban development:** availability of contiguous land for expansion of urban boundaries enables seamless expansion of planned urban settlements (housing, commercial and industrial), along with public spaces, amenities roads and utility networks. Scarce land resources coupled with weak regulation, tend to concentrate these with the affluent. Hence the trend in our cities, where we see enclaves of high-income housing, while the poor are edged out in smaller congested areas. Enhancing supply to match demand will make housing more affordable for all segments of society, and economic activities more efficient and profitable. More over it will also provide much needed space in our cities for public spaces, civic amenities, green areas and institutions that are critical part of our society but not large economic actors.
- b) **Evolution of planned urban form:** The process of conversion of agricultural land should lead to evolution of a planned urban form that creates high quality of life. The conversion process should ensure that urban planning (density, spread, mobility and circulation, infrastructure networks and economic productivity) and environmental considerations are taken into account in the grant of change in landuse. The process of such decision making is not arbitrary, but as per prevailing structure plans (designated land use as per approved plans), or in the absence of such plans as per clearly laid down planning guidelines. Such alignment is to ensure that the development is as per plans, rather than plans being made to accommodate developments already taken place.
- c) **Free, non-speculative and transparent land markets:** Making land markets simple, transparent and easier to operate in will enable participation by larger number of persons in the market. Small and marginal farmers while being land-holders in the rural context are unable to hold-on and realise the full-potential of their assets in the urbanising environment, as the procedures are cumbersome and anomalies in the market are very complex to manage.<sup>1</sup>
- d) **Build in mechanisms for compensating – loss in value due to declared land use:** In some cases such conversion may not be permitted, or only partly permitted, or permitted with restrictive covenants. The overall legal and procedural framework for planning, designating landuse, acquiring land for public use, and permitting development should ensure that the loss in value (actual and not notional) of the land holder is appropriately compensated. This should

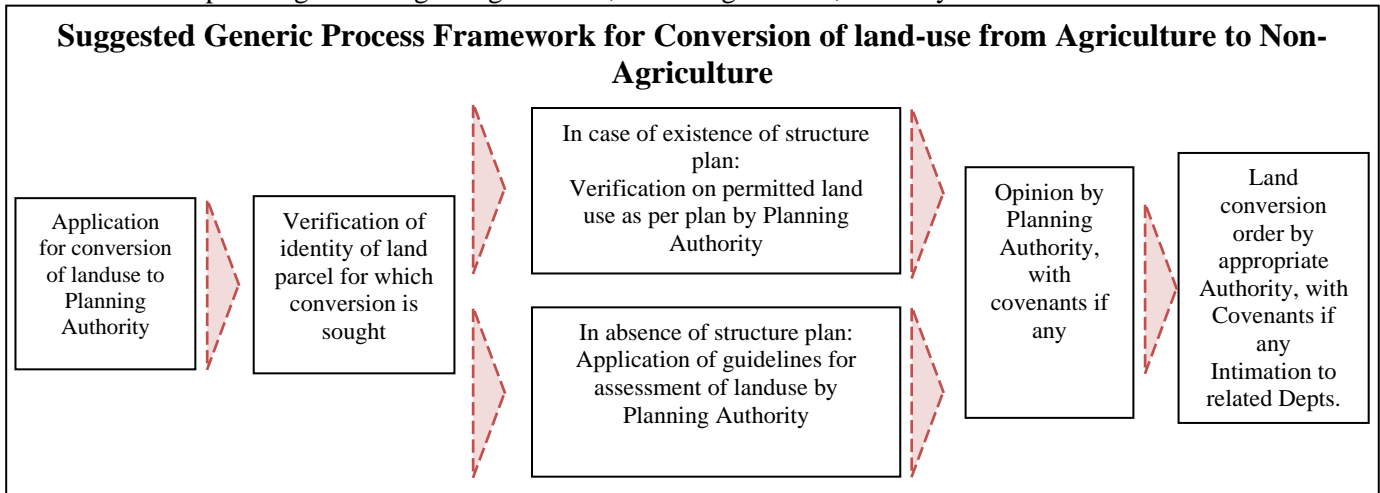
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<sup>1</sup> Magarpatta City is a unique example from the city of Pune. Agricultural land owners came together to participate in and benefit from the transformation of their agricultural village on the fringes of Pune into the hub of IT and housing.

reduce the tendency to rush in acquire land and build, in order to preempt or circumvent development control and regulation. Besides compensation, there are examples of successful town planning schemes implemented through land pooling, wherein the burden of parting away with land for public utility, safety, mobility, environmental considerations, etc. is jointly shared by all land owners in that scheme.

**Process Framework for conversion of Agricultural land to Non-Agricultural purposes**

Driven by the need for making land available for rapid urbanisation, many States have modified the processes for such land use conversion in recent years. The specific processes for verification of land title, authorities for planning and designating land use, enforcing landuse, etc. vary across different states.



In most States across India, records of land ownership, tenancy, agriculture related data (like irrigated or not, no. of crops in a year, etc.), are typically maintained by the Revenue Department. In case of agricultural land, generally within limits of village panchayats, multiple certificates and records are required to establish the title of ownership of land, these include – registered title deed, tenancy certificate, survey map of revenue department, location certified in village map, receipt of payment of land revenue, etc. Given the structure of record keeping of our land records, identity and location of land parcels are identified through trail of ownership documents, rather than ownership being determined from spatial location and identity.

Therefore, the legacy has existed that the process of conversion of land use to non-agricultural processes has begun and centered with the Revenue Department. However, in the context of land-use change being basically driven by processes of urbanisation, the application for conversion of land use should almost entirely be driven by considerations of urban planning, viz. whether the given land has any present or future public use / utility, whether there are any environmental considerations to be taken into account when put to non-agricultural uses, and whether the land being put to residential, commercial or industrial use will have any social and economic impact that should be enabled or managed.

The concerned laws of few states<sup>2</sup> provide for the Revenue Department to seek the opinion of the Town Planning Authorities, the laws in some<sup>3</sup> are not explicit about the same.

<sup>2</sup> Maharashtra – Maharashtra Land Revenue Code 1966 & Maharashtra Regional and Town Planning Act 1966; Karnataka – Karnataka Land Revenue Act 1964 & Karnataka Town & Country Planning Act 1961

<sup>3</sup> Andhra Pradesh - Andhra Pradesh Agriculture Land (Conversion for Non-agriculture Purpose) Act, 2006

Experience across various States reveals that in the prevailing processes, significant amount of documentation and process efforts go into establishing the ownership and land parcel identity, while more effort should actually go into evaluating the suitability for non-agricultural land use for which the conversion is sought, especially in cases where there is no approved spatial plan (master plan) that designates land use for the particular land parcel under consideration.

The relevant laws providing for conversion of land-use should be amended to clarify that the orders for conversion, are in no way authenticating the ownership of the said land, but only permitting the use of the given identified land for non-agricultural purposes (nature of use defined – residential, public utility, commercial, mixed-use, industrial, etc.). This change can save significant time in the process for conversion, as only the identity of the land parcel (boundaries – size and extent, location in relation to land-marks, neighbouring land parcels, etc.) needs to be verified and not the ownership.

**Suggested Generic Process Framework:** The land owner should make the application for conversion to the concerned Planning Authority, which should serve as the single window for processing the application. The application should be complete with all documents establishing the identity of the land parcel, intended land use, and plan for development if the same has been finalised. Once the identity of the said land parcel is established and verified<sup>4</sup>, the application should then be processed from a planning perspective.

The application of conversion of land-use for a particular nature of use should be evaluated independent of the specific development (construction of buildings, etc.) that may be sought in a co-joint manner with the application for land-use conversion. On first hand, the application should only be evaluated for the land-use sought against prevalent plans or planning guidelines.

The application for approval of specific development should then be evaluated against prevailing Development Control Regulation, which may be governed by multiple laws (Town Planning Acts, Environmental Acts, Highway development laws, etc.).

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<sup>4</sup> When land is put to agricultural use, it is common that exact boundaries are not demarcated. However, when converted to non-agricultural purposes the land is more valuable and exact boundaries become very important. This reality underscores the need for use of GIS based spatial technologies for mapping, and integrating spatial dimensions of land ownership in the system of maintenance of revenue records.

*The process framework embeded in related laws (for e.g. Maharashtra Land Revenue Code 1966) perforce require the applicant to provide in detail the specific development plan for which this land-use conversion is sought. It is recommended that the application for conversion of land-use should be delinked with the approval for specific development plan sought under the revised land-use.*

*Linking the two, suffers from following disadvantages:*

- 1. Agricultural land ownership is with agriculturists, who may not have explicit development plans to construct houses (residential use), or operate businesses (commercial use) or an industry (industrial use). Therefore, they are forced to sell the land to a potential developer, as agricultural land, who then extracts far greater value of that land, or higher price in the event he sells it further.*
- 2. Agricultural land parcels may be of odd shapes, and development plans for those odd shapes will not lead to emergence of an orderly urban form. Road widths, road access and alignments are often distorted when individual developments happen at different points in time, in the absence of a plan.*
- 3. Development conceptualised at time of land use conversion, and at the time when development is required or will be feasible, may be very different. Many a times, the final development is in violation of the plan approved, as the needs and requirements have changed.*
- 4. The development plan approval may be complex, requiring compliance with controls under multiple laws. These will unnecessarily delay the land-use conversion process.*

*Delinking the two will offer the following advantages:*

- 1. Farmers can themselves convert the land, and obtain higher price realisation, when they were to sell the same. Land owners can hold and sell the land at appropriate time.(even with the prevailing stipulations for necessary developments within stated time frames, speculators circumvent the requirements and hold on to undeveloped land, as it is more marketable). Agriculturists can always continue to practice agriculture, in land converted for non-agricultural purposes.*
- 2. Large developer can consolidate land holdings, and developments can take more orderly form.*
- 3. Ribbon development, along corridors can be avoided, and land is not necessarily immediately put into use.*
- 4. The caveats and conditions laid down for conversion can be generic (applicable to that particular land-use), and those that are applicable in general for similar land parcels (for e.g. setback from roads, railway line, HT power line, river or waterbody, etc.). Thus the rationale for granting conversion / rejecting conversion / or granting conversion with some conditions – shall all be transparent.*

Two scenarios may exist, under which the applications for land-use conversion will need to be evaluated.

**SCENARIO 1: Master Plans exist, providing indication of nature of land-use:** Such scenario can exist when a plan has been drawn up either at a regional, city or micro-level. The land is within jurisdiction of a Planning Authority, and a Master Plan is in vogue (term not expired) that either indicates or designates the permitted land-use. If plans exist at a regional level, the plans may only provide pointers as to the suitability of the said land for the proposed land-use. If the Master Plans exist at the city level, land use pattern can be fairly clear, and if they exist at the micro-level (zone / ward level), the designated land use for the particular plot may be explicit.

In such scenario, the land-use application should be evaluated against that provided in the approved plan documents. If the Plans are of very large scale, there may be some subjectivity involved with respect to covenants and restraining provisions with the permission for conversion. The Town Planning Acts should lay down clear guidelines and norms, which will guide the decision and accompanying covenants / provisions, so as to minimise the room for arbitrary decision making.

**SCENARIO 2: Master Plans do not exist, providing no indication of future urban form:** Such scenario may exist when the land being considered for conversion is outside the limits of any designated Planning Area, or the process for preparation of the Master Plan has not commenced or is incomplete. In such cases, The Planning Authority should provide its opinion based on clear and transparent guidelines,

codified under Rules framed under the Town Planning Acts of respective states. Such guidelines will be driven by following key considerations:

- a) **Environmental / ecological:** impact of the non-agricultural use on soil, natural drainage, water bodies, forest and tree cover, mountains and hill slopes, flora and fauna, air and other ecological resources.
- b) **Urban Planning:** impact of the proposed non-agricultural use of land on human density, housing, demographics, jobs and employment, social and economic activities, etc.
- c) **Infrastructure and connectivity:** impact of the proposed non-agricultural land use on need for road and transport connectivity, water supply, waste water and solid waste generation, collection and treatment, electricity and other utility services.

*There are prevailing examples of such norms being embedded in town planning laws, for e.g. - Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963 that provides for setbacks of building lines from roads, or Urbanisable area in periphery of 5 / 8 kms from cities of Greater Mumbai / Pune etc. identified under Maharashtra Regional and Town Planning Act 1966, or Ribbon Development Rules, etc.*

The impact should be examined of these parameters on the land proposed for conversion, as well as the impact of proposed non-agricultural land use on the adjoining areas impacted by this. For e.g. land will be required for providing right-of-way to land parcels behind land adjoining road networks, or land will be required in future for expansion of existing roads.<sup>5</sup> Similarly, water intensive industrial activity drawing on ground water, will cause depletion of ground water levels for adjoining land.

When such planning guidelines are codified as Rules applicable for particular State / Region within a State, under the respective Town Planning Acts there will be little room for arbitrary and subjective decision making. When widely disseminated, the land-owners too will need to prepare plans before hand that are aligned to the Land-Use and Development Control regulations. For e.g. hilly areas will lay emphasis on covenants that are required to ensure prevention of soil erosion and land-slides, areas adjoining coastal areas will align with Coastal Zone Regulations.

**Time-bound process and deemed approvals:** To ensure speedy process, all the 3 key steps in this process, viz. identification of land parcel; application of planning principles / scrutiny against Master Plan; and issuance of the order, should be bound by outer time limits in the Statute. The authorities should be obligated by law to respond within certain time duration; else the approval for that stage should be deemed to have been given. Senior level of Government should maintain oversight to ensure that the clause for deemed approval is not misused, and that the concerned officials exercise promptness and diligence in the processing of the application for conversion.

*The Maharashtra Land Revenue Code 1966, provides a ninety day period in which the order for conversion should be issued. However, feedback on experience states that the process typically takes 4-6 months. This is on account of cumbersome documentation that needs to be filed and scrutinised.*

*While many Acts have provisions for deemed approvals based on time limits, the entire process is rarely completed within that period, as either some procedural or documentation hitches are being addressed, often identified as the fault of the applicant.*

## Assessment of prevailing procedures

<sup>5</sup> It is common to see ribbon-development along road networks of urban hinterland. This is since agricultural land abutting roads changes use to residential / commercial / industrial purposes, while agricultural land behind them remains trapped for want of proper road connectivity. This is since future connectivity requirements were ignored while converting and developing agricultural land along existing main roads.

Prevailing procedures should be assessed, to examine the extent to which they are aligned to the framework recommended above, and the prevailing complexities experienced by agricultural land owners in getting the landuse conversion for NA purposes.

- a) **Assess prevailing statutes:** Assess prevailing laws, rules and procedures that exist for establishing title of ownership, current land use, and provisions for converting land use. Examine prevailing laws that define planning areas, designate planning authorities, empower them for preparation, approval and enforcement of plans. While these are generally clearly defined for urban areas, generally there exist gaps for areas outside defined urban areas. Examine whether the norms / rules provide specific basis for grant of land use conversion orders.

The Land Revenue Acts should be examined in conjunction with the Town Planning Acts of the State. The provisions in both should be synchronised with one another, with roles of authorities under both sets of institutions clearly defined. Other related acts that prescribe or regulate certain types of development (and therefore imply certain types of land-use) should also be examined.

The key tenets of a simplified regulatory process for conversion of agricultural land are provided in the next section.

- b) **Examine prevailing institutions and the processes in between them:** Map the existing process for application of conversion of land-use (from agri.to NA only), flow of documents between agencies, and average time taken. Examine the process from the point of view of the applicant. Examine hierarchy of institutions, and the extent to which orders passed by one institution are binding on the other. Examine processes of transition of jurisdictions related to landuse planning, transfer of records and transfer of related functions (for e.g. transition of panchayat jurisdiction to a municipal jurisdiction; or from town planning department to urban development authority). Examine provisions for deemed approvals, that are effected by passage of time and the extent which this has been used to grant conversion orders.
- c) **Extent of information available to citizens:** Assess the extent and manner in which citizens can get information related to – documentation requirements and document flow, documents available with public agencies (for e.g. village map), institutions and key persons (points of citizen interface for different jurisdictions), guidelines / norms / rules related to grant of land-use conversion, time required for the process, status of application, etc.

This assessment is critical to define appropriate steps towards simplification of procedures for conversion of agricultural land to Non-Agricultural purposes.

## Steps for implementation

Steps for implementing this reform involve measures to be undertaken across four key dimensions:

### Step I: Statutes

The simplified process for conversion of agricultural land should be enacted in the Statute, either in the prevailing Act or Rules, or a new legislation may be introduced that connects both the provisions of Land Revenue related laws and Town Planning related laws. Also the guidelines for application of planning principles to scrutinise the application for conversion should be laid down in Rules enacted under the Town and Country Planning Acts of respective States.

- The Acts / Rules may be amended to provide for the following:

- ✓ Single window for applying for conversion, getting updates on the status, and providing clarification / additional documents or justifications to the application made. The Town and Country Planning Department in every State should be the nodal agency to process and grant permissions for change in land-use from agricultural to non-agricultural purposes.
- ✓ Complete listing of documents to be submitted along with the application, more focussed on the identity and location of the said land parcel
- ✓ Clearly laid down process for conversion of land-use (application, processing of application, evaluation against approved Master Plan, planning rules, issue of orders with covenants / restraining provisions)
- ✓ The process should be clear in case of both scenarios mentioned above (presence and absence of an approved Master Plan). The process should be extremely simple and straight forward in event of existence of approved Master Plan<sup>6</sup>. There should be little to no-room provided for change of land-use to that other than what is planned in the approved spatial plan (Regional / Master / Zonal / Micro).
- ✓ Delink the approval for change in land-use with the approval for subsequent development as per that land-use
- ✓ Non-value adding processes to be eliminated. The process of land-use conversion need not assume responsibility on behalf of other agencies and regulation as per other laws to regulate the extent and nature of subsequent development.
- ✓ Deemed approval only to be provided on efflux of time, and not by virtue of payment of penalty after violating the land-use. Additionally there should be limit on number of iterations of clarifications that may be sought or provided, so that the process is completed in a definite period of time.
- ✓ Penalties for violating permissible land-use to be stringent, and not just in financial terms. Penal provisions should be linked to extent of violations, and its consequent impact on planned and sustainable urbanisation (for e.g. violations leading to adverse impact of the development on the environment; or obstruction of right-of-way, etc. should be dealt with more severely than development which do not cause adverse impact)
- ✓ Instituting Offices of Town Planning with due authority at the Divisional and District levels, so as to decentralise the process of planning and providing approvals.
- ✓ Provide for escalation mechanisms for larger land parcels, larger projects. Distinguish between applications that are routine in nature, and those that are complex by virtue of the approval sought or the physical location of the land parcel (environment, planning or infrastructure considerations).
- ✓ Clearly specify the approving authority, with provisions to deal with acts of commission and omission by the approving authority
- ✓ Provide for buoyancy in the structure of conversion fees, and for the collections from such fees to be ploughed back into infrastructure investments and mitigating adverse environmental effects on account of the changed use of the land.
- ✓ Provisions should encourage contiguous land parcels to change use to similar purposes.

In order to minimize land speculation and emergence of non-agricultural compatible landuses, conversion of land from agricultural to non-agricultural uses should be effectively and efficiently regulated. It should be made more objective and focused. All applications are required to be processed in accordance with the provisions of Master Plan and only those meeting the provisions

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<sup>6</sup> For e.g. The Maharashtra Land Revenue Code 1996, u/s 44A has simplified the process, eliminating the need for permission in case of use of agricultural land for bonafide industrial uses, subject to certain conditions, which include the land being identified for industrial purposes under any plan, approved or under preparation, under the MRTTP Act, 1966. However, such simplification has not be done for other uses like residential or commercial use, even when the land has been identified for such purposes under approved plans prepared under MRTTP Act, 1966.

should be approved. The power vested with State Government to permit change of land use in contradiction to the Master Plans should be dispensed with in order to ensure that growth in peri-urban areas, future urbanizable areas and areas adjacent to municipalities is within the jurisdiction of Master Plan.

Charges for Change of Landuse from Agricultural to Non-agricultural use on a pre-defined scale should also be levied to raise resources. The charges should be levied on different scale considering the nature of converted landuse, expected intensity of development and spatial location of land.

There is a need to redefine periodically the jurisdiction limits of planning authority based on well-defined parameters so that the newly converted areas for urban use are well integrated with the city.

Detailed exercises are to be undertaken for each urban settlement by Department of Town Planning in collaboration with the concerned ULB to re-define ULB boundaries so that no area which has to be brought under urban fold are not subjected to forces of unplanned and haphazard development.

In order to rationalize the landuse conversion, it will be imperative to put a proper planning framework along with well equipped enforcement mechanism so as to check any landuse violation, unplanned development, creation of slums and unauthorized sub-division of lands.

- In addition to these legal provisions, statutory provisions need to be clear with respect to issues that are consequent of the conversion process. The Acts should clearly provide for mechanism for appeal, dispute in jurisdiction, appellate authority, compensation for land loser (loss either in terms of actual land or decline in value), transfer of development rights, etc.
- The statute should also provide clarity on the frequency and timing of declaration of planning areas. Certainty in the same will reduce speculation. The Town and Country Planning Acts should also lay down clear guidelines for inclusion or exclusion of areas within the planning area. Factors driving inclusion of areas in the planning area as potentially 'urbanisable' area are – population density, nature of economic activity, transport connectivity, etc.<sup>7</sup> The statutes may also lay down the minimum quantum of land area that will be considered for conversion of agricultural land for residential or industrial uses. Individual developments will then be consistent with the larger development pattern in that area.

## **Step II: Institutions**

This primer underscores the need to preparation of Master Plans for all urban centres in the State. The jurisdiction of such plans should be visionary, not just planning for existing urban limits, but for areas that will get urbanised in the foreseeable timeframe. For such Master Plans to be prepared, it is necessary that:

- A Planning Authority is designated for all local authorities in the State. i.e. there should be no area for which a gap or vacuum exists in terms of institutional mandate for spatial planning. The Directorate of Town Planning in the State should have the residual mandate, i.e. for areas not covered under specific planning entities.

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<sup>7</sup> Across many Indian cities, one comes across peri-urban areas that are in a planning vacuum. While these are outside municipal limits and boundaries of urban development authorities, these areas are largely urban in character. In many cases they lie under jurisdictions of gram panchayats or lower tier municipal bodies. In the absence of clear landuse plans for these areas, and weak institutional capacity to enforce these plans if any, the peri-urban areas develop in haphazard manner.

- For large urban centres, specific Planning Authorities may be constituted. Preferably they should reside within the overall structure of local bodies of that area. Municipal Acts can provide for local bodies to exercise their planning functions and powers beyond the jurisdiction, to include such urbanisable area which will in future be part of its jurisdiction. The powers to plan and regulate an annular area on the periphery of existing urban limits may be enacted to ensure planned development as urban boundaries expand. (for e.g. as provided in The Maharashtra Regional and Town Planning Act, 1966.)
- Planning capacities should be developed of all the Planning Authorities in the State. The institutions should be equipped with appropriate tools and human resources to be able to produce plans that are able to strategise, guide, enable and regulate future urban development. It is important that Offices of the Department of Town Planning have a decentralised presence headed by officers with appropriate authority. Only then will the services of this department be easily accessible to the citizens. Also if the Dept. is not effective, there may be likelihood of its critical powers to regulate land-use being subjugated to a Department of higher authority, that may not have a planning focus (for e.g. Revenue Dept.)
- Efficient functioning of land and property markets requires efficient and updated land /property registration systems which clearly indicate legal ownership of land. The present land records are generated by employing manual labour and making use of inexpensive, approximate and rudimentary, but friendly survey instruments. As the entire exercise is manual, completion of survey and mapping operations has taken decades and, by the time the maps and the land registers are put to use, they were already outdated to a great extent. Elaborate and time consuming land and property settlement operations also contributed to the delays in finalizing the land records. Hence, prime emphasis should be given for the computerization of the land and property records maintenance for the benefit of the public and to bring e-governance into effect at the grass root level. Evolving system architecture, educating the officers concerned and the people at large of the benefits are the key areas that require attention. The system architecture design should be taken into consideration the specific problems related to the land records.
- An automated cadastral survey and land titling system should be developed to enable the land market to function efficiently and to facilitate the extension of institutional financial intermediation. Also, an efficient information system on land registration is essential for efficient land management. This should cover the inventory of publicly-held land and their present and anticipated land use plan for the next 5-10 years. The ULB's need to adopt latest Remote Sensing and GIS techniques extensively for building land and property information system. This will not only enable them to generate financial resources by keeping up to date record in a transparent manner and also streamline the entire process.
- Proper training should be given for the collection of data regarding land price; it should take into account all possible factors such as locational advantage, accessibility of all kinds of infrastructure, speculation, black money, changes in FAR value, the government intervention of developing Special Economic Zones, Industrial Growth Centres, Industrial Parks, etc. that influence the price of land. In this regard the role of Urban Local Bodies and State Govt. is very important. In this training, proper mechanism should be developed and each data collector must understand the purpose for which they are collecting the information.
- Urban managers and political leadership of cities need to be oriented into understanding the value of spatial planning, enforcing the same, and the implications of not doing so.

### **Step III: Processes**

- The process of preparation of Master Plans for our cities should be significantly revamped. The process of public consultation should go beyond tokenism to meet the requirements mentioned in the

Statute. Land use patterns should be designated after thorough analysis of requirements of the city in terms of transport, housing, basic infrastructure, economic and social activities, public spaces, education and health facilities, etc., all of which are clearly guided by a vision for the city. The Master Plan should include policy, regulatory and fiscal instruments to promote or disallow certain development as per the plan.

- The Statutes should provide for time bound preparation of Master Plans, and for periodic review and revisions of the same. Designation of landuse should be done at a periodicity of once in five years, and adhoc reviews of landuse on case-to-case basis should be avoided.
- Usage of geo-spatial technologies for mapping and planning should be mandatory. Minimum threshold levels of accuracy and detail of the plans should be specified.
- The Master Plans should necessarily be vetted by the concerned Municipal Bodies; else they will have little ownership to implement them.
- All the above changes should be codified in the Rules to the Statutes.

#### Step IV: Disclosure

- Much of the prevailing confusion, difficulties and problems encountered by ordinary citizens with respect to conversion of land use and compliance with the Master Plan lie in the almost complete lack of access to information. Proactive disclosure of information should encompass:
  - Declaration of planning areas, with clear information on its boundaries
  - Publication of the Master Plan, including designated landuse, both at the stages of seeking citizen feedback and final notification
  - Process for conversion of agricultural land to non-agricultural purposes
  - Guidelines governing assessment of change in landuse
  - Names and contact information of key authorities and officials
  - Frequently asked questions
- Multiple mediums of dissemination should be used, and just meeting the mandatory requirement of ‘making available to the public a copy for viewing in the office of ...’, should not be considered adequate. Printed brochures, posters, handbooks in local language, websites, etc. should be extensively used. City specific information / announcements such as – declaration of planning area, inviting public comments on the Master Plan, notification of the Master Plans, etc. should extensively use local print and electronic media.
- Proactive disclosure to be undertaken in peri-urban areas, which are being brought under city planning boundaries.

#### Measurement of impact

The simplification of procedures for conversion of agricultural land to non-agricultural purposes will result in direct impact on the following:

- Decrease in arbitrage opportunities between agricultural and non-agricultural land in the same area:** Currently, in most places two adjoining parcels of land, one converted and the other still as agricultural land have huge difference in terms of their market price. The opportunities for arbitrage in buying agricultural land, and then navigating the complex processes to get it converted to fetch higher prices will reduce.
- Decline in speculative transactions:** Speculative investments in land will reduce. This will manifest in fewer sale transactions either immediately pre-conversion or post-conversion.
- Reduction of requests for change in landuse subsequent to notification of master plan / decline in regularisations:** With planning process preceding development and / or planning principles taken into account prior to grant of conversion of landuse, more land will be as per designated landuse.

- d) **Improvement in land valuation:** Increase in land prices will be more gradual, and will hold on at steady levels rather than drastic increase or declines. The government exchequer will benefit overall through improved collections in stamp duty, conversion fees, betterment levies, etc.

Apart from these impacts which may reflect in short-term, the positive impact of long-term implications of these reforms when implemented with other associated reforms will include:

- a) Planned development of peri-urban areas
- b) More land-stock for public uses, public amenities, industrial, housing and commercial activities
- c) Improved asset base of small and marginal farmers, giving them opportunity to participate in the urbanisation process as empowered actors

In terms of time period for implementation of these reforms, the immediate steps for statutory measures, process improvements and disclosure can be achieved within a time period of 1-2 years. However, the associated measures of putting plans in place for all urban centres may take longer, say 3-4 years.