

Madhya Pradesh Urban Body
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Dismal cost recovery for the civic services

By section 86 of the Municipal Act, the Municipal bodies of Madhya Pradesh are empowered to raise loans for improving infrastructure and civic amenities. In the last few years, we witnessed growing acceptance and aggressiveness towards mobilizing of loans for meeting critical needs of the cities. However, these loans were mobilized mainly on the initiative of the State government in which the credibility of the state played greater role than the credibility of the Municipality.

Initially, Go-MP, in the name of the Urban Local Bodies, obtained loans from LIC, HUDCO and others for the execution of capital works prior to the transfer of the water supply schemes to the Municipal Corporation. These loans are being repaid by the Urban Administration and Development Department and the amount paid is deducted from the Octroi compensation due to the Municipal bodies. More recently, many of the bigger Municipal bodies of the state have taken loans from various agencies. ADB itself has provided loan worth 1000 crore to meet critical gaps in Water Supply, Waste Water Management, Solid Waste Management etc.

Whether the loan is justified from the perspectives of the ordinary citizens depends on the efficiency and effectiveness of their utilization by the Municipal Corporations and the state government. Acid rest would be definite increase in user satisfaction and improved cost recovery for the services. In this respect it is pertinent to examine the current fiscal management and carefully review the efficiency and effectiveness of work implemented through the loans.

The present situation, however, do not present an optimistic picture. Some 28 Urban Local Bodies in Madhya Pradesh have default payment of electricity-dues on the maintenance of water supply systems upon transfer from the PHED in 1996. The amount up to March 2001 was estimated at Rs.6,5810 lakh. Indore alone had defaulted on the payment of Rs 53060 lakhs; further, it failed to pay its current power dues of Rs 1876 lakhs. The current grim fiscal picture doesn't show promising fiscal management of Loan. However, Indore has a substantial loan from ADB to implement water supply scheme in the city. In a city like Gwalior, the total loan amount from ADB is about 112 crore. The per capita ADB loan amount is about Rs. 1000 in the city. This would be in addition to nearly Rs 40 lakh, already deducted from Octroi compensation, due to Gwalior Municipal Corporation for the loan mobilized from HUDCO and LIC. The meager funds of the Municipal Corporations are facing further cut in mandatory grants provided by the State Government.

The question arises about the actual preparedness of the Municipal bodies for the effective utilization of the loans. What steps are being ensured at the level of the Municipal Corporation, both at administrative level and at the level of elected representatives?

The National Water Policy also calls for a paradigm shift in the emphasis of water resources management from the creation of new water systems to proper management and maintenance of existing water systems. But a little investigation exposes the reality behind the apparent readiness to change.

Let us start with minimization of the water wastage that represents the accumulation of leakages from various stand-posts, illegal connections, and other forms as part of non revenue. It ranges from 40 to 60 percent for different cities, but there seems to be little headway in the last five years for the issue. Even after several loans and consequent octroi deduction, the Municipal Corporations in Madhya Pradesh do not even maintain water production and supply data despite four years of initiation of ADB. Water losses from bulk water meters are still unchecked. There is no domestic consumer water metering, which alone leaves flattening slabs for increased consumption. Further all Municipal Councils have repeatedly turned down all initiatives to increase the water tax which is currently as low as Rs. 60 to 80 a month.

The critical gap between administration and elected representatives are even more apparent now, than ever before. There is evident dissatisfaction from elected Councilors in all the cities that they have been kept out of designing and implementation of crucial ADB loan program. There are allegations from them that designs have not taken micro topographic features into account. The prevalent resentment is that the design engineers have made very little field trips and not bothered to consult the local elected representatives who could have given some handy practical insights.

The opposition towards the functioning of the implementation unit is quite vocal though differing from city to city. There are widespread rumors that the widely laid water supply and sewerage networks might not work efficiently after testing. By that time it would be too late. The media is abuzz with news of the Municipal council's discomfort with both the progress of work and quality of work. The fact is that the general Council in Gwalior lost the proposal of instituting a CBI enquiry for work going on under ADB loan only by a single vote. The dissatisfaction among the local representatives is widely prevalent.

If designs are not efficient, satisfaction and energy efficiency will also be low, further increasing the chances of higher cost, lower cost efficiency and poor cost recovery. Both the general Council and MIC have expressed concerns that if work is not undertaken strategically and economically, the loan may totally suck the resources of the Corporation.

The progress of the projects is too slow and cost is escalating with every passing month. The capital costs are going up. Of the fifteen overhead tanks to be completed in

Gwalior, the physical progress in construction ranges from 5 to 20 percent far below the projections for the targeted time period. Only two to three packages of the total 12 packages have been physically completed. Further, the completed packages too have not been operationalized. Few of the packages being implemented have revised the estimates twice which have nearly doubled in cost. Obviously the overrun cost will raise the repayment installments.

Tax collection has been poor and financial mismanagement is high in our Municipal bodies. Steps taken by Municipal Corporation in building strong MIS, citizen education and consensus building among local elected representatives will also be critical in determining improved recovery of the user charges. Unfortunately it still looks there is a long way to go. The engineers and administration do not consult the elected representatives who in turn do not care much about an ordinary citizen. In turn the citizens do not care about the costs it makes to the corporation. This vicious circle of indifference has already caused a lot of harm to the Corporation.

Further, the success of the loans will depend on convergence and integration with other infrastructure development program like JNNURM that is also being implemented in the same cities. Proactive measures of zonal offices and integration at higher level is critical to minimize the wastage of funds. However in the Municipal Corporation, the system of integration is not well established. For example, it is being physically monitored on individual basis that water pipelines under ADB loan should be laid before work starts on a road being constructed from a HUDCO loan. However, such piece by piece monitoring will fail the projected output into practice.

Most of the Councilors in all the four intervened cities cited that many C.C roads constructed by the funds were now being dug open to lay the pipelines. The funds and efforts of the Councilors have gone waste.

Therefore, both the Corporation and the state government can only keep their fingers crossed on recovery of loan through additional user charges. The project is half way through. However there is still hope and scope for mid term correction. The ball lies in the court of Municipal Corporation and Urban Administration Department to make or break the situation.

Where to go when my mother is busy looking after your house and your baby?

Sumit, Vena, Neha and Mohan - all little older than three years, traverse the lanes of BansKhedi Jhuggi Basti in Ward 48 of the capital city, sometimes can be seen watching the intense fights following a dispute in a gamble, other times they can be seen chasing a pig or a motorcycle. Vena has also had an accident and she was ruthlessly sent back home by the *Anganwadi* Worker when she was crying in the *Anganwadi* Centre.

They are not the only ones. There are several like them who are left at their own as their mothers go to work as domestic helpers. Nearly all young slum children spend their time

in extremely unsafe surroundings only because most *Anganwadi* Centres have failed to provide a minimum protection to the poor children of Bhopal. Most Centres of Bhopal operate from rented verandahs and do not even have a proper room. The dingy, filthy, small and congested spaces are a challenge for any *Anganwadi* worker to seat fifty or sixty children. Though it remains a hard-core fact that the Workers are also hardly interested in making them sit and get internally dedicated for the same.

It is common across the slums of the Capital for *Anganwadis* to remain open for only two to three hours though provisionary the period may be different. The Workers are frequently absent and spend their time in making entries in the various registers instead of concentrating on the children. In most cases the entries are blatant lies, known to all concerned, but it keeps the department contented. Yet, everybody squarely blames the community for not sending the children to Centres.

Irrespective of all the records maintained by the department, it is a well known fact that attendance at Centre through out the Capital city is extremely poor. As per a spot survey of twenty *Anganwadis* in central Bhopal, the children present in the centres varied from ten to not more than eighteen. Though approximately forty percent mothers claimed to be collecting the food supplements more or less regularly, they did not send their children and only went themselves to collect that. Moreover most of them collect the food only on attractive days such as when *Sweet Halwa* was served. Nobody wanted to consider the daily role of *panjiree* forced on small children. Obviously, the loyal attendants of the centers are fewer so all what finally they do is, collect the uninteresting food in uninteresting environment.

Mothers complain about the lack of seating arrangements, the ill-treatment of children by the worker, the wrong timing of the Centre, the lack of facilities and the quality of food supply. These were some of the reasons they preferred giving stale food to the children rather than send them to Centres. Yet, almost all mothers cited that they desperately needed the *Anganwadis* for providing a minimum four hours day care and bare food. Many women offered a solution in the form of decentralized management of Centres with mothers group or say locally provisioned under ICDS *Matrisahyogini Samiti* (though such *Samities* are no where made or even if made they exist just in register of the Worker). The need is to take the local community in consultation with the department and prioritize the requirement and then encourage them run their own centers on mutually agreed norms.

Endless wait brings no response for the BPL Survey

It is almost the time for the next BPL survey even though the previous survey results are yet to be settled. For example, *Mogra bi* who filed an appeal for a BPL survey in January 2008 has not been surveyed in the last one year. Similarly *Yashoda Bai* of *Bapu Nagar* also filed the same application in the same month but is still waiting for the survey. *Munni Begum* of *Arif Nagar* filed an appeal for the same on 7th July 2008. She was exceptionally lucky to get a receipt of the same. However, little did she know that it would not ensure a survey and she is still waiting for the survey team. *Anjali Bai* of *Azad*

Nagar applied in April 2007. She has given up hope of the survey. Some of the applicants believe that their applications must have been lost as there was no survey in the past. None of the applicant has ever been provided with a receipt or registration number. A miniscule number is registered in the register and among these a lucky few is chosen for response.

It is estimated that at least one hundred fifty applicants make appeals for their inclusion into the BPL list every day in the office of District Urban Development Authority of the Collectorate. However very few of these applications are recorded in the registers maintained for the purpose. When one inquires about the processing of the applications one gets the rude answer that their application would join the already existing piles in different areas of the Office. According to clerical staff of the Office, around 1 lakh applications have been accumulated for the last one year and a half. Each of the applicants, even if one is not eligible for the BPL list, is still poor and spends 100 to 200 rupees in making these appeals. These poor applicants forgo wages, spend money and bear harsh remarks in order to get cheaper ration from the PDS shops.

As per a government report on the poor in the slums of Bhopal by the ADB funded project, about 15 to 25% are intermediate poor who are just below the poverty line while 15 to 20% are transitional poor who fluctuate between the below poverty line and above poverty line, depending on the circumstances, it's only 3% who are core poor falling much below the poverty line and living in chronic poverty.

Complex governance in our Cities

Under Article 243W of the Constitution, the ULBs have full mandate to prepare Municipal development plans. The law implies that these are final and actionable plans. When such plans (along with PRI plans) get consolidated at the DPC level, then it becomes a draft plan for the district. The interpretation is that such a process renders the bottom-up approach (from the ULBs & PRIs) open to another higher level examination

The state government has not endowed the Corporations with the function under the former Article, but has endowed the Municipal bodies under the latter Article with the functions mentioned below. It should be noted however that these functions have been included in the discretionary list of functions of the local bodies:

- urban planning including town planning;
- regulation of land use and construction of buildings;
- planning for economic and social development;
- urban forestry, protection of the environment and promotion of ecological aspects

Yet things are not as simple and clear as they appear. If we count the number of actors that play a role in the planning and Infrastructure development of the Ward in Bhopal city, it would be a tiring effort. For example, the roads are constructed by PWD, CPA,

Housing Board, Bhopal Development Authority, Municipal Corporation and national/State Highway Corporation as the case may be. It is not only the case of roads infact even the parks, plantations; small shopping complex areas are also been developed by several agencies.

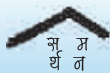
The cobweb of these agencies can fail any sane citizen and confuse anyone endlessly. An attempt to hold any one accountable for the condition of particular area-road or park may be very frustrating and futile. There is extremely poor division of role and co-ordination among these departments. Further, worse there is hardly any mechanism to identify the particular authority, which could have executed a construction or was supposed to do so. It is, therefore, an eternal puzzle for the citizen on whom to approach if a particular road needs widening or there is requirement of plantation work in an area.

Thus it is clear that there is complex interplay of landownership between the Municipal Corporation and several para-statal agencies. Therefore, for a simple and necessary infrastructure development like hawker Zone, or a public utility say urinal or toilet, the Municipal Corporation may never be able to release land from several para-statal agencies that might have the ownership of the land in question. For instance the land adjoining a *nullah* may be owned by the BMC, while the next piece of land may be owned by Housing board, and the next by CPA. It would be a mighty test of patience for even a government department to negotiate with these various departments to release a piece of land for small civic amenity..

The final blow is that more than one agency may be charging maintenance tax from the residents and one rarely knows whom to approach if the things do not fall in place.

The Act to constitute District Planning Committees (DPC) in the State was enacted in 1995 as a compliance measure to the 74th Constitutional Amendment Act. The main function of the DPC, as per the Constitution, is to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan (DDP) for the district as a whole. However, the DPC plans are mere compilation of departmental plans, definitely not emerging from the need of the community.

Now if citizens want a middle school to be upgraded to secondary school, have footpath repaired or do plantation in a park, it is a challenge, simply because there is no systematic mechanism to address the community aspiration in our planning process.



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Engaging people in governance

Samarthan is a voluntary organization working on the issue of local governance in Madhya Pradesh and Chhattisgarh for the last 11 years