



Land Pooling Policy

Paradigm for Sustainable Development

November 28-29, 2019 | India Habitat Centre

EXECUTIVE SUMMARY

The Energy and Resources Institute (TERI), in collaboration with the Department of Land Resources, Ministry of Rural Development, Government of India organized a two-day international workshop to bring together policymakers, governments of states and Union Territories, urban development bodies, Public Sector Undertakings, industry, urban planners, SIA agencies, academicians, researchers, and practitioners to deliberate on the recent experience of land assembly through land acquisition and land pooling, the inherent challenges and prospects for the future.

Dr Bina Agarwal, Professor of Economics and Environment at University of Manchester, UK, in her inaugural remarks, set the tone of the workshop by asserting that land pooling should be viewed not only as an instrument for aggregating land for industrialization, infrastructure development, and urban growth but also for enhancing farm income and rural livelihoods, managing natural resources such as soil, water, and forests, and addressing the risks of climate change. Dr Agarwal stated that women and the marginalized communities must participate in the deliberative processes for land use as well as share the ensuing benefits. In his keynote address, Dr Ashok Dalwai, CEO of National Rainfed Area Development Authority underscored the need for a national land use policy to optimize the utilization of scarce land resources in India. The keystone of such a policy should be economic development with a strong focus on the agriculture sector, the social environment and the ecology. Dr Dalwai observed that a land use

regime can be sustainable only when it is guided by the principles of equity and distributive justice.

The first session was designed to gain an understanding of the state governments' experiences of the implementation of The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013. Dr Anita Chaudhury, former Secretary, Department of Land Resources explained the background and the rationale for the main provisions of the Central Law. The officers of the Revenue Departments of Karnataka, Assam, Madhya Pradesh, and Bihar shared their insights into the working of the Act. All the states informed that since the cash compensation for land under the new Act is more than the prevailing market rate, landowners are willingly offering their land for projects now. However, states are reportedly facing difficulties in implementing a few Sections of the Act on account of the challenging ground realities, lack of clarity on some provisions leading to differing interpretations and the cumulative financial burden of cash compensation and R&R benefits. The states expressed reservations about Social Impact Assessment due to the time earmarked for its completion, difficulty in constituting the expert committee, lack of trained SIA manpower resulting in poor quality of SIA reports, and the requirement to undertake the study in cases of acquisition of even a miniscule land area. They listed the practice of fragmenting land holdings by owners to increase the number of claimants to R&R entitlements, the obligation of Acquiring Bodies to provide a job or

Rs 500,000 to each 'affected' family even for acquisition of few decimals of land, the requirement of obtaining the 'consent' of Gram Sabhas for acquiring land in Scheduled Areas under the Fifth Schedule of the Constitution, the difficulty of categorizing land on which different activities are carried out, the effect of the applicability of the 'retrospective' provision under Section 24 in cases of land acquired under the 'urgency' clause of the Land Acquisition Act, 1894, dichotomy in the Sections related to the calculation of compensation amount as some of the issues that require the immediate attention of the Legislature. The Q&A session witnessed animated discussions on the state of land records, nature of customary land rights in Northeast India, land return policy of state governments and the extent of 'willingness' of farmers for the acquisition of their land. The participants also heard the experiences of the SIA units of Meghalaya and Odisha.

The second session offered an overview of the land pooling scenario in India, the emergent challenges and proposed remedies for improved prospects of its adoption. Land pooling has largely been applied for the creation of new cities, expansion of urban spaces, and redevelopment of downtown areas in the country. However, the pooling models differ with respect to the extent of government involvement, size of the delineated area, and the nature of benefits offered to the participating landowners as evident from the land pooling policy for the development of Amravati in Andhra Pradesh, Delhi Land Pooling Policy, Town Planning Schemes of Gujarat and Magarpatta integrated township in Maharashtra.

In the period 2014–2019, the Government of Andhra Pradesh secured 32,500 hectares of agricultural land through pooling for its ambitious project of building the new capital city of Amravati. Strongly driven by the top political leadership that mobilized the entire state administrative machinery, the pooling policy offers a generous package of benefits which includes commercial and residential plots to the participating landowners, annuity for crop loss, farm loan waiver, monthly pension to livelihood-dependent people, offer of Transferable Development Rights (TDRs), plots to squatters, skill development, job opportunities,

free education, subsidized food canteens, and health facilities. In contrast, the land pooling policy notified by Delhi in 2018 envisages the role of the Delhi Development Authority solely as a facilitator of the pooling process in which the landowners and developers are entrusted the entire responsibility of aggregating land, designing and executing the sector-development plans, and formulating guidelines for the utilization of the returned land, including the distribution of plots among the participating landowners. DDA will retain 40% of the pooled land for the creation of public infrastructure. Mr Tarun Kapoor, Vice Chairman of DDA informed that this model of development may take 20–30 years, perhaps more, to urbanize the five identified Zones. The demand for upfront payment by the utility agencies, inability of landowners to deposit the development charges and stamp duty at the initial stage, uncertainty regarding the extent of participation of landowners, and misrepresentation by unscrupulous developers to cheat the public were identified as some of the challenges confronting DDA.

Gujarat has applied Town Planning Schemes, comprising land pooling and land readjustment tools, since the 1920s for urbanization. The successful completion of hundreds of Town Planning Schemes has been attributed to their pragmatic, fair, and equitable approach, robust legislative framework, limiting land deduction to 40–50% of pooled land, initiation of Schemes in areas with high business potential, manageable size of town planning area ranging mostly from 100 hectares to 300 hectares, mandatory nature of Schemes, and the presence of skilled and experienced town planners. The time span for the completion of a TP scheme is, on an average, three to five years. The participating landowners are not entitled to any monetary benefits during this period. The main challenges are delay in the return of plots, failure to address public grievances in a timely manner, heterogeneous social composition of the TP area, and inordinate time taken by urban Development Authorities in monetization of the land in their possession.

Mr Satish Magar, MD of Magarpatta Township Development and Construction Company spoke about the creation of Magarpatta city near Pune through the

initiative of farmers who pooled 400 hectares of their agricultural land in 1990s to develop an integrated township that has become an IT hub. Drawing from the experience of Magarpatta city's journey from its inception to the present day, he underscored the need for a beneficial tax policy regime to encourage landowners to launch land pooling projects at their own initiative. He favoured the idea of inclusive growth by making farmers a part of the development process through the offer of equity shares in the projects sited on their land.

The public and the private sector industry that require land for their business operations highlighted the comparative benefits of land pooling over land acquisition. The Airports Authority of India recommended the formulation of a national land pooling policy to forestall the challenges arising out of regional and local variations in policy. It was opined that a uniform policy across the country can ease the process of building airports in a time-bound manner.

The Federation of Indian Chambers of Commerce and Industry (FICCI) indicated that the private sector's engagement in land pooling schemes will be dictated by the twin considerations of financial viability of projects and risk assessment. While the financial benefits are easily quantifiable, risks are tied to delays in project execution. The industry sought the deferment of stamp duty and development charges till such time as the serviced plots are monetized. The role of the Government in building trust and acting as an arbitrator was identified as a crucial requirement for the acceptability of the policy.

The speakers emphasized the merit of a flexible approach while applying the land pooling tool in keeping with the nature of projects – linear and area development as well as the geographical settings – cities, urban fringes, and rural areas. It was further noted that the success of a pooling policy depends on three factors, namely, the replicability of the scheme, assurance of equitable benefits to landowners and financial viability to the Authority and the existence of a robust statutory structure.

The proceedings of the workshop were enriched by the speakers from Bhutan and Nepal who provided

insights into the policy and practice of land pooling in their countries. Bhutan has a well-defined policy of land pooling and land readjustment for urban growth that has been in operation for about two decades. The policy follows a participative approach in that it permits the initiation of land pooling scheme at the behest of the landowners, requires the concurrence of two-thirds of the landowners if the scheme is proposed by the Government and mandates the finalization of the scheme, including the land contribution ratio, location and size of reserved plots, and nature of infrastructure to be built, by a Consultative Committee comprising Government functionaries, officials of the technical team, and representatives of landowners and residents of the affected community.

Nepal has principally relied on land pooling as an instrument for urban development since its incorporation in the Town Development Act, 1988. The feasibility study prior to the inception of a project is designed to create public awareness and generate consensus among landowners. The policy has set the land contribution ratio to 30% of the pooled land though it can be reduced in accordance with the land availability in a given project. The policy stipulates the land-use distribution and also permits the sale of reserved plots to landowners at subsidized rates if the size of the plot being returned is below the threshold limit.

Ms Parul Agarwala, Programme Manager, UN Habitat spoke about the new urban agenda of UN Habitat that upholds the idea of 'cities for all.' It postulates that all the inhabitants of a city, not just the landowners, have the right to access the entire range of urban services and open spaces. The UN Body has devised the Participatory and Inclusive Land Readjustment (PILaR) tool to promote urban development in a transparent and participative manner so as to safeguard the social and economic networks, improve governance frameworks of local agencies, and support livelihoods and job creation.

The Q&A rounds of the second, third, and fourth sessions were centred on the various aspects of land pooling policies presented by the speakers.

The deliberations on the contours of a sustainable land pooling policy during the Group Discussions yielded

the following suggestions: a comprehensive policy framework with well-defined institutional arrangement and detailed procedural guidelines, feasibility study, including social impact assessment, prior to the launch of a scheme/project, requirement of consent of 80% of landowners, land deduction ratio to be capped at 40–50% of pooled land, Consultative Committee comprising officials and people's representatives to design the development plan, concession in stamp duty and

registration fee with respect to returned plot, benefits to non-titleholders residing in the area and/or dependent on the land for livelihood, transparent process of plot allotment, grievance redressal mechanism, and registration of the returned plots in the joint name of spouses.

The workshop concluded with a Vote of Thanks by Dr Preeti Jain Das, Senior Fellow, TERI.