

**CAPACITY
ENHANCEMENT NEEDS
ASSESSMENT (CENA)
Urban Sector Capacity
Assessment Report
Vol –I**

FINAL REPORT

Submitted To
Gujarat Urban Development Company (GUDC)

Submitted By
Urban Management Centre (UMC)



In association with
**International City/County Management
Association (ICMA)**

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PREFACE

Normally capacity building is taken as akin to training and equipping human resources with requisite knowledge, skills, attitudes and technology.

The entire CENA study comprises of **three Volumes**. **Volume I** presents **Urban Sector Capacity Assessment Report** and **Volume II** contains **Institution Specific Assessment Report** and Volume III contains **As Is Analysis of Capacity Interventions and Resources committed and needed by the Government** along with annexure.

The CENA team has taken a broad view of the “urban sector capacity” and divided it in to two main aspects of

Overall institutional capacity of the state urban sector- broken down in to seven different dimensions of legal and statutory, institutional, human resource management, financial management, citizen centric governance and systems. Human capacity is treated separately in volume-3 as that has been one of the major focus of CENA.

Human capacity - All aspects pertaining to individual capacity will be covered in the stage 3 As is Analysis of Capacity Interventions and Resources committed by the Government and needed by the urban sector.

Institution Specific Assessment Report (Volume 2) deals with the assessment of three Municipal Corporation, seven Municipalities and five para-statal bodies in terms of their institutional capacity and human capacity along with environmental and social analysis.

As Is Analysis of Capacity Interventions and Resources committed by the Government and needed by the urban sector Report (Volume 3) deals with human capacity assessment based on the determinants like knowledge, skills and attitudes, along with training and development, which are the two key strategies to raise/change human capacity. The study has developed training and capacity building plan based on the conclusion of the situation analysis and qualitative feedback.

The CENA team has integrated the relevant findings of the CADS studies to the extent information made available by other consultants and other state level studies like the GUPSUS, and also incorporated the comments from GUDC and World Bank. The CENA team believes that the study can be further progressively developed.

The term Urban Local Bodies (ULBs) in the report has been used to include Municipal Corporations, Municipalities and urban sector State Level Institutions.

EXECUTIVE SUMMARY

This is a comprehensive Executive summary for all the three volumes of the CENA study.

The World Bank has facilitated Government of Gujarat with an urban sector development loan and Government of Gujarat has assigned Gujarat Urban Development Company (GUDC), a nodal agency to put efforts in project preparation. Urban Management Centre (ICMA South Asia) is selected to undertake the Capacity Enhancement and Needs Assessment study for GUDC. In the context of overall state level reforms as proposed under the Gujarat Urban Reforms Project (GURP) being undertaken by the Urban Development and Housing Department, the study aims to frame a mechanism leading towards ‘Institutionalizing the capacity building’ process. The overall goal of the GURP would be to improve the level, quality and sustainability of Urban Areas, with a focus on upgradation of Civic infrastructure, enhancement of civic services and their delivery, citizen participation in urban processes.

Urban Management Centre (UMC) team carried the study by visiting fifteen institutions like three Municipal Corporations - Bhavnagar, Jamnagar, Junagadh, seven Municipalities - Patan, Veraval-Patan, Anand, Vadnagar, Gandhidham, Bharuch, Surendranagar and five state level institutions like GUDC, Directorate of Municipalities, GMFB, TP&VD, and City Survey and by conducting series of open ended and semi structured interviews, group discussions and focus group discussions, SWOT analysis workshops, diagnostic tools of self assessment, secondary survey of training institutions etc. The target groups comprised all urban stakeholders including elected officials, commissioner and other officials in charge for training, environment and social aspects, departmental heads and training providers etc.

The team has broadly divided the urban sector capacity into two main aspects – Overall institutional capacity for the state urban sector and Human capacity which is summarized as:

- Legal and statutory,
- Overall institutional
- Human resource management
- Financial management
- Citizen’s centric governance
- Systems and practices
- Human Capacity

Capacity is the ability to achieve desired results. Capacity building is taken as akin to training and equipping human resources with requisite knowledge, skills, attitudes and technology

The ability of institutions to perform is a complex networks and interrelationships of statutes and laws, policies, institutional structures, strategies, systems, infrastructure and human resources.

Determinants of human capacity comprise:

- Knowledge- Relevant and broad based as well as specific updated information to carry out the defined functions at defined standards of effectiveness and efficiency
- Skills- Specific exposures and experiences as well as adequate practice to enable people to put knowledge in to day to day workings
- Attitudes- Thought processes within and patterns of reacting to external and other human processes stimulus, motivational levels etc.

1. Legal and statutory capacity:

At the apex level prevailing laws and statutes define the limiting capacity of the state urban sector. This is in a way enabling capacity in the sense that it enables/restricts other capacities of the sector. The strategies comprise:

- Integrating the existing municipal laws in force in Gujarat State
- Defining and describing the distinctive and separate functions and corresponding powers of deliberative and executive wings of an ULB
- Formation of District Planning Committee and Metropolitan Planning Committee as per the 74th Amendment of the Constitution
- Formation of Ward Committees in every Municipal Corporation to ensure greater decentralization in the functioning of the Corporation.
- Making ULBs responsible for performing certain critical functions mentioned in the Twelfth Schedule as obligatory functions especially planning for economic and social development; urban forestry, protection of the environment, promotion of ecological aspects, slum improvement and urban poverty alleviation..

2. Institutional capacity:

Institutional capacity is the capacity of the institutional structures and their inter relationships to deliver. It is dependent upon the role of institutions, the way interlinkages are defined and practiced and the way organizations structures are defined. The four major suggestions which merge here comprise of:

- Strengthening urban sector with creation of a strong operation management, coordination and Monitoring & Evaluation body by upgrading existing Directorate of Municipalities to Commissionerate of Municipal Administration (CMA). It is also suggested to define functional role of CMA & GMFB, develop organization structure of CMA, develop staffing criteria and reporting linkages, estimating additional costs and budget estimates and modifying relevant statues and laws.
- Creating an independent Regulatory Authority for determining user charges of ULBs by defining ambit of the authority, making appropriate legal provisions, developing functional organization structure, determining staffing needs, defining tenure, estimating budget and costs and establishing operational and communicating linkages.

- Redefining organization structures, human resource estimation and creating appropriate subordinate structures in ULBs with detailed job descriptions, specifications, and authority and responsibility delegations.
- Creating common identities of ULBs through provision of minimal standard operational infrastructure and operating characteristics etc. like reception, clear location directions, restricted work areas, appropriate signage's for officers with colourful ambience and adequate lighting, uniformity in dress code, hygienic facilities like drinking water tanks, toilets, adequate storage space and adequate public visit areas.

3. Human resources Management capacity:

The capacity of the human resources management function is to manage optimally human resource.

Capacity in terms of human resources management would include:

- Human resource planning and management including job descriptions and specifications, performance appraisals and job change rules.
- Creation of an urban cadre

The function comprises of:

- Human resource planning and estimation needs to be assessed across entire staff and develop strategies like outsourcing knowledge and business process, PPP, intradepartmental transfers, promotions, hiring, recruitments, training, voluntary retirement schemes and community management and contributions should be included.
- Specifying job descriptions and specifications by carrying out detailed organization structuring analysis.
- Selection and Recruitment by creating state urban cadre (accounts and audit, public health, engineering).
- Training and development
- Administration- Transfer, promotions, increments, suspensions, terminations, retirement
- Motivation - performance appraisals, incentives – tangible and intangible are required to be enhanced by creating strategies like human investments in improvements, merit based rewards in terms of performance, transfers, promotions, contract employment based on skills, increment, develop reward strategy , and debt securitization and formation of SPV.
- Creation of an Urban Cadre needs to address the issues like significant political pressure, long delays, lack of scientific job description and restricted types of employment contracts in ULBs. There is a need to establish State Municipal Services to attract better qualified person, pay scales and other conditioned services approved for state services will be comparatively better, and have hierarchy, recruitment of officers into State Municipal Services by the GPSC through fair and open competitive process, transferring of the state services officers based on their practical experience.

4. Financial management capacity:

Financial management capacity is the way resources are deployed and utilized in the sector.

The major recommendations here include:

- Debt restructuring and relief for enhancing credit worthiness of ULBs
- Debt securitization and outstanding collection unbundling through SPV route.
- Creation of a fund at CMA level for strengthening internal infrastructure of municipalities Independent regulatory authority for user charges and audit matters of ULBs
- Creating independent Regulatory Authority for determining user charges and audit matters related to ULBs.
- Escrow accounts and BOT contracts and the role of GUDC – it is recommended to enter into BOT tripartite contracts with contractors and ULBs with specific role and responsibilities for assets handover, accounting and transferring the assets to ULBs and create escrow account to ensure adequacy of funds for O&M of the infrastructure. Also strengthen the role of GUDC by reorganizing it, creating technical support cell, managing funds, preparing Standard Operating Procedures (SOP) and creating external local human technical resources for ULBs.
- Creation of an Urban Training Institute as a SPV (Special Purpose Vehicle) with GUDC with the contribution by Government of Gujarat through GUDC, private sector to deliver training and capacity building in urban sector.
- Devolution of powers to ULBs for deciding taxes within a prescribed range by proposed CMA which will reduce the procedures and time gaps in implementing changes.

5. Citizen centric governance capacity

This is the capacity of the urban sector to provide and enhance citizen centric governance as enshrined in the 74th Constitutional amendment.

Three key elements of the citizen governance comprise:

- Citizen engagement
- Performance measurement and scrutiny by citizens
- Implementation with citizen participation.

Gujarat Government has implemented several measures towards making cities vibrant and offering better standard of living and enhancing Citizen centric governance.

These include:

- E-governance
- Help-lines by some ULBs
- Grievance handling cells
- Development of citizen charter by all ULBs and government departments
- Citizen service centers

- Public private partnership as a means of accelerating urban development and bringing in higher transparency
- Outsourcing and involvement of NGOs and CBOs

The CENA Team proposes a broader citizens involvement process as is highlighted:

- Involving citizens in the process of governance through citizen committees and citizen boards and corporate citizen governance – enabling citizens to discharge their roles effectively;
- Enhancing citizens’ understanding, knowledge and ability to analyse and appreciate policy level issues, implementation process and performance data.
- Providing citizens with access to information and enabling them to interpret and use such information;
- Facilitating participation of citizens in policy-making, planning, budgeting, appraisal, etc. and improving service delivery;
- Preparing, implementing, monitoring and evaluating citizen’s charters and citizen report cards; establishing citizen-friendly mechanisms and devices to bring citizen’s charters to life and win citizen confidence;
- Tracking corruption and campaigning against corruption;
- Establishing and successfully operating an effective grievances redressal system;
- Monitoring performance of public programmes, functions and functionaries;
- Establishing people’s feedback mechanisms for good governance;
- Enabling people to use information technology tools such as online MIS and avail facilities like online provision of public services (e-Seva).

6. System capacity

Systems are representative procedures of repetitive work. This capacity determines the efficiency and cost effectiveness of approaches and continuity and consistency with cost effectiveness.

The systems were considered along with their key elements and comprised of:

- Procurement management (goods, services, people, works)
- Project management
- Maintenance management
- Quality assurance
- Contract management
- Human resource management
- Public dealing and grievance handling
- Media management/PR management
- Regulatory and legal
- Structure
- Technology platforms used-hardware and software
- Deployed and their extent of usage in day to day working
- Human resource
- Financial resources and management
- Social/environment integration
- ULB in-house Infrastructure

It is recommended that GUDC (proposed technical support cell in GUDC) facilitates ULBs in developing, training and implementing systems in ULBs through outsourcing route.

The key suggestions here comprise of:

- Carrying out a rapid system analysis of selected ULBs
- Inventorying all records, formats, procedures from ULBs
- Developing standard operating procedures (SOPS) for all systems as identified in the table with all its elements
- Identifying training and capacity building needs of ULBs for implementing systems and SOPS
- Developing training plans and implementing them
- Disseminating SOPS

CENA recommends that this effort should be initiated as part of GUDP project.

Institution Specific Assessment deals with the assessment of three Municipal Corporation, seven Municipalities and five para-statal bodies in terms of their institutional capacity and human capacity along with environmental and social analysis.

	MUNICIPAL CORPORATIONS		
	BHAVNAGAR	JUNAGADH	JAMNAGAR
Structure			
Role / Job description			
Clarity of functions/roles/tasks of each person	Class III has a lopsided preponderance of staff (42%). Class I staff is 24% leading to the perception of being over-burdened. The organizational structure is well-defined. No Civic centre	Recent shifting to new building with ample space but not sufficient furniture Corporation of recent origin; with insufficient staffing, not able to cope with work.	Overall, the staff is young. Many HODs have multiple charge Inter-departmental coordination is good. No civic center
Authority and responsibilities, delegation of powers	Statutory ward committees not set up	Statutory ward committees not set up	Statutory ward committees not set up
Filling positions with relevant specification holders		Staff total 57; 2 Class I officers; insufficient staff & equipments/hardware	Staff totals 947; 23 Class I Officers, 27 Class II officers.
% of vacant positions			
% of post (gender variation)			
Proportion of Deputed Staff			
Proportion of Contractual/ Permanent Staff			
Last recruitment of Class I & II officers			
Systems and Practices			
Procurement Management			
Procurement management (goods, services, people, works)	The procurement process is systematic, transparent under various	The procurement process is systematic, transparent under	The procurement processes work well. From management point of view

	steps of committees. However, no SoM or SoPs	various steps of committees. However, no SoM or SoPs	however, it is not systematic, - no SoM or SoPs
Project preparation/DPR (detailed planning reports)			Revision of organizational set up pending
Technical specifications and standards /code of practices			
BOQs/cost estimation/SORs			
ICB (International contract bidding)/Local Contract Bidding (LCB)/local shopping/short tender notices procedures			
EOI and evaluation plan			
Bid and evaluation plan preparation			
Dealing with bidders and presentations			
Adjudication			
Financial Resources and Management			
Project management			
Project planning (use of tools and techniques)	This has been rated as poor – lack of systems	Poor – no systems	This is poor with no Office manuals with tools and techniques
Project monitoring (frequency, depth, reporting and corrective actions)	Accounting reform dropped after the first WB supported effort; Property tax reform in progress	Submitted a dummy opening balance sheet as per C&AG norms (double entry system); however, no uniform approach to corporations taken up by the government and hence the system remains isolated; property tax reform is not undertaken	Submitted a dummy opening balance sheet as per C&AG norms (double entry system); however, no uniform approach to corporations taken up by the government and hence the system remains isolated.
Project evaluations			
Baseline/mid term/end line			

Joint monitoring and reviews			
Methodologies for evaluations (E.g. Result Based Management Framework etc.)			
MIS and reporting			
Maintenance Management			
Predictive/preventive/break down maintenance planning	More predictive type and ad hoc	More predictive and ad-hoc	More predictive and ad-hoc
O and M plan			
Maintenance scheduling and monitoring			
Stores, inventory and spares management			
Quality assurance			
Specifications and test definitions			
Quality assurance plan preparation	Citizens' Charter publicized; no Q/A, Q/C plans	Citizens' Charter publicized; no Q/A, Q/C or reporting plans	Citizens' Charter publicized; no Q/A, Q/C or reporting plans
Field quality supervision			
Quality reporting			
Citizen charter			
Contract management			
Newer forms of contracting (BOOT, BOT, service contracts, management contracts etc.)	This function is administered well including privatization of city transportation.	This function is administered without SOPs/manuals	This function is administered well including privatization of city transportation.
Standard conditions of contract			
Payment structuring and payouts			
Contract administration and documentation			
Defect liabilities, performance guarantees etc.			
Human resource management			

Recruitment policies and procedures	No HRD department; Outdated systems; lack of skilled manpower at supervisory level and above; lack of clarity of roles/job descriptions; no clear-cut promotion policy; no performance appraisal system	No HRD Department; staff paid less salaries; performance appraisal not linked;	No HRD department; Outdated systems; deficiency of skilled manpower; some supervisory positions lying vacant; lack of clarity of roles/job descriptions; no clear-cut promotion policy; no performance appraisal system
Transfer/promotion policies			
Incentives and rewards			Staff laid back, not motivated lacking a sense of responsibility
Performance appraisal system and performance indices			
Development of human resources through well defined structured and timely inputs and interventions including Training and Capacity Development	Lack of proper budget allocation for training and capacity building; no organized administrative structure for the same	Lack of proper budget allocation for training and capacity building; no organized administrative structure for the same	Lack of proper budget allocation for training and capacity building; no organized administrative structure for the same
Charge handover procedures (things initiated, on stream etc.)	There is a lack of skilled staff and training inputs are absent barring Karmayogi program	Insufficient, unskilled staff; efficiency at stake	
Work manuals/standard operating procedures/ work procedures			
Public dealing and grievance handling			
Proactive, periodic and adequate disclosures	Complaint Cell in PR department; redressal is not pro-active, on-line and no accountability standards	One civic centre opened with a single-window system for taxes, birth/death certificates and some other functions	Manual complaint redressal system; time consuming with no accountability
Regular public communication			
Media management/PR management/Image building	No Civic centre		No civic center
Internal Infrastructure			
Office Space	The office building is a heritage	Spacious but insufficient furniture	Housed in a new building since 2001,

	structure. With exceptions of VIPs, the general ambience is not conducive to work with partitioned cabins etc furniture barely adequate	and facilitated; insufficient hardware	after earthquake; working ambience; only 23 Class I and 27 Class II employees against approximately 900 lower class staff
Office furniture and fixtures			
Hardware & Software (Computer and peripherals facilities)	Main sources of income/heads are computerized; 45 important departments are connected through LAN; connected to GSWAN		E-Governance in place only partially
Ambience - Facilities like Drinking water / Toilet			
Human Resource			
Needs	Skilled staff required; present staff is low on knowledge and attitudes	Skilled staff required; present staff is low on knowledge and attitudes	Skilled staff required; present staff is low on knowledge and attitudes
Qualities - skills, knowledge, attitude, motivation			
	No clarity of functions/roles/tasks	No clarity of functions/roles/tasks	No clarity of functions/roles/tasks

	MUNICIPALITIES						
Structure	Patan	Veraval-Patan	Anand	Vadnagar	Gandhidham	Bharuch	Surendranagar
Role / Job description	Old building but in good condition, of colonial design	Impressive entrance and good office building but interiors ruin the ambience	Old building; poor ambience; no civic center; income surplus over expenditure	Very poor building – uses its own town hall; extremely poor facilities; staff still in panchayat mode from which it was upgraded to Class C Municipality; distortion in pay packages	New building; furnishing okay; no clarity of roles and job description; 13 COs in past decade; current CO on deputation; no Class I officers Sanctioned strength not fulfilled; former CO is presently the Internal Auditor, Office Sptdt as well as Registrar	Old office but in good condition;	Poor office conditions; crowded with no work ambience; CO life cycle short; current CO on deputation from Revenue dept; assisted by retired ex-staff member as a volunteer
Clarity of functions/roles/tasks of each person	112 staff positions vacant that includes OS, Accountant, Auditor and two engineers	No qualified engineers	One OS looks after 16 HoDs; No Class I Officer; 177 Class II and 228 Class III; Establishment costs consistently below the norm	A retired ex-staff member volunteers as OS; no clarity of functions/tasks; everything is 'team-work'	Poor finances as property tax @ 48%		
Authority and responsibilities,	Large Class IV staff			100 permanent staff; majority in	Too many stakeholders in		

delegation of powers				Class IV; no Class I officer; 45 daily wagers	KPT, SRCL, Railways etc competing with municipal authority		
Filling positions with relevant specification holders	Statutory Ward Committees not constituted	Statutory Ward Committees not constituted	Statutory Ward Committees not constituted	Statutory Ward Committees not constituted	Statutory Ward Committees not constituted	Statutory Ward Committees not constituted	Statutory Ward Committees not constituted
% of vacant positions							
% of post (gender variation)							
Proportion of Deputed Staff							
Proportion of Contractual/ Permanent Staff							
Last recruitment of Class I & II officers		No recruitments since 1987.					
Systems and Practices							
Procurement Management							
Procurement management (goods, services, people, works)							
Project preparation/DPR (detailed planning reports)	Procurement system working; however no Office Manual or SoMs	Procurement system working; however no Office Manual or SoMs	Procurement system working very well; however no Office Manual or SoMs	Procurement system working; however no Office Manual or SoMs	Procurement system working; however no Office Manual or SoMs	Procurement system working; however no Office Manual or SoMs	Procurement system working; however no Office Manual or SoMs

BOQs/cost estimation/SORs							
ICB (International contract bidding)/Local Contract Bidding (LCB)/local shopping/short tender notices procedures							
EOI and evaluation plan							
Bid and evaluation plan preparation							
Dealing with bidders and presentations							
Adjudication							
Financial Resources and Management							
Project management							
Project planning (use of tools and techniques)	Predictive; no systems	Predictive; no systems	Predictive; no systems	Predictive; no systems	Predictive; no systems	Predictive; no systems	Predictive; no systems
Project monitoring (frequency, depth, reporting and corrective actions)						Implementation & commissioning of PPP Projects perceived a strength	
Project evaluations	Accounting Reform on way to completion; fixed assets not valued yet;	Accounting Reform on way to completion; fixed assets not valued	Accounting Reform on way to completion; fixed assets not valued	Accounting Reform on way to completion; fixed assets not	Accounting Reform on way to completion; fixed assets not	Accounting Reform on way to completion; fixed assets not	Accounting Reform on way to completion; fixed assets not valued

	Property tax reform under process; both under state driven programs	yet; Property tax reform under process; both under state driven programs; heavily in debt	yet; Property tax reform under process; both under state driven programs	valued yet; Property tax reform under process; both under state driven programs	valued yet; Property tax reform under process; both under state driven programs	valued yet; Property tax reform under process; both under state driven programs	yet; Property tax reform under process; both under state driven programs
Baseline/mid term/end line							
Joint monitoring and reviews							
Methodologies for evaluations (E.g. Result Based Management Framework etc.)							
MIS and reporting							
Maintenance Management							
Predictive/preventive/break down maintenance planning							
O and M plan							
Maintenance scheduling and monitoring							
Stores, inventory and spares management							
Quality assurance							
Specifications and test definitions							
Quality assurance plan preparation	Q/A/Q/C systems absent	Q/A/Q/C systems absent	Q/A/Q/C systems absent	Q/A/Q/C systems absent	Q/A/Q/C systems absent	Q/A/Q/C systems absent	Q/A/Q/C systems absent
Field quality	Citizens' Charter in	Citizens' Charter in	Citizens' Charter in	Citizens' Charter	Citizens' Charter	Citizens' Charter	Citizens' Charter in

supervision	place	place	place	in place	in place	in place	place
Quality reporting							
Citizen charter							
Contract management							
Newer forms of contracting (BOOT, BOT, service contracts, management contracts etc.)	None	Ad-hoc	System functioning without any manuals	System functioning without any manuals; ad hoc	System functioning without any manuals; ad hoc	System functioning without any manuals; ad hoc	System functioning without any manuals; ad hoc
Standard conditions of contract							
Payment structuring and payouts							
Contract administration and documentation							
Defect liabilities, performance guarantees etc.							
Human Resource Management							
Recruitment policies and procedures	CR regular; late salaries; no promotion policy/appraisal	Unqualified and sometimes illiterate staff; no incentives or benefits; no hiring/promotion policy; 10 months' salaries pending	Progressive staff amenable to training.	Unskilled, untrained staff with no motivation and plenty of grievances; no promotions	On the job training; shortage of skilled staff only one (diploma) engineer as HoD; no promotions; untrained; no promotions; lack of inter-departmental coordination	Unskilled, untrained staff with no motivation and plenty of grievances; no promotions; Inter-departmental relationship poor	Unskilled, untrained staff with no motivation and plenty of grievances; no promotions; some departments understaffed Inter-departmental relationship poor

Transfer/promotion policies							
Incentives and rewards							
Performance appraisal system and performance indices							
Development of human resources through well defined structured and timely inputs and interventions including Training and Capacity Development	No administrative infrastructure for training; no participation in training; no budgets	No administrative infrastructure for training; no participation in training; no budgets	No administrative infrastructure for training; lack of participation in training; no budgets	No administrative infrastructure for training; no participation in training; no budgets	No administrative infrastructure for training; no participation in training; no budgets	No administrative infrastructure for training; no participation in training; no budgets	No administrative infrastructure for training; no participation in training; no budgets
Charge handover procedures (things initiated, on stream etc.)							
Work manuals/standard operating procedures/ work procedures							
Public dealing and grievance handling							
Proactive, periodic and adequate disclosures	No civic centre; manual redressal system	No civic centre; manual redressal system	No civic centre; manual redressal system	No civic centre; manual redressal system	No civic centre; manual redressal system	No civic centre; manual redressal system	No civic centre; manual redressal system
Regular public communication	Little IEC activity	No IEC activity	Occasional IEC activity particularly at the time of epidemics	No IEC activity	Hardly any IEC activity		
Media							

management/PR management/Image building							
Internal Infrastructure							
Office Space	Reasonable ambience and facilities	Poor facilities and equipment status					
Office furniture and fixtures							
Hardware & Software (Computer and peripherals facilities)	8 computers, lack of sufficient hardware and inter-connectivity	Hardware status very poor; e- governance incomplete	Award winning e- governance; however, lack of available and accessible technology is still a felt need.	7 computers, 3 printers not connected; e- governance incomplete	Enough computers but no interconnectivity ; e-governance incomplete	4 computers but no interconnectivity ; no internet access; e- governance incomplete	Enough hardware; staff not amenable to computer training; e- governance incomplete
Ambience - Facilities like Drinking water / Toilet							
Human Resource							
Needs	Training demanded; Engineering staff required; so also Accountant						
Qualities - skills, knowledge, attitudes, motivation	Poor status of knowledge, attitudes and skills						

	STATE LEVEL INSTITUTIONS				
	GUDC	D o M	GMFB	TP & VD	City Survey
Structure					
Role / Job description					
Clarity of functions/roles/tasks of each person	History of frequent changes in leadership – otherwise backed by a strong leadership	Frequency of change in leadership; current DoM in multiple charge; paucity of office infrastructure; weak M&E; emaciated organisation	New Building, well furnished with good ambience; From a 1979-sanctioned 30 positions for 56 municipalities, there are presently 25 filled up posts for 161 municipalities; ISO 9000 certified and staff with uniform	Lack of infrastructure, latest technology and govt. vehicles;	Total 64 Superintendents are Class I Officers;
Authority and responsibilities, delegation of powers	Wide brief with a small team; inadequacies arise and results in lack of focus				
Filling positions with relevant specification holders	Positive work culture; non-hierarchical; excellent office ambience; well furnished.				
% of vacant positions					

% of post (gender variation)					
Proportion of Deputed Staff					
Proportion of Contractual/ Permanent Staff					
Last recruitment of Class I & II officers					
Systems and Practices					
Procurement Management					
Procurement management (goods, services, people, works)	Strong systems – project management, contract management, Q/A - promoting transparency, cost-effectiveness and speed		Lack of survey of services, technical staff at municipal level, field staff; no monitoring/impact reporting/outcome analysis for a Rs. 800 crore budget		
Project preparation/DPR (detailed planning reports					
Technical specifications and standards /code of practices					
BOQs/cost estimation/SORs					
ICB (International contract bidding)/Local Contract Bidding (LCB)/local shopping/short tender notices procedures					
EOI and evaluation plan					

Bid and evaluation plan preparation					
Dealing with bidders and presentations					
Adjudication					
Financial Resources and Management	Need to raise additional financial resources				
Project management					
Project planning (use of tools and techniques)				No standardized systems	
Project monitoring (frequency, depth, reporting and corrective actions)					
Project evaluations					
Baseline/mid term/end line					
Joint monitoring and reviews					
Methodologies for evaluations (E.g. Result Based Management Framework etc.)					
MIS and reporting					
Maintenance Management					
Predictive/preventive/break down maintenance planning					
O and M plan					
Maintenance scheduling and monitoring					
Stores, inventory and spares management					
Quality assurance					

Specifications and test definitions					
Quality assurance plan preparation					
Field quality supervision					
Quality reporting					
Citizen charter					
Contract management					
Newer forms of contracting (BOOT, BOT, service contracts, management contracts etc.)					
Standard conditions of contract					
Payment structuring and payouts					
Contract administration and documentation					
Defect liabilities, performance guarantees etc.					
Human resource management					
Recruitment policies and procedures					Staff has good knowledge of Act; motivated; lack of technical manpower ; incompatibility with new equipment
Transfer/promotion policies					Shortage of manpower for a heavy workload for maintenance

					surveyor
Incentives and rewards				Branch offices with skeletal staff	No training; slow rate of promotion; remuneration not commensurate with work load
Performance appraisal system and performance indices	Small nodal team; mostly on contract or deputation; appropriate HR strategy required	No core staff – depleted work force conducting routine business – virtually no meaningful role	Understaffed and overburdened; no capacity building, induction training; lack of promotions and opportunities for growth	Technically qualified post-graduates in staff; all officers have received training in GIS	
Development of human resources through well defined structured and timely inputs and interventions including Training and Capacity Development	HR System lacking	High workload; depressed, demotivated staff with no ownership values		Database not shared among regional offices as no connectivity	
Charge handover procedures (things initiated, on stream etc.)				No training provided	
Work manuals/standard operating procedures/ work procedures					
Public dealing and grievance handling					
Proactive, periodic and adequate disclosures	Lack of documentation				
Regular public communication					

Media management/PR management/Image building					
Internal Infrastructure					
Office Space				Auto CAD software; user-friendly; each officer trained; however, 90% of the drawing staff (ATP) and surveyors do not have knowledge of Auto CAD	
Office furniture and fixtures	IT infrastructure deficient		Lack of standard software platform for implementation of reforms	No internet facility.	
Hardware & Software (Computer and peripherals facilities)					
Ambience - Facilities like Drinking water / Toilet					
Human Resource					
Needs					
Qualities - skills, knowledge, attitude, motivation					
Financial Capacity / Resource Management					
Training Budget					
Number of persons trained					

The As Is Analysis of Capacity Intervention and Resources committed by the Government comprise of training and development the two key strategies to raise/change human capacity. Training comprises providing structured/semi structured learning inputs to raise knowledge and skill levels and create/emphasize positive/open attitudes and development strategy comprises providing varieties of stimulus/exposures to people while on the job.

The conclusions related to training and capacity building function is highlighted as follows:

- a. There seemed to be no systematic plan or budget for professional long-term training/education/foreign exposure visits
- b. No training function for the urban sector as a whole located in any state level parastatal (GMFB presumably was to serve this purpose but did not)
- c. No training needs assessment, planning, design or monitoring of effectiveness of the training undertaken
- d. Delayed budget releases and delayed trainings
- e. Limited training for elected representatives and civil society
- f. Non homogeneous groups in trainings with differing learning needs
- g. Hierarchical patterns during training
- h. Lack of extra curricular activities
- i. Non optimal training group formation
- j. Not right amount of training
- k. No training follow up or skill building emphasis
- l. Training not linked to rewards

2. Summary of Key Institutions Providing Urban Training

Selected key urban sector training providers in Governmental and private sector were identified to do Training providers analysis and detailed questionnaires were circulated followed by meetings with local institutions.

Overall Conclusions

- Training contribution policy- IIMA, ASCI have dedicated centres related to urban sector providing research, consultancy and training. However, almost no training institution has a specific faculty nominated for coordination of urban sector training.
- Absence of yearly training calendars-Except IIM-Ahmedabad, SPIPA, AILSG and ASCI no other institutions have yearly training calendars.
- Lack of accreditation, standardized approaches or benchmarks for developing training modules.
- Limited capacity building capacities with urban capacity providers to meet the training workload
- Lack of systematic database of urban trainers

- Lack of wide range of training/learning methodologies
- Limited hostel accommodation
- Training at convenient time of training institutions
- No skill building programmes with live projects/project works

Current Training efforts and Feedback Analysis

A total of 350 officials across Municipalities, Municipal Corporations and State Level organisations were asked to fill a detailed questionnaire which had questions related to preferences of the training areas and methodologies and a feedback on past training programs.

Major conclusions

- A majority of the respondents reported to have received /attended a training program during the past one Year. Most of this training mentioned are the Chintan shivirs conducted by the State Government under the Karmayogi Abhiyan.
- Almost 50% respondents feel that more than 10 days (4% of standard working days) of training needs to be provided per year.
- The GMFB officials state that although they allocate an annual budget of almost Rs. 100,00,000 per year for training, there is no budget allocation for their own training.
- A majority of the respondents felt that the nomination process is short and thereby implying the promptness of the training nomination process. Qualitative discussions and experience shows that the nomination process is adhoc and the files are kept pending till the last moment. Repeated phone calls need to be made by the training provider to the chief executives to ensure nomination.
- Majority of the respondents felt that the nomination process was easy. This could be due to the fact that most of the nominations is top to bottom approach; the chief executive receives the training program information and decides which officials to nominate.
- A significant number of the respondents expressed comfort in receiving training in Gujarati Language.
- Across Classes 1-2 and 3, majority of the respondents reported increase in knowledge/information, and improvement in skills as utility of training program. “change in attitude” was reported as a low utility of training.
- It has been observed that there is no group involvement (including decision makers, implementers, finance officials etc.) from one city at a training program. Superiors are not involved in the training nor do they get any feedback on the training program and hence they do not commit resources for the knowledge application that the participant has gained.
- The following areas were prioritised for need of training:
 - Basic Computer Skills, Computer Aided Design, E-Governance
 - Office Administration, time management, networking

- Law and Order (Legislation and Regulations)
- Solid Waste Management, Sewerage
- Project Management and Proposal/Project preparation
- Town Planning
- More than 50% of the respondents mentioned that there was a significant relation between training and promotion. This feedback creates an impression that a meritorious climate exists within municipal corporations. Although there are no formal linkages between training and promotion, it is seen that trainings are used as a reward strategy in terms of better postings, better work
- Language of imparting the training, inadequate DA/TA, lack of sponsorship and pending workload were the most cited hindrances to training.
- Contrary to the assumption that government officials would not be willing to invest in training, a significant number of officials across classes have expressed willingness to pay for training.

Several technological options (SATCOM, GSWAN, NIC-NET) exist within the state for enhancing the training outreach, achieving larger training coverage, reducing overall training costs and delivering standardised contents in time bound manner within overall constraints of trainers availability.

Overall Conclusions and Recommendations

- Formation of a nodal SPV for urban sector training and capacity building- The SPV will be responsible for training and capacity building function in a holistic manner and will comprise all components of training cycle.
- Provision of adequate training budget in the state budget – The current allocations are too less against the perceived training needs of the urban sector and will not yield desired outcomes of rapid urban development. There is a need for multi-fold increase in the training budget.
- Training budget provision and creation of training budget head within budget of Municipalities-Provision of small funds to Municipalities for training and creation of budget head within municipalities budgets. This fund can be part of the overall training budget of GMFB out of which 25% of the share can be directly handed over to Municipalities.
- Strengthening training and capacity building within Municipal Corporations and State Levels- Creation of a cell in the institutions with responsibility for strategic planning, MIS and training and capacity building.
- Appropriate deployment of existing technologies for delivering large scale and distance training

A training and a capacity building plan has been developed based on the conclusions of the situation analysis and qualitative feedback of the urban team. The plan comprises of components of:

- Defining training groups and estimating human resource to be trained
- Defining training/learning modules typologies

- Defining standard training modules
- Cost norms & basis
- Training Budget
- Training systems and practices

The anticipated cost for training and capacity building for these 16 organisations over five years is Rs. 76 Crores.

List of Acronyms

BPMC	Bombay Provincial Municipal Corporation Act
BOT	Build Operate Transfer
CB	Capacity Building
CADS	City Assessment and Development Strategy
CENA	Capacity Enhancement and Needs Assessment
CO	Chief Officer
CMA	Commissionerate of Municipal Administration
CNA	Capacity Need Assessment
DOM	Directorate of Municipalities
DPC	District Planning Committee
DUDA	District Urban Development Authority
GMFB	Gujarat Municipal Finance Board
GOI	Government of India
GOG	Government of Gujarat
GUDC	Gujarat Urban Development Company
GURP	Gujarat Urban Reforms Project
GTPUD	Gujarat Town Planning and Urban Development
HRM	Human Resources Management
ICMA	International City/County Management Association
IT	Information Technology
JNNURM	Jawahar Lal Nehru National Urban Renewal Mission
O&M	Operation and Maintenance
MIS	Management Information System
MPC	Metropolitan Planning Committee
SEAP	State Environmental Action Plan
SFC	State Finance Commission
SJSRY	Swarna Jayanti Shaheri Rozgar Yojana
SOP	Standard Operating Procedures
SPV	Special Purpose Vehicle
SWM	Solid Waste Management

SWOT	Strength, Weakness, Opportunities, Threat
TP & VD	Town Planning and Valuation Department
UCD	Urban Community Department
UDD	Urban Development and Housing Department
ULB	Urban Local Body
ULCRA	Urban Land Ceiling and Regulations Act
UMC	Urban Management Centre

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Annexure

Annexure 1: Draft Agenda for an Institutional Analysis

Annexure 2: Mandated Reforms under the JNNURM

Annexure 3- Ward Committees from Other States

Annexure 4: District Wise List of Urban Local Bodies, Gujarat

Chapter 1

INTRODUCTION

The Government of Gujarat discussed with the World Bank for an urban sector development loan. As part of this loan, the Bank wished to facilitate a set of studies across the state; studies at city and state level leading to

- (a) the formulation of investment projects and reform initiatives at both city level and
- (b) Implementation of capital investment projects at city level and reform initiatives at

both city and state level.

The Government of Gujarat designated the Gujarat Urban Development Company (GUDC) as the nodal agency to lead efforts in project preparation. GUDC is currently focused in developing the project elements through two components. The first component comprises of state level assessments and policy formulation and is focused on:

- a. Urban poverty and slum upgrading
- b. Urban planning and land management
- c. Information technology and e-governance rollout action plan
- d. Capacity Enhancement and Need Assessment in Urban Sector**

The Urban Management Centre (also known as ICMA South Asia) along with its team of in-service sector experts and along with an International City Management Association (ICMA) pro bono International advisory board was selected to undertake the Capacity Enhancement and Needs Assessment Study for the Gujarat Urban Development Company.

Methodology

The UMC team visited all the sixteen institutions over the past three months and conducted a series of meetings with:

- Elected officials, including women councilors
- Commissioner/Chief Officer and heads of department
- Department Officials
- Officials in-charge of training
- Officials in-charge of environment and social aspects, physical planning

A sample agenda of the visit is presented in Annexure 1.

Chapter 2

URBAN CONTEXT OF GUJARAT

2.1. Cities as Engines of Growth

Cities play a critical role in the economic development process of the nation. They are the engines of economic growth and places of high productivity. They contribute more than proportionate share towards the State income. For instance, Ahmedabad, which accounted for 8 percent of the total and 23 percent of the urban population of the State, is estimated to have generated 17 percent of the State income in 1995.

2.2. Urban growth in Gujarat

The last four decades saw an almost three and a half fold increase in the urban population of the state from 53 Lakhs in 1961 to 182 Lakhs in 2001, accounting for 38 percent of the state population. It is estimated that by 2025, over 50 percent of the state population would be living in urban Gujarat.

Over the years, Gujarat has been making concerted efforts in raising the performance of its cities and towns. “Urban Year 2005” initiative has given a boost to this sector with focused attention on infrastructure development through a set of reform and citizen led initiatives. These urban centers are now functioning as the powerhouse in driving Gujarat’s as well as Indian economy on a fast and inclusive growth path.

The Government of Gujarat’s vision is

- Making cities clean, productive, inclusive, livable and self sustaining
- Ensuring quality of life and excellent infrastructure in its cities
- Propelling million plus cities -Ahmedabad, Baroda, Surat and Rajkot into world class cities
- Metamorphosis of the urban sector through reforms and infrastructure development
- Attracting maximum private investment into the urban sector

The following table shows the growth in urban local bodies since 1979.

YEAR	NOS. OF MUNICIPALITIES	NUMBERS OF MUNICIPAL CORPORATIONS	TOTAL
1979	52	4	56
1998	141	6	148
2006	161	7	168

In addition the class distribution of Municipalities (A, B, C D) is changing with growth towards upper classes.

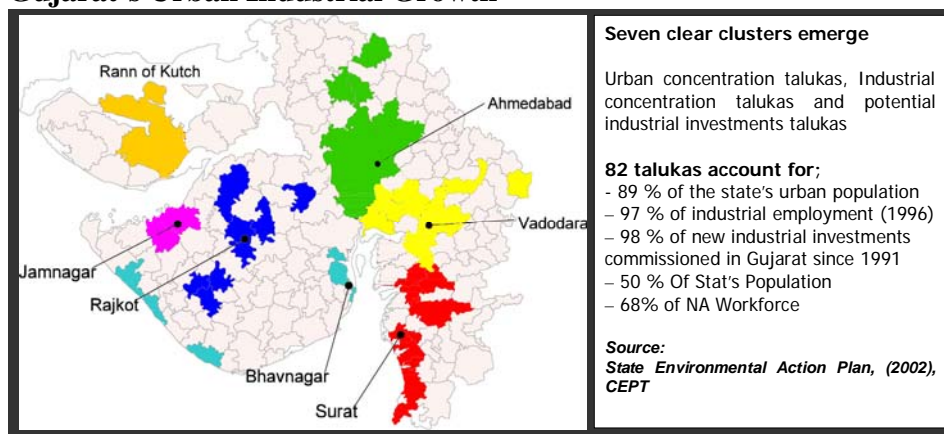
Most urban growth is happening in the peri-urban areas, beyond the present municipal boundaries. In 2001, there were 39 towns with population outgrowths beyond

municipal areas. Many of these areas continue to be administered under rural set ups. The result is that the development is haphazard and without adequate infrastructure. Responding to the need for cohesive management and planning of these regions, the Municipal Corporations have expanded their boundaries to include peripheral municipalities and Gram *panchayats*.

2.3. Gujarat's Urban Industrial Growth

Considerable industrial investment occurs in urban areas as highlighted in the following chart.

Gujarat's Urban Industrial Growth



2.4. Urban Infrastructure

The productivity and sustenance of urban areas depend largely on the efficiency and promptness with which basic infrastructure facilities like Water Supply, Drainage, Sewerage, Solid Waste Management, Roads, Streetlights, and Public Transport are provided. While there was a steady progress in the Ninth Plan to reduce the gap between demand and supply of these facilities, there still remains a lot to achieve. Along with the gaps carried forward from previous years, the rapidly increasing population also adds to the challenge of providing adequate infrastructure. Fulfilment of these needs, as they stand today, may have to be phased out during the next decade or so. This is necessary due to two reasons. The first is the limited resources available with the State and local bodies. The second relates to the capacity of the urban governments to plan, implement, maintain and operate infrastructure systems in a sustainable way.

Depleting water resources, limited population covered under sewerage and sanitation, poor quality road surfaces, non-existent fire services and limited public transport facilities are some critical infrastructure problems that the State has to address urgently. In terms of resource requirements, a range of estimates has been made. A study carried out by Kampsax for the GUDC in the year 1999-2000 estimated an annual requirement of Rs.1200 – 1500 Crores.

2.5. Urban Environment

The State Environmental Action Plan (SEAP) prepared by the Gujarat Ecology Commission of the Government of Gujarat, identified and ranked the most important urban environmental problems. Inadequate water availability in quality as well as quantity topped the list of priority environmental problems. In addition, lack of sanitation/toilet facilities, inadequate and inefficient urban water supply systems, indiscriminate disposal of wastewater, deteriorating urban air quality and inadequate solid waste management emerged as the other most critical problems

2.6. Urban Poor

In the corporation cities an estimated 15 to 25 percent of the population resides in low-income settlements termed 'Slums'. In smaller towns, the estimates vary enormously depending on the 'slum' definition. However, the evidence suggests that the proportion is large and has been growing rapidly. Further, these places continue to be devoid of amenities and facilities. A draft Slum Policy has been prepared and is pending approval.

2.7. Institutional Resources

The performance of urban local bodies is dependant on the availability of financial and human resources, both in quality and quantity. The Octroi tax, which used to be the single most important source of revenue for urban bodies, accounting for nearly 80 percent of the tax revenue has been abolished in municipalities since 2001. As a result, they have lost a buoyant source of revenue and property tax has become the sole source of tax revenue. Although, the State would be providing compensatory grants, these would only grow at a linear rate. Further, the local bodies have not given adequate emphasis on property tax, service charges and non-tax source revenue streams.

2.8. Legal Framework

The urban local bodies are empowered through the

- The Bombay Provincial Municipal Corporations Act 1949,
- The Gujarat Municipalities Act 1963,
- The Gujarat Town Planning and Urban Development Act 1976

In the light of policy reforms anticipated, both the Acts are being reviewed. To resolve issues related to land and housing, the Urban Land (Ceiling and Regulation) Act (ULCRA) has been repealed and the Rent (Control) Act has been amended.

2.9. Reforms

Under the Jawahar Lal Nehru National Urban Renewal Mission (JMMURM), there are a range of reforms being proposed at the state level and at the level of urban local bodies. Core reforms at ULB/Parastatal level aim at process re-engineering through

deployment of technology to enable more efficient, reliable, timely services in a transparent manner. The other set of reforms are framework related at the State level. The State of Gujarat has undertaken several of these reforms like revision of the stamp duty, revision of the Rent Control Act, property tax reforms etc. a detailed list of mandated reforms has been presented in Annexure 2.

2.10 Conclusions

Gujarat urban sector is undergoing metamorphosis with host of challenges to surmount, coupled with availability of vast opportunities to attain the vision of cleaner, greener, vibrant and thriving cities.

Chapter 3

CAPACITY PARADIGM

3.1. Definition of Capacity

Capacity is the ability to achieve desired results. Normally capacity building is taken as akin to training and equipping human resources with requisite knowledge, skills, attitudes and technology. We have taken a broad view of the “urban sector capacity” and divided it in seven different dimensions for ease of analysis as well as comprehensiveness.

- i. Legal and statutory capacity- At the apex level prevailing laws and statutes define the limiting capacity of the state urban sector. This is in a way enabling capacity in the sense that it enables/restricts other capacities of the sector.
- ii. Institutional capacity- is the capacity of the institutional structures and their inter-relationships to deliver. It is dependent upon the role of institutions, the way inter-linkages are defined and practiced, the way organizations structures are defined and the functions, responsibilities and duties, coupled with powers of decision making, are articulated and prescribed.
- iii. Human resources Management capacity- is the capacity of the human resources management function to manage optimally human resource.
- iv. Financial management capacity- is the way resources are mobilized, deployed and utilized in the sector.
- v. Citizen centric governance capacity- This is the capacity of the urban sector to provide and enhance citizen centric governance as enshrined in the 74th Constitutional amendment. It is also the social capacity of ULBs to articulate, incorporate and facilitate integration of social issues and concerns including gender, poor, migrants, marginalized and slum dwellers, grievance handling and approaches to higher level of right based approaches at all levels.
- vi. System capacity- Systems are representative procedures of repetitive work. This capacity determines the efficiency and cost effectiveness of approaches and continuity and consistency with cost effectiveness and creates identity of ULBs with minimum standards, prescribed systems and procedures for enhanced transparency and governance.
- vii. Human capacity- Is the sum total of knowledge, skills and attitudes with which an individual applies her/himself to work situations.

Chapter 4

CAPACITY STRENGTHENING- LEGAL AND STATUTORY

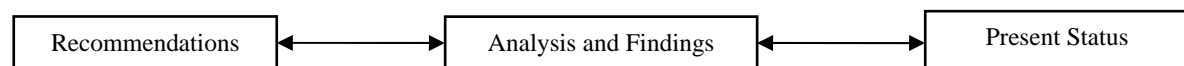
4.1. Background

Gujarat urban sector is guided by several laws and statutes. The key statutes are:

- The Constitution of India, particularly the 73rd and 74th amendments and the newly introduced Twelfth Schedule.
- State Laws and statutes of particular relevance, namely,
 - The Gujarat Municipalities Act, 1963
 - The Bombay Provincial Municipal Corporations Act, 1949 and
 - The Gujarat Town Planning and Urban Development Act, 1976

The aforesaid statutes together define the role, functions and responsibilities of ULBs. To ensure that the ULBs are enabled to discharge these, it is incumbent to develop their capacity in a comprehensive manner.

The report has been structured in the following order:



4.2. Capacity Enhancement Strategies

For enhancing the performance and effectiveness of ULBs, five major capacity enhancement strategies emerge, as found from the analysis of available data and experience so far. (We were not able to refer to the model Municipal Law under consideration by GoG and, therefore the strategies suggested herein may have to be modified with due regard to the relevant provisions in the model Municipal Law) These strategies comprise:

- 4.2.1. Integrating the two existing municipal laws (referred to above) in force in Gujarat into one single municipal law, comprising provisions which are equally relevant to municipal corporations as well as municipalities (municipal councils) and based on a uniform approach to defining their functional domain, the executive powers of the deliberative bodies (the general body, standing/executive committee and other committees) and the municipal commissioner/chief officer, provisions relating to municipal taxes/resource mobilization, accounts and audit, municipal servants and matters relating to them, the regulative role (and corresponding detailed provisions) of ULBs etc.
- 4.2.2. Defining and describing the distinctive and separate functions and corresponding powers of the deliberative and executive organs of an ULB.
- 4.2.3. Formation of District Planning Committees (DPC) and Metropolitan Planning Committee(s) (MPC) as per the 74th Amendment of the

Constitution, to ensure better coordination among Panchayats and ULBs in development planning and sharing of common resources and infrastructure facilities.

4.2.4. Formation of Ward Committees in every Municipal Corporation (for complying with the obligatory provisions of Article 243S of the Constitution) to ensure greater decentralization in the functioning of the Corporation.

4.2.5. Making ULBs responsible for performing certain critical functions mentioned in the Twelfth Schedule as obligatory functions.

4.2.1 Integrating the existing municipal laws in force in Gujarat State

The Model/specimen Municipal law commended by the Union Ministry of Urban Development for the consideration of States is an integrated and uniform legislative instrument proposed to be applicable to Municipal Corporations as well as Municipal Councils based on the 'principles of participation in, and decentralization, autonomy and accountability of, urban self government at various levels, intended to introduce reforms in financial management and accounting systems, internal resource generation capacity and organizational design of Municipalities, to ensure professionalization of the municipal personnel, and to provide for matters connected therewith or incidental thereto'. The objectives of having an integrated and uniform law to define the role and functions of ULBs (Municipalities), their broad organizational structure and pattern of distribution of deliberative and executive functions among the deliberative and executive/administrative organs of a Municipality, are self-explanatory.

The existing two different statutes in Gujarat State applicable, respectively, to Municipal Corporations and Municipal Councils, appear more to be a historical accident than a consequence of a rational legislative decision. While larger urban areas and smaller urban areas have their own, diverse, demographic, economic and other characteristics, having one single, integrated and uniform statute to govern ULBs set up for these two different areas would highlight the fact that all ULBs have the same basic justification for their creation, namely, to provide essential civic services and amenities for ensuring a better quality of life for citizens living in these areas.

On balance, therefore, the **advantages of having one single and uniform legislation** to govern the functioning of ULBs set up in both these types of areas appear to **outweigh the disadvantages** in having (or continuing) with two separate legislative enactments for them. It may be advisable, however, to include a provision in the proposed single, uniform, legislation to empower the State Government, by issuing a notification, to exempt the 'lower' classes of Municipal Councils (e.g. Class 'C' and/or 'D' Municipal Councils) from the operation of any of the provisions of such integrated and uniform legislation unsuited to them for the time being, until such provisions are made applicable to them by a subsequent notification when it is considered opportune to issue the same.

We are not aware as to what approach has been adopted (in regard to the foregoing) while formulating the proposed model Municipal Law which is stated to be under consideration of the GoG.

4.2.2 Defining and describing the distinctive and separate functions and corresponding powers of deliberative and executive wings of an ULB

It is now well-accepted that for ensuring better overall governance and accountability, along with smooth administration and speedy decision-making particularly in matters related to day-to-day administration, **the policy-making functions and the day-to-day executive functions should be clearly distinguished**. The former should be the primary responsibility of the democratically elected wing. In other words, the important decisions on policy matters, decisions involving investment/outlay of large capital funds (with corresponding decisions as to how to mobilize resources for the purpose) and monitoring and exercising overall supervision to ensure accountability of the executive wing to the elected deliberative wing should be the prerogative and responsibility of the deliberative wing.

On the other hand, the executive wing (under the immediate control and direct supervision of the Municipal Commissioner/Chief Officer) should be charged with the responsibility of implementing faithfully and expeditiously the decisions of the deliberative wing and running the day-to-day administration of the ULB (and be appropriately empowered to take speedy decisions towards that end). The current Gujarat Municipalities Act, 1963 vests executive powers in the President while the BPMC Act vests executive powers in the Municipal Commissioner. Thus, in case of Chief Officers (COs) of Municipalities, endowment of powers is less than optimal and woefully short of that required for smooth administrative functioning and speedy decision making. This also becomes relevant with the constitution of a State service and separate cadre of Chief Officers of Municipalities by the GoG. Again, we have not been able to refer to the model Municipal Act under the consideration of GoG and are not aware as to how this issue is proposed to be decided in the said law. Suitable changes in the existing Municipal Laws in force in the State may be made to achieve the objective outlined above.

4.2.3 Formation of District Planning Committee and Metropolitan Planning Committee as per the 74th Amendment of the Constitution

Article 243ZD of the Constitution contains a mandatory provision that every State should constitute at the district level a District Planning Committee (DPC) to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole. Similarly, Article 243ZE provides that there shall be constituted in every Metropolitan area a Metropolitan Planning Committee (MPC) to prepare a draft development plan for the Metropolitan area as a whole. Article 243P (c) defines “Metropolitan area” to mean an area having a population of 10 lakhs or more comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous areas, specified by the Governor by public notification to be a Metropolitan area for the purpose.

The Government of Gujarat has not so far constituted the District Planning Committees nor has any area been notified so far to be a “Metropolitan area” (and, therefore, no Metropolitan Planning Committee has so far been constituted).

The purpose of constituting the DPCs and MPCs is to provide for institutional arrangements for urban agglomerations, city regions and a city’s hinterland as well. They, therefore, are intended to constitute the requisite framework for regional planning where elected representatives from the rural and urban local bodies can come together for the purposes of planning and development. Their justification is derived from the long discourse in the country about rural-urban interface and interactions. In many parts of the country, and, indeed, in Gujarat too, agricultural growth and prosperity are bringing about urbanization, just as in agricultural areas located in predominantly urban districts or surrounded by such urban districts, significant changes are taking place in cropping patterns (e.g. cultivation of high-value crops in place of or in addition to cereals, the marketing of which requires better linkages and facilities with cities/towns which are large consumption centres). Allocation of water for irrigation, drinking or industry, utilization of land or dealing with each other’s wastes is already serious problems and even contentious issues in many districts and urban agglomerations. Similarly, growth has overrun traditional boundaries and managing growth in urban agglomerations is not just an inter-municipality issue, but also involves several departments and agencies of state and well as central governments. Thus, **urban agglomerations need a Metropolitan/region-wide vision, planning, advocacy and action.** To repeat, sources of water, disposal of waste, traffic and transportation, drainage and abatement of air pollution are significant examples where one city corporation or one municipality alone cannot achieve much in isolation.

There appears, therefore, to be enough and sound justification for the Government of Gujarat to take the requisite legislative steps for and thereafter constituting DPCs as well as for a serious examination as to which area(s) should be notified as “Metropolitan area(s)” and to constitute a MPC for such area to be duly notified.

4.2.4 Formation of Ward Committees in every Municipal Corporation to ensure greater decentralization in the functioning of the Corporation

There was a growing feeling that in the larger ULBs (Municipal Corporations) having (each) a population more than 3 lakhs, the citizens could not have easy access to the composite Municipal office or the office of the Municipal department concerned (at the city level). Nor was easy access available to the elected councilors when the electoral ward – sizes became large. There was, therefore, a need to usher in decentralization in the functioning of the large ULBs (Municipal Corporations). Article 243S, introduced, inter alia, by the 74th amendment to the Constitution has, therefore, made a mandatory provision which requires that in all cities with a population of 3 lakhs or more (each), Ward Committees should be set up consisting of one or more electoral wards, depending on the size of the population of an electoral ward. Ward Committees as units of decentralization, thus need to be recognized as an important and essential component of the municipal structure of a Municipal Corporation, to which various activities of governance can be entrusted, such as execution and maintenance of locality – based services, participation in planning of land use for adequate provision of local level amenities as well as for

tracking of violations of the Development Plan, conservation of local community resources (such as parks, playgrounds etc) and even property tax mobilization / collection. It can also be an effective platform for enabling public participation and monitoring at the locality level to ensure accountability of the ward counselors. Further, to facilitate speedy redressal of grievances relating to the provision (including planning of required augmentation) of basic and essential local civic services and infrastructure (e.g local level branch water supply, sewage and drainage lines, local level access and other roads, local level conservancy services and sanitation etc), there should be appropriate devolution of budgetary provisions (made in the budget of the Municipal Corporation) to the decentralized unit (Ward) and to leave the utilization of these provisions to be decided by the Ward Committee comprising the Councilors elected from the area of jurisdiction of such decentralized unit, which, in Municipal language, would correspond to a Ward.

What should be the appropriate “size” of this decentralized unit (Ward) would be a matter of judgment. Prima facie, and, perhaps, taking a cue from the size of a typical erstwhile Community Development Block or today’s *Panchayat Samiti* in the rural areas, a beginning could be made by constituting a Ward Committee for more than one electoral wards of a Municipal Corporation having, collectively, a population of 1.2 to 1.5 lakhs. Thus, in a Municipal Corporation having a population of 3 to 5 lakhs there may be two or three Ward Committees. Similarly, for Municipal Corporations having a population of more than 5 lakhs but less than 10 lakhs, there may be four to six Ward Committees, and so on. Needless to say, all the Councillors elected from the electoral wards comprised in the area of jurisdiction of a Ward Committee (i.e. the Ward) would be members of that Committee and they should elect one Councillor from among themselves to be the Chairman of the Ward Committee.

To ensure active and broader public participation in the functioning of a Ward Committee, two or three representatives of local NGOs/CBOs (to be “recognized” on the basis of fulfillment of certain transparent and pre-determined qualifications/criteria), nominated by the elected Councilors who are members of the Ward Committee concerned, may also be inducted as co-opted members (without the right to vote) of the Ward Committee.

The Ward Committees should be endowed with appropriate powers and functions to give effect to decentralization in its true spirit. Ward Committees have been constituted in Municipal Corporations in several other States and the legislative provisions in that behalf in force in those States may provide some guidance in appropriately amending the existing provisions of the BPMC Act, 1949 (Section 29A) and for formulating the rules to be made by the State Government as contemplated by sub-section (8) of that Section.

Annexure 3 presents some details of Ward Committees from some other states of India.

4.2.5 Making ULBs responsible for performing certain critical functions mentioned in the Twelfth Schedule as obligatory functions

The newly introduced Twelfth Schedule of the Constitution specifies the functional domain of ULBs. There are certain critical functions, such as planning for economic and social development; urban forestry, protection of the environment and promotion

of ecological aspects; slum improvement and upgradation and urban poverty alleviation which are increasingly becoming more and more relevant and are in the process of becoming key functions of ULBs. **It is recommended that all the aforesaid functions be made mandatory functions of all ULBs.**

Undoubtedly, owing to financial constraints, relatively poor skilled human resources and unclear laws with respect to role of ULBs in urban environmental management, the ULBs are at present somewhat weakly poised to perform all or some of the aforesaid functions. However, these present handicaps should be looked upon more as a challenge of building their capacity in all its aspects – development of their human resources, augmenting their financial resources and bringing about appropriate legal changes for clearly articulating the role which ULBs should play particularly in environmental management.

Chapter 5

CAPACITY STRENGTHENING –INSTITUTIONAL

5.1. Introduction

Institutional capacity is capacity of the urban institution sector of the state and is dependent up on the

- Role of institutions
- The way inter-linkages are defined and practiced
- The way organizations structures are defined and manned
- Manner in which institutions project their identity

The four major suggestions which emerge here comprise

- 5.1.1 Strengthening urban sector with creation of a strong operation management, coordination and Monitoring & Evaluation body by upgrading existing Directorate of Municipalities to Commissionarate of Municipal Administration (CMA)
- 5.1.2 Creating an independent Regulatory Authority for determining user charges of ULBs
- 5.1.3 Redefining organization structures, human resource estimation and creating appropriate subordinate structures in ULBs
- 5.1.4 Creating common identities of ULBs
- 5.1.5 Strengthening urban sector with creation of a strong operation management, coordination and Monitoring & Evaluation body by upgrading existing Directorate of Municipalities to Commissionarate of Municipal Administration (CMA)

The context:

The Department/ Directorate of Municipalities was established in 1965. At that time, there were 52 Municipal Councils in existence. By 1991, the number of Municipal Councils had more than doubled to 141 and by the year 2001 their number had swollen to 161, with 38% of the State's population residing in urban areas. At present, there are 161 Municipal Councils (besides 7 Municipal Corporations) in Gujarat.

Gujarat is a rapidly urbanizing State and it is estimated that by the year 2020, more than half the population of the State will be living in urban areas. GoG perceives the urban future in terms of effective management of urban growth so as to have clean, green, comfortable, safe and livable cities with an environment conducive to further investment and growth. It is envisaged that the State will focus on infrastructure development, environmental management and high-quality services such as water supply, sanitation, waste management, housing and public

transport. The attainment of these goals and targets calls not only for a comprehensive approach towards implementation of the identified urban sector reforms, but also the strengthening of ULBs along with the reorganization/rationalization of the various institutions set up by the State Government to effectively manage and nurture the growth of the urban sector. In this context, reorganization and strengthening/upgradation of the State Department/Directorate of Municipalities have acquired critical urgency and importance.

Current Status and Analysis

As was mentioned to us by a very senior state government official, the Department/Directorate of Municipalities has today become an emaciated organization. Beyond performing, with its depleted and non-professional staff of officers (a majority of whom have come to the Directorate on deputations and virtually on sufferance) and employees, very routine and statutory quasi-judicial functions and approval-granting functions, the Directorate is playing virtually no meaningful role. This is indeed a pathetic, yet realistic, picture which becomes all the more galling and saddening in the context of the existing, and more so the emerging, scenario in the vibrant urban sector of the State.

If the Department/Directorate of Municipalities is to be transformed and revitalized from its existing virtually moribund state into an effective and dynamic organization to play a useful developmental and leadership role, as it really should, by aiding, facilitating and guiding the municipalities to perform their rightful role in fulfilling the legitimate aspirations of the citizens living in small and medium towns in particular in regard to provision of essential civic services and good governance, the only way it can be done is to upgrade the Directorate and to expand it into a broad – based Commissionerate, with an IAS officer at least in the supertime-scale, with adequate past practical experience in handling municipal affairs, at its helm as the Head of Department, to be able to perform the critical leadership role. Reorganizing, expanding and strengthening the proposed Commissionerate by equipping it with the essential regional subordinate levels and set-up to be able to adequately discharge its new and transformed role and perform the envisaged administrative, regulatory, quasi-judicial and developmental functions is equally essential. These functions are briefly summarized below.

1. Technical and administrative supervision and guidance, monitoring and evaluation of various urban development schemes and programs entrusted for implementation to Municipalities and verification of utilization of Central and State grants.
2. Management of the cadre of Class II Chief Officers as a regional cadre (with all its attendant implications such as appointments, transfers, disciplinary control etc of this cadre) and formulating and implementing human resource development strategies and programs for the staff of municipalities.
3. Regulatory and sanction/approval-giving statutory functions as per the provisions of the Gujarat Municipalities Act, 1963; some of the existing

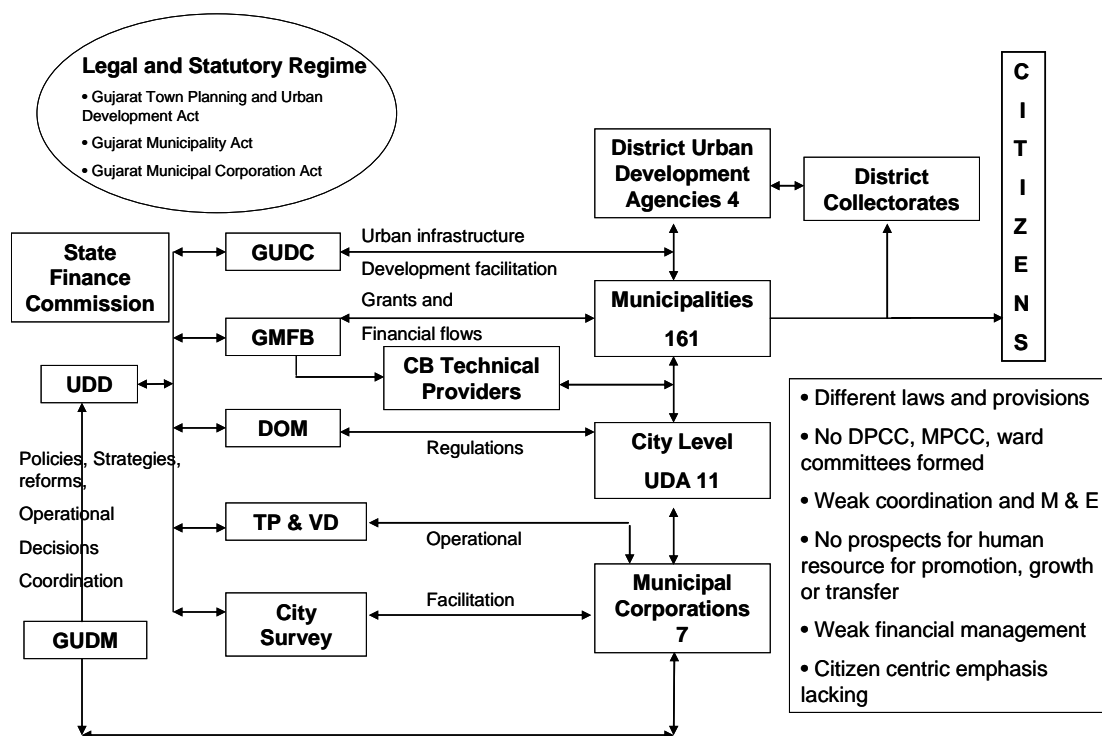
regulatory and sanction/approval-giving powers vested in the State Government under the said Act may also to be delegated to the Commissioner.

4. Distribution of grants and financial assistance (both those approved by the State as well as those received by the State from the Central Government to be channelized to the municipalities), which is a function at present mainly performed by the Gujarat Municipal Finance Board.
5. Functioning as the statutory appellate/revisionary quasi-judicial authority under the provisions of the Gujarat Municipalities Act, 1963 and the BPMC Act, 1949 (by designating the Commissioner as the appellate authority or by delegating the appellate powers of the State Government under the said Act to the Commissioner).
6. Developmental functions – aiding, facilitating and guiding the implementation of urban reforms by municipalities, structuring innovative fund-raising instruments, in conjunction with the GUDC, for tapping the capital market and for availing of funds offered by multi-lateral funding agencies.
7. Functioning as a repository of all relevant statistical data and information relating to ULBs in the State (particularly the municipalities) and acting as a clearing house of such data/information.

The current institutional sector of the state is encapsulated in the following chart. The detailed subsequent analysis highlights the issues summarized, below based on which the upgradation of DOM to CMA is recommended.

- Separation of regulatory, operations management, grant management and developmental functions
- Additional functions done by UDD and large span of control leading to suboptimal role of UDD
- Weak DOM with inadequate human resources and infrastructure
- Newer emerging demands of urban sector for greater technical support, M & E and MIS and information dissemination
- Need for adding specified functions of Collectorate offices (Section 258) and adding in to DOM

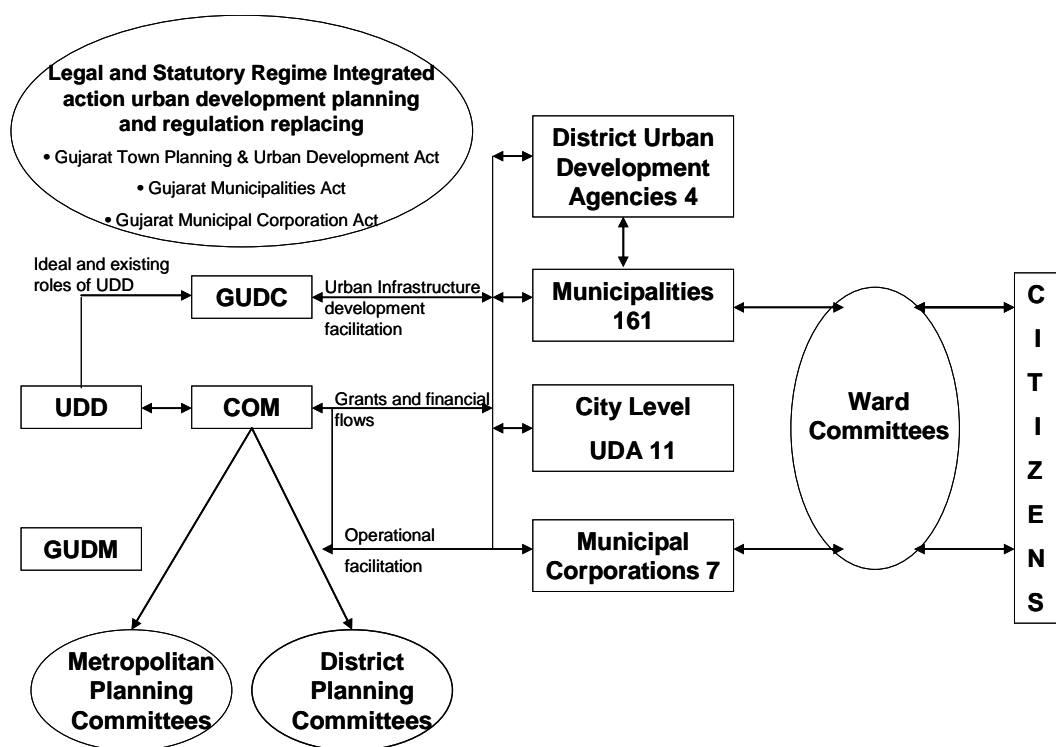
Existing Gujarat Urban Institutional Framework



Current key roles of each of the major urban institutions as highlighted in the chart comprise:

- Urban Development Department - Policy and strategy formulation, operational facilitation, coordination, governance and oversight, statutory reporting
- Gujarat Urban Development Company - Urban infrastructure development facilitation
- Gujarat Municipal Finance Board- Grant distribution and allocations
- Directorate of Municipalities- Functioning as regulatory, sanction / approval granting and quasi- judicial authority.
- Town Planning and Valuation Department- Physical Planning and operational facilitation.
- Urban Local Bodies- Civic services provisioning and delivering.
- Collectorate- Review of unlawful resolutions of Municipalities, transfer funding to municipalities and monitor progress of activities through DUDAs (District Urban Development Agencies).

Proposed Gujarat Urban Institutional Framework.



The ideal role envisaged of UDD comprise

- Policy and strategy formulation
- Resource mobilization
- Governance and oversight
- Statutory reporting

However, presently UDD ends up doing additional roles of

- Operations management
- Coordination
- M & E

The above happens due to large span of control of UDD and all urban sector state parastatals including GMFB, GUDC, DOM, TP and VD as well as Urban Development Authorities (11) and Municipal Corporations (7) directly reporting to UDD. Though practically Municipal Corporations refer to UDD only in rare cases but appeals occupy time, efforts and mind space.

In addition because regulatory, operations management, grant release and developmental functions are separated and due to need of integration, Secretary – UDD is also burdened as Ex. Officio Chairman of GMFB as well as UDAs. The additional functions in fact eat away majority of time and mind space of UDD leading to sub-optimality of overall functioning.

Weak Department of Municipalities.

Department of Municipality (DOM) is judged to be very weak currently due to

- Less human resources and increased work quantum- The sanctioned strength of 30 persons is as of 1961 which has since been reduced by 20%. At present, the burden and complexity of work in the urban sector has increased multi-fold as would be evident from the increase in the numbers of ULBs given in the following table.

YEAR	NOS. OF MUNICIPALITIES	NUMBERS OF MUNICIPAL CORPORATIONS	TOTAL
1979	52	4	56
1998	142	6	148
2006	161	7	168

There is a half person allotted in the legal cell against the work load of ongoing 700 high court cases. There is no core staff of the DOM. All the current staff is on deputation from other department's viz. Collectorate, Revenue Department, Gujarat Housing Board. The average tenure of the staff is 11/2 years and officials have no knowledge/training in the urban sector and since would be going back to parent departments, have little motivation to gather in-depth understanding on urban sector.

- Paucity of infrastructure- Three computers exists among thirty people. The trained people are very less. There are no softwares including for Management Information System.
- Weak Communication infrastructure- DOM is tasked with information collection and dissemination as well as reporting and the current mode of communication is phones and faxes. (DOM uses approximately daily four rolls of faxes).
- Weak M & E- M & E is weak with huge workload, inadequate staffing and infrastructure. The technical support and guidance and regulatory oversight are weak.
- No Financial Powers for managing the departmental day to day costs. No petty cash expenses/office expense allowance.. All bills go to the Treasury.

Emerging demands of Urban Sector

Demands of urban sector of the state have increased due to various emerging factors including:

- Increased numbers of ULBs with more newer ULBs and need for strong guidance and technical support and operational oversight
- Need for stronger M & E with larger investments in urban infrastructure including schemes of central government like JNURRM, BSUP, IHSDP, UIDSSMT etc.
- Newer modalities of urban financing, resource mobilization and Public-Private Partnerships

Need for strengthening and adding certain functions

With increasing urban populations, ULBs, urban initiatives /programmes and investments there is a clear need for strengthening functions like operations management, coordination and M & E and also adding newer functions like

- MIS and statistics, information dissemination and reporting
- Technical Support – Capacity building, quality assurance, project management support etc. This functional support from CMA is required as
 - Need for scale of economics - Lesser workload in municipalities to support specialized staff/support functions at required quality level and unfavorable scale of economics for developing this function at all municipality level
 - Need for strategic directions and standard systems and norms in procurement, contracting, project management, quality assurance and training
- Collectorate works - Need for transferring certain workload of collectorate offices (under section 258 of review and modifications of unlawful resolutions by municipalities) to CMA for reducing already overburdened offices of Collectorates
- Managing human resources - Recommendation of creating urban management cadre also has been made subsequently in the report. Implementation of this recommendation will require overall regulatory work to be done at the state level, preferably not by UDD but by CMA.

It is recommended that the existing Department of Municipalities be upgraded to Commissionerate of Municipal Administration (CMA) to address all above issues in an effective and efficient manner.

This suggestion will require

- Defining functional role of CMA
- Reorganizing GMFB
- Developing the organizational structure of CMA
- Developing staffing criteria
- Developing reporting linkages
- Estimating additional costs and making budget provisions.
- Modifying relevant laws and rules.

Functional role of CMA

CMA is visualized as an all encompassing body which provides impetus to holistic urban development in the state and will combine regulatory, quasi-judicial, operational facilitation, grant distribution, monitoring and evaluation and human development functions, together with the responsibility for overall administrative supervision over municipal councils in the state.

It is visualized as a small nodal body which has adequate regional presence (keeping in mind the state geography, connectivity as well as traditional zoning of Gujarat) and provides strong technical support to local bodies.

The Municipal Corporations, Town Planning & Valuation department, GMFB, all Municipalities and Urban Development Authorities will report to CMA. GUDC would continue to report to UDD and we do not at present suggest bringing GUDC under CMA, as GUDC has taken on path - breaking initiatives in developing urban infrastructure and requires direct guidance and governance from UDD. The role of ascertaining minimum and maximum levies which till date was undertaken by DOM would be undertaken by the proposed Tariff Regulator.

The role of CMA as envisaged above thus comprises the following key functions (with appropriate delegation):

- All current functions and tasks of DOM with requisite quasi-judicial, regulatory and financial powers.
- All matters related to Government level appeals and decision making
- All state powers related to approval of matters related to Municipalities, Municipal Corporations and Urban Development Authorities
- Technical support and other functions as described in reorganization of GMFB
- All matters and powers related to cadre management and administration (creation of urban cadre is proposed in the report)
- Monitoring and evaluation.
- Human resource development.
- Direction and clarification to all reporting institutions.
- Any other as deemed fit by GOG.

Reorganizing GMFB

As the functions of GMFB will be subsumed by the proposed CMA, the alternatives available are

- Dissolving GMFB which may be a tedious task
- Reorganizing GMFB's role with emphasis on developmental and other key functions as mentioned below
 - Untied grant management and optimization-Separating untied grant distribution function of CMA and handing it over to GMFB with GMFB reporting to CMA. This function requires separation; while tied grants are to be distributed as per statutory norms; untied grants require optimization for allocative efficiencies which has a distinct developmental bias.
 - Resource Mobilization-GMFB then can take up newer roles of raising resources for the ULBs from the market, which perhaps was one of the intended functions of GMFB but was never carried out.
 - Technical Support-Additionally, the function of Technical support can also be handed over to GMFB from CMA. This function will comprise
 - Project management assistance- project formulation, project monitoring, quality assurance.
 - Training and capacity building- At present GMFB only provides funds for training to Municipalities. This function needs to be redesigned with overall responsibility for training and capacity building of urban sector with strategic and

operational planning of training and capacity building as well as monitoring, budgeting and funding.

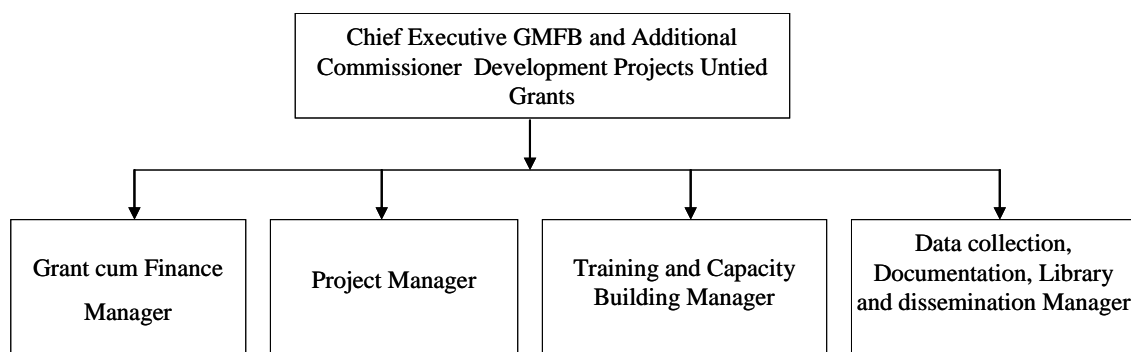
While GOG will be a major contributor to funding this initiative (as it is doing currently), all training and capacity building funds of externally funded projects can be integrated with overall training and capacity building plan, starting from the GUDP project of GUDC funded by the World Bank.

- Debt restructuring, relief and clean balance sheets of ULBs-One more role which can be played by GMFB is of restructuring debts of municipalities. Majority of the municipalities have mounting debts, significant of them being those owed to GOG. There is a clear strategic need to restructure debts of municipalities in a phase wise manner to make them credit worthy. This can be one of the incentives which can be provided by the Government to deserving municipalities on merit and commitment basis, with necessary caveats and strong systems of M & E.
- Creating and operating a central fund for strengthening internal infrastructure of municipalities- While significant strides are being made in strengthening the city infrastructure, this can be done effectively only if internal infrastructure of municipalities is also adequately improved and strengthened. During field visits it was evident that a majority of municipalities have very weak support infrastructure in terms of office space, computers, software and peripherals. While these issues are attracting attention and financial assistance under E-Governance and IT initiative of GOG, there is a need for supporting municipalities for infrastructure improvement and strengthening. A Municipality Infrastructure Fund can be initially created with funding from GOG and it is proposed that it be operated on an incentive basis. Later on, such improvement and strengthening can also occur by utilizing a part of project funds and externally funded projects.
- Debt securitization, outstanding collections and enhancing collection efficiencies of Municipalities- Municipalities have significant outstanding collections which are not recovered and they also provide many services which are either not paid for or taxes do not match actual costs. Due to the local political scenario, it is often difficult to find a way forward. One strategy for collecting such debts is to outsource them if there are takers in the market with formation of SPVs jointly by GMFB and municipalities, with involvement of private sector based on careful assessment of recoverables and costs. Such SPVs are visualized to operate as a profit center with equitable distribution of surpluses among the stakeholders. GMFB's share then can plough back into incentive funds for strengthening the internal infrastructure of municipalities and training and capacity building.

GMFB is visualized as a small catalytic “knowledge manager”, and “resource mobilizer” and “fund allocator”, working on approaches of knowledge process outsourcing principles, with significant outsourcing of technical functions. It is visualized as a manager of these roles rather than as an expert performer of these roles. Thus GMFB is visualized to be staffed by professional and technical staff on contract mode. Such staff will have to be remunerated as per market standards.

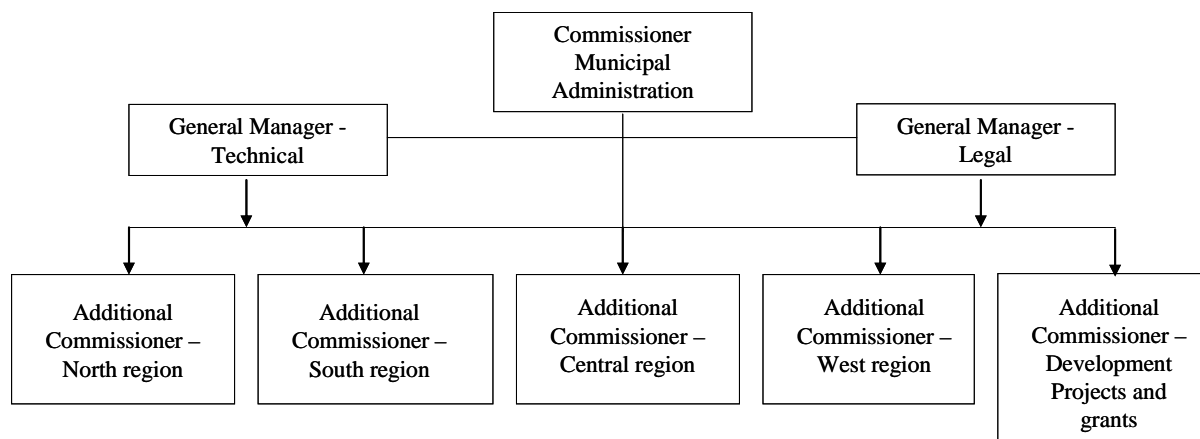
Proposed functional organization structure of GMFB

While detailed structuring and estimation of total human resources is outside the scope of CENA a broad functional structure is proposed and highlighted in the following chart.



Developing functional organizational structure of CMA

While detailed structuring and estimating human resources requirements and financial burden is outside the scope of CENA work, a broad functional structure is suggested for the proposed CMA as highlighted in the following chart.



The concept of having regional CMAs has both advantages in terms of Convenience and approachability and disadvantages of additional incremental costs

We are recommending four regions based on the spread of ULBs in all the four regions (with some variations in workload among regions) based on the table presented in Annexure 4 which shows the distribution of ULBs-region wise.

The jurisdiction of Additional Commissioners –Regional is suggested as:

- North Region- Panchmahal, Dahod, Sabarkantha, Banaskantha, Patan,
- South Region- Valsad, navasari, Surat, Bharuch, Narmada, Vadodara
- Central Region- Ahmedabad, Gandhinagar, Kheda, Anand
- West Region- Surendranagar, Bhavnagar, Amereli, Junagadh, Probander, Jamnagar, Mehsana

Developing staffing Criteria

The above posts should be filled appropriately based on the responsibilities of functions entrusted. Indicative suggestion is highlighted in the following paras.

- Commissioner of Municipal Administration – Super time scale IAS officer
- General Manager, legal- Deputy Secretary rank
- Additional Commissioner- Development, Projects and Grants- IAS officer or a contracted professional from general management hired on contract basis with remuneration at par with market rates
- Additional Commissioners-Regional- Additional Collector rank

Infrastructure and budget estimation

The CMA should be staffed with strong infrastructure and world class facilities to make it effective and efficient. This should include adequate IT infrastructure with hardware, software and peripherals and strong IT based communication links with all ULBs.

Provisioning relevant statutes and legal provisions

While detailed analysis of statutory provisions to be amended and made is outside the purview of CENA, prima-facie, the following sections of the Gujarat Municipalities Act 1963 seem to need appropriate modification.

Articles 37, 38(4), 40, 47, 48, 49(2), 50, 65, 77, 77 (2), 78, 83,84, 85, 102, 104, 112, 118, 130, 131, 254, 257, 258(3), 260, 262, 264, 271, 275

5.1.2 Creating an Independent Regulatory Authority For Determining User Charges Of ULBs

Rationale for an independent regulatory Authority

Most of the municipalities suffer from

- Lower than optimal user charges
- Illegal connections and usage of services

Owing to obvious local political sensitivities this issue is difficult to decide upon and implement. Most of the elected representatives agree to raise the user charges to

appropriate levels and to also legalise illegal connections but are unable to implement due to host of local factors. For example in the Municipal Corporation of Bhavanagar, approximately 1.55 lakhs estimated properties exist against 1.29 lacs property tax payers and 89,000 registered water connections exist against estimated 1.55 lacs total connections, with approximately 50,000 “*bhutia*” connections.

We recommend formation of an independent Regulatory Authority to decide optimal user charges and enforce the same.

Implementation of this recommendation will require

- Defining the ambit of the Regulatory Authority – this will include matters related to different user charges
- Making appropriate legal provisions
- Developing functional and detailed organization structure
- Determining staffing needs
- Defining tenure
- Estimating costs and budget provisions
- Establishing operational and communication linkages

5.1.3 Redefining organization structures, human resource estimation and creating appropriate subordinate structures in ULBs

Organizational structures of most of the ULBs suffer from

- Suboptimal organization structures with unclear job descriptions, lack of performance indicators, non rationalization of departments/sections etc.
- Excess or deficient human resources (a truncated pyramid with less than sanctioned positions filled in classes I and II and more than required staff in class III and IV cadres).
- Changes in delegation of powers
- Frequent changes in leadership

Organization Structure and delegation of powers

The BPMC Act recognizes only the Municipal Commissioner as the officer accountable and vests all executive authority in him. As it is impossible for the Commissioner to exercise all the powers him/herself, the first thing any Commissioner does on assuming duty is to sign a file of delegation of powers. Thus delegation of powers varies

- From time to time, due to changes in Commissioners
- Among ULBs for the same functions and same level of functionaries

The practice of changing the delegation of powers frequently hinders an institutionalized response due to frequent changes in leadership. For example,

- 28 Municipal Commissioners have changed in Bhavnagar Municipal Corporation since its establishment in 1982.

- 15 Municipal Commissioners have changed in Jamanagar Municipal Corporation in the past 26 years.
- 5 Municipal Commissioners have changed in Junagadh Municipal Corporation since 2005.
- Patan Municipality has seen nine COs in 17 years.(since 1991)

These frequent changes in leadership disrupts continuity of smooth operations. This issue of frequent and abrupt transfers (and consequent short tenures) of Municipal Commissioners / CO of Municipalities is a larger issue than that of urban sector only. It is therefore outside the CENA ambit and will have to be addressed separately.

The flexibility of changing the delegation of powers is useful only if rarely used as an management strategy to create a different organizational climate and usher in organizational changes. We recommend that the continuity of institutional response should be enhanced through provision of a relatively stable delegation of powers which can be developed at the level of each position of authority / responsibility, based on

- Job descriptions- Job title, reporting relationship, key performance indicators, duties and responsibilities, indicative lists of tasks, grade of the job etc.
- Job specifications- Academic and professional qualifications, type of experience, length of experience, preferred skills, language requirements etc.

5.1.4 Creating Common Identities of ULBs

None of the ULBs visited offers/demonstrates standard features to create its own brand identity.

The impressions created are of

- No public reception space and lack of information at entry points.
- Random entry and exit of public at large at all times
- Lack of adequate cleanliness
- Dirty, non clean, inadequate bathrooms
- Lack of adequate lighting or light fixtures not working
- Noisy air conditioners / fans/air coolers
- No Signages
- Lack of adequate storage space and storage of files on all types of surfaces
- Lack of waiting space for citizens waiting to meet officers
- Non opening/broken/ fixed windows and panes
- Leaky water coolers/taps
- Unpolished/broken/untidy furniture

The exceptions to above pictures are offices of Commissioners/Chief Officers and Mayors/Presidents at most of the places, which are relatively clean, modern and equipped with required infrastructure. GOG has initiated Nirmal Gujarat initiative which has cleanliness drive as one component. The titles of ULBs have been changed recently to *Sewa Sadans*. This has, however, been only a token change and does not reflect the public service charter and character of ULBs.

The Kaizen approach suggests cleaning of the place first and foremost prior to initiating any wastage reduction and efficiency enhancement measure. Behavioral science discusses “broken window” concept and argues how cleanliness and tidiness reduces crime. Comfortable working environment is one of the prime strategies for today’s business enterprises to retain employees and their competitive edge and to motivate employees to achieve more efficiency and ownership.

We believe that a common identity of ULBs with certain common features and standards will go a long way in

- Identification of employees with ULBs
- Creation of image in the minds of the public
- Enhancing productivity, morale and ownership among officials and staff

It is suggested that all ULBs should have minimal identifiable standard features to create brand identities of ULBs. This should include:

- Reception – Is manned full time and tasked with providing requisite information to citizens with appropriately trained staff in hospitality manners and mindset.
- Restricted entry – No entry of all and sundry to all places. Bhavnagar Municipal Corporation has recently implemented electronic access system which is yet to be fully functional.
- Appropriate signage- For officers’ posts and names, locational directions etc.
- Cheerful colors- A color combination does a lot for creating appropriate ambiance and standard combination may be devised to reflect common facilities.
- Uniforms- GMFB and Surat Municipal Corporation have implemented common uniform to create distinct impression on all visitors. ULBs should be encouraged to implement this initiative.
- Cleanliness standards- Minimal cleanliness standards should be followed for all areas and especially for places open to public, toilets and drinking water coolers etc. Larger Municipal corporations may also invest in more efficient cleaning equipments.
- Adequate Lighting - A small initiative which goes a long way in enhancing public image and efficiency.
- Minimal maintenance standards- Minimal maintenance for office equipments, furniture, overhauling, re-coloring etc. to enhance and project overall image and ensure equipments working when needed.
- Internal greening- With plethora of human resources in class- IV, ULBs can very well implement office greening initiatives at insignificant incremental costs (if any).
- Adequate storage space- Very necessary to enhance work efficiency and information retrieval.

The costs of the above can be met by the proposed funds for internal infrastructure of ULBs managed by GMFB or by larger Municipal Corporations themselves.

Chapter 6

CAPACITY STRENGTHENING-HUMAN RESOURCES MANAGEMENT

Capacity in terms of human resources management would include:

- 6.1. Human resource planning and management including job descriptions and specifications, performance appraisals and job change rules
- 6.2. Creation of an urban cadre

Human Resource Management (HRM) function comprises all sub- functions involved throughout the life cycle of human resources within an institution. This comprises of:

- 6.1.1. Human resource planning and estimation
- 6.1.2. Specifying job descriptions and specifications
- 6.1.3. Selection and Recruitment
- 6.1.4. Training and development
- 6.1.5. Administration- Transfer, promotions, increments, suspensions, terminations, retirement
- 6.1.6. Motivation- performance appraisals, incentives –tangible and intangible

All the current approaches of HRM argues for building a climate of meritocracy which is open and encourages and rewards performances and builds healthy competitions.

Analysis

ULBs fall woefully short in this capacity dimension and perhaps this is reflection of a larger aspect of civic administration of which ULBs are part of. Human Resource Management function is not recognized or put into practice as a whole function but is performed in separate elements by the Establishment department, various department heads and finance etc.

6.1.1 Human Resource Planning and Estimation

None of the ULBs that we visited have a plan for human resources. The sanctioned strengths of ULBS are from the time when the organization was constituted and most of them have been outdated several times over with increase in populations and city boundaries.

There are two distinctly opposite trends of

- Deficient human resources (filled positions) in class 1 and 2.
- Excess human resources in class 3 and 4.

The above phenomena leads to **over staffed and under managed ULBs** and has arisen due to tight control of UDD/Government over sanctioning of class 1 and 2

officials and redundant human resources in class 3 and 4 due to outsourcing by ULBs. E.g. Bhavnagar Municipal Corporation and Jamnagar Municipal Corporations have outsourced transport services. The case of the Directorate of Municipal Administration has been highlighted earlier also. The number of sanctioned posts in the DOM when it was constituted in 1965 was 30 and today after a 3 times increase in the number of ULBs, the sanctioned posts have further been cut by 20%.

It is recommended that all ULBs should carry out human resource planning and estimation needs assessment across its entire staff and develop right sizing strategies. This is crucial to long-term self-sustenance of ULBS as many of the municipalities have establishment costs in excess of 35% to 45%. The right sizing strategies should be holistic and include:

- Outsourcing- Knowledge process, business process
- Public-private partnerships
- Intra departmental transfers
- Promotions
- Hiring and recruitment
- Training, redevelopment and redeployment
- Voluntary retirement schemes wherever there is excess staff which is not re-deployable in any other functions.
- Community management and contributions

6.1.2 Specifying job descriptions and specifications

No ULBs have updated and readily available organization structure with detailed job descriptions and specifications. Thus human resource has no compass to guide them appropriately in their daily tasks or work performances. There are no criteria of performances expected. The detailed contents of above have been discussed earlier in the report.

It is suggested that all ULBs should carry out a detailed organization structuring analysis and develop job descriptions and specifications for all positions.

6.1.3 Selection and Recruitment

A major recommendation of creation of state urban cadre (Accounts and audit, public health, engineering) has been made subsequently to take care of issues highlighted here. Cadre of Chief Executive Officers is already created. However, the urban cadre is suggested for class-1 and class-2 and class 3 and class 4 will be directly recruited by ULBs as per overall sectioned strengths by the Government.

The major issues in recruitment and selection observed include:

- Long delays
- Significant political and other pressures
- Restricted sections by the Government
- Lack of scientific job description and specifications for ensuring right person for the right job

- Restricted types of employment contracts in ULBs/Government- Types of contracts are either contract, ad hoc or permanent employment. Retainer ship, long term contracts, call down contracts, part time jobs, consultancy contracts are not seen in ULBs. The reason probably is restrictions imposed by the Government due to past incidences of excess of employments. It is suggested that this restriction needs to be rethought.

The recommendation of creation of state cadre will alleviate some of the issues at least in class 1 and class 2.

6.1.4 Training and Development

This point is analyzed separately in details subsequently in Training and learning capacity.

6.1.5 Administration- Transfer, promotions, increments, suspensions, terminations, retirement

Matters of remuneration, transfer, promotion, increments, retirements and termination etc. are based on rules and precedent procedures in ULBs and impose restrictions in promoting meritocracy climate through rewarding good performances.

This is however a much larger issue of human resource climate in government services. Overall policy regarding issues like

- Overriding consideration to seniority or lengths of services against merits and no systematic career planning for human resource
- Time based promotions and increments
- Fixed increments
- Lack of clear performance indicators
- Annual Confidential Report not linked to performance improvements and used as a management monitoring tool but carried out as a formality most of the time
- Transfers- very limited transfers since only class 1 and deputed officials get transferred, except deputed staff which have somewhat larger exposures as no state cadre exists, images created of human resource is that of frozen ponds, transfer mostly used as a punishment for non performance as this is the only option available to ULBs and in limited cases of deputed people, suspensions and terminations are very tedious and need tremendous justifications
- Minimal and non planned and unmonitored investments into training and development with only exception being *Karmayogi* trainings initiated by GOG.

6.1.6 Motivation –performance appraisals, incentives-tangible and intangible

ULBs as part of overall Governmental services fall woefully short of creating a strong motivational and reward climate for its employees. One argument often forwarded is that people wanting money seek private sector jobs while people wanting power and prestige seek to Government jobs.

With increasing urban complexities, sophisticated technologies, doubling of knowledge every five years and increased public demands, there is an imminent requirement of good professionals within the state urban sector as much as they are needed in the corporate sector.

With shortage of adequate educational institutions leading to shortage of urban professionals, the Government will have to compete with corporate sector for good talents. And in order to do that the state urban sector must have appropriate policies and strategies for recruiting and retaining the best talents.

The limited menu of motivational/reward strategies available to ULBs comprise:

- Transfers
- Good postings and jobs
- Challenging works (limited opportunities)
- Intangible rewards in terms of public recognitions, awards etc.
- Subsidized housing (in limited cases)
- Subsidized medical benefits for employee and family
- Pensions and retirement benefits- which no longer are the attractive force which once they were due to better and faster opportunities growth and availability of other attractive investment options by employees

In exceptional cases like Bhavanagar Municipal Corporation cash rewards have been implemented with clear criteria of achievements. GUDC has implemented contract employment, which are decent opportunities and attraction for professionals (though again with nowhere near market rates).

It is recommended that GOG may think of creating overall policies and strategies for creating more rewarding climate and promote meritocracy, attract and retain talents. Some of the strategies which may be deployed to various extents within overall constraints here include:

- Training and development as a tool for reward and furthering human investments in improvements (Most often, it is not the most deserving people who are sponsored and nominated for training, as they are too busy in working and performance generation, but most free or having nuisance values)
- Merit based rewards in terms of performance, transfers, lateral transfers, out of turn/accelerated promotions as practical
- Newer options of employment including contract employments of varied types for hiring skill/knowledge based personal
- Increments-More flexible increments rules (E.g. we understand that once an advance increments is given, it cannot be repeated for next five years)
- Developing a holistic intangible reward strategy with awards, public recognitions, paid family vacations, higher level work exposures etc.
- Providing enhanced work facilities (cell phones, better office environment, computers etc.) We have observed that most of the personnel in ULBs use their own mobiles at their costs for significant office use.
- Positioning in SPVs (Gujarat venture Capital Limited has implemented this option with lucrative long term investment benefits to employees with IPO

options). Debt securitization and formation of SPVs as recommended earlier will facilitate implementation of this option to a limited extent.

6.2 Creation of an Urban Cadre

A major recommendation of creation of state urban cadre (Municipal Engineers (including Environment Engineers) and Technical Assistants, (iii) Municipal Finance, Accounts and Internal Audit Officers and (iv) Municipal Health and Sanitation Officers) has been made subsequently to take care of issues highlighted here. Cadre of Chief Officers is already created.

The major issues in recruitment and selection observed include:

- Long delays
- Significant political and other pressures
- Restricted sanctions by the Government
- Lack of scientific job description and specifications for ensuring right person for the right job
- Restricted types of employment contracts in ULBs/Government- Types of contracts are either contract, ad hoc or permanent employment. Retainership, long term contracts, call down contracts, part time jobs, consultancy contracts are not seen in ULBs.

Positive Factors/Likely benefits or advantages

1. State Municipal Services if established will have some stature and prestige attached to them and maybe able to attract persons with better qualifications and talent.
2. Pay scales and other conditions of service (including perquisites) approved for such State services will be comparatively better and more attractive than those which any municipality (or even a small or medium sized municipal corporation) may be able to afford.
3. Such services will have a hierarchy and, therefore, prospects of career progression which may attract persons with better qualifications and talent. Career in a single municipal corporation / municipality is not likely to have similar potential and prospect, the steps in the ladder being few (or even non-existent) owing to the limited span of activity. The possibility of a person being in a blind alley is likely to be more. Stagnation and absence of prospects of career advancement are dampeners.
4. Officers recruited into a State Municipal Service will be selected by the GPSC through an open and fair competitive process. The selection being fair, those selected will be really the best out of the available pool of those who compete, thereby ensuring better quality.
5. State Service Officers will be transferable from one municipal body to another (though, hopefully, not too frequently). They, therefore will be able to have a more varied and richer practical experience in the context of diversified and varied field level conditions likely to obtain in the areas of different municipalities under which they will be posted from time to time.
6. State Service Officers will be, comparatively speaking, more “independent”, less biased and, therefore, neutral. They will be in a better position to stand up

to unhealthy local political and other pressures. Their advice and decisions will hopefully be impartial, which is a plus point.

Negative Factors

1. Persons recruited by a municipality (and knowing that they will be there throughout their entire career) will be more firmly attached to their employer (the municipality). They will, therefore, have a sense of belonging and loyalty to the municipality under which they have to serve and will, therefore, be motivated to give the best they are capable of. In contrast, State Service Officers may have greater sense of loyalty to the State Govt. (than to the municipality under which they may be serving for the time being).
2. Both the officers and servants recruited by a municipality itself are prone to look upon State Service officers as “aliens”, “rolling stones” or mere birds of passage. Development of a symbiotic relationship between the two, which is very essential in mutual interest, may be difficult to achieve.
3. The office-bearers of municipalities are likely to harbour a feeling that the State Service officers behave or function as if they are not really accountable to them (office-bearers); they can neither truly reward them for excellent performance nor punish or discipline them for non-performance or deficient / bad / wrong performance; it is, therefore, difficult to extract the best out of them.
4. Being transferable and having relatively short tenure in a municipality, the benefit of their local “memory” is lost.

From the foregoing analysis of the relevant pros and cons, it would be evident that the advantages of constituting State Services for Municipal Officers outweigh the disadvantages.

Chapter 7

CAPACITY STRENGTHENING-FINANCIAL MANAGEMENT

7.1 Context

CENA has made broad strategic recommendations here. Financial capacity is a combined capacity of financial strategies, policies and systems. There is a separate fiscal study which is looking in to more details here and CENA will take their inputs to supplement this chapter.

Urban sector of the state has made great strides in ushering urban reforms and implementing E Governance, accrual based double entry book keeping, IT infrastructure, citizen standards formation and publication, creation of citizen service centers, Marketing for development of the state urban infrastructure with Public Private sector partnerships and new township policy, repeal of the rent act, modification of property taxes. Municipal Corporations like Ahmedabad have raised resources from open market through bond issue. GUDC is making path breaking progress with its innovative SPVs and market approach for urban infrastructure development in the state.

However, it will take time and great deal of further support through capacity building before ULBs become vibrant and credit worthy.

7.2 Analysis

- Financial conditions of most ULBs are unable to meet delivery of basic services at a minimal standards
- Accounting reforms are on way and needs acceleration and strong technical support. Accounts and audit standards needs detailing and strong Financial MIS for adequate financial governance in ULBs. It still takes 4-8 weeks for the accounts department to be aware of current liabilities in terms of project expenses. Physical and financial progress is not linked or reflected in financial statements. Budgeting is by and large a top down planning and arithmetic process based on sanctioned strengths rather than actual. There are no intra departmental costing guidelines available and costs of internal servicing are not known. Several municipalities have higher than 35%-45% establishment costs.
- IT infrastructure is woefully short in most municipalities with limited and often not working hardware and softwares, no intra and inter connectivity among ULBs and inadequately trained human resources (most of the ULBs have a felt need for training in basic computer applications-many have cited that there is no capacity to even create an e-mail account.)
- Grayness surrounding abolition of Octroi in municipal corporations, one of the most buoyant form of ULBs revenues and alternative proposed compensation mechanism
- Outstanding debts – E.g. Jamanagar with yearly budget of Rs. 142 crores has debts of Rs. 72 crores. State Finance Commission 1998 observes (the

subsequent SFC report is under consideration by the Government and was not available for references) total outstanding amount of Rs. 282.05 crores as on 31/1/94 and outstanding amount due was Rs. 71.90 crores E.g. 25.49% of total outstanding. This amount has been increasing as on 31/1/87 the percentage outstanding due was only to the tune of 7.62%. Nearly 45% of the loan amount has been borrowed for matters regarding water supply, dam project and drainage only, clearly showing lack of financial resources within municipalities to meet its costs of basic services. The municipality of Patan owes Rs. 30 crore to the GEB.

- Lack of trained internal and external human resources to carry out financial functions effectively in ULBs.
- Less than optimal collections of user charges and taxes for services provided by significant ULBs e.g. in Bhavanagar
 - 1.29 registered property tax payers against estimated 1.5 lac properties.
 - 1.55 total estimated water connections with only 89,000 of them paying regularly.

Bhavanagar did register increases to the tune of 20% in a year in above collections due to a special drive initiated. Similarly, most of the ULBs had initiated intensive tax drives during the Urban 2005 to collect arrears in taxes, however the same zeal has not sustained after the urban year.

7.3 The major recommendations here include:

- 7.3.1 Debt restructuring and relief for enhancing credit worthiness of ULBs
- 7.3.2 Debt securitization and outstanding collection unbundling through SPV route
- 7.3.3 Creation of a fund at CMA level for strengthening internal infrastructure of municipalities Independent regulatory authority for user charges and audit matters of ULBs
- 7.3.4 Creating independent Regulatory Authority for determining user charges and audit matters related to ULBs
- 7.3.5 Escrow accounts and BOT contracts and the role of GUDC.
- 7.3.6 Creation of an Urban Training Institute as a SPV (Special purpose vehicle) with GUDC
- 7.3.7 Devolution of powers to ULBs for deciding taxes within a prescribed range by proposed CMA

The first four recommendations have been discussed earlier in this report in institutional capacity chapter and included here for the sake of comprehensiveness.

7.3.5 Escrow Account and BOT contracts and the role of GUDC

GUDC is tasked with facilitation of urban infrastructure development in the state and is also implementing the World Bank project (GUDP)

At present GUDC acts as a procurement, contract and project management manager on behalf of ULBs and enters in to contracts with contractors for creating urban assets of ULBs.

The key limitations of the above arrangements comprise:

- Issues of asset handover and exit of GUDC-There are issues in smooth exit of GUDC due to host of reasons including ULBs not capable of being handed over assets or do O & M, delays in contract executions, unclear role specifications of ULBs as not being part of the contract and costs are born by GUDC and not ULBs till actual handover.
- Unmet requirement of GUDC of its own book building- GUDC as a prime urban infrastructure developer in the state needs financial muscle power and its balance sheets to enhance its credit worthiness. This is not achieved in above mentioned arrangement in which assets created are not reflected in GUDC's balance sheets at all.
- Future potential need of creating escrow accounts for plowing back the investments in water supply- GUDC project envisages preparation of business plans for at least water supply and recovery from ULBs

It is recommended that GUDC

- Enters into BOT tripartite contracts with contractors and ULBs with specific role and responsibilities for assets handovers.
- The assets created should be reflected for sometime in its book of accounts and then transferred at appropriate time to ULBs with strong escort services.
- Creates escrow accounts as part of the contract to ensure adequacy of funds for O&M of the infrastructure.

The above arrangements will strengthen GUDC's books of accounts, ensure adequacy of funds for sustaining O&M and ensure smooth handover of assets to ULBs.

Reorganization of GUDC

Implementation of the above recommendation will need reorganization of GUDC on following lines.

- Creation of a strong technical support cell in GUDC
 - Project management- Project formulations, contract management, project supervision and quality assurance, charge handover
 - Funds management- donors/governmental/market funds receipts, contractors payments, Escrow account management, reporting to various stakeholders
 - Preparation of Standard Operating procedures -contract management, project management, Operation and Maintenance etc. and dissemination to ULBs with minimum standards
 - Creation of external local human technical resources for ULBs –project management, third party supervision, project advisory services, trainers etc.

- Panel of professionals, academicians, retired Governmental officials for consultancy, advisory, training and system development support etc.
- Certified their party inspectors with accreditation
- Pre-qualified professionals and institutions
- Accreditation services

GUDC has already played this role during urban reconstruction project after the earthquake and requires augmenting through human resources, systems development and infrastructure as needed.

It is also recommended that GUDC should propose for technical Assistance funds from the World Bank as part of the GUDP total project funds to meet part cost of a counterpart team within GUDC to implement the GUDP project.

The above cell is visualized as a node and catalyst and will have minimal small team within and work approach will be that of Business Process Outsourcing.

7.3.6 Creation of an Urban Training Institute as a SPV (Special purpose vehicle) with GUDC

i. The Rationale

The CENA team's discussion with staff of the sixteen institutions, there has been a clear requirement for a dedicated training institute emerges. This need is not so much as creating hard training infrastructure as that is perceived to be adequate but to strengthen soft aspects in managing the training and capacity building function holistically.

While there are several institutes including the state government owned SPIPA (Sardar Patel Institute of Public Administration) and academic institutes of repute like CEPT (Center for Environment Planning and Technology), City Managers' Association of Gujarat and local chapter of All India Institute of local self governance etc. in the state, the argument for a focused training institute in the urban sector is felt due to several reasons including:

- **Managing training and capacity building cycle comprehensively and holistically with appropriate functions of**
 - Training needs assessments and capacity building plans- strategic and operational nature
 - Developing training modules and materials
 - Planning, training calendars, identification of participants and faculties
 - Training logistic- There is adequate hard infrastructure for capacity building in the state in terms of facilities, hostels etc. but a dearth of professional trainers.(as differentiated from technical experts who may be experts in “doing” but not necessarily good trainers)
 - Developing local resources and conducting TOTs
 - Acting as knowledge manager and best practice resources in urban sector

- Budgeting and resource mobilization
- M & E of training effectiveness and impacts
- **Workload-** The workload involved in training is huge and will require a dedicated small team to resource the same. Current practice of GMFB of identifying preferred institutions and handing over training budget without monitoring overall planning is suboptimal and should not continue.
- **Long term needs-** The urban sector need of training and learning is long term and ever-growing both within the state and among other states.
- **Need for a more effective and reality based training-** The current training are mostly of structured class room nature with focus on technical components while the outcome based learning/training requires
 - Multi-disciplinary- covering urban science, management science, human process science, emerging technologies etc.
 - Implementation oriented as against only concept oriented
 - Tailor Made to ongoing programs for instant applications
 - Focusing on not only knowledge giving but also on skill development and attitudinal change
 - Linked to the project cycle and maturity of teams
 - With live case studies and real examples addressing ongoing issues
 - Consistent and with long term sustained efforts
 - Based on adult learning approaches including process based training, experiential learning
 - Providing wide spectrum – Urban capacity building is a multidisciplinary science which covers a vast spectrum which at present is not covered by any single institute.
- **Need for developing good trainers-** Gujarat as well as India has many good professionals and experts but there is a great dearth of good trainers. Training skills are very different from subject expert skills and there is a need for developing trainers.
- **Inadequacy of existing institutes to play the role fully-** Most of the academic institutions are overworked with their own schedules of education, consultancy and research. In addition the focus is not on urban but more of functional focus on environment, demography, planning etc. elements of urban sector. For any institution to carry out the workload effectively and holistically for the urban sector, it requires a dedicated institute.
- **Need for managing the function as a profit center**

ii. Urban Training Institute –Vision and roles

The urban training institute is visualized as

- A SPV to run as profit center with stake of GUDC, other ULBs and corporate sector
- A catalytic node, not duplicating what is available in the environment and resourcing the same
- Staffed with multidisciplinary small team with experts from urban, management, human and training sciences
- Working on project mode with time bound performance targets.

- Responsible for training and capacity building function for the entire state urban sector and also at a later date catering to needs of other states and stakeholders
- Resource mobilization for training and learning including financial resources and development of local resources.
- Working with strategic alliances, networks in partnership modes to create innovative collaborations for training/learning opportunities.
- Working in Business Process Outsourcing /Knowledge Process Outsourcing mode with significant outsourcing of trainings activities
- A training and capacity building manager rather than as training expert
- Meeting its own costs effectively from training menus offered
- Having significant stake of corporate sector to ensure corporatization of SPV and ensure adequate functional autonomy
- Utilizing hard training infrastructure available from the environment with cost effectiveness

iii. Financial resources for SPV

Financial resources for the urban Institute will be contributed by

- GOG through GUDC
- Donors
- Corporate sector
- Own generation through recovery of training costs

It is recommended that GOG should create a urban training institute.

7.3.7 Devolution of powers to ULBs for deciding taxes within a prescribed range by proposed CMA

The existing Municipality Law requires approval of DOM in case of any changes in the levies by Municipalities.

It is recommended that proposed CMA can fix range of such levies within which municipalities may not require any approval reducing the procedures and time gaps in implementing changes.

Chapter 8

CAPACITY STRENGTHENING-CITIZEN CENTRIC GOVERNANCE AND PUBLIC ACCOUNTABILITY MEASURES

8.1 Context

This is the capacity of the urban sector to provide and enhance citizen centric governance as enshrined in the 74th Constitutional amendment. It is also the social capacity of ULBs to articulate, incorporate and facilitate integration of social issues and concerns including gender, poor, migrants, marginalized and slum dwellers, grievance handling and approaches to higher level of right based approaches at all levels.

The 73rd and 74th Constitutional Amendments mandate the State to strengthen citizen centric governance and public accountability through democratic decentralization and by creating appropriate mechanisms for public at large to participate in public administration.

Over the years democracy has become “delegative”. People have left it for the elected representatives and officials to govern. The “Citizen” is missing from the governance scene. Democracy has become more representative than participatory. Citizen participation in governance becomes most apparent during elections. However, between elections, there are very few institutional channels for ensuring citizen participation in issues of governance. In this context, the role of other institutions such as print and electronic media becomes important.

As we look at issues relating to governance in the 21st century, the roles of both citizen and governance are undergoing significant transformation. Government is being seen more as one of the stakeholders than a provider of funds and services and a regulator. Citizen governance is to be seen beyond new public management. It brings a fundamental change in the reform process in the sense that the importance of the state apparatus for development and sustainability of viable societies is being de-emphasised from the government and special attention to “governance” is now taking central place. The new vision is to evolve public policy through a joint effort of the public authorities and citizens working in harmony. Today the reinvention of the citizen is of crucial importance to the practice of public administration.

8.2 Citizen Centric Governance-Basic Elements

Three key elements of the citizen governance comprise:

- Citizen engagement
- Performance measurement and scrutiny by citizens
- Implementation with citizen participation.

8.3 Role of citizens in citizen centric governance

Citizens are visualized to play a range of roles in governance and not only that of clients or customers.

These comprise:

- Customer
- Owner
- Issue framer
- Co-producer
- Evaluator

8.4 Current Status of citizen centric governance among urban sector in the state

Gujarat Government has implemented several measures towards making cities vibrant and offering better standard of living and enhancing Citizen centric governance. These include:

- E-governance
- Help-lines by some ULBs
- Grievance handling cells
- Development of citizen charter by all ULBs and government departments
- Citizen service centers
- Public private partnership as a means of accelerating urban development and bringing in higher transparency
- Outsourcing and involvement of NGOs and CBOs

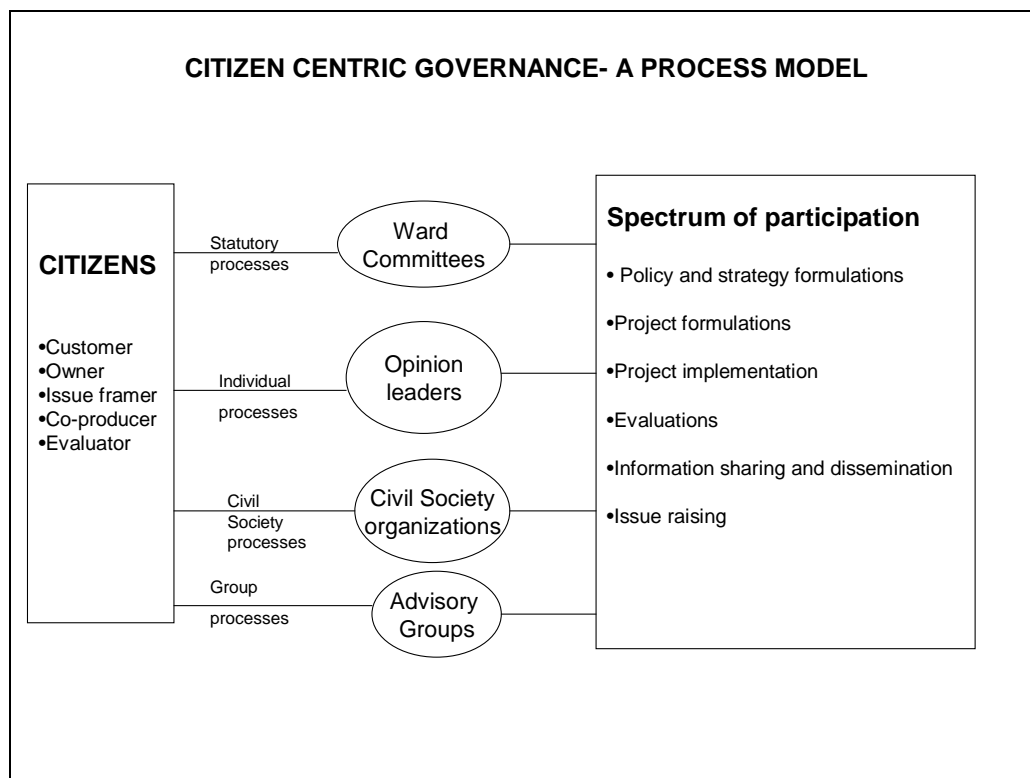
One major provision of the 74th Constitutional Amendment of formation of ward committees has still not been implemented by GOG and this has been dealt in detail in chapter 4 of legal and statutory capacity.

The initiatives undertaken by GOG are just the starting points and it requires many efforts and many initiatives to deepen the role of citizens as envisaged in the 74th CA envisaged in above concept of citizen centric governance. This is evidenced by

- Top down budgeting of ULBs without any involvement of citizens
- Non involvement of citizens in affairs of ULBs at any level including strategy formulations, programme /project formulations, budgeting, monitoring and evaluations etc.
- No systematic grievance handling systems or cell in significant Municipalities
- Poor capacities and willingness of citizens to participate in city affairs
- Non availability of systematic data/research on marginalized populations within cities (women headed households, migrants, slum and urban poor pockets, socio-economic conditions of urban poor etc.)
- Less numbers of NGOs/CBOs (e.g. cities like Bhavanagar, Jamnagar, Junagadh and smaller municipalities have lack of good quality and quantity of NGOs/CBOs)
- Extremely less (less than 10% of women in ULB set ups) and lack of gender strategy or policy

- No training efforts by ULBs to increase the capacities of citizens and civil service organizations
- Extremely limited capacities of ULBs in terms awareness, approaches and framework and training of current team members to incorporate and integrate social issues and concerns like gender, participatory approaches, disclosure and information dissemination, organizing public hearings on matters concerning poor, migrants, marginalized and Rehabilitation etc.

The CENA Team proposes a broader citizens involvement process as is highlighted in the following chart:



- Involving citizens in the process of governance through citizen committees and citizen boards and corporate citizen governance – enabling citizens to discharge their roles effectively;
- Enhancing citizens’ understanding, knowledge and ability to analyse and appreciate policy level issues, implementation process and performance data;
- Providing citizens with access to information and enabling them to interpret and use such information;
- Facilitating participation of citizens in policy-making, planning, budgeting, appraisal, etc. and improving service delivery and issues of gender, poor
- Preparing, implementing, monitoring and evaluating citizen’s charters and citizen report cards; establishing citizen-friendly mechanisms and devices to bring citizen’s charters to life and win citizen confidence;
- Tracking corruption and campaigning against corruption;
- Establishing and successfully operating an effective grievances redressal system;
- Monitoring performance of public programmes, functions and functionaries;
- Establishing people’s feedback mechanisms for good governance;

- Enabling people to use information technology tools such as online MIS and avail facilities like online provision of public services (e-Seva).
- Implementing SWAMP framework (being developed separately in another state level study) which will take care of issues like rehabilitation, compensation, land acquisition, public hearings etc.
- Developing strategies and systems for communication, public disclosures, grievance handling and standardizing them across ULBs

Chapter 9

CAPACITY STRENGTHENING- SYSTEMS

9.1 Context

Systems are standard procedures for representative/repetitive patterns of works. In a public domain project, the importance of systems cannot be overemphasized as systems create an institutionalized response and create institutional identity with cost effectiveness. It also provides smooth continuation of response in times of leadership change, transfers, induction of new people in the organization which are not infrequent in urban sector institutions.

Work gets done without system also but with various weaknesses like low quality, delays, higher costs and lower efficiency, lower quantum of works etc.

A Public domain system should have following characteristics:

- Transparency
- Consistency
- Provide timely information retrieval and basis for decision making
- Cost effectiveness
- Public disclosures have become more important with implementation of Right To Information Act
- Minimum standards of performances and benchmarks

9.2 CENA Approach to System Analysis

The CENA study has benchmarked institutions, functions and departments over various systems through an institutional capacity tool which was self assessed by ULBs and state level organization teams.

The systems were considered along with their key elements and comprised of:

- | |
|--|
| <ul style="list-style-type: none">▪ <u>Procurement management (goods, services, people, works)</u><ul style="list-style-type: none">➤ Project preparation/DPR➤ Technical specifications and standards /code of practices➤ BOQs/cost estimation/SORs➤ ICB/LCB/local shopping/short tender notices procedures➤ EOI and evaluation plan➤ Bid and evaluation plan preparation➤ Dealing with bidders and presentations➤ Adjudication |
|--|

Relevance to level of sophistication may be an issue, but the principles of propriety, transparency? How are these incorporated in systems and practices? Capacities to get it done from outside? Presence of updated manuals

- Project management
 - Project planning (use of tools and techniques)
 - Project monitoring (frequency, depth, reporting and corrective actions)
 - Project evaluations
 - Baseline/mid term/end line
 - Joint monitoring and reviews
 - Methodologies for evaluations (E.g. Result Based Management Framework etc.)
 - MIS and reporting
- Maintenance management (SWM, water supply, health, education, drainage, street lighting)
 - Predictive/preventive/break down maintenance planning
 - O and M plan
 - Maintenance scheduling and monitoring
 - Stores, inventory and spares management
- Quality assurance
 - Specifications and test definitions
 - Quality assurance plan preparation
 - Field quality supervision
 - Quality reporting
 - Citizen charter
- Contract management
 - Newer forms of contracting (BOOT, BOT, service contracts, management contracts etc.)
 - Standard conditions of contract
 - Payment structuring and payouts
 - Contract administration and documentation
 - Defect liabilities, performance guarantees etc.
- Human resource management
 - Recruitment policies and procedures
 - Transfer/promotion policies
 - Incentives and rewards
 - Performance appraisal system and performance indices
 - Freedom and autonomy to perform
 - Development of human resources through well defined structured and timely inputs and interventions including Training and Capacity Development

<ul style="list-style-type: none"> ➤ Charge handover procedures (things initiated, on stream etc.) ➤ Work manuals/standard operating procedures/ work procedures ▪ Public dealing and grievance handling <ul style="list-style-type: none"> ➤ Proactive, periodic and adequate disclosures ➤ Regular public communication ▪ Media management/PR management ▪ Regulatory and legal <ul style="list-style-type: none"> ➤ Framing of new rules, regulations ➤ Enforcement mechanisms ➤ Reporting of exceptions
<p>STRUCTURE</p> <ul style="list-style-type: none"> ▪ Clarity of role and changes of your institutional direction in contexts of reforms and urban changes ▪ Coherence and balance of powers/authorities among administrative wings/elected wings(standing committee)/ general body/government ▪ Bundling of functions- extent of coherent/homogeneous ▪ Overall organization structure (relevance, adequacy) ▪ Clarity of functions of each person ▪ Authority and responsibilities, delegation of powers ▪ Filling positions with relevant specification holders ▪ Communication linkages between departments/sections ▪ Communication and linkages with other agencies (DUDA, GUDC, GMFB, DOM) ▪ Communication and linkages between administration and elected wing ▪ Communication and linkages with other stakeholders and public
<p>TECHNOLOGY PLATFORMS USED-HARDWARE AND SOFTWARE DEPLOYED AND THEIR EXTENT OF USAGE IN DAY TO DAY WORKING</p> <ul style="list-style-type: none"> ▪ Data collection/mapping/GIS ▪ Surveying ▪ Information generation and analysis ▪ Decision making ▪ MIS and reporting
<p>HUMAN RESOURCE</p> <ul style="list-style-type: none"> ▪ Needs v/s actual ▪ Quality in terms of <ul style="list-style-type: none"> ➤ skills ➤ knowledge ➤ attitudes ➤ Motivation ▪ Workload and variations ▪ Time and efforts inputs ▪ Time management ▪ Result oriented ness
<p>FINANCIAL RESOURCES AND MANAGEMENT</p>

<ul style="list-style-type: none">▪ Needs v/s actual available v/s spent▪ Accounting reforms▪ Allocative efficiency▪ Resource mobilization▪ Debt and deficit management▪ Cash flow management▪ Outstanding recoveries▪ Leakages▪ Asset management and development▪ Cost effectiveness▪ Use and retrieval of information in decision making▪ Proprietary and check and balances
<p>SOCIAL/ENVIRONMENT INTEGRATION</p> <ul style="list-style-type: none">▪ Integration of social issues in to day to day working (slums, community mobilization, engagement of marginalized populations, gender, complaint redressal system etc.)▪ Integration of environment issues in day to day working (city cleanliness, greening, solid waste management, noise and other pollution, IEC for health and hygiene practices etc.▪ Transparency, inclusiveness, periodical and proactive disclosures
<p>ULB in-house INFRASTRUCTURE</p> <ul style="list-style-type: none">▪ Space▪ office furniture and fixtures▪ Storage facilities▪ Computer and peripherals facilities▪ Plants/ Equipments for adequate services delivery▪ O & M facilities▪ Working conditions

The systems were self assessed by each of their elements across departments and institutions (except TP & VD, DOM, and City Survey which did not have differentiated departments) of CENA canvass in grade of 1-5. The grades were awarded by the following criteria.

CRITERIA/GRADES	1	2	3	4	5
Grade characteristics	<ul style="list-style-type: none"> ▪ Ad hoc event based responses ▪ Lack of experience/tacit knowledge among staff members ▪ No training in last five years ▪ No clear practices for responses and wide variations 	<ul style="list-style-type: none"> ▪ No in house tacit knowledge/experienced people ▪ No training in last five years ▪ Considerable delays in systemic responses 	<ul style="list-style-type: none"> ▪ No well written systems but precedent based practices ▪ Significant people have tacit knowledge of the guidelines ▪ No data base and significant time consumptions in developing responses ▪ No data base and adhoc search ▪ Significant time delays 	<ul style="list-style-type: none"> ▪ Guidelines available in lieu of detailed OSP manuals/out dated manuals ▪ Guidelines updated and current ▪ Most of the people trained in guidelines and in modifying guidelines ▪ Schedule of rates followed and modified with ease as required ▪ Rapid response and no significant delays in implementing systems/practices based responses ▪ Some data base of ISI and SORs but not comprehensive or updated. 	<ul style="list-style-type: none"> ▪ Existence of standard operating manuals ▪ All staff members trained in relevant systems ▪ Manuals available to all and all the time/ease of retrievability. ▪ Manuals updated to current practices ▪ Manuals all comprehensive including non frequent works like PPP ▪ Model for others to follow and can be adopted for systems elsewhere ▪ SOPs followed and adhered in day to day practice ▪ Updated and well kept SOR/IS Standards data base
Grading Rules	<p><u>Guidelines for grading</u></p> <p><u>Rules 1</u></p> <ul style="list-style-type: none"> ▪ Awarded grade 5 if any five criteria meeting out of total eight ▪ Grade 4 if met 4/6 				

	<ul style="list-style-type: none">▪ Grade 3 if 3/5▪ Grade 2 if 2/2▪ Grade 1 if 3/5 <p><u>Rule-2</u> nearest/most relevant grade to be adopted</p>
Grading process	two step grading <ul style="list-style-type: none">- step-1 self assessment by departmental teams/heads- Step-2 fine tuning and final grading by CENA team based on above grading criteria and assessment- Final analysis based on final grading

The ratings done by ULB teams were modified based on CENA team assessments where there were clear cases for changing the grades as evidenced during the field visits. The two step analysis yielded benchmarks of

- Each department within an institution –all systems
- Department overall rating across all institutions

While the first analysis is reflected in volume-2 report the second analysis is highlighted in the following table wherever rating was carried out by the internal teams of urban sector institutions.

Very broadly the grades can be visualized to be equivalent as:

- Grade-1 non existent systems
- Grade-2 Weak systems
- Grade-3 Satisfactory systems
- Grade-4 Sound systems
- Grade-5 outstanding systems worth emulating

As can be seen from the table presented below that except GUDC wherein systems scores near to grade 3 most of the other values of grades for departmental systems in other organizations fall about or below 2 and at times (case of Veraval Municipality slightly more than grade 1).

Considering GUDC as exception (as GUDC had a unique exposure and experience of working in urban reconstruction project after the earthquake and adopted sound systems prescribed by donors and Government), it is concluded that systems are weak to very weak in ULBs and need thorough and urgent overhauling (without which GUDP project may not be implemented in time or at required quality level apart from large issue of urban capacity enhancement).

It is recommended that GUDC (proposed technical support cell in GUDC) facilitates ULBs in developing, training and implementing systems in ULBs (as proposed CMA will take time to be operational and staffed with adequate strengths and skills) through outsourcing route. This should be achieved through

- Carrying out a rapid system analysis of selected ULBs
- Inventorying all records, formats, procedures from ULBs
- Developing standard operating procedures (SOPS) for all systems as identified in the table with all its elements
- Identifying training and capacity building needs of ULBs for implementing systems and SOPS
- Developing training plans and implementing them
- Disseminating SOPS

CENA recommends that this effort should be initiated as part of GUDP project.

	Anand	Bharuch	Bhav nagar	Junagad	Jam nagar	Surendra nagar	Vad nagar	Patan	Gandhi Dham	City Survey	Veraval	GUDC	GMFB
DEPARTMENTS													
City Engineer			1.4	2.1				1.9			1.1		
Water works	1.7	1.6	1.6	1.7	1.7			2.7			1.1		
Account	1.4	1.5	1.6	1.8					2.0		1.1		
Audit		1.3		1.9		1.6							
Malaria		1.2							1.8				
Medical & Health	1.6	1.0	1.6	1.7	1.6						1.0		
PWD	1.2	1.5	1.5			2.2			1.3		1.2		
Records	1.0	1.3											
Sanitation	1.5	1.8						2.4			1.1		
Street Light		1.3	1.5	1.5	1.7								
House / property tax / taxation	2.2	1.5		1.5	1.8	2.2		2.0	2.0		1.2		
Store			1.7	1.3					1.5				
Administration			1.7				1.5	3.0					
Revenue											1.1		
UCD& SJSRY			2.1	1.8			1.1		1.9		1.1		
Civil			1.2		1.8				1.7				
Garden			1.4										
Project & Planning			1.5		1.7								
Drainage	1.9		1.5	1.4	1.8	2.3							

	Anand	Bharuch	Bhav nagar	Junagad	Jam nagar	Surendra nagar	Vad nagar	Patan	Gandhi Dham	City Survey	Veraval	GUDC	GMFB
ICDS			1.4		1.1								
Primary Education			1.5		1.7								
Slum			1.4		2.0								
Fire & emergency services				1.7									
Octroi				1.6	1.6								
Legal				1.3	1.4								
Grant				1.4									1.9
PRO				1.6									
Transportation (Motor Vehicle)					1.3						1.2		
Town Planning	1.2		1.6		1.8	1.5	1.0						
Solid Waste Management					2.0				1.4			2.6	
Finance							1.1					2.0	
Shops & establishments							1.0		1.4		1.5		
Land records										2.5			
Land allocation										2.7			
Carbon Credit												2.7	
Documentation & Comm.												2.7	
Project Dept.(GERRP)												2.8	
GUDP												2.7	
Integrated Township												3.0	
Urban Development													

9.3 Environmental System Analysis

The urban environment management a present is comprised of multiple actors with fragmented responsibilities and weak coordination and linkages among them While there are perhaps adequate laws and policies implementation suffers due to lack of coordination, information sharing and weak implementation infrastructure coupled with weak capacities at all levels.

While the in-depth analysis of urban environment and recommendations are outside the scope of CENA a broad analysis of salient features of urban environment is highlighted in the following table:

		AIR	WATER
Rules and Acts	<ul style="list-style-type: none"> ▪ The Environment (Protection) Act, 1986, amended 1991. 	<ul style="list-style-type: none"> ▪ The Air (Prevention and Control of Pollution) Act 1981, amended 1987; ▪ Noise Pollution (Regulation and Control) Rules, 2000 	<ul style="list-style-type: none"> ▪ Water (Prevention and Control of Pollution) Act, 1974 ; ▪ Water (Prevention &Control of Pollution) Cess Act, 1977 ▪ The Water (Prevention and Control of Pollution) Cess (Amendment) Act, 2003; ▪ The Coastal Zone Regulation -Declaration Notification, 1991
State Level Agencies		<ul style="list-style-type: none"> ▪ State Pollution Control Board (SPCB) 	<ul style="list-style-type: none"> ▪ State Pollution Control Board (SPCB), ▪ Gujarat State Coastal Zone Management Authority.
Year of establishment		<ul style="list-style-type: none"> ▪ Gujarat Pollution Control Board was constituted on 15th October 1974 	<ul style="list-style-type: none"> ▪ Gujarat State Coastal Zone Management Authority was established on 4th January 2002

<p>Functions of various agencies</p>		<p>SPCB</p> <ul style="list-style-type: none"> ▪ Advise the Central Government on any matter concerning prevention and control of air pollution and improvement of the quality of air. ▪ Provide technical assistance and guidance to the State Boards, carry out and sponsor investigation and research relating to problems of air pollution, and for their prevention, control or abatement. ▪ Plan and organise training of persons engaged in program on the prevention, control or abatement of air pollution. ▪ Organise through mass media, a comprehensive mass awareness programme on the prevention, control or abatement of air pollution. ▪ Prepare manuals, codes and guidelines relating to treatment and disposal of sewage and trade effluents as well as for stack gas cleaning devices, stacks and ducts. ▪ Disseminate information in respect of matters relating to air pollution and their prevention and control. ▪ Lay down, modify or annul, in consultation with the State Governments concerned, and lay down standards for the quality of air. 	<p>SPCB</p> <ul style="list-style-type: none"> ▪ Organise through mass media, a comprehensive mass awareness programme on the prevention, control or abatement of water pollution. ▪ Collect, compile and publish technical and statistical data relating to water pollution and the measures devised for their effective prevention, control or abatement ▪ Disseminate information in respect of matters relating to water pollution and their prevention and control. ▪ Lay down, modify or annul, in consultation with the State Governments concerned, the standards for stream or well. ▪ Board is to enforce the provisions of the Acts, Rules and Directives issued by the Authorities from time to time. ▪ Bring about all round improvement in the quality of the environment in the State by effective implementation of the laws. ▪ Control of pollution at source to the maximum extent possible with due regard to technological achievement and economic viability as well as sensitivity of the receiving environment.. ▪ Maximisation of re-use and re-cycle of sewage and trade effluent on land for irrigation and for industrial purpose after giving appropriate treatment and thereby economising and saving on the use of water. The practice also helps in stopping pollution of water due to reduction in discharges of waste into water bodies. ▪ Minimisation of adverse effect of pollution by selecting suitable locations for the establishment of new industrial projects. ▪ Co-ordination with other agencies of the State
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			<p>Government and local authorities to encourage the Common Effluent Treatment Plants and Treatment Stabilisation Disposal Facilities</p> <ul style="list-style-type: none">▪ Close co-ordination and rapport with educational institutions, non government organisations, Industries Associations, Government organisations, etc. to create environmental awareness.
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	SOIL	NOISE	SOLID WASTE MANAGEMENT
Rules and Acts		<ul style="list-style-type: none"> The Noise Pollution (Regulation and Control) Rules, 2000 	<ul style="list-style-type: none"> The Hazardous Wastes (Management & Handling) Rules, 1989; The Municipal Solid Waste (Management and Handling) Rules, 2000; The Bio-Medical Waste (Management and Handling) Rules, 1998. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989. The Bio-Medical Waste (Management and Handling) Rules, 1998 The Recycled Plastics Manufacture and Usage Rules, 1999 The Batteries (Management & Handling) Rules, 2001
State Level Agencies	<ul style="list-style-type: none"> State Pollution Control Board (SPCB) 	<ul style="list-style-type: none"> State Pollution Control Board (SPCB) 	<ul style="list-style-type: none"> State Pollution Control Board (SPCB), Urban Local Bodies
Year of establishment	<ul style="list-style-type: none"> Gujarat Pollution Control Board was constituted on 15th October 1974 	<ul style="list-style-type: none"> Gujarat Pollution Control Board was constituted on 15th October 1974 	<ul style="list-style-type: none"> Ahmedabad Municipal Corporation was established in July 1950
Functions of various agencies			<p>SPCB</p> <ul style="list-style-type: none"> Identifications of sites and development of procedures and methods for the disposal of hazardous wastes

	HERITAGE	WILD LIFE PROTECTION	FOREST CONSERVATION
Rules and Acts	<ul style="list-style-type: none"> ▪ The Ancient Monuments and Archaeological Sites and Remains Act, 1958 	<ul style="list-style-type: none"> ▪ The Wild Life (Protection) Amendment Act, 2002, ▪ The Indian Wildlife (Protection) Act, 1972, amended 1993 	<ul style="list-style-type: none"> ▪ Forest (Conservation) Act, 1980, amended 1988 ▪ The Indian Forest Act, 1927 ▪ State/Union Territory Minor Forest Produce (Ownership of Forest Dependent Community) Act, 2005
State Level Agencies	<ul style="list-style-type: none"> ▪ District Administration, ▪ Urban Local Bodies, ▪ Urban Development Authority, ▪ Archaeological Survey of India. 	<ul style="list-style-type: none"> ▪ Forest Department 	<ul style="list-style-type: none"> ▪ Forest Department

<p>Functions of various agencies</p>	<p>UDA</p> <ul style="list-style-type: none"> ▪ PLANNING - preparation and revision of Master Plan and Zonal Development Plans ▪ REGULATION AND CONTROL - to regulate and control the development through statutory plans and other measures ▪ DEVELOPMENT - to undertake various developmental projects in the Developmental Area ▪ CO-ORDINATION - to coordinate with other public agencies concerned with provisions of urban infrastructure, services and amenities 	<p>Forest Department</p> <ul style="list-style-type: none"> ▪ Protection, Conservation and development of forests and wild life, the adoption of measures of soil conservation, moisture conservation and increasing soil fertility. ▪ The utilization of the forest so as to obtain the maximum yield consistent with their permanent maintenance and the supply of the needs of the people, agriculture, industry and defense. ▪ To conduct research into silviculture, utilization and other problems affecting the regeneration and development of the forests. ▪ To achieve the goals of National Forest policy 1988 and to cover the maximum area under forests. ▪ To create awareness among the people about the forests and environment. ▪ To increase the active participation of the local people in protection and conservation of forest with special emphasis on tribal, poor and women. 	
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	BIODIVERSITY	URBAN FORESTRY	LAND USE PLANNING	DISASTER MANAGEMENT	TRANSPORTATION
Rules and Acts	<ul style="list-style-type: none"> ▪ Biological Diversity Act, 2002 		<ul style="list-style-type: none"> ▪ Gujarat Town Planning and Urban Development Act, 1976 	<ul style="list-style-type: none"> ▪ The Gujarat State Disaster Management Act, 2003 	
State Level Agencies	<ul style="list-style-type: none"> ▪ National Biodiversity Authority 	<ul style="list-style-type: none"> ▪ Urban Local Body, ▪ Urban Development Authority 	<ul style="list-style-type: none"> ▪ Town Planning and Valuation Department, Urban Development Authority, Urban Local Body 	<ul style="list-style-type: none"> ▪ Gujarat State Disaster Management Authority 	<ul style="list-style-type: none"> ▪ Gujarat State Road Development Corporation Ltd
Year of establishment	<ul style="list-style-type: none"> ▪ National Biodiversity Authority was established on 1st October 2003. 	<ul style="list-style-type: none"> ▪ Ahmedabad Urban Development Authority was established on 1st February 1978 ▪ Ahmedabad Municipal Corporation was established in July 1950 	<ul style="list-style-type: none"> ▪ Town Planning and Valuation Department was established on July 1983 	<ul style="list-style-type: none"> ▪ Gujarat State Disaster Management Authority was constituted on 8th February 2001. 	<ul style="list-style-type: none"> ▪ Gujarat State Road Development Corporation Ltd was established on 12th May ,1999

<p>Functions of various agencies</p>			<p>TPVD</p> <ul style="list-style-type: none"> ▪ Advocate and Promote Planning Activities in the State. Scrutiny of the Development Plans and Town Planning Schemes of the cities and towns prepared by the Appropriate Authorities under the provisions of the Gujarat Town Planning and Urban Development Act, 1976. ▪ Supervision and Monitoring of the Regional as well as Branch offices of the department. ▪ Technical support to Appropriate Authorities in preparation of Development Plans and Town Planning Schemes. ▪ Advise to the State Government on technical and legal matters. 	<p>GSDMA</p> <ul style="list-style-type: none"> ▪ To undertake social and economical activities for rehabilitation & resettlement of the affected people that would include new Housing, Infrastructure, Economics Rehabilitation, social Rehabilitation and other related programme. ▪ To prepare programmes and plans to mitigate the losses on account of disasters as a strategy for long terms disaster preparedness. ▪ To undertake research and study regarding causes for losses on account of natural disaster and to suggest remedial measures for minimizing the same. ▪ To obtain funds for rehabilitation and resettlement and to ensure optimum 	<p>GSRDC</p> <ul style="list-style-type: none"> ▪ To under the development of bridges and roads. ▪ To raise financial resources form banks, Institutions, mutual funds, individuals etc. ▪ To commercially develop & exploit land along side the roads/bridges
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			<ul style="list-style-type: none"> ▪ Advise on the valuation of land, where Government interest is involved. ▪ To evolve Urban and Regional standards and guidelines. ▪ Provide guidance for implementation of urban development programmes envisaged in the five year plans and annual plans of the State Government. ▪ Advise the State Government on framing of policies related to urban development, urban renewal, town planning, development control etc. 	<p>utilization of these funds obtained in the form of grant, aid, assistance or loan from Government of Gujarat, Government of India, World Bank and ADB, USAID, DFID, IFRC, and donors, NGOs, and from financial institutions, Public and private trusts or any other organisations.</p> <ul style="list-style-type: none"> ▪ To manage Gujarat Earthquake Rehabilitation and Reconstruction Fund. ▪ To act as a nodal agency and to co-ordinate various issues relating to the deserving victims out of the funds, either directly or through a common fund created for these purpose in any other feasible mode. ▪ To provide to arrange financial assistance so as to achieve the objects of the 	
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				<p>society.</p> <ul style="list-style-type: none"> ▪ To raise money through financial instruments, bonds, deposits or such other manner may be permissible under the provision of Societies Registration Act, 1980 and the Bombay Public Trust Act 1950. ▪ To develop approach, philosophy, policy guidelines and action plan and other relevant aspects for meeting out disaster of any kind; Management Administration, Investment & Reinvestment of funds out of sale proceeds received from the sale of land, buildings, Equipments, furniture, fixtures, debris or any other things or articles or infrastructure. ▪ To act as a nodal agency and to coordinate various issues related to the 	
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				maintenance of hygienic living conditions, welfare of victims, environmental maintenance and such other welfare measures, as may be assigned to the deserving authority.	
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(The information has been collected from the official websites of the agencies)

Analysis

The analysis of current scenario is concluded by

- Inadequate governance – Urban local bodies lack functional jurisdiction as responsibilities for urban services are fragmented and overlap considerably across state and local agencies leading to a lack of coordination and understanding as to responsibility for service delivery and financing.
- Devolution of from states to urban local bodies has been partial and limited and fiscal dependence on state government high.
- Lack of intensive monitoring of environmental quality and immediate remedial solutions.
- Lack of focus on prioritizing of activities.
- The enforcement of existing norms is extremely weak due to multiple agencies having overlapping responsibilities and weak co-ordination between them.
- The existing law needs updation with more stringent measures for penalties/disincentives for nonobservance of laws.
- Weak financial capacity and inadequate financial management systems.
- Low quality and quantity of basic services – independent, professional institutions for basic service delivery are generally absent in urban area and there is a strong bias towards providing physical infrastructure rather than providing financially and environmental sustainable services to urban areas.
- Citizens involvement in city decisions is low, lacks transparency and a systematic approach.

Broad Recommendations:

The Bombay Provincial Municipal Corporation Act, 1949 has laid down few obligatory functions for the Municipal Corporation which includes providing basic sanitation, public health, water supply, solid waste management, and treatment of liquid waste. It is incumbent on the Corporation to make adequate financial and other provisions for all the obligatory functions.

- The deficiencies in the environment management can be improved by introducing micro ward level planning for better and effective delivery of basic services. Initiatives should be undertaken to involve the community in planning and management of programmes at the local level for sustainable development.
- Strengthening of infrastructure resources in terms of equipments, technology, and man power. Monitoring and surveillance system includes technological improvement and introduction of equipment.
- Awareness creation, capacity building and citizen's involvement in the entire process would eventually help in minimizing environmental offence.
- Disseminate knowledge on environment through schools, newspapers and other medias.
- Decentralize the administration and financial authority to speed up the decision making and problem solving process.

- Collective decision making rather than a hierarchical set up with top down system of percolating orders.
- Close co-ordination and rapport with public bodies and industries to create environmental awareness.
- Strengthening the role of ULBs in the process of conducting EIAs for projects like townships and area development projects which lie within its jurisdiction.
- The Acts should be amended to empower the agencies not only to carry out works but also to maintain them if necessary.
- Urban forestry has been one of the tasks of ULBs under schedule 12th it does not have mandatory nature and hence implementation of the same varies with interests of CEOs and other senior officials of ULBs. The contrast is very sharp when one looks at social forestry programme of forest department and social forestry programme of ULBs in terms of scientific planning, budgeting, location and species scheduling, felling schedule and tree protections etc. and requisite infrastructure for the same. ULBs can form a node for PPP (Public –Private partnerships Initiatives) as per recommended strategies. Capacities of citizens and urban dwellers need to be built up with volunteered efforts of housewives, retired personals, NGOs/CBOs and urban youth.
- Initiatives like dredging, cleaning, linking and beautifying of lakes should be taken up by the Urban Local Bodies to improve the urban environment.

9.4 Monitoring And Evaluation Framework for Urban Local Bodies

ULBs are large institutions dealing with complex tasks and multitude of relationships. Current M & E framework of ULB is non existent with DOM being responsible for rudimentary reporting especially of central Government sponsored schemes and Municipal Corporations are independent entities with no supportive supervision provision from the state government. Under the prevailing statutes MC are responsible to their elected representatives and thus lack state level integrated M & E framework. While detailed and more specific framework of performance indicators need to be debated and finalized by ULBS and the State Government an indicative list of performance indicators is highlighted in the following table.

DIMENSION	ASPECT	SYSTEMS/PROCESS	OBJECTIVELY VARIFIABLE INDICATORS
HUMAN CAPACITY	Regular measurement of capacity building needs at institutional and individual levels	<ul style="list-style-type: none"> ▪ Regular capacity building Needs Assessment ▪ Capacity building needs discussed and integrated in recruitment and annual performance appraisal systems 	<ul style="list-style-type: none"> ▪ CNA (Capacity Need Assessment) reports ▪ Recruitment plans including selection criteria and plans ▪ Job descriptions and specifications ▪ Performance appraisal forms
	Planning for Human CB	<ul style="list-style-type: none"> ▪ CB plans at institutional levels 	<ul style="list-style-type: none"> ▪ Yearly training/learning plans ▪ Yearly training calendars ▪ Yearly training budgets
	Evaluation of CB implementation	<ul style="list-style-type: none"> ▪ Training and CB evaluation system 	<ul style="list-style-type: none"> ▪ Planned/actual coverage of human resources

			<ul style="list-style-type: none"> ▪ Planned/actual functional coverage ▪ Budget/actual expenditure rates and deviation analysis ▪ Training evaluation reports comprising four dimensions of process, content, faculties and arboriculture
INSTITUTIONAL CAPACITY	<ul style="list-style-type: none"> ▪ Policy and Regulatory 	<ul style="list-style-type: none"> ▪ Bottlenecks of policy and regulatory nature in discharging functions (mandatory, discretionary) under 12th schedule ▪ Reform agendas- Accrual based accounting and double entry book keeping, E-Governance, IT, citizen charter etc. 	<ul style="list-style-type: none"> ▪ SWOT/Diagnostic study reports ▪ Reform agenda plans and actual
	<ul style="list-style-type: none"> ▪ Financial 	<ul style="list-style-type: none"> ▪ Financial planning and monitoring system 	<ul style="list-style-type: none"> ▪ Resource mobilization plans/ actual ▪ Yearly budgets - recovery and expenditure rates, deviation analysis ▪ Cost benefit analysis studies
	<ul style="list-style-type: none"> ▪ Services provisions 	<ul style="list-style-type: none"> ▪ Services coverage (mandatory functions) 	<ul style="list-style-type: none"> ▪ Service coverage plans and analysis reports
	<ul style="list-style-type: none"> ▪ Procurement 	<ul style="list-style-type: none"> ▪ Procurement planning system 	<ul style="list-style-type: none"> ▪ Procurement plan and actual-packaging, contracts and types, planned and actual expenditure rates ▪ Procurement manuals
	<ul style="list-style-type: none"> ▪ Technology deployment- E-Governance, IT, MIS, M & E 	<ul style="list-style-type: none"> ▪ Technology planning system 	<ul style="list-style-type: none"> ▪ Technology deployment plans and actual
	<ul style="list-style-type: none"> ▪ Inclusive city governance 	<ul style="list-style-type: none"> ▪ Extent of participation, transparency and inclusivity in city governance and management ▪ Functioning of city groups 	<ul style="list-style-type: none"> ▪ Rapid Participatory appraisals of urban poor and marginalized groups ▪ Services access and hindrances studies ▪ TOR, meetings and minutes of meetings of city groups
	<ul style="list-style-type: none"> ▪ Organization structure 	<ul style="list-style-type: none"> ▪ Organization structure 	<ul style="list-style-type: none"> ▪ Organograms with clear TOR, roles and responsibilities ▪ Standard Operating Procedure manuals

The basic intent of M & E is to support the creation of a knowledge base of information and analysis of infrastructure services provided by the urban local bodies. The following table presents a representative list of indicators:

No.	Performance Indicator	Definition	Unit	Frequency of measurement
	Water Supply			
1	Total number of water connections	Total number of water connections provided by the city	Number	quarterly
2	Population with access to water supply	Total population having access to water supply	Number	quarterly
3	Water supply per capita per day	Total water supply to the city / total population of the city	lpcd	quarterly
4	Average hours of supply per day	Indicates the total hours of water supply to the citizens per day.	hours	quarterly
5	Annual capital expenditure on water supply	Total capital expenditure occurred by the ULB for water supply distribution, treatment and storage	Rs.	annually
6	Withdrawal of groundwater	(quantity drawn / total supply) x 100	%	quarterly
7	Treatment plant capacity as % of total supply	(treatment plant capacity / amount of water supplied per day) x 100	%	annually
8	Ratio of slum population to number of public stand posts	(slum population / public stand post)	ratio	annually
9	% cost recovery in water supply	(total revenue / total cost) x 100		annually
10	Revenue generated per 1000 liters of water supplied	(total revenue / [water supplied per day x 365] x 1000	Rs.	annually
11	Number of metered water connections	Number of individual water connections with meters	number	quarterly
12	Employees per 1000 connections	(total staff / total no. of water connections) x 1000		annually
	Water Quality Analysis/Tests			
1	Turbidity	Gives an indication of presence of suspended particles	NTU	quarterly
2	Alkalinity	Gives an indication of presence of salts and acids in the water	ppm	quarterly
3	Hardness	Gives an indication of presence of calcium and magnesium in the water	ppm	quarterly
4	Total Dissolved Solids	Gives an indication of presence of inorganic and organic particles in water	ppm	Quarterly

	Sewerage			
1	% population covered by underground sewerage	$(\text{population covered by underground sewerage} / \text{total population}) \times 100$	%	quarterly
2	% population covered by public toilets/not served	$(\text{Population covered by open drains} / \text{Total popn}) \times 100$	%	quarterly
3	% of waste water treated	$(\text{amount of waste water treated} / \text{total amount of waste water generated}) \times 100$	%	quarterly
4	Cost per sewerage connection	Total operating cost per year x 1000 / divided by total no. of sewerage connection	Rs / conn.	annually
5	% cost recovery	$(\text{total recovery} / \text{total cost}) \times 100$	%	annually
6	Employees per 1000 connections	$(\text{total staff} / \text{total no. of sewerage connections}) \times 1000$	number	annually
7	Total waste water generated/day [within city]	Indicates total waste generated by an individual per day	MLD	monthly
	Storm Water Drainage			
1	Total road length surfaced	Total length of roads which are hard surfaced.	km	quarterly
2	Total road length having storm water drains	Total length of roads which have storm water drains	Km	quarterly
3	O&M cost per km of road length	O&M costs / pucca road length	Rs.	annually
	Street Lighting			
1	Number of street lights per km of road length	$(\text{total number of street lights} / \text{total area of city})$	number	quarterly
2	City area not having street lights	$(\text{area not having street lights} / \text{total city area}) \times 100$	%	quarterly
3	Annual O&M costs per street light	total O&M costs / total no. of street lights	Rs.	annually
4	Staff per 1000 street lights	$(\text{total staff} / \text{total number of street lights}) \times 1000$	number	Annually
	Solid Waste Management			
1	Total waste generated/day	Indicates the quantity of waste generated per day	MT	weekly
2	Total waste collected/day	Indicates the quantity of waste collected per day	MT	weekly

3	Total waste transported/day	Indicates the quantity of waste transported per day	MT	weekly
6	Primary doorstep collection	$(\text{waste collected from doorstep} / \text{total waste generated}) \times 100$	%	monthly
7	Waste generated per capita	$\text{total waste generated per day} / \text{total population}$	g/capita/day	weekly
8	Total cost per tonne of waste collected per day	$\text{total cost} / \text{total waste generated in tonnes per day}$	Rs./day	monthly
9	Staff per tonne of waste generated	$\text{total staff} / \text{total waste generated}$	number / Kg	monthly
	Road			
1	Total length of roads	Total length of roads in the city	Km	quarterly
2	Total surfaced roads	Total length of roads which are hard surfaced.	Km	quarterly
3	Cost per construction of 1 km of road length	Self Explanatory	Rs.	quarterly
	Public Transport			
1	% of population served by public transport	$(\text{Total population served by public transportation} / \text{total city population}) \times 100$	%	quarterly
2	Access to public transport by urban poor	The percentage of employed members of poor households who rely on public transport for work trips.	%	quarterly
3	% of total area covered by public transport	$(\text{Total area served by public transport} / \text{total city area in sq.km}) \times 100$	%	Quarterly
	Health			
1	Infant mortality	Gives the indication of the number of infants who are born alive, but die before one year of age	number	quarterly
2	Maternal mortality	Gives the indication of the number of deaths of pregnant mothers	number	quarterly
3	No. of cases of typhoid per 1000 population	Indicates the total number of typhoid cases per 1000 population	number	monthly
4	No. of health centres per 1000 population	Indicates the total number of health centres per 1000 population in the city	number	annually

5	Percentage full immunization coverage	Indicates the percentage of children who have received all immunisation	%	Monthly
	Education			
1	Number of primary schools run by ULB	Indicates the total number of primary schools run by ULB	number	Annually
2	Total population having access for primary education	Indicates the total population having access for primary education	number	Annually
3	No. of educational centres per 1000 population	Indicates the total number of existing edu. centres for per 1000 population	number	Annually
4	Number of Technical Education Institutes	Indicates the total number of technical educational institutes	number	Annually
5	Adult literacy rate	The percentage of literate adults to total adults	%	Annually
	Green areas			
1	Population having access to green areas	Total population with access to public green areas within the city	Number	Quarterly
2	Green area available per person	Total green area in the city / total population.	sq.m/ person	Annually
3	Number of parks	Total number of public parks existing in the city	Number	Quarterly
4	Number of open spaces	Total number of open spaces existing in the city	Number	Quarterly
	Slums			
1	Total number of Slums	Indicates the total number of slums in the city	number	Annually
2	Population in Slums	Indicates the total population of slums in the city	number	Annually
3	Total Area of slums	Indicates the total area covered by slums	sq.km	Annually
4	Total number of notified slums [by ULB]	Indicates the total number of notified slums in the city	number	Annually
5	Total number of Denotified slums	Indicates the total number of denotified slums in the city	number	annually

6	Number of slums with access to water and sanitation services	Indicates the total number of slums having access to water and sanitation services	number	Quarterly
7	Number of mobile community toilets	Indicates the total number of mobile community toilets	number	Quarterly
	Financial Information			
1	Property Tax	Actual property tax collected	Rs.	Annually
2	Octroi	Actual octroi collected	Rs.	Annually
3	Tax from other sources [advertisement, shared tax, etc.]	Actual tax collected from Non Tax revenues such as advertisement, etc.	Rs.	Annually
4	Revenue from water supply	Revenue collected from water supply	Rs.	Annually
5	Revenue from Solid Waste Management	Revenue collected from solid waste management	Rs.	Annually
6	Revenues from Sewerage/Waste Water	Revenue collected from sewerage	Rs.	Annually
7	Market borrowings	Total income as loans or bonds	Rs.	Annually
8	Government Transfers [grants, devolutions & subsidies]	Total income as grants and subsidies from Central and State Government	Rs.	Annually
9	Capital Expenditure on Water supply	Amount spent to upgrade physical assets such as building, pipeline, machinery, treatment plants. etc	Rs.	Annually
10	Capital Expenditure Solid Waste Management	Amount spent to upgrade physical assets such as collection and transportation equipments, landfill sites. etc	Rs.	Annually
11	Capital Expenditure from Sewerage / Waste Water	Amount spent to upgrade physical assets such as sewerage lines, machinery, treatment plants. etc	Rs.	Annually
12	Capital Expenditure on Health	Amount spent to upgrade physical assets such as medical equipments, vaccination etc.	Rs.	Annually
	Human Resource Management			
1	Well constituted organization structure	Self Explanatory	Y / N	
2	Job Description	Job description of each individual in the department	Y / N	
3	Well structured roles and responsibilities of each employee	Self Explanatory	Y / N	

4	No. of position filled	Number of position filled in each department	number	annually
5	No. of vacant position	Number of position vacant in each department	number	annually
6	Frequency of training programs per year	Number of training programs conducted annually	number	annually
7	Availability of technical support like computers, internet facility,	Number of computers available for each department	number	quarterly

ANNEXURE 1: DRAFT AGENDA FOR AN INSTITUTIONAL ANALYSIS

Organisation	Date	Members	No. of officials Met
Anand Municipality	24-25 April	Yashesh Anantani, Jiji Thattil	31
Bharuch Municipality	26-27 April	Xerxes Rao, Jiji Thattil	21
Bhavnagar Municipal Corporation	04-05 April	DM Sukthankar, PK Srihari, Rajendra Jani, Manvita Baradi, Meghna Malhotra, Xerxes Rao, CN Ray, Yashesh Anantani, Shreya Pillai, Jiji Thattil	55
City Survey	27 April	Meghna Malhotra, Manvita Baradi	28
DoM	15 June	Xerxes Rao, Meghna Malhotra, Archana Padve, Rajendra Jani	23
Gandhidham Municipality	21-22 May	Yashesh Anantani, Jiji Thattil	16
GMFB	03 April	DM Sukthankar, PK Srihari, Rajendra Jani, Manvita Baradi, Meghna Malhotra, Xerxes Rao, CN Ray	15
GUDC	16-17 April	DM Sukthankar, PK Srihari, Rajendra Jani, Manvita Baradi, Meghna Malhotra, Xerxes Rao	19
Jamnagar Municipal Corporation	20-21 April	PK Srihari, Rajendra Jani, Xerxes Rao, Meghna Malhotra, DM Suktankar, CN Ray	35
Junagadh Municipal Corporation	23-24 April	PK Srihari, Rajendra Jani, Xerxes Rao, Meghna Malhotra	34
Patan Municipality	03 May	Meghna Malhotra, Manvita Baradi, Jiji Thattil	27
Surendranagar Municipality	16-17 April	Yashesh Anantani, Jiji Thattil, Shreya Pillai	23
TPVD	15 June	Xerxes Rao, Meghna Malhotra, Archana Padve	22
Vadnagar Municipality	18-19 April	Yashesh Anantani, Jiji Thattil	15
Veraval Municipality	19 June	Xerxes Rao, Archana Padve	25

Time	Task	Person	Remarks for UMC
Day 1- 4th April 2007			

3:00-5:30	Human Capacity analysis-questionnaire based	<p>Chair: Mr. S.J. Haider Facilitator: Mr. Rajendra Jani (UMC) Participants (30-40 people):</p> <p>Dy. Muni Commissioners City Engineer HoDs Assistant Engineers (all sectors) Town Planning Officers CDPO Chief Accounts Officer PRO Property Tax Assessors Medical Health Officers UCD Education department Slum/garden depts</p>	Addendum 1- Individual Capacity Questionnaire
5:30-6:30	Understanding capacity building and training initiatives by Bhavnagar Municipal Corporation	<p>Chair: Mr. S.J. Haider Facilitator: Mr. Rajendra Jani (UMC) Participants : officers in charge of training</p>	Addendum 4- Institutional capacity building function checklist
Day 2- 5th April 2007			
9:30-10:30	Meeting to understand institutional and individual capacities in the Bhavnagar Municipal Corporation	<p>Hon'ble Mayor, Shri Mehul.S. Vadodaria and Hon'ble Deputy Mayor</p>	Checklist
10:30-11:30	SWOT analysis with standing committee members	<p>Chair: Shri. Mehul Vadodaria Facilitator: Mr. Rajendra Jani (UMC) Participants – Chairman Standing Committee Leader of opposition Leader of ruling party Standing Committee members</p>	SWOT template
11:30-1:30	SWOT with Executive wing of Bhavnagar Municipal Corporation in three groups: 1. Admin and finance 2. Physical Infrastructure 3. Social Infrastructure	<p>Chair: Mr. S.J. Haider Facilitator: Mr. Rajendra Jani (UMC) Participants (15-20 people): about 5-7 members per sub group</p> <p>Dy. Muni Commissioner, Chief Finance Officer/ chief accountant, auditor, CA Personnel and establishment,</p> <p>Dy. Muni. Commissioner, city engineer, executive engineer (road, drainage, building, filter, slum suptt, electricity, water works, project, garden)</p> <p>Dy. Muni. Commissioner, CMHO, UCD, primary education</p>	SWOT template
12.30 – 1..30	Self assessment of each department to assess current level of capacities	Same group as above continues	Addendum 5- Institutional Capacity Assessment Framework

ANNEXURE 2: MANDATED REFORMS UNDER THE JNNURM

- i. **Urban Local Body / Parastatal level Reforms**
 - a. Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies/Parastatals
 - b. Introduction of system of e-governance using IT applications like, GIS and MIS for various services provided by ULBs/Parastatals.
 - c. Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85% within next seven years.
 - d. Levy of reasonable user charges by ULBs/Parastatals with the objective that full cost of operation and maintenance or recurring cost is collected within next seven years. However, cities/towns in North East and other special category States may recover at least 50% of operation & maintenance charges initially. These cities/towns should graduate to full O&M cost recovery in a phased manner.
 - e. Internal earmarking within local body, budgets for basic services to the urban poor.
 - f. Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuing delivery of other already existing universal services of the Government for education, health and social security.

- ii. **State Level Reforms**
 - a. Implementation of decentralization measures as envisaged in 74th Constitution Amendment Act. States should ensure meaningful association/engagement of ULBs in planning function of parastatals as well as delivery of services to the citizens.
 - b. Repeal of Urban Land Ceiling and Regulation Act.
 - c. Reform of Rent Control Laws balancing the interests of landlords and tenants.
 - d. Rationalization of Stamp Duty to bring it down to no more than 5% within next seven years.
 - e. Enactment of Public Disclosure Law to ensure preparation of medium term fiscal plan of ULBs/Parastatals and release of quarterly performance information to all stakeholders.
 - f. Enactment of Community Participation Law to institutionalize citizen participation and introducing the concept of *Area Sabha* in urban areas.
 - g. Assigning or associating elected ULBs with “city planning function”. Over a period of seven years, transferring all special agencies that deliver civic services in urban areas to ULBs and creating accountability platforms for all urban civic service providers in transition.

In addition there are optional reforms (Common to State and ULBs/Para-statal) comprising

- i. Revision of bye-laws to streamline the approval process for construction of buildings, development of sites etc.
- ii. Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.
- iii. Introduction of Property Title Certification System in ULBs.
- iv. Earmarking at least 20-25% of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidization.
- v. Introduction of computerized process of registration of land and property.
- vi. Revision of bye-laws to make rain water harvesting mandatory in all buildings and adoption of water conservation measures.
- vii. Bye-laws for reuse of recycled water.
- viii. Administrative reforms i.e. reduction in establishment by bringing our voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard.
- ix. Structural reforms
- x. Encouraging Public Private Partnership

ANNEXURE 3- WARD COMMITTEES FROM OTHER STATES

Ward Committees in different States

West Bengal: All Municipalities of West Bengal were constituted under the provisions of the West Bengal Municipality Act, 1993. Each municipality is divided into a number of wards, which is determined and notified by the State Government having regard to the population, dwelling pattern, geographical condition and economic consideration of respective area. The minimum number of wards so determined is nine and the maximum number is kept between 15 and 35 depending on the size of the Urban Local Body (ULB). An elected Councilor represents each ward. Every Urban Local Body having a population of three lakh or more groups the wards into five (up to 15 in respect of Municipal Corporation) boroughs. Boroughs are constituted with not less than six contiguous wards and a Borough Committee is also constituted for each Borough. The Councilors of the respective wards are the members of such Borough Committee and elect the Chairman (not being a member of Chairman-in- Council/ Mayor-in-Council) from among themselves. The Borough Committee discharges such functions, as the Urban Local Body requires it to discharge. At ward level, the Urban Local Body constitutes Ward Committee under the Chairmanship of the Ward Councilor.

Andhra Pradesh: Ward Committees are formed to monitor the urban services provided in their wards. Elected ward representatives are accountable to the ward committees for the provision of urban services. At the financial level, the ground rules for allocation of tax resources, sharing of tax revenues and transfers from Government to local bodies in different parts of the State is clearly defined through the State Finance Commission.

Kerala: The local self-governance gives people the voice and the power of choice to enable them have the development they need and they want. Ward Committees have blossomed into dynamic forum of direct, face-to-face democracy. Accordingly, the system of governance at various levels has radically restructured and is more participatory. Under the State Plan almost 40 per cent of the funds are earmarked for the plans formulated at local level with the direct involvement of the people. These local development plans are then synthesized into block or municipal plans and then district plans. This decentralized planning process is officially referred to as the People's Planning Campaign. The Kerala Municipality Act provided a substantive framework for implementing change. With this in mind, politicians promoted decentralization and the participation of the people. People are empowered by the very process of participation in planning and this mechanism lives out both the intent and written word of the Kerala Municipality Act. The process includes a participatory tool for organizing the community through the Ward Committee 4 which is chaired by the municipal councilor.

ANNEXURE 4: DISTRICT WISE LIST OF URBAN LOCAL BODIES, GUJARAT

No	Name of the District	Name of Municipality				Municipal Corporation
		A	B	C	D	
Saurashtra						
1	Surendranagar	Surendranagar	Dhangadhra	Limbdi	Hadvad	
			Vadhwan	Thangadh	Patdi	
					Chotila	
2	Bhavnagar	Botad	Mahuva	Sihor	Vallabhipur	Bhavnagar Municipal corporation
			Palitana	Gariyadhar		
				Gadhda		
				Talaja		
3	Amreli	-----	Amreli	Rajula	Lathi	
			Savarkundla	Bagasra	Chalala	
				Jafrabad	Damnagar	
				Dhari	Babra	
4	Junagadh	Veraval	Keshod	Kodinar	Chorwad	Junagadh Municipal Corporation
		Patan	Mangrol	Manavadar	Vidavadar	
			Una		Vanthali	
					Batwa	
					Sutrapada	
					Talala	
5	Porbandar	Porbandar	-----	Chhaya	Ranavav	
					Kutiyana	
					Adityana	
					Bokhira	
6	Jamnagar	-----	-----	Navagamved	Kalavad	Jamnagar Municipal Corporation
				Khambadia	Dhrola	
				Dwarka	Jamjodhpur	
				Salaya	Bhanvad	
					Sikka	
					Bedi	

					Jam-Raval	
					Okha	
					Arambhada	
					Surajkradi	
7	Rajkot	Jetpur	Gondal	Jasdan	Bhayavadar	Rajkot Municipal Corporation
		Morbi	Dhoraji	Wankaner	Madiya Miyana Gram Panchayat & Hajiyasan Gram Panchayat	
			Upleta			
8	Kutch	Gandhidham	Bhuj	Mandvi	Bhachhau	
			Anjar		Rapar	
9	Dang	-----	-----	-----	-----	
Central Gujarat						
1	Kheda	Nadiad	-----	Kapadvanj	Dakor	
				Chaklasi	Kheda	
				Balasinor	Mahuva	
				Mehmdabad	Kathlal	
					Kanjari	
					Thasra	
2	Aanand	Aanand	Khambhat	Borsad	Aaklav	
				Petlad	Oad	
				Umreth	Boriyavi	
				Vallabhvidhy anagar	Bakrol	
				Karamsad	Sojitra	
3	Gandhinagar	Kalol	Chandkheda	Dehgam	Motera	
				Mansa	Pethapur	
4	Ahmedabad		Dholka	Vastral	Sarkhej Okaf	Ahmedabad Municipal Corporation
			Viramgam	Sanand	Nikol	
				Bavla	NawaOdha v	
				Dhandhuka	Makarba	
				Ramol	Barwala	
				Nawa	Bareja	

				Naroda		
South Gujarat						
1	Valsad	-----	Valsad	Pardi	Dharampur	
			Vapi		Mograwadi	
					Abrama	
					Chala	
					Dungra	
					Umargam	
2	Navsari	Navsari	Vijalpore	-----	Jalalpore	
			Bilimora		Gandevi	
3	Surat	Puna	Bardoli	Vyara	Songadh	Surat Municipal Corporation
				Kosad	Chaprabhat a	
				Unn	Parvat	
				Bamroli	Tarsadi	
					Mandvi	
					Kansad	
					Godadara	
					Amroli	
	Sachin					
4	Bharuch	Bharuch	Ankleshwa r	Jambusar	Jadeshwar	
					Amod	
5	Narmada	-----	-----	Rajpipla	-----	
6	Vadodara	-----	Dabhoi	Padra	Chhota Udaipur	Vadodara Municipal Corporation
				Karjan	Savri	
North Gujarat						
1	Panchmahal	Godhra	-----	Halol	Kalol	
				Lunawada	Sahera	
				Santrampur		
2	Dahod	-----	Dahod	Jhalod	Devgadh Baria	
3	Sabarkantha	-----	Himmatnag ar	Idar	Prantij	
			Modasa	Khedbrahma	Talod	
					Vadali	
					Bayad	

4	Banaskantha	Palanpur	Deesa	-----	Tharad	
					Dhanera	
					Bhabhar	
5	Patan	Patan	Siddhpur	Radhanpur	Harij	
					Chanasma	
6	Mehsana	-----	Mehsana	Vadnagar	Vijapur	
			Visnagar	Nagalpur Gram Panchayat & Nagalpur Soc. Gram Panchayat	Kheralu	
			Kadi			
			Unjha			

APPENDIX-III-1 STATUS OF IMPLEMENTATION OF DPCC AND MPCC IN INDIA- GLIMPSES

I **Kerala:** The committee is clothed with powers to examine and propose changes in the draft for development projects prepared by the panchayats and municipalities. The Government is to consider the proposals and priorities in the draft prepared by the District Panchayat Committee when the State Plan is prepared. The committee has power to monitor and evaluate the implementation of the plan.

The Panchayat Raj-Municipality Act on the basis of 73rd and 74th amendments of the Constitution came into force in the State in the year 1994. As per the provisions made in the Act a number of powers and responsibilities and projects of the Government were transferred to the local self-governments with effect from October 2, 1995. Along with them, the service of the concerned officers was transferred to the local self-government bodies.

II. **Tamil Nadu:** The District Planning Committees have been constituted in all the districts in the State. District Planning Cells have also been created in all the districts to assist the DPCs in the preparation of plan. The State Planning Commission has prepared detailed guidelines for the preparation of development plans by the respective local bodies.

III. **Punjab:** As a result of the 74th Constitutional Amendment Act 1992, District Planning Committees and Metropolitan Committees were formulated in Punjab to strengthen the process of decentralized planning. To pursue the activities, the work has been given to Department of Planning. The concept of untied funds was introduced to cater to special local needs. Under this category, the committee can take up infrastructural development works in accordance with the needs of the local people. In other words, untied funds are mainly used for filling up the small developmental gaps and for increasing the visible efficiency of capital assets already created.

IV. **Maharashtra:** Since the formation of Maharashtra state in 1960, Government has adopted a policy of balanced development on the basis of district as a unit for formulation of Five Year Plans & Annual Plans through District Planning and Development Councils in every district. However, the councils have now been replaced by District Planning Committees (DPC) constituted as per constitutional amendment. This Act has come into force from the March 15, 1999.

- V. **Madhya Pradesh:** The District Planning Committees in the state are headed by the Minister in-charge of the District as Chairman, and elected members from the Panchayat and Urban Local Bodies are members of the district Planning Committee. The elected MPs and MLAs are permanent special invitees to the meetings of the Planning Committee. The function of the District Planning Committee is the preparation of the district plan. Madhya Pradesh has been a pioneer state in constituting district Planning Committees. All the 48 districts today have duly constituted DPCs. All DPCs have duly elected representatives including representatives from local bodies.
- V. **West Bengal:** The West Bengal government envisaged formation of Kolkata Metropolitan Planning Committee for preparation of draft development plan for Kolkata metropolitan area. The Left Front government initiated steps to devolve in to lower levels and initiated constitution of district planning committees headed by presidents of panchayat samitis and zilla parishads. The budgetary provision for various departments for district-level items are disaggregated and disbursed to the DPC. A similar exercise is undertaken at the level of blocks and municipalities. Within these budgetary parameters, which have come to be known as divisible outlay, the DPC has the power to formulate its own plan on the basis of the "district-specific schemes" drawn from district-level sectoral plans and the "block and municipality-specific schemes" appearing in block and municipal plans.