

Institutional Framework for Effective Service Delivery

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Bhopal

Philosophy

Form follows Function

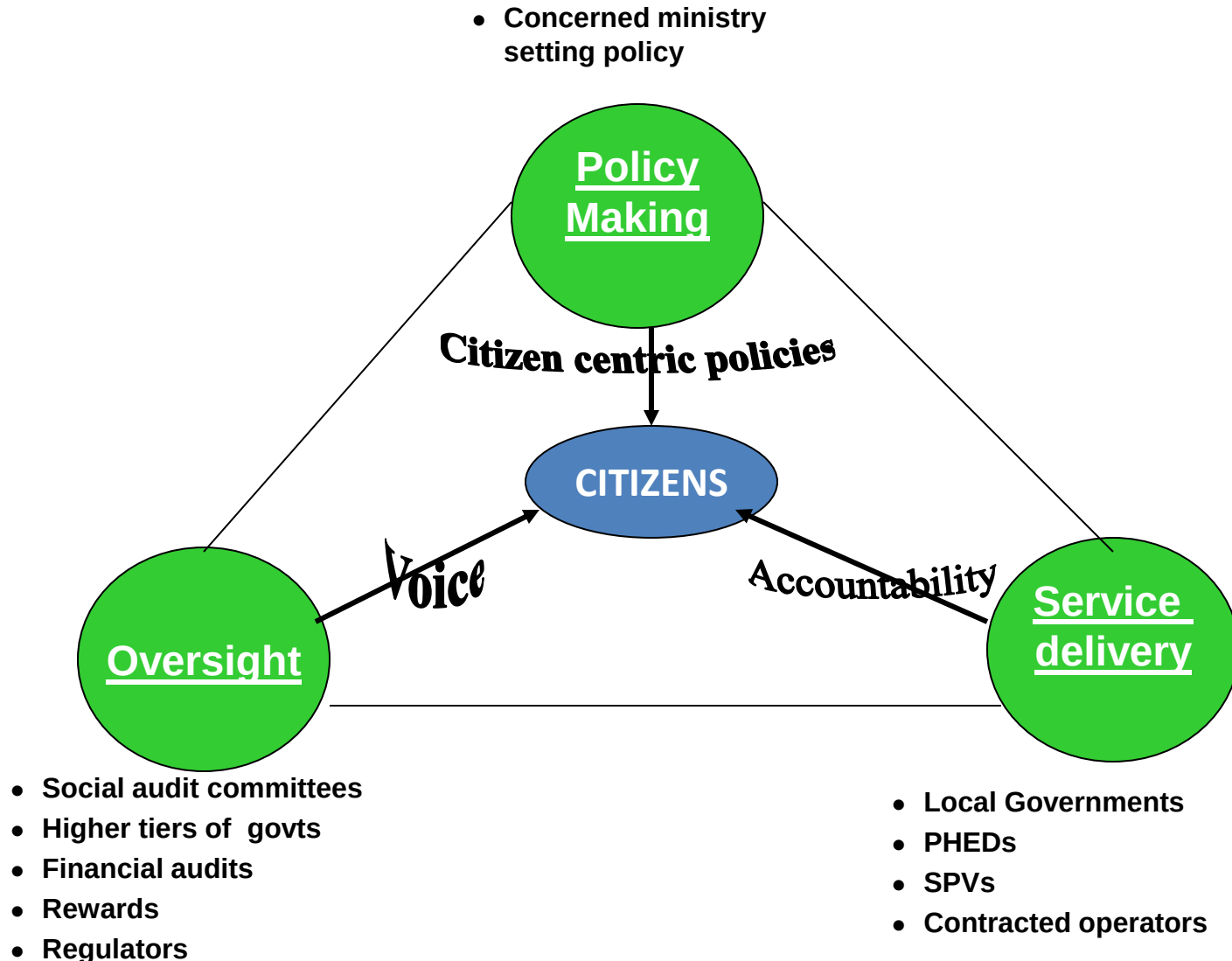
Institutional Framework should follow functions that are essential to ensure quality service delivery to urban citizens

Three key functions are:

- **Policy Setting**
- **Service Delivery**
- **Oversight**

Thus, there is a need to unbundle functions before creating an institutional framework

A Simplified Institutional Framework



Policy Making Institutions

Usually central level – Ministries, departments etc

Policies designed to meet the needs and expectations of citizens

Policies designed on real time ground evidence and future needs.

A range of issues include – standards, service levels, financing, subsidies, O&M issues, quality, resource conservation, regulation etc

Need to have multi-disciplined teams in place for policy design

Service Delivery Institutions

These are usually public institutions – PHED, a unit within ULBs, City level board (BWSB)

The effectiveness is determined by:

- **Enabling environment**
- **Processes followed**
- **People in the organization**
- **Accountability of the organization**

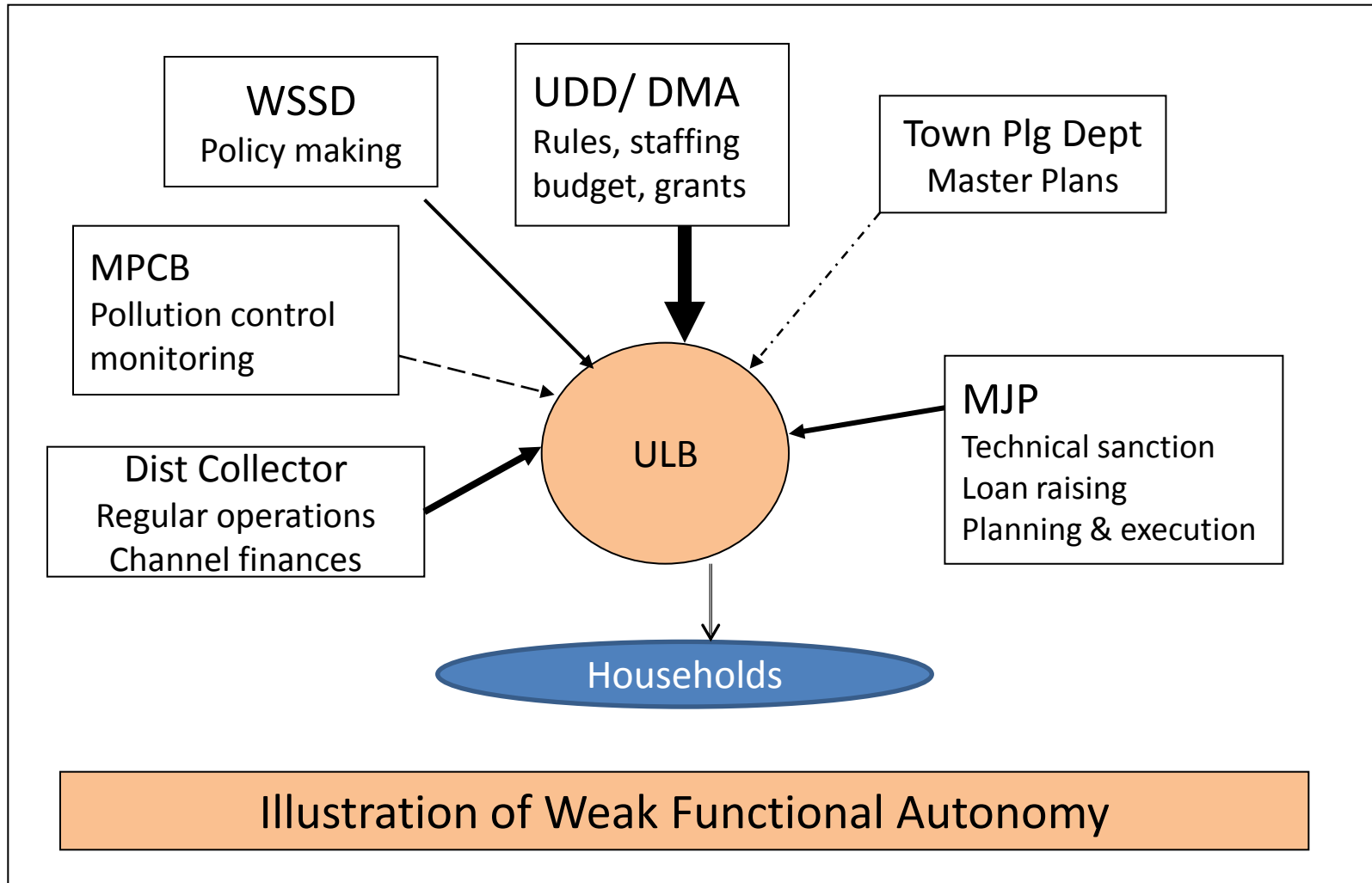
Details are explained below

SDI-Enabling Environment

The key issues that determine the quality of enabling environment are:

- **Legal Structure and ownership** - **Strong**
- **Corporate governance** - **Weak**
- **Documented obligations and rights** (usually given in Acts, policies if any and government orders, but often there are gaps and are not followed) - **Medium**
- **Autonomy** - **Weak. Most service delivery institutions in India do not have functional autonomy** (Tariff fixing, staffing, hiring, scheme costs, expansions, etc)

ULBs in Maharashtra



SDI- Processes

The key processes are related to:

Financial Management and accounting: Major gaps despite good audit systems. For ex: income and expenses on services are not ring fenced, subsidies are not clearly stated, cost of production/ service delivery not calculated. In karnataka about Rs 8,650 mn devolution grants are released to ULBs on an average over last 3 yrs. Spend is about 54%. Not clear where these are spent

Procurement Management: Weak in services procurement. Goods procurement also need updating.

Use of data and transparency: Timely and reliable collection of data and it's use. For ex- benchmarking data is not reliable and not sure how it is used for service improvements.

SDI- Persons

The key issues are related to:

Skills: Do the service provider organizations have the requisite skills? Do they have requisite number of people? Huge no of vacancies even against approved positions.

HR Policies and Practices: Are there modern HR policies and practices? Recruitment, mentoring, career development, ??

Working Environment: Is there a conducive working environment that attracts and nurtures talent? How many employees have 'job satisfaction'? Lot of 'mistrust' on 'private sector' and 'contract employees'.

SDI-Persons...contd

Bangalore Water Supply and Sewerage Board – 2412 (68%) people onboard against 3539 approved posts. Asst. Engineers vacancy is about 55% (2014)

30% of all positions across ULBs in Karnataka are vacant (2013)

Mira Bhayender Municipal Corporation (MBMC), Maharashtra, out of approved 2382 posts, only 1574 (66%) are filled. About 60% of Grade-1 positions and 40% of grad -2 position are not filled.

SDI- Accountability

Customer orientation: Weak area. Usually accountability is towards top organizations.

Result Orientation: Even in the upward accountability relations, **accountability for results** is not well defined. Accountability is mainly for physical and financial progress.

Regulatory Institutions

Moving Forward..

Most of the action in service delivery happens at the Service Delivery Institutions level.

There is an immediate need to focus attention on strengthening them on issues discussed above – **Build the institutions that can build pipes and provide water!!!**

The GoI/ Planning Commission could introduce ‘institutional capacity’ benchmarking and encourage steps to strengthen them. **Ex- MDI and grants for better performance in NRDWP.**

Attention is also needed on building regulatory capacity and regulatory institutions.

Thank You