

**Terms of Reference
for
Evaluation of Transfer of Development Rights Scheme in BBMP**

1. Title of the study: ‘Evaluation of Transfer of Development Rights Scheme in BBMP’

2. Department/Agency implementing the scheme/programme: Brihat Bengaluru Mahanagara Palike (BBMP) of the Urban Development Department in Government of Karnataka.

3. Background information: Bangalore city has been growing rapidly in the last two decades. The city population in 2001 was 51 lakh. It rose to 84 lakh by 2011 and now it is estimated to be around 96 lakh. The city is spread over 800 sq kms of area. More and more people are migrating to Bangalore. Consequently, the demands for basic amenities like housing, water supply, sanitation, transport, schools, and hospitals and so on went up steeply. But the infrastructure and amenities could not be developed at the same pace because of the scarcity of resources, inherent limitations like lack of space, complexities involved in planning etc. Traffic congestion in the core areas of the city has become one of the major problems. Already 4 million vehicles are registered in the city and the number is growing by the day. BBMP and other city development agencies, with the active support of the State Government, have been adding several flyovers, widening the existing roads and developing mass rapid transit system to deal with the worsening traffic situation. Widening of the roads frequently road blocks as private lands have to be acquired which is expensive as well as time consuming. But it is inevitable. To overcome the problem of resource crunch, the Karnataka Government introduced a new section (14 B) amended in the Town and Country Planning Act in 2005 whereby Urban Authorities can acquire private land free of cost and in exchange give the land owner development rights in the form of additional floor space area, equal to one and a half times of the area of land surrendered. The owner can either use these development rights on the remaining part of his/her land or any anywhere else within the local planning area or transfer the development rights to another person. This scheme is called Transfer of Development Rights. In Bangalore the TDR scheme was introduced in 2005. TDR is optional to the land owners. They may choose either cash compensation or TDR.

4. Evaluation scope, purpose and objectives:

If applied correctly, TDR could facilitate up gradation of infrastructure and at the same time alleviate the financial burden on the local government. In theory, it is attractive to the land owners as well as the BBMP to operate the TDR. However, implementing the TDR program is not as simple as it appears on paper. BBMP completed 19 road widening projects so far and 23 projects are underway at present. About 700 TDR Certificates were issued so far by BBMP

which is a miniscule compared to the total number of properties acquired using cash compensation. Land for road widening is required from a few thousand land owners now and also in future. Because of the low acceptability of TDR and insistence on cash compensation, many proposed road widening projects are put on hold by the BBMP or making slow progress. Continuation of cash compensation scheme will cast a massive strain on the financial resources of BBMP. It is imperative to find a way out. That is the basic objective of the proposed study. TDR scheme has been found working better in cities like Hyderabad and Mumbai. It is necessary to find out why it is effective in some cities and not so in Bangalore. Without an effective TDR scheme, BBMP will be hard pressed to find financial resources for road widening projects in future. Many of the projects which require land acquisition will face long delays. Such a prospect is detrimental to the interest of city development. Hence a detailed evaluation of the TDR scheme with the specific objective of examining the factors that will make TDR program work effectively is proposed. The objectives of the study are:

- 1) To evaluate the performance of the TDR program in Bangalore since its launch in 2005.
- 2) To ascertain constrains in the implementation of TDR Scheme.
- 3) To suggest ways and means to make TDR fully functional.

5. Evaluation questions: Following are the questions for the evaluation study:

- i. What are the expected outcomes of TDR Scheme?
- ii. What are the processes involved in implementing TDR?
- iii. How does the TDR Scheme operate in Bangalore in reality?
- iv. What is the actual achievement of TDR Scheme in Bangalore? Why is it low?
- v. Why is TDR not attractive to private land owners?
- vi. What are the other constraints to the TDR Scheme?
- vii. Is there any gap between its conceptualization and actual implementation in Bangalore?
If yes, what are they?
- viii. How is TDR Scheme different in other cities like Mumbai? How big is the difference?
- ix. How can TDR be made fully functional in Bangalore?
- x. Will be situation be any better with the new Land Acquisition Act, 2013?

6. Evaluation methodology: The evaluation methodology includes the following:

- i. Literature review on the conceptual issues related to TDR and its performance in major cities in the India and elsewhere in the world.
- ii. Desk review of TDR Scheme guidelines in BBMP, its implementation processes and the progress achieved so far.
- iii. Visits to some of the road widening projects in Bangalore where TDR was implemented and examine the specific contexts where the scheme worked and where it did not.

- iv. Interview the TDR Scheme beneficiaries to track the benefit flows and examine the economics of TDR. This should be done for at least three projects where TDR performance can be considered as good, average and poor by the current standards. For each project 30 - 40 beneficiaries are to be interviewed.
- v. Undertake survey of about 40 - 50 landowners who have accepted cash compensation and transferred the land to BBMP to compare the processes and benefits of compensation as the counterfactual.
- vi. Hold about 8 - 10 Focus Group Discussions with the key stakeholders including TDR brokers and Developers who ultimately use the TDR. About half of this should be in the ongoing project areas where TDR and cover the land owners who are not in favor of TDRs. Reasons for their reluctance and suggestions for improvement should be documented carefully.
- vii. Hold about 15 - 20 depth interviews with senior officers in UDD, BBMP and the implementing officers to know the implementation related issues.
- viii. Quickly survey the TDR Certificates market and its functioning in the last 7 years.
- ix. Visit Mumbai and one other city where TDR Scheme more effective to ascertain the scheme design, its implementation process, progress achieved so far and future plans, and
- x. Finally arrive at the ways and means to make the TDR workable in Bangalore.

7. Deliverables and time schedule: Successful Consultant is expected to adhere to the following timelines and deliverables:

- i. Work Plan for the proposed study should be submitted within 30 days after the release of first installment of the contract sum.
- ii. Primary data collection should be completed within three months after the work plan is approved by KEA.
- iii. Draft evaluation report should be submitted within one month after completing field data collection for approval by a joint team of KEA and BBMP and Urban Development Department officers.
- iv. Final evaluation report should be submitted within one month after the draft report is approved by a joint team of KEA and BBMP and Urban Development Department officers.

Thus excluding the time taken for approval, the evaluation study should be completed in six months' time.

8. Cost and schedule of budget releases: Cost will be determined through open competitive bidding process followed by negotiations if necessary.

Karnataka Evaluation Authority will fund the study. BBMP will provide the required information and data to the Consultants. Output based budget release schedule is as follows:

- a. 30% of the contract cost will be released on signing of the MoU/contract agreement.

- b. 30% will be released after the Work Plan is approved.
- c. 20 % will be released after the draft evaluation report is approved.
- d. 20% will be released after the final report is submitted.

Income tax @10% will be deducted from each payment. In addition, the consultant is expected to pay service tax @12.36% at their end.

9. Qualifications of the consultants and method of selection: The Consultant should be a registered organization with five years of experience in undertaking evaluation studies in urban issues. The evaluation team should have an Urban Planner, an economist and a sociologist. Consultant will be selected based on two stage system of technical and financial bids as envisaged in the Karnataka Transparency in Public Procurement Act, 1999. Only those who are technically qualified will be allowed to participate in the financial bid.

10. Ensuring quality: The evaluation report and its findings must demonstrate highest professional standards on par with national and international studies.

11. Providing oversight: Karnataka Evaluation Authority will provide the oversight for the study. All technical aspects of the study are subject to their approval.

12. Contact person to get further details about the study:
