

Appraisal of City Development Plan Chandigarh

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Appraisal of City Development Plan: Chandigarh

The City Development Plan (CDP) for Chandigarh has been submitted by the Finance Secretary, Chandigarh Administration. It gives a fair idea about the city on issues like city assessment and analysis, future perspective and vision, and city investment plan. However there are some serious problems related to the structure of the CDP and its contents.

The CDP appraisal has been divided into five sections – structure of the CDP, the city assessment, future perspective and vision, strategies for development and city investment plan.

1. Structure of the City Development Plan

Toolkit 2 (Formulation of the City Development Plan) of JNNURM has been designed to assist city governments to prepare the CDPs. This toolkit outlines the scope of CDPs and indicates the requirement of data, and suggests a methodology for analysis, together with steps to realistically assess the problems and to determine a medium and long-term vision for development. The structure of the CDP is not as per the guidelines provided in the toolkit. For example the first chapter of the CDP is “Abstracts of Projects”, Chapter two as “Projected Population Growth of City Chandigarh”, Chapter three is “Vision Regarding Basic Services Water Supply, Sewerage, Storm water drainage and Internal Roads”, Chapter four is “Augmentation of Existing Water Infrastructure”, Chapter five is “Investment required for Sewerage Sector,” and so on.

Whereas the preparation of a CDP is a multi-stage exercise which involves (i) In-depth analysis of the existing situation, covering the demographic, economic, financial, infrastructure, physical and environment and institutional aspect, (ii) Development of a perspective and a vision of the city, (iii) Formulation of a strategy for bridging the gap between where the city is and where it wishes to go and (iv) Preparing a City Investment Plan and a financing strategy. The first section of the CDP is meant to identify the strengths and weaknesses in the city’s development and to provide an understanding of what impedes service delivery and management within the existing set-up and what contributes to better service provision. The second section of the CDP is to be designed for using the results of first stage analysis combined with consultation with key stakeholders and civil society, this section is meant to develop a vision for future development. The third section is meant to identify the options and strategies and to evaluate the strategies from the perspective of their contribution to the goals and objectives of the JNNURM. The last section on City Investment Plan is meant to provide an aggregate investment plan not merely the financial estimates and to highlight the alternative sources of financing the vision and the accompanying strategy and programmes.

2. The City Assessment

2.1 City Demography

The CDP does not adequately highlight the demography, population growth rates and composition of population growth of the city. The population of Chandigarh Municipal Corporation (CMC) mentioned in the CDP for 2001 does not match with the population of CMC as per the census 2001.

The methodology used by the CDP for projection of population is not provided at all and projecting population for the next thirty-five years based on last decadal annual growth rate is not the correct method of estimation. The decadal growth rates are coded as annual growth rates (Table 1 on page 133). Sixty seven percent of the population increase is due to migration of population but the CDP does not reflect the result of migration on basic services. The exercise on population projection is not satisfactory and since the projected demand in the core sectors depends crucially on the population in the coming years therefore population projections should have been estimated more carefully. The CDP has not adequately analysed the existing situation with respect to the level of services in the core area of the city. The situation in the periphery areas with respect to coverage and level of services also needs to be given in detail.

The CDP needs to clarify some issues, which are confusing. For example Table 6 on page 134 quotes thirty seven percent of the work force is in primary sector, which does not seem to be feasible as the requirement of any town according to Census definitions says that at least seventy five percent of the workforce should be from non-agriculture background. Moreover the Table on “Requirement of Water” on page 17 has taken irrigation requirements also into the consideration. These need to be clarified.

2.2 Institutional Arrangements:

The CDP does not provide the functional domain of CMC, which would have given a clear picture of the responsibilities of the CMC. It would also have highlighted the status of incorporation of eighteen functions of the Twelfth Schedule of the Seventy Fourth Constitutional Amendment. It is important to know at this stage which of the eighteen functions are being performed by CMC and which kind of other agencies are involved in performing these functions. Table 18 (page 139) “Institutional Responsibility” and “Abstract of Projects” (page 1) do not clearly explain the functioning of multiple agencies and their overlapping functional domains etc. Organisational structure of these multiple agencies and functioning of line departments has also not been produced in the CDP.

The CDP has indicated that several basic services such as water supply, sewerage, drainage, road etc. are being provided jointly by Chandigarh Administration and CMC. However the exact functioning of these two agencies has not been clarified in the CDP. The entire water supply does not come in the functional domain of the CMC. The responsibility of provision of water supply comes under Engineering Department of the State Government and CMC. There seems to be a city level water supply and sewerage board for this purpose in the CMC area (Table 10). However the finances of city-level water supply and sewerage board (Table 10, page 136), shows that there are deficits for the last couple of years. Similarly for other services such as wastewater disposal, storm water drainage, internal roads, street lights and solid waste management etc. the exact functional responsibility of the CMC is not clear from the CDP and information provided on page 1,7 and 139 is very confusing.

2.3 Physical Infrastructure: Water Supply, Drainage and Solid Waste Management etc.

The CDP has not dealt adequately with the issues related to the coverage and the level of the basic services such as water supply, storm water drainage, solid waste management etc. such as what

percentage of population and what percentage of area is covered with these services. Existing water supply status on page 19 has not addressed the issues, problems and bottlenecks related to this service. Moreover the Table on “Requirement of Water” on page 17 has taken irrigation requirements also into the consideration. These need to be clarified.

Similarly the CDP has not dealt adequately with the issues related to sewerage, drainage and solid waste management. The existing situation with respect to these service sectors is not clear. The CDP should indicate how these services are being provided. Performance indicators for these sectors need to be provided and discussed in the CDP.

2.4 Urban Basic Services for Poor:

No specific details and estimates are provided in this section on the coverage and level of services in these slum areas. The financial planning for addressing the problems of slum dwellers has not been provided in the CDP.

2.5 Finances of the Chandigarh Municipal Corporation:

Traditionally, the CMC followed a cash based single entry system for maintaining its accounts and has not yet shifted to accrual based accounting system. No analysis related to the “Finances of CMC” has been presented in the CDP, however Tables 7 to 10 provide the financial profile of Chandigarh, which has further created confusion. For example Table 7 to Table 9 on page 134 has provided the information on financial profile, however it is not clear whether this financial profile is related to CMC or Chandigarh Administration. Further it has shown huge surpluses. The state transfers including grants have contributed more than sixty percent to the revenue income, however the details of these state transfers and grants are not provided in the CDP. The finances of city-level water supply and sewerage board (table 10, page 136), shows that there are deficits for the last couple of years. The break-up of income and expenditure are not available. The break-up of direct recoveries as mentioned on page 137 (Table 12) is not available; moreover who made these direct recoveries is also not clear from these tables. A break-up of the income and expenditure of the water board should have been provided in the CDP for a clear understanding of financial issues related to the water sector.

In addition, the CDP should provide the tax and non-tax base of CMC. The rate structure of tax and non-tax sources also needs to be provided in the CDP. The tariff structure of water and drainage charges and the revision in the tariffs should have also been provided. Demand and collection ratios for individual taxes and charges should be provided.

3. Vision and Strategies:

The chapter on Vision and strategies pages 11 to 16, titled “Vision Regarding Basic Services like Water Supply, Storm Water Drainage and Internal Roads of in the City Beautiful Chandigarh” has not been presented well as it fails to explain any vision of the city for these services. The failure for coming out with any vision for the city is partly because the city assessment related to existing

scenario of various services has not been done properly. The vision for other sectors has not been presented at all. The details linking the present situation to future goals should have been presented clearly.

3.1 Stakeholder Consultations:

As per the Tool Kit 2 of JNNURM, it was expected to carry out stakeholders' consultations in the preparation of the CDP. Details on such exercises have not been provided in the CDP. It is highly doubtful that whether these consultations were held and the views of people were taken into consideration before finalizing the CDP. The future vision of the city should have been developed through a participatory approach and stakeholder consultations.

3.2 Strategies for Development:

The CDP of Chandigarh has not touched the issues related to the strategies for development at all. Without having any strategies for development it would be very difficult to make the city investment plan.

3.3 Sector-wise Funding:

The information provided on "Investment required" for various services on pages 57 to 58, 63 to 65, 68 to 69 does not indicate the methodology behind it. It has been observed that there are many information gaps. Details of the required funding and strategies behind it should have been provided in the CDP. Prioritisation of the projects or the prioritisation of the service sectors should have been suggested in the CDP.

Sector-wise Funding Requirements of Chandigarh (2006 to 2011)

Chandigarh	Required Amount in Rs. Crore	% age of Total
Water Supply	162.31	64.39
Sewerage	46.38	18.40
Storm Water Drainage	27.00	10.71
Roads	1.62	0.64
Solid Waste Management	6.25	2.48
Other Infrastructure	8.50	3.37
Total	252.06	100.00

The above table gives details of sector-wise funding requirements and shows the main focus is on water supply, sewerage and storm water drainage and so on. However the detailed city investment plan (CIP) with break-up of its components for augmentation of water supply, sewerage and storm water drainage has not been given. This section does not provide adequate reasoning and background for working out of these sectoral funding, i.e., what kind of assumptions are made for estimation of financial requirements etc.

No plan is provided for reduction of non-revenue water and on bridging the gap between cost and recovery. The strategies for resource augmentation and impact of reform agenda at CMC level are not produced in the CDP.

3. City Investment Plan:

The CDP has provided only one table to explain the Investment Plan related to various service sectors. Page 80 gives “Investment Plan of Water supply, Sewerage, Storm water Drainage, Roads, other Infrastructure & Solid Waste Management”. Financial information together with physical and financial indicators etc. and methodology should have been provided in the CDP.

The financial operating plan (FOP) based on income and expenditure of the CMC has not been provided in the CDP. Without a complete FOP, it is quite difficult to come to any conclusion. Therefore, the CDP should present the complete financial operating plan.

4. Expected Improvements

1. In-depth analysis of the existing situation, covering the demographic, economic, financial, infrastructure, physical, environmental and institutional aspects.
2. Explanation of physical and financial inefficiencies in the provision of services at the city level.
3. Development of a perspective and a vision for the city combined with consultation with stakeholders and civil society.
4. Functional domain of the agencies involved in the provision of basic services in the city especially the problems related to the working of multiple agencies together such as overlapping functional domain etc.
5. Make appropriate population projections for JNNURM time period.
6. Strategies for resource augmentation at CMC level to reduce the dependency on state government’s grants and other transfers.
7. Sector wise financial analysis for the past five years giving financial constraints for the sectors related to water supply, sanitation, sewerage and drainage, solid waste management, roads, streetlight etc.
8. Status of urban poor in the city with respect to housing, coverage and level of services etc. Financial constraints for improving level of services of the urban poor.
9. Linking of goals and vision with the existing situation.
10. Detailed information on agency-wise strategies and capital investment plan.
11. Complete financial operating plan.
12. Prioritisation of projects with adequate reasoning.

Based on the initial submission of the CDP of Chandigarh, the comments above were communicated to the city officials. As is clear from the comments, the CDP required major revisions. The revised CDP was resubmitted to NIUA on 11 August 2006 and this version was again reviewed by NIUA. Our comments on the same along with the city’s response are given below.

1. The language needs to be improved upon. Several repetitions are observed in the CDP. The chapters and their contents need to be re-arranged.

CMC:

The language has been improved and the repetitions have been eliminated and the contents of the chapters have been rearranged. All such amendments has been incorporated in the modified CDP.

NIUA:

The Report is entirely reorganised as per the requirements and contents are much more relevant.

2. The maps giving an idea about the land use pattern and existing water supply network, sewerage, drainage, roads networks etc. should have been provided.

CMC:

The layout plans of existing water supply, sewerage, storm and road network has been attached in the modified CDP

NIUA:

These issues have been suitably addressed in the revised CDP.

3. Various small towns and villages under Chandigarh UT with population break-ups should have been provided.

CMC:

All the required information has been provided in the modified CDP. The population of the villages surrounding Union Territory is only 1/10th of total population of Chandigarh

NIUA:

These issues have been suitably addressed in the revised CDP.

4. The methodology used by the CDP for projection of population should have been provided.

CMC:

The population has been projected on the basis of percentage increase of last decade as per guidelines of manual of water supply

NIUA:

The straight-line method has been used for the population projections.

5. The CDP could not clearly explain the functioning of multiple agencies and the exact problems arising because of overlapping functional domains etc. Organisational structure of

these multiple agencies and functioning of line departments has also not been produced in the CDP. Tables on pages 42 and 47 should be extended for 18 functions of the 12th schedule.

CMC:

The operational area of the different agencies of UT such as Municipal Corporation, Engineering Department UT Chandigarh Housing Board etc. has been defined and the functions mentioned in the 12th schedule transferred to Corporation have been depicted in the CDP.

NIUA:

The status of 18 functions of the 12th Schedule is well explained and functioning of multiple agencies is provided with adequate details.

6. The CDP is more focused on water sector e.g. pages 134 to 196 has been devoted to water sector alone and less attention has been paid to other important sectors that has been covered from page 198 to page 219.

CMC:

Almost all the sectors have been covered in the CDP such as water supply, sewerage, storm water drainage, roads, elevated highway, transport etc. The details of the finances of the years 2001-02 to 2004-05 have been explained in the modified CDP

NIUA:

Repetitions are removed and details of other sectors are also included.

7. The chapter 4 on “Municipal Infrastructure” is mixed up with municipal finance issues. The city finances and municipal finance related issues should have been dealt separately. Moreover merely providing a few tables on municipal finances etc. does not solve the purpose of understanding the constraints related city finances.

CMC:

The necessary amendment has been incorporated in the modified CDP. The finances issues have been depicted separately.

NIUA:

Detailed analysis on this issue has been provided in the revised CDP.

8. Details of income-expenditure statement for Chandigarh Municipal Corporation and Chandigarh Administration have not been provided. Table on page 72 could not be understood and has created confusions.

CMC:

The details of the income and expenditure statements of Chandigarh administration and Municipal Corporation have now been clearly depicted in the modified CDP.

NIUA:

Detailed analysis on this issue has been provided in the revised CDP.

9. Explanations and details for Plan and Non-Plan expenditures should have been provided.
10. Tables on pages 72A to 108 should have been provided with clear explanations and its financial analysis and interpretations.
11. The CDP should provide the tax and non-tax base of CMC. The rate structure of tax and non-tax sources also needs to be provided in the CDP. Demand and collection ratios for individual taxes and charges should be provided.

CMC:

The plan expenditure consists of capital expenditure and non-plan expenditure consist of revenue expenditure. The details of finances provided in the tables have been amended and incorporated in the modified CDP. The modified CDP provides the information of taxable and non-taxable income of the Municipal Corporation.

NIUA: Detailed analysis on this issue has been provided in the revised CDP and a new chapter on “Finances of Chandigarh” has been included.

12. The financial operating plan (FOP) based on income and expenditure of the CMC has not been provided and without a complete FOP, it is quite difficult to understand its future financial implications. The CDP should include the complete financial operating plan explaining the base case scenario and investment scenario with appropriate assumptions.

CMC:

The details of the financial operative plans have been attached on the basis of income and expenditure of the corporation and it was clarified that the corporation and it was clarified that the municipals corporation , Chandigarh used to get grant from Chandigarh Administration because the functions transferred to the M.C. were earlier controlled by Chandigarh Administration . Necessary explanation has been provided in the modified CDP

NIUA:

Detailed analysis on this issue has been provided in the revised CDP and a new chapter on “Financial Operating Plan” has been included.

13. No specific details and estimates are provided in this section on the coverage and level of services in these slum areas. The financial planning for addressing the problems of slum dwellers has not been provided in the CDP.

CMC:

It has been elaborated in the CDP that even the slums in the Chandigarh are provided with the facilities of piped water supply through common stand posts and sulabh sauchalayas . Now the corporation has approved an estimate for providing 500 W.Cs. in the slum areas

with the cost of Rs. 60 lacs to eliminate the open defecation in the city Chandigarh and to make it free from open defecation.

NIUA:

Coverage details are incorporated.

14. Sections on Transport Strategy Plan and Elevated Highways have missed the link with earlier sections of the CDP and the purpose of providing these sections could not be understood.

CMC:

The financial requirement in respect of transport and elevated highway has been projected on the basis of traffic survey as there is lot congestion on the city roads particularly in transport chowk, Sector 26 which is connected with the National highway No. 21

NIUA:

Explanations are provided and it has been included in the revised Table on page 121.

NIUA: The CDP is now in accordance with the guidelines of the JNNURM Toolkit Number 2.