

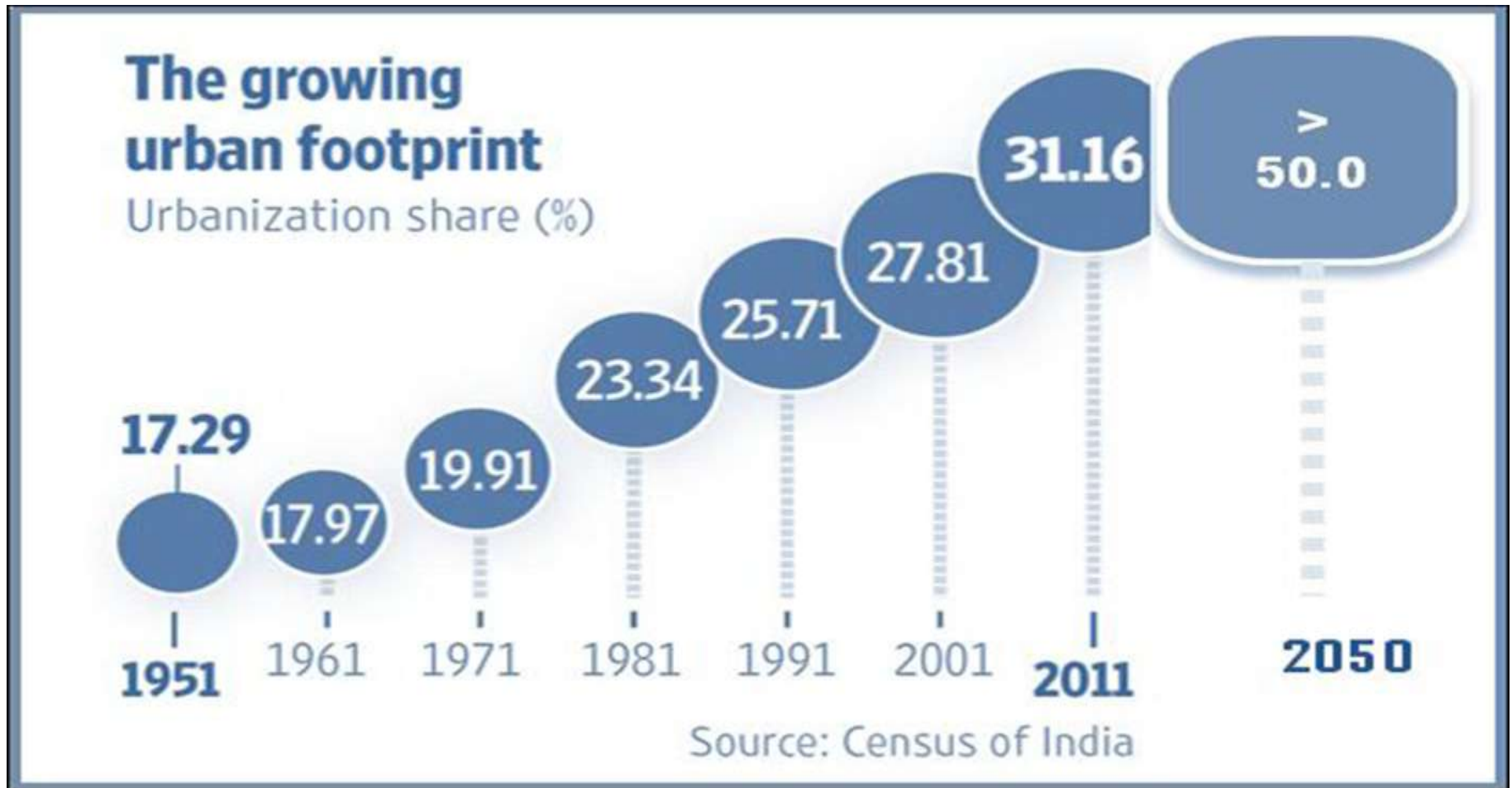
Preparing for Urban Challenges of 21st Century

(Focus: Issues in Urban Water)

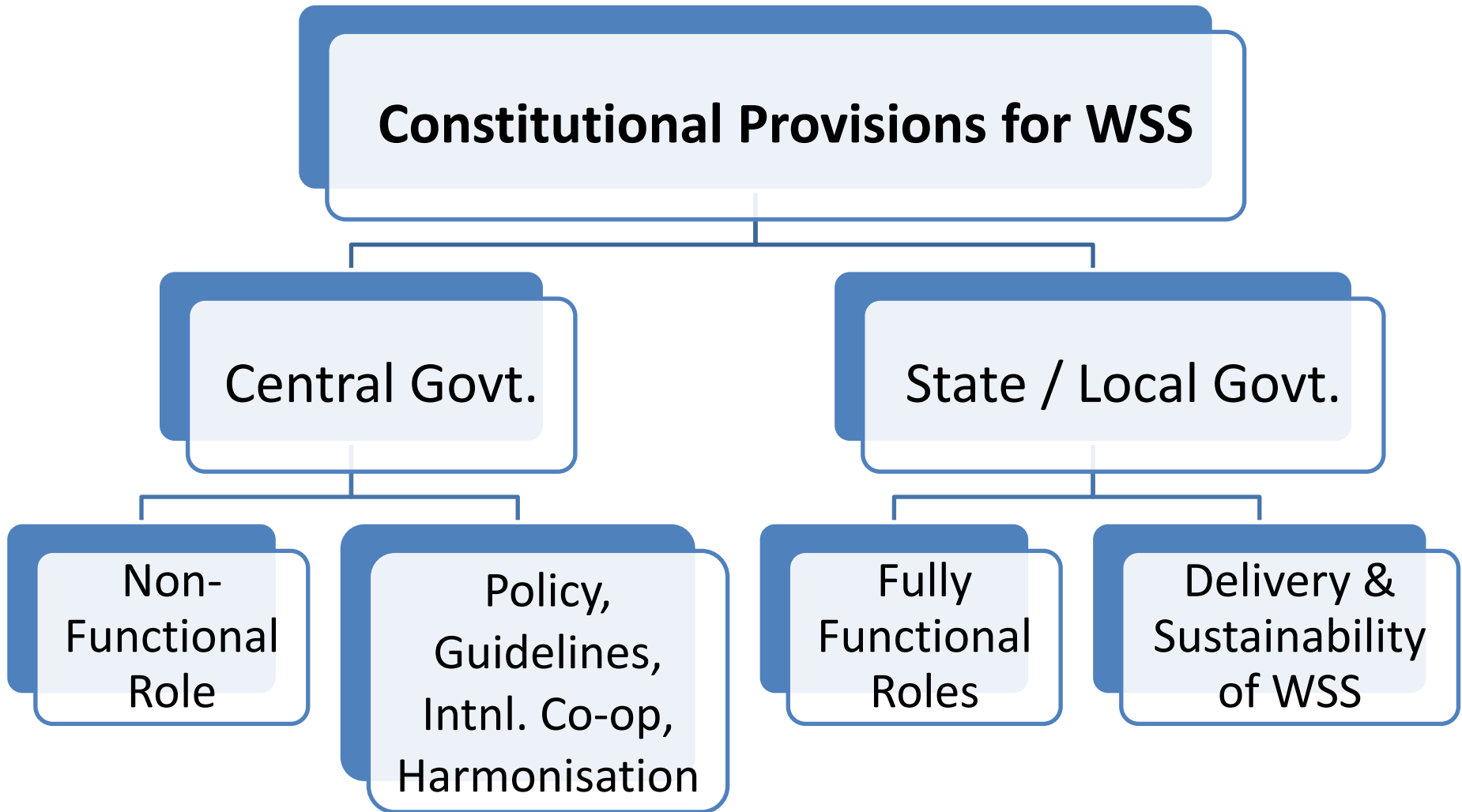
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J B Ravinder
Deputy Advisor(PHE)
Central Public Health & Env. Engg.Orgn(CPHEEO)
Government of India
Ministry of Urban Development

Why Improving Urban Water Supply & Sanitation Services(UWSS)?



Sector Responsibilities in India



Types of Service Delivery in UWSS

Agency type	Jurisdiction	Responsibilities		Examples
		Capital works	O&M	
State or City Specialist Agency (SA)	Entire State	SSA	SSA	Kerala
	Large Cities	SSA	City Spl Agency	Uttar Pradesh, Uttarakhand
	Small Cities	SSA	Local Government	Karnataka, Maharashtra Tamil Nadu, Uttar Pradesh, Delhi
Public Health Engineering Departments (PHED)	Entire State	PHED	PHED	Rajasthan
	Small Cities	PHED	Local Government	Andhra Pradesh
Municipal Department (with ULB)	Large Municipal Corporations	Municipal Departments (with ULB)	Municipal Departments (with ULB)	Gujarat, Tamilnadu, Andhra Pradesh
Metropolitan-level Specialist Agency (MSA)	Metropolitan Centres	MSA	MSA	Bangalore, Chennai, Hyderabad
Municipal Govts.	Metropolitan Centres	Municipal Corporations		Mumbai, Ahmedabad, Surat etc.

Shortfall in UWSS Integration

Agency Type	Example	Solid Waste Mgmt	Storm Drainage
State Level Agency	Kerala WA	No	No
	DJB	No	No
PHED	Rajasthan	No	No
State Muni. Deptts	AP, Guj, TN	No	No
Municipalities	Mumbai, Surat	Yes	Yes

Decentralisation Vs Centralisation

Decentralisation as per Constitution	Mumbai
Centralisation	Rajasthan

Under Urban Reform Process, Centre is supports Decentralisation

Issues in Urbanisation, UWSS & Response

- Unplanned growth & informal settlements
- Unsustainable urban services
- Weak Financial & Technical Capacity of ULBs
- Lack of resources at Centre, State & Local levels and Shortage of Natural Resources

RESPONSES OF GOVERNMENT

- Structural and Governance reforms (set of 23)
- Decentralisation of Functions & Devolution of Finances
- Universal access to Services with focus on slums/poor
- Principle of “User Pays” for Sustainability of services
- Reversing environmental Degradation

Focus on Urban Areas

- Recognising that Cities are engines of economic growth contributing to 65% GDP, urban areas received massive investment infusion during 2005-2012 under the Reforms linked Mission Mode Jawaharlal Nehru National Urban Renewal Mission(JNNURM) with overall investment of Rs.67000 Crore
 - A residual Mission outlay of 15000 Crore (Euros ~ 2 billion) during 2013-14
 - Several States & Cities running own Additional Missions
 - Investment in Basic services & housing in the last decade higher than previous 5 decades combined
 - External Assistance from WB,ADB,JICA etc enabled due to Reforms
 - Start up of PPP and PSP in urban sector
 - Several measures in Cap.Building;Trg;Guidelines;Standards etc
- RESULT: Cities have become vibrant and competing to reform and attract investment.*

More needs to be done....

- Govt set up High Powered Expert Committee (HPEC) for Urban Services for estimating investment needs in Urban Infrastructure in 2008 for 2012-2031(Reported in March 2011)
- The future needs estimated for a set Service delivery Standards(as per SLBs) by HPEC:-
 - 100% coverage for Water Supply
 - 100 % coverage & treatment for sewage/wastewater
 - 100% municipal Solid Waste management
 - 100% urban storm water drainage
- 2012-2031 will require investment of 710163 crore Capex (Euros ~ 100 billion) and 1091577 crore Opex (Euros ~ 155 billion) (2009-10 prices)
- This huge requirement can come about only by further reforms & multiple finance models with assured returns

ULB functioning & Reforms – Scenarios of *past, present & future*

Prior to Reforms	Present Reform	Continued Reform Process
Centralisation-No devolution of functions	Decentralisation- Devolution of functions	Full Autonomy of ULBs
Dispersed UWSS	Partial Integrated UWSS	Evolution to continue
No sustainability – grant based functioning	Sustainability of ULB & services- cross subsidies exist	Full scale Sustainability- Ring Fencing of Services
No integrated spatial & infrastructure planning	Integrated planning	Integrated Regional Planning
No standards of service delivery	Introduction of Service Delivery Standards(Benchmarks)	Full scaling Service Delivery Standards(Benchmarks)
UWSS as Govt. Service	UWSS as an Economy	UWSS with Customer- Service Provider covenant
Govt. Bodies, mostly State Budget supported	Govt. Bodies, self Budget supported	Corptsn. / PPP / PSP / Govt. Owned Co. / Hived off to Corporates
Neglect on Environment	Environmental Conservation	Enhanced Conservation by sustainable habitat

MoUD Advisory on Improving UWSS

- Ministry of Urban Development issued this Advisory to States/Cities in the conference of Secretaries held in July 2012
- It draws on the experience of a number of WSPs & UWSS business Plans in the States of Maharashtra, Rajasthan and Haryana
- States advised to prepare Detailed Action Plans for next 10 years
- Addresses Key policy, institutional, financial and professional issues for formulating a Comprehensive Sector Development Plan at the State and the Local Body (LB) level.
- Identifies policies and principles for clarifying the mandates, improving governance, financing and developing infrastructure, regulating services, building capacity and community participation.
- Proposes framework for ULBs progressively achieving improved, customer oriented, and accountable services.

Principles of UWSS service delivery

- State Policy for Water Supply and Sanitation:
- Governance Structures:
- *Asset Ownership and Responsibility for Service Provision:*
- *Unbundling and/or Regional WSS Entities:*
- *Regulation:*
- *Financing WSS Services:*
- *Restructuring Tariff:*
- *Building a Modern and Professional Sector*

Key Areas for Improved UWSS

- A. Clarifying the Mandates of Water Supply and Sanitation Service Providers
- B. Improving the Governance of Water Supply and Sanitation Service Providers
- C. Financing Water Supply and Sanitation Operations and Infrastructure Development
- D. Regulating the Urban Water Supply and Sanitation Service
- E. Building Capacity, Developing Procedures and Professionalizing Actors of the Water Supply and Sanitation Sector.
- F. Developing Procedures for Community Participation

A. Clarifying the Mandates of WSS Service Providers

- Decentralization
- Improving Autonomy and Accountability
- Clarifying Responsibilities of Service Providers
- Operation and Maintenance
- Customer Service
- Infrastructure Development
- Emphasis on Sanitation and Waste Water Management
- Financing of WSS Operations and Infrastructure Development
- Reporting Requirements

B. Improving Governance of WSS Service Providers

- Autonomy
- Accountability to LB
- Accountability to Customers
- Improving Internal Procedures
- Engaging in Public-Private Partnerships (PPP)

C. **Financing WSS Operations and Infrastructure Development**

- Financing Sources.
- Application for Public Financing.
- Phasing out of Operating Subsidies.
- Targeting Development Grants. As a
- Developing Public Lending Capacities. a.
- Accessing Commercial Financing.
- Financial Recovery Plans.

D. Regulating the Urban Water Supply and Sanitation Service

- Regulatory Functions
- Regulatory Act
- Performance Contract of Service Provider.
- Monitoring the Quality of the WSS Service.
- Resetting and Adjusting Tariffs.
- Resolving Disputes between Service Provider, Customer and other Parties
- Monitoring the Provision of Substitutes to piped WSS.
- Framing the Operations of the Regulatory Authority.
- Interim Procedures.
- Integrated Water Resource Management:

E. Building Capacity, Developing Procedures and Professionalizing WSS Sector

- Building the Capacity of State officials, LBs, Service Providers, Regulatory Authorities, Customer Associations, NGOs and the media
- Developing Procedures
- Establishing an Independent Certification of Service Providers, including Management and Operational Staff

F. Developing Procedures for Community Participation

- Systems and platforms for community participation during the planning, implementation and operations and maintenance phases of the WSS schemes.
- Develop instruments and tools, including social audits, for involving community in the evaluation of WSS Systems.

Action Plan for Improving UWSS Services

- States advised to prepare a detailed sector program for the next ten year period, covering Plans XII (2012-2017) and XIII(2017-2022):
- WSS Policies and Institutional Development Program for State Departments and LBs;
- WSS Regulation Program;
- WSS Infrastructure Development Program; and
- WSS Capacity Building Program.
- Prepare O&M cost recovery and CAPEX recovery program.
- Prepare detailed guidelines for: (i) DPRs; and (ii) PPPs.

Transition to Sustainable UWSS

Transit guide to ULBs and States:

- **Phase I-Immediate:** ULBs- Ring fencing of the WSS operations; to improve their governance, service levels and cost recovery, within a time frame.
- **Phase II-**Three years from launch of reform process: After the time frame if there is no significant improvement, the State Governments through their powers should transfer the entire WSS operations to separate entity under the ULB.
- **Phase III-**Five years from launch of reform process: Continued shortfalls in governance or performance can result in the State Government recommending appropriate steps including the option of transfer of WSS operations to a third party arrangement (PPP).

MoUD Guidance Materials.....

S No	Title
1	Recent Trends in Technologies in Sewerage System (MoUD- March 2012)
2	Guidance Note on Municipal Solid Waste Management on Regional Basis (MoUD)
3	National Urban Sanitation Policy (MoUD 2008)
4	Technology Options for Urban Sanitation in India – A Guide to Decision Making (MoUD- September 2008)
5	Guidance Notes for Continuous Water Supply (24-7 Supply) – A Guide to Project Preparation, Implementation and Appraisal (MoUD- 2008)
6	Advisory on Septage Management in Indian Cities (March 2011)
7	Policy Paper on Septage Management in India (MoUD-CSE May 2011)
8	Scheme and Guidelines for India Infrastructure Project Development Fund (DEA, Min. of Finance)
9	Guidelines for Sector Reform and Successful Public-Private-Partnership (MoUD- 2004)
10	Toolkit for Public Private Partnership frameworks in Municipal Solid Waste Management
11	Handbook on Service Level Benchmarking (MoUD- 2008)
12	Capacity Building Scheme for Urban Local Bodies (CBULB)
13	Report of the Working Group on Capacity Building for the formulation of the Twelfth Five Year Plan (2012-2017)
14	Draft Report for the Project on User Charges for Water-TERI. New Delhi.
15	Guidelines for Septage Management(2013)
16	Examples for Decentralised Sewage Treatment(2013)
17	Checklists for DPRs(Water Supply, Sewerage, SWD and MSWM) (2012)

THANK YOU