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Financing Pattern for the Grants to the Municipal Bodies in Maharashtra

The proportion of unaccounted water in the existing water supply schemes being quite large, the Municipal Corporations and A class Municipal Councils have been instructed, by

Government Resolution (GR) dated 27th September 2000, to take up a programme of water audit, energy audit, leak detection and leakage reduction. Need was felt to improve the efficiency of the schemes and to discourage the avoidable tendency to demand, every time, the expansion or new schemes. Proposal for providing incentive grants to these Municipal bodies is under consideration, with a view to enable them to meet their water demand by undertaking the programmes of preventing the water leakage, water theft and illegal use of water.

As per the Government Resolution, water audit, energy audit and leak detection of the water supply, is to be undertaken by the urban local bodies through a specified transparent selection of the consultant from the panel of Technical Service Providers, being separately published by the state government. The financial pattern for this is to be as mentioned below:

1. Essential equipment for water audit, energy audit, leak detection survey of water and energy, to be procured at the lowest price.
2. All items required for the complete process including procurement of computers, as per necessity, training to the local body staff, will be finalized as per the proposal of efficiency improvement approved by the state government. However, no grants will be made available for the salary of the staff, allowances, electricity bills and other consumables.
3. Training for capacity building of the urban local body staff in respect of water and energy audit.
4. Fees to be paid to the consultants for the audit and survey related work as mentioned above.
5. The necessary studies and the measures for capacity building in

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Sr. No.	Urban Local Body	Government Grant in Aid	Share of Local Body
1	Municipal Corporations	75%	25%
2	A -Class Municipal Councils	75%	25%

Furthermore, the following items will be eligible for grant-in-aid under this programme:

this respect, would have to be completed by the Municipal Corporations within a time limit

- of 3 years and by the A class Municipal Councils within 2 years.
6. The grant payable by the state government as per the approved project will be released in three instalments of 40: 40: 20%, provided the urban local body spends its 25% share first. Based on the progress of the stages of the work, the state government would release the first two instalments. The balance 20% would be paid to the respective urban local body after completing the inspection.
 7. The total amount of the approved estimate will be considered, while paying the grant in aid. If the amount fixed for various items in the project is more than the maximum norm as fixed by the government, grant in aid will not be payable for this and will have to be borne by the urban local body.
2. Improvement in the operation of the water treatment plants to reduce the wastage of water in these plants.
 3. Repairs to flow meters or installing new flow meters in the existing source works, treatment plants and storage reservoirs.
 4. Repairs or replacement of the inefficient plant and equipment, old pumps and motors to conserve energy.
 5. Repairs or replacement of the heavily leaking pipes, fittings and valves.
 6. Creation of an effective system for water billing and collection, including use of computers. Local body staff will have to be imparted training. However, no additional posts are to be created by the urban local body for the work of billing and collection.
 7. Routine maintenance and repair works should not be taken in the rehabilitation work.

On completion of water audit, energy audit and water leakage detection work, the consultant firm selected from the panel of the Technical Service Providers shall submit its report. Based on this report, the rehabilitation works considered necessary to take care of the deficiencies and irregularity and improve the efficiency will receive government grant in aid as per the pattern mentioned below:

In order to implement the above programme, the urban local body would have to select the consultant from the panel of the Technical Service Providers through the process of competitive bidding. The technical as well as financial bids would have to be called separately. The technical bid would be opened first and the financial bid of

Sr. No.	Urban Local Body	Government Grant in Aid	Loan	Popular Contribution
1	Municipal Corporations	23.33%	66.67%	10%
2	A-Class Municipal Councils	25%	65%	10%

The items of Rehabilitation works Eligible for Grant in Aid as per the Government Regulation are as follows:

1. Works such as public stand posts, repairs/replacement of damaged meters of consumers, repairs of pipe connections of consumers etc., through which water supply can improve and revenue can increase.

only those firms would be opened which qualify in the technical bid.

The work of repairs of the deficiencies and rehabilitation of the systems, would have to be taken care of by the technical consultants who will do the initial work of water audit, energy audit and leakage detection, in order to avoid the division of the responsibility. This would also help in

defining the accountability in respect of improvements in the efficiency as estimated and in expediting the work.

Once the rehabilitation work is taken up, 80% of the grants will be paid as per the stages of the work-in-progress. The balance 20% will be released only after ascertaining the anticipated saving in water and energy and the consequent increase in revenue.

This programme is being implemented initially on experimental basis for three years (from 2002 to 2005). Administrative approval to the proposals will be given as per the prevailing practice under both these programmes. Decision on its continuation will be taken on the basis of its success.

Necessary provision will be made, as per the specified budgetary procedures, for meeting the expenditure of implementing all these programmes mentioned in this Government Resolution. No expenditure will be permissible without provision in the Budget.

Central Government to Set Up Task Force to Boost Construction Sector

A task force to boost the construction sector and facilitate faster urban development in the country would soon be set-up by the Central Government. The Union Minister for Urban Development and Poverty Alleviation gave an indication to this effect, while inaugurating the international conference on Real Estate.

As per the Minister, apart from constituting the task force, the Ministry would also organize a 'National Summit on Housing, Real Estate and Urban Development' to be chaired by the Prime Minister, to pave the way for exploiting the vast potential this sector has for swift economic growth.

The Minister defined the 2010-decade as the decade of development with pace resulting in prosperity.

MCD Planning to Float Shares in Market

The cash-starved Municipal Corporation of Delhi is planning to go publicly floating its bond in the open market, with the leaders of the deliberative wing of the Municipal Corporation of Delhi planning to chalk out modalities to launch this public offer. In their opinion, floating of its public shares in the open market will strengthen the financial status of the civic body as well as improve the functioning of the body in the long run.

At the same MD will not depend on Delhi government for funds. The Union Urban Development Minister, at a meeting with the mayors of the other municipalities, discussed several aspects related to the matter. A majority of mayors, who were consulted on the issue, was of the opinion that the civic bodies should float municipal bonds in the open market to become independent. As per a senior leader of the deliberative wing of the MD, the matter was discussed with the Union Urban Development Minister and the municipal body has a definite plan on the issue.

As per the Chairman of the Standing Committee of the MD, there was an apprehension about the credibility of the MD and the same needs to be improved before floating the public issue. He further informed about the probability of a decision in this matter being taken before the municipal elections, since the municipal body is facing resource crunch due to the funds not being made available by the Delhi Government.

As per the Union Urban Development Minister, all municipalities have to be ready to reform themselves to enable them to be independent. He told that he is going to ask the municipalities to float their own bonds in the open market.

Beside, as per the minister, this being a new changing era, the conference was heralding the beginning of reforms in real estate and urban development. The Minister called upon the industry to speed up the phase of reforms through a reform agenda. The Minister expected the industry to campaign for consensus and called for government and private sector participation. As per the Minister, the industry would have to be competitive and deliver the results efficiently.

The HUDCO's Managing Director asked the Government to declare 2001-11 as the decade for Housing. He further added that the real estate, construction and Housing were the three major sectors, which could help kick-start the economy. As such this step would turn out to be the prime movers for many industries. While lauding the Government initiatives to catalyse the sector, he informed that Rs. 10 million investment in the real estate sector generates 750 man-years of employment. Synergy between public and private sector partnership would be a win-win situation for all.

As per the Chairman of the CII Real Estate Committee, the real estate,

taken in entirety, including contribution of the parallel economy would form 30-40 per cent of the GDP and hence can't be ignored. He further emphasized the need for reforms to accelerate the pace of development, attract foreign direct investment and bring about an increase in domestic investment.

Rs. 20 Billion Housing Scheme for Urban Poor Cleared

The first-ever subsidy based housing scheme worth Rs 20 billion - Valmiki Ambedkar Awas Yojna (VAMBAY) announced by the Prime Minister on Independence Day - for urban slum dwellers has been approved by the Union Cabinet. 50 percent of the funding would be as yearly subsidy, while the remaining 50 per cent would be provided as long-term loan during the Tenth Five-Year Plan.

After the meeting of the Union Cabinet, the Urban Development Minister informed that the scheme spread over 10 years, would provide or upgrade, shelter for 16.7 million house-

holds in urban areas and 16.3 million households in rural areas. It would cover slum dwellers and urban poor in 5,161 towns and cities. At least 0.4 million additional houses annually in urban areas for poor are expected to be completed by HUDCO.

Under VAMBAY scheme, the average cost per dwelling unit constructed over a plinth area of 150 sq.ft., would be around Rs 40,000 to Rs 60,000. Fifty per cent of the cost would be given as grant, while the balance would be provided as a loan to be repaid in 15 years. The interest rate would be the same as charged by HUDCO on loans under its EWS housing portfolio. The scheme is to be implemented through state urban development agencies, district urban development agencies, housing boards, NGOs, and slum clearance boards. During the tenth five-year plan, the attempt will be to make the scheme more comprehensive, with convergence of other programmes for slum dwellers such as the National Slum Development Programme and Night Shelter Scheme.

The land for this scheme would have to be made available by the respective State Governments, which would also draw up the list of beneficiaries.

E-governance Finds a Foothold in Andhra Pradesh

In the corridors of government, increasing need for the use of information technology (IT) for effective governance is being felt. To administer rules every department has to collect and use the information and as such the greater the collecting and assessing speed, the less will be the time taken to process it.

Already e-governance is finding foothold in Visakhapatnam, the IT-savvy state of Andhra Pradesh. The project named 'Saukaryam' –initiated by Visakhapatnam Municipal Corporation's public private partnership will provide various civic services through IT. This ambitious project has already found place in the list of 15 finalists in 'public services and democracy' category of the prestigious Stockholm Challenge awards. The Visakhapatnam Municipal Corporation's Commissioner got down to the brass tacks of the first ever project of this kind within two months. All the sections of the corporation have been brought under a digital framework in Saukaryam. Initially it wasn't easy as many obstacles such as shortage of funds, lack of preparedness, and reluctance by the department officials to part with the information cropped up and the same had to be removed. All these problems were however solved by the team constituted for the project within two months. The project, which was inaugurated by the Andhra Pradesh Chief Minister, is now on the verge of being replicated in other parts of the country.

The salient modules of Saukaryam are:

- Online registration of births and deaths - all registered hospitals will now send information and certificates will be delivered to them in quick time.
- Online payment of municipal dues – payment of water bills, property taxes can be done online, which is likely to reduce the time spent on these activities. Municipal taxes can now be paid directly from home.
- Online filing of complaints and grievances – enabling government to reach out to people and vice versa. Grievances can now be sent directly to the authorities. The citizen can also ascertain who is dealing with the grievance and what action is being taken.
- Online miscellaneous registration – trade licenses, renewals, and publicity agencies' registration can now be done online.
- Utility driven website - www.saukaryam.org/www.visakhapatnam municipal corporation.org.
- Civic centre – the recently inaugurated civic center in the municipal corporation building premises will make it easier for people to avail the services of the corporation. Citizens would be able to regularly interact with the authorities for redress of their grievances at the civic centre.

As per the Municipal Commissioner, since the need of the hour is an accountable administration, the project will reach and benefit the common man and very soon filing returns or even demanding a birth certificate will be as easy as going to the bank. He further added that this would strengthen the people's faith in the government.

Besides, providing drinking water facilities and other infrastructure apart from monitoring the implementation should be the State Government's responsibility. The pattern of construction will vary from one state to another based on geographical needs of the region.

A component of this scheme is a new sanitation project, Nirmal Bharat Abhiyan, aimed at providing toilet facilities in slums, to be maintained by the slum dwellers themselves, all over the country. Out of Rs 20 billion, 20 per cent is earmarked for this scheme.

Interestingly, allotment of a dwelling unit will be either in the name of husband and wife jointly, or just the female member of a household. The scheme would have a quota of 50 per-

cent for SC/ST, 30 per cent for OBCs, and 15 per cent for mentally challenged and physically disabled persons. The families with a monthly income of Rs 2400 would stand to benefit from the scheme.

PMC to Computerise Octroi Department

The Pune Municipal Corporation (PMC) has finally agreed to computerize its Octroi department after taking a cue from the neighbouring Pimpri-Chinchwad Municipal Corporation (PCMC) and has invited tenders from software developers to install an integrated octroi management mechanism at all its 32 Octroi nakas

As per the in-charge of the Octroi department, necessary clearance has been received from the standing committee. In this context, ten software developers, including the Pune-based Centre for Development of Advanced Computing (C-DAC), have shown their interest to undertake the project and took part in the bidding held sometime back. The bids have been sealed and the final decision is going to be taken very soon.

As per the source, the PMC's Octroi collection from its 32 Octroi posts in the last fiscal was Rs 2.5 billion. This year, it has collected Rs 1 billion so far. The software will keep track of all records and daily transactions thereby lessening the scope for

misuse of funds collected at the posts. All transactions will be on paper and the most important thing will be that these records cannot be tampered with.

The Pimpri-Chinchwad Municipal Corporation (PCMC) undertook the e-governance initiative by computerizing all the 20 Octroi nakas under its jurisdiction. The project, implemented by CMC Ltd., had cost the PCMC exchequer Rs 23.8 million, considered to be too exorbitant when compared to a Rs 6 million project, involving 17 nakas by C-DAC in the Nasik Municipal Corporation recently. According to the computer division of PCMC, the online entry of transactions, immediate issue of receipts and subsequent transfer of data to the central office through modem has indeed facilitated maintenance of all relevant data.

Development Schemes to Cover More Towns in Haryana

The Haryana Slum Clearance Board (HSCB) has decided further extension of the scope of the scheme for Solid Waste Management and Construction of cement concrete roads and drains for remaining 23 towns in Haryana. This would be done at a cost of Rs 456.3 million. Besides, strengthening of fire service by opening new fire stations in 20 more towns and improving the existing services would cost over Rs 181.3 million. As for the fire services, the network expansion would take up Rs 80 million, the strengthening of the fire stations would take up Rs 85.5 million and new fire training centre would be set-up at Kurukshetra at a cost of Rs 16.5 million.

The decisions to this effect were taken at a meeting of the HSCB presided over by the Haryana Minister of State for Urban Development following the directions given by the State Chief Minister during the review meeting. The Commissioner and Secretary, Urban Development and the Director,

Urban Development were also present at the meeting. The two schemes would now be implemented in all the towns in Haryana. While 80 per cent of the cost of implementing these schemes would be financed by HUDCO, the balance 20 per cent would be borne by the local municipal bodies. At present this scheme was being implemented in 16 towns of the state namely, Gurgaon, Bahadurgarh, Sonapat, Panipat, Palwal, Rewari, Rohtak, Samalkha, Gohana, Gannaur, Jhajjar, Sohana, Hodel, Nuh, Meham and Bawal.

As per the extended scope, the scheme would be implemented in the 23 towns namely, Kalka, Pinjore, Naraingarh, Shahbad, Ladwa, Pehowa, Gharaunda, Cheeka, Assandh, Taraori, Charkhi Dadri, Narwana, Safidon, Fatehabad, Tohana, Barwala, Ratia, Ellendabad, Kalanwali, Rania, Mandi Dabwali, Ferozepur Zhirkha and Mohindergarh.

The Central Government would provide 100 per cent assistance for the implementation of the Solid Waste management scheme prepared by HUDCO for Ambala City, Ambala Sadar and Sirsa. This scheme is being implemented to avert any damage to the aircrafts of the Indian Air Force by bird hits.

Reduced Property Tax Rates to Boost Collection in Kolkata and other Municipalities in West Bengal

The West Bengal government has decided to reduce the ceiling rates of property tax and introduce uniformity in the rates, in Kolkata and other municipal areas of West Bengal. The state government also proposes to introduce the principle of self-assessment in the municipal areas, which has already been implemented with limited success.

It is intended to bring down the present ceiling of 40 per cent of the annual valuation of property to 30 per cent and widen the tax coverage to ensure regular collection of the property tax. A Committee for municipal reforms, set up by the West Bengal government in 1999, submitted its report before the Pujas.

As per the state municipal affairs Minister, the government would implement some of the recommendations soon, for which amendments to municipal laws would be moved in the state Assembly either in its winter session or in the next budget session. The Minister felt that bringing more properties under the ambit of the reduced rates would actually increase the revenues of the local bodies and reduce the difference between the proposed tax volume and actual realization. As per the new policy, the valuation of property taxes would be done every two years, thereby reducing the tax burden on common people.

A more favourable response to the lower rate from the taxpayers is expected. It is proposed to exempt the closed and sick industrial units from paying the property tax. The state government is also considering exemption for schools and colleges and social service oriented religious establishments.

Infrastructure Development to Get Boost in Bangalore

The development of infrastructure such as flyovers, subways, roads and railway bridges as well as solid waste management will get boost in Bangalore. The Karnataka Government and Bangalore Mahanagara Palike (BMP) have signed a Memorandum of Understanding (MoU) to improve the infrastructure in the City. As per the schedule, the works in this connection would be completed in two years.

The State Chief Minister held a

high-level meeting with the officials concerned. Consequently, a plan was prepared to start the work. It was decided to adopt various methodologies, including build-own-operate and joint venture schemes for execution of the works, expected to cost around Rs 10 billion in three years.

The major portion of the funds will come from HUDCO and Karnataka Urban Infrastructure Development and Finance Corporation. The Bangalore Mahanagara Palike will also raise resources and the state government would provide grants.

As per the state Chief Minister, the state has developed its own model for garbage disposal, which would be implemented in phased manner. Since nearly 6,500 pourakarmikas in the City cannot be rendered unemployed, efforts will be made to ensure that the Bangalore model of solid-waste management and infrastructure development is recognised nationally and even internationally.

The Rs 125 billion Municipal Bond schemes, which was implemented by the previous government for up-gradation of roads in the City, has been scrapped since it did not help in improving the roads.

As per the Commissioner, BMP, the civic body would up-grade 130 kms. Of some important roads under the earlier scheme, 120 km of arterial roads had been attended to. The Chief Minister suggested laying of concrete roads instead of bitumen roads in the old city area and hence it was decided to concrete seven kms. of roads in and around Kalasipalayam, with work commencing within a month.

The BMP would be taking a novel step – Deferred Payment Scheme – to undertake road works. Under this scheme, the contractors would be selected based on tenders and they would be given the responsibility of raising funds for the works and maintaining the roads built by them for three years. The contractors would be repaid from the following financial

year. Even the interest rates on the investments by the contractors would be decided through the tender.

As per the Chief Minister, the state government was confident that the interest rates would be lower than those charged by the HUDCO and other financial institutions. For ensuring the quality of works, the authorities concerned have been directed to give the responsibility of supervising them to a third party comprising of civil engineering experts. In order to ensure that the BMP employees meet the targets to upgrade the civic standards, several administrative and legal reforms were being introduced.

HUDCO to Finance Krishna Water Scheme

HUDCO has agreed in principle to fund the Rs 8 billion scheme for supply of drinking water from the Krishna River to the twin cities of Hyderabad and Secundrabad. The scheme envisages drawal of 90 MGD of water in two equal phases from Akkampally reservoir in Nalgonda district. The Hyderabad Metro Water Supply and Sewerage Board (HMWSSB) is looking for institutional finance of Rs 6.20 billion from HUDCO and others, and Rs 1.60 billion as margin money, from the State Government.

At a high-level meeting attended by the Secretaries of Urban Development and Housing, the HUDCO CMD along with other Central and State officials to review State schemes pending with the urban development ministry, the Union Minister of State for Urban Development announced the decision in this regard. The minister informed that the HUDCO had sought financial details for Krishna water scheme along-with the feasibility report. HUDCO has also offered to favourably consider funding another scheme costing Rs 1.85 billion to augment water supply to municipalities on the periphery of Hyderabad by plugging leakages in the pipelines. As

per the minister, under this scheme, the Centre and the State government have to contribute 25 per cent each. The balance 50 per cent is to be met from external resources. The Centre had released Rs 1.2087 billion as its share towards Hyderabad Mega City Scheme till date, while the State Government was yet to release its share of Rs 108 million in 2001-02.

The Union Minister of State for Urban Development further added that 90 towns in the state had been covered till August under the Integrated Development of Small and Medium Towns (IDSMT) and central assistance of Rs 473 million released to them. Besides, a tentative allocation of Rs 61.1 million was made under this scheme for seven more towns -Nandyal, Suryapet, Bapatla, Kovvur, Nuzvid, Sircilla ad Pedana. To enable the State Government to receive additional assistance of Rs 38.9 million, it has been impressed to submit utilisation certificates (UCs) for central assistance given earlier to eight towns - Tuni, Tirupati, Nellore, Gadwal, Bhogir, Kuppam, Eluru and Bobbili. Furthermore, project proposals have been invited for 53 towns with a population of 20,000 and less for receiving central assistance under the accelerated urban water supply programme. The current year's allocation for this programme was Rs 30 million and the State Government could not avail of funds under this programme, as it could not notify the Nagar Panchayats with a population of less than 20,000.

As per the minister, the meeting reviewed the water supply schemes funded by HUDCO, in various municipalities and Thirty-eight municipalities had already sanctioned funds while recently HUDCO sanctioned Rs 290 million for four schemes covering Sircilla, Kothagudem, Narsaraopeta and Parvatipuram. In addition, water supply schemes were under consideration for another 13 towns - Jaggiahpet, Macherla, Bobbili, Mangalgi, Narsapar, Miryalguda, Peddapuram, Suryapeta, Warangal, Anakapalle, Rajahmundry and Machilipatnam.

Karnataka to Privatise Water Supply

The Karnataka Government has a plan to privatise supply of drinking water in at least two municipal council limits. The scheme would be extended to other areas based on its results in the two municipal councils jurisdictions.

As per the state Urban Development Minister, in the opinion of the experts in the field and the government agencies managing drinking water supply, privatisation would prevent loss of revenue. As per an estimate, the unauthorized drinking water connections in the municipal areas were causing an annual loss of Rs. 1000 million. Leakages in pipelines were also adding to the losses.

The minister informed that the scheme, possibly on a pattern similar to the one introduced in Surat in Gujarat, would have several advantages for the government and the people. As per the report, some corporation areas, including Hubli-Dharwad, are having abundant drinking water, while in other areas, where a majority of the population comprised lower-middle class people; drinking water was in short supply. A survey conducted some time ago revealed that nearly 70 per cent of the drinking water connections in the state were unauthorised. Once these connections were regularised, the revenue could be doubled to Rs. 2000 million, without increasing the water tariff. Only, it needs to be ensured that the charges were recovered for the water supplied.

Presently, the Karnataka Urban Water Supply and Drainage Board (KUWSDB) was responsible for supplying drinking water to the municipal corporations, which in turn supplied it to the people. The Board had expressed its helplessness in regularizing the unauthorised water connections. Likewise in Bangalore, a few years ago Bangalore Water Supply and Sewerage Board (BWSSB) decided to plug such loopholes in the water distribution network.

The Minister further informed that after a gap of nearly 20 years, 60 assistant engineers had been recruited in the KUWSDB and another 60 engineers would be recruited soon. These recruitments were being done on merit-cum reservation basis. Thirty-two per cent of the posts have been reserved for women.

The Community Toilet Programme in Pune

Outline of the Project

The capacity of urban local governments to implement sustainable sanitation or other infrastructural improvements, which benefit the poor, is usually viewed with despondency. While this was long the case in Pune, a recent municipal initiative has demonstrated a more positive approach. During 1999-2000, some 200 toilet blocks containing over 3000 toilets were constructed by eight NGOs in partnership with the Pune Municipal Corporation (PMC), with the NGOs committed to maintaining the blocks for 30 years.

This project represented a new approach to urban service delivery in Pune, which stemmed from the PMC's recognition that the previous system of contractor-built and PMC-maintained toilets had failed. In this project, the PMC provided financial resources and institutional support, but brought in NGOs with the capacity and motivation to undertake the construction and long-term maintenance of the toilet blocks.

Development process

The project focused on the demolition and reconstruction of old toilet blocks identified by the PMC, in the process increasing the number of toilets in many blocks. Sites were also identified for completely new blocks. Blocks vary in size from 10 to 60 toilets and each has a caretaker's room incorporated into the design. Where possible, the toilets are connected to the municipal sewer system or are otherwise based on septic tanks.

Community toilets are located within informal settlements and households using the toilets pay a monthly sum of Rs.20, to cover the caretaker's salary as well as maintenance costs.

Working with local communities

For one participating NGO, Shelter Associates, the partnership with the PMC was an institutional arrangement, which had the potential for poor women and men to be involved in a project, which directly affected them. Recognizing the urgent need for improved sanitation, Shelter Associates and their partner CBO Baandhani also saw the project as a tool for community building. They targeted particularly to involve poor women, in view of their central role in managing the home and local environment, and the health of their families.

Shelter Associates and Baandhani were able to involve local residents in several stages of the project. They were able to generate interest in the design stage, and inputs from local women and men have defined layouts and other features of the toilet blocks. Each of the new blocks is different according to the needs and ideas of the local people and the available site, and each has a small toilet channel for the children under five.

Shelter Associates employed skilled people from within the settlements to work on the project, to increase local interest and sense of connection of new toilets. In settlements where Shelter Associates had already worked with the local community prior to the project, involvement was much higher, and local women played a key role in organizing community members, keeping track of deliveries and coordinating on a daily basis with Shelter Associates.

Maintenance is the key area where Shelter Associates and Baandhani have been working together with local residents, on the basis that community members are in the best position to work out an effective and sustainable system

for their own settlements. While most NGOs simply employed a caretaker to maintain each block, different types of maintenance system have been emerging for the blocks built by Shelter Associates. Several communities opted to employ a caretaker themselves, who is often someone from within the settlement and known to the people. Others have devised alternative systems under which the users, who employ a cleaner just once a week, maintain the toilets daily. In these settlements residents have chosen to use the caretaker's room as a community center.

Lessons learned

The overall project harnessed the resources of two actors allowing both sides to gain experience in working together constructively. The project provided an opportunity for Shelter Associates and Baandhani to support local community involvement in the project in the settlements where they were building. The Pune experience indicates that similar municipal projects in future could be more effective and sustainable if local communities were explicitly involved in all stages as a third partner.

Jane Hobson, Shelter Associates

Union Government Drafts Rs. 1 Billion Urban Sanitation Plan for Bangalore

Under the Rs 1 billion urban sanitation plan drafted by the Union Government on the lines of a plan in Pune, 10,000 toilets will be constructed for slum dwellers in Bangalore city. While speaking at the September Summit organised by Bangalore Agenda Task Force (BATF), the Union Minister for Urban Development revealed that the Centre was ready to implement the project with a subsidy component of Rs 360 million, with financial assistance from HUDCO. To be constructed in the next two years, the sanitation plan includes 500 toilet complexes of 20 blocks each.

Besides, the Centre is said to be keen to implement the four projects - an Indian Habitat Centre on the lines of the one in Delhi, a Metro Rail Transport System, and a branch of National Institute of Urban Affairs in the city and as per the Minister, this required cooperation from the State Government in allotting land and timely approving the projects. The Central Government was ready to finance these projects through HUDCO.

The Union Minister further added that the Centre would soon announce a comprehensive policy for providing better civic amenities, programmes for reducing poverty, urban employment generation and devolution of powers to local bodies. The new policy to decentralise power and improve efficiency and accountability of urban local bodies, was being framed and for the effective implementation of the policy, the Union Government has planned a seven fold reform agenda. This included "Decentralisation of Powers" and "Municipal Financing" to make urban bodies self-sufficient, "Credit Lines" for urban infrastructure, a "Bond Bank" for local bodies to tap the capital market for funds, a "Challenge Fund" for development works, a programme for employment generation, internal capacity building, and town planning for urban poor.

The Union Minister hoped that Karnataka would take lead in transferring fiscal powers to local bodies. The Centre wants the local bodies to come out with action plans to utilise the facilities extended by it. To ensure self-sufficiency to the 3679 urban local bodies in the country, the modalities were being worked out. As per the Minister, there was a resource crunch of over Rs 170 billion, as the Union Government required over Rs 220 billion annually to cater to the drinking water needs of the country and an all-out effort is being made to ensure that drinking water needs are met.

The Minister appreciated the services of the BATF and he expected other states to emulate Karnataka's example.

BMC Divides Waste Segregation Tender

Brihanmumbai Municipal Corporation (BMC) has floated a global tender worth Rs 1 billion for private collection and transportation of the city's garbage. BMC is considering this due to mounting establishment costs. As such, the 23 city wards are now being divided into two parts. One part would be handed over to the private contractor, while the other part would remain with BMC. The private contractor would handle half of the daily collection of 6,500 tonnes of garbage and 10,000 tonnes of debris.

After the successful implementation of the collection and transportation of garbage by a private contractor in R/North ward (Borivilli west), the BMC is inviting the tender. As per a senior official of the solid waste management department, the success in Borivilli has made a strong case for implementation of the concept in other city wards. International contractors and waste management companies have shown keen interest in bidding for the contract as the waste generated will also be helpful for them in producing energy. Besides, some are interested in the recycling business and feel that there is a huge untapped potential. Additionally, the contractor will be creating public awareness among the citizens in the area awarded to them.

It has been decided that the dry waste will be collected once a week, while the wet waste would be collected on a daily basis. As per BMC source, the contractors presently working in the solid waste management department are opposed to this move as their very business is being threatened. The contractors are instigating the corporators and are trying to scuttle the proposal. The union as well is making hue and cry about privatisation of collection and transportation of garbage. In spite of this, the BMC feels that this is the best solution for waste management in the city of Mumbai.

West Bengal Government First to Hold Elections to Kolkata Metropolitan Planning Committee (KMPC)

In the early Nineties a 'National Consensus' had slowly emerged about the stronger need of democratic decentralisation both in the rural and urban areas, as a consequence of long experience of planning and development. This resulted in making 73rd and 74th constitutional amendments of the constitution possible, making way for the institutions of the local self governments like 'panchayats' and 'municipalities', for the first time getting the full-fledged constitutional sanction for both planning & execution regarding the subject matters allocated to them.

While planning in rural areas is vested with the elected panchayats, the planning in the metropolitan area is vested with the Metropolitan Planning Committee, to be constituted by the state governments.

Constitutional mandate in this regard has been clearly stated in article 243ZE of the amended constitution, which reads as follows:

“Committee for Metropolitan Planning,

1. These shall be constituted in every metropolitan area a Metropolitan Planning Committee to prepare a draft development plan for the metropolitan area as a whole.
2. The legislature of the state may, by law, make provision with respect to -
 - a. the composition of Metropolitan Planning Committees.
 - b. the manner in which the seats in such Committees shall be filled:

Provided that not less than two-thirds of the members of such Commit-

Vishakhapatnam Municipal Corporation Outsources Streetlight Maintenance

Piling of complaints for non-burning of streetlights, non-availability of materials required at the nick of time, lethargic attitude of the staff engaged in street lighting and, above all, increasing pilferage had completely overtaken the entire system of streetlight maintenance in Vishakhapatnam Municipal Corporation (VMC). These became the compelling reasons for VMC to look for alternative. To begin with, it launched a comprehensive system study to gain insights for improvement.

VMC spent Rs. 20.5 million to keep over 25000 tube lights, about 9000 SV lamps and over 200 odd High Mast lights in operational fitness by engaging an Executive Engineer, a Deputy Executive Engineer, 3 Assistant Engineers, three Work Inspectors and 100 odd electricians. Yet much was desired to improve the maintenance.

Finally, the VMC decided to outsource the entire activity. For this it required to have an idea about the unit cost, which could help it in arriving at the total estimated cost for tendering. The unit cost was arrived at on the basis of average life of the bulbs in their present state and discounting it to the vagaries of nature and street behaviour including the labour and contingent component in addition to the prevailing taxes. The Municipal Commissioner's knowledge of cost accountancy came handy in working out of the estimated cost.

The estimated value for the 12 maintenance zones of VMC came to about Rs. 10 million. The VMC then invited tenders asking for bids for a period of three-year maintenance contract. Payment to the successful bidders was stipulated to be paid on quarterly basis after the VMC was satisfied with the maintenance of streetlight. The satisfaction was defined as burning of at least 95% of the streetlights in the particular wards at a given point of time. The inspection of this was stipulated to be jointly carried out by the bidder and VMC.

After the receipt of the tenders, the total tender amount for maintenance came down to Rs. 10 million approximately against an expenditure of Rs. 20.5 million incurred before on streetlight maintenance.

The VMC has thus saved Rs. 10 million which in a way amounts to additional financial resource mobilization. Other spin-offs of outsourcing include markedly improved maintenance, better vigilance, responsibility and accountability.

The staff, which worked earlier on maintenance, is being redeployed in water supply electrical sections thus reducing the expenditure incurred on contract labour. Moreover, VMC's executive staff will get rid of the administrative and managerial efforts.

The outsourcing of street light maintenance has also helped VMC to save the working capital as this would avoid maintenance of inventory and electrical stocks. It has completely eradicated the pilferage of materials and has released the office space used earlier for keeping the stocks.

Best Prize for Municipal Accounting in Tamil Nadu

Tamil Nadu is the first state which introduced accrual based double entry accounting system in all the municipal bodies in the state in 2000. The state government received technical assistance from the on-going FIRE (D) programme for introducing this reform. The municipal bodies have been operating on the new accounting system for the last two years.

With a view to give incentive to the municipal bodies as also to motivate them to work with the new system effectively and efficiently, the National Institute of Urban Affairs instituted an award for the best performing municipal council in the state and also for the best regional Director's Office that has shown the best result in completing the accounts in time.

A Committee was therefore constituted to recommend the municipal bodies to NIUA for giving the award. The Committee, after verifying the records and interviewing the municipal officials and the staff, suggested to give awards to the following municipalities in the seven regions in which the state of Tamil Nadu has been divided for municipal administration:

Aruppukottai in Tirunelveli Region, Devakottai in Madurai Region, Gobichettipalayam in Tiruppur Region, Dharmapuri in Vellore Region, Ambattur in Chengalpattu Region, and Tiruthurai in Thanjavur Region.

The best Regional office to be given the prize was recommended to be the Chengalpattu regional office as the largest number of local bodies were found to have finalised their accounts under the jurisdiction of this regional office within the stipulated period of time.

tee shall be elected by and from amongst the elected members of the Municipalities and Chairpersons of the Panchayats in the metropolitan area in proportion to the ratio between the population of the Municipalities and of the Panchayats in that area,

- c. the representation in such Committees of the Government of India and the Government of the State and of such organisations and institutions as may be deemed necessary for carrying out the functions assigned to such Committees.
- d. the functions relating to planning and co-ordination in metropolitan area, which may be assigned to such Committees.
- e. the manner in which the Chairpersons of such Committees shall be chosen."

Accordingly the West Bengal government enacted 'The West Bengal Metropolitan Planning Committee Act 1994'. This envisaged formation of Kolkata Metropolitan Planning Committee for preparation of draft development plan for Kolkata Metropolitan Area having regard to (a) the plans prepared by the Municipalities and the Panchayats in the Metropolitan area (b) matters of common interest between the Municipalities and the Panchayats including coordinated spatial planning of the area, sharing of water and other physical natural resources, the integrated development of infrastructure and environmental conservation (c) over all objectives and priorities by the Central Government and the State Government (d) the extent and nature of investments likely to be made in the Metropolitan Area by agencies of Government of India and of the State Government and other available resources.

KMPC

In clause (c) of Article 243p of the Constitution, the Metropolitan Area has been defined and reads as follows :

“ ‘Metropolitan area’ means an area having a population of one million

or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or the contiguous areas, specified by the Governor by public notification to be a metropolitan area for the purpose of this part.” Accordingly, the West Bengal government specified Kolkata Metropolitan Area comprising the whole of Kolkata Municipal Corporation and certain areas within the districts of North 24 Parganas, Howrah, Hooghly and Nadia. It has a population of 12.5 million, of which 10.7 million people stay in urban areas and remaining stay in rural area.

As per the state governments notification there Kolkata Metropolitan Planning Committee will have sixty members and in accordance with the Constitutional Mandate two thirds of these seats were required to be filled up by elected representatives i.e., one elected seat was allotted for approximately 0.3 million population.

The election of KMPC was notified to be held on 7th October 2001, on the basis of proportional representation and on a single transferable ballot paper, thereby making it more interesting and representative. The preparatory works were started much earlier by publishing all the relevant notifications on the notice boards and local newspapers. It was also ensured that every elector is informed about the date, time and venue of this election. Director of Local Bodies, West Bengal officiated as Election Authority for Kolkata, while District Magistrates were appointed as Election Authorities for their respective districts falling within Kolkata Metropolitan Area. The electorates of this election included all the elected representatives of Kolkata Municipal Corporation, Howrah and Chandernagore Municipal Corporation, all the 38 constituent municipalities within Kolkata Municipal Area, Pradhans of the 133 Gram Panchayats, Sabhapaties and Sabhadipaties of the respective Panchayat Samities and Zilla Parishads, a part of which falls within Kolkata Metropolitan Area.

A state government notification sub-allocated the number of seats to various segments constituting the KMPC as follows:

	Urban	Rural
1 Kolkata Municipal Corporation	14	—
2 Hooghly District	3	1
3 Howrah District	4	2
4 North 24 Parganas District	10	1
5 South 24 Parganas District	2	1
6 Nadia District	1	1

Since a relatively new procedure of single transferable voting system was followed for election, special training classes were organised for all senior officers connected with the election. Secretary and Joint Secretary of State Legislative Assembly, with vast experience of conducting 'Rajya Sabha', election were invited to conduct the training classes. As a follow up, more such training classes were held for the benefit of polling officers as well as electors. The Minister in-charge of the department held several press conferences. The media to this 'first-ever' election gave also wide publicity to a Metropolitan Planning Committee in the country.

Even when the party symbols were not there in the ballot papers, political parties took keen interest in this election as all the electorates were politicians. Some of the political parties organised their own training classes for their supporters with great enthusiasm. On the day of election, senior officers were deputed as observers, for giving any clarifications on procedural matters. Besides, a control room manned by senior officers throughout the day, was set-up at the office of the Department of Urban Development.

On the Election Day, the voting for the urban area was held from 8 A.M to 12 Noon and for the rural area from 12.30 P.M to 4.30 P.M. The counting started from 5.30 P.M onwards on the same day. The results were out by 9 P.M and the concerned returning officers issued the election certificates to the elected candidates. The election process

ended with the formation the Kolkata Metropolitan Planning Committee.

Thereafter, the State Government initiated the business of selecting the nominated members and constituting the Kolkata Metropolitan Planning Committee by issuing notifications.

The state Chief Minister will be the Chairperson and the Minister-in charge of Municipal Affairs and Urban Development would be the Vice-Chairperson of the Committee. In order to make the KMPC more broad-based and

effective, Mayor, Kolkata Municipal Corporation and other important State and Central Government functionaries have been included in the Committee. Representation has also been given to the Railways, Port Authorities and the overlapping District Planning Committees in the KMPC.

The State Government has also issued notifications making KMDA (erstwhile CMDA) the Secretariat of the KMPC and the Secretary, KMDA as Secretary of KMPC.

Innovative Grievance Redress Mechanism in Andhra Pradesh

An innovative mechanism to redress the grievances of the users of municipal services has been put in place in Andhra Pradesh through an unusual and interesting Citizens' Charter linked to compensation for delay, which is to be paid by the municipal authorities concerned. The system operates through Service Centres created in all the municipalities in the state since 14th May, 2001 for receiving applications for assessment of Property Tax and allocation of door number, disposal of building applications, sanction of water supply connection and issuance of birth and death certificates. The applications for these have to be disposed off within a time bound manner. The time limit for disposal of assessment of property tax and building application is 15 days from the receipt of application. This in the case of sanction of water connection and birth and death certificates is 30 and five days respectively. Similar time limits are laid down for garbage clearance, clearing of drains, anti-larval operations, provision of dustbins, repairs of pipeline leakage and road cuttings, and replacement of streetlights.

The citizens who wish to avail of the above services are required to submit an application at the Service Centres along with the required documents and fees. The applicant is issued an acknowledgement for the receipt of application as also the due date by which he can obtain the permission or certificate from the Service Centre. In case the applicant does not get the certificate/permission by that date, a compensation at the rate of Rs. 50 per day is required to be paid to the applicant for the delay. The compensation to be paid is deducted from the salary of the employees responsible for the delay.

Such an innovative and radical system of redress of grievances will go a long way in improving the image of the municipal governments. However, by merely putting such radical innovations in the citizens' charter will not be enough unless serious steps are taken to ensure its implementation by monitoring implementations on a regular basis.

URBAN INFRASTRUCTURE NEWS IN BRIEF

- **EPI Bags Rajkot Water Supply Project:** Engineering Projects India has bagged a Rs .800 million Sardar Sarovar canal-based drinking water supply project in Gujarat. The project, to be completed within a year, involved commissioning and maintenance of the water supply in Rajkot.
- The Asian Development Bank approved a \$240 million loan to India to modernize parts of its National Highway System. The ADB would also provide a technical assistance grant worth \$ 700,000 to help India draw up a plan on how to raise capital and develop a strategy to transform the agency into an autonomous body. The project will upgrade the 259-km section of the transport corridor that links Delhi, Kolkata, Chennai and Mumbai. The section will be converted from a two-lane to a four-lane highway. The loan will fund 64 percent of the total project cost of \$378 million with the Government providing the remaining \$138 million. The loan will have a 25-year term, including a grace period of five years. The project is expected to be completed by June 2005.
- A comprehensive Action Plan has been drawn by the Union Government to realise the goal of providing potable water in all parts of the country by 2004, which is part of the commitments contained in its National Agenda for governance. A nation-wide two-phase survey to identify the habitations affected by poor water quality has been launched. Based on the survey's results, strategies will be drawn up to ensure the supply of potable water to regions which currently lack it.

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