ICRIER's Program on Capacity Building and Knowledge Dissemination on Urbanization in India:

Preparing for the Urban Challenges of the 21st Century

First Knowledge Dissemination Workshop

Bhopal, October 11, 2012, 10:00 am to 2:00 pm

Minutes of the Workshop (Draft copy)

Participating States: Madhya Pradesh, Chhattisgarh, Gujarat, Maharashtra

Total number of participants: 76

From ICRIER: 4
Dr Isher Judge Ahluwalia
Mr Kartik Misra
Ms Ruchika Singh
Ms Tanushree Bhan

Presentation by Maharashtra on Governance Reforms

Mr. Sanjay Pattiwar, Additional Commissioner, Navi Mumbai Municipal Corporation
Mr. Balaji Khatgaonkar, Commissioner, Ulhasnagar Municipal Corporation

1. **Monitoring of projects using GIS:** GIS technology is used to collect up-to date information on the progress of projects directly from the field. The on-site officials send pictures of the works under progress using GIS to common servers, ensuring effective monitoring of the projects. Dr Ahluwalia asked the representatives of Maharashtra whether actual verification of the work was being undertaken and how many ULBs in Maharashtra were using GIS for project monitoring. According to Mr. Vikram Kumar, Municipal Commissioner of Mira Bhayandar, 6 Municipal Corporations of Thane, Navi Mumbai, Pimpri Chinchwad, Mira Bhayandar, Nagpur and Pune are implementing GIS based project management.

2. **E-Governance modules:** The Municipal Corporation of Ulhasnagar is setting up 11 e-Governance modules. These modules (7 out of 11 are covered under JNNURM) are birth and death certificate, complaint redressal system, user workflow and registry module , market trade licensing module, water billing and accounting module, Citizen Facilitation Centre (CFC), town planning services, accounts module, cess module, Project monitoring and works management and comprehensive GIS. Out of these 11 modules, modules of birth and death certificate, complaint redressal system and user workflow are online.

3. **Citizen Facilitation Centers**: 4 Citizen Facilitation Centers and 7 kiosks have been set up in Ulhasnagar where citizens can pay property taxes online. Each property has been assigned a unique id and citizens can access their property tax bill online using this unique id. A four page property tax bill contains complete information about the property area and type, the various modes of paying the bill and the contact details of citizen information centers and kiosks. Telephone and SMS services are used to alert consumers to pay their property tax. Apart from paying their property tax bill online, owners can also pay the bills by phone (using credit cards) and by SMS (using cash cards). Ulhasnagar Corporation is also using a hand-held Personal Digital assistance (PDA) device together with a hand-held printer to collect property taxes. This allows for simultaneously updating the payment information in the accounts of the Corporation and the consumer. The cost of each PDA is around Rs 55,000 while that of the printer is Rs 20,000. The property tax collection for the Corporation has increased to Rs 53.38 crore in 2011-12 from Rs 32.51 crore in 2008-09 (a 62 per cent increase).

Presentation by Chhattisgarh on Governance Reforms

Mr. S.K Sundrani, Additional Commissioner, Raipur Municipal Corporation

4. **Chhattisgarh Online information system for Citizen Empowerment (CHOiCE)**: Citizen Service Centres have been set up in Public Private Partnership in the state to provide services like birth and death certificates, driving licenses, marriage licences online to citizens. Online issuance of certificates has been enabled by enactment of the Information Technology Law 2003, which legalises use of digital signatures in certificates. Post 2010, birth and death certificates are only issued electronically from ChOiCE centers. To ensure effective coverage of children born all over the state, hospitals are connected online to the CHOiCE system and periodical house to house surveys are conducted. Anganwadi workers or Auxiliary Nurse Midwives (ANMs) are responsible for registering the children born at homes.

5. **Online payment of property taxes**: In Raipur city, properties in 57 out of 70 wards have been mapped using GIS and residents of these wards can pay property tax online. Each property is assigned a unique id and the online payment system has been set up in collaboration with Axis Bank. Users receive both email and SMS alerts about property tax due and bills deposited.

6. **Centralised grievance redressal call centre (*Nidan*):** Users can register complaints by calling a toll free number (1100). Mr. Sundarani, Additional Commissioner, Raipur Municipal Corporation gave a live demonstration of the system by dialing 1100 from his mobile phone and registering a complaint about faulty street lights in his ward. Once a complaint is made at the call centre, an SMS is sent to the concerned official for appropriate action. In case the complaint is not addressed within a specific time, it is escalated to the concerned higher officials. The complaint is deemed redressed once the concerned officer addresses it. The complainant is called back to get feedback on the action taken against their complaint. Mr. Parihar pointed out that in the grievance addressal system used in Madhya Pradesh, a complaint is considered redressed only after the complainant confirms it.

7. **E –procurement:** Statewide E-procurement is being implemented since 2007 for all tenders above Rs 10 lakh in Public Private Partnership. Each ULB has its own account and a unique digital signature, which it uses to access the central system. This has led to significant cost savings and reduction in corruption in the tendering process.

8. **GIS based project monitoring:** On-site officials take pictures of projects under progress and upload them to a common server. Each Municipal Commissioner has a unique login id that he/she uses to check the status of work and generate progress reports.

9. **Online Personnel Information System:** This is being set up for all ULBs in the state. The system consists of a database of all the employees in the ULBs. From January 2013 onwards, the employees would have to declare their net worth online. In case the officials fail to declare their assets, they would not be considered for promotion.

10. **GIS-based building permission system**: In Chhattisgarh, for properties of area up-to 2500 sq ft and height up-to 12.5 meters, architects registered with the corporation are authorized to give permission for construction. For buildings with area above 2500 sq ft, GIS based online building permission system is used. For buildings with height more than 12.5 meters, a High Rise Committee provides building permission.

    Ms. Mona Khandhar from Gujarat added that for buildings with height less than 12.5 meters, applications for development permission can be submitted online in Ahmedabad.

11. **Public disclosure law:** All ULBs have to provide details of physical and financial progress of the works being undertaken by them on their website. In case the ULB does not have a website, these details should be made available in its office.

12. **Solid Waste Management (SWM) projects:** Solid Waste Management projects under Public Private Partnership are being set up in Raipur, Durg and Bhilai. In Raipur, a Memorandum of Agreement for a 30 year project has been signed between the Municipal Corporation and the Concessionaire. The project will commence operation in December 2012. The user charges will be between Rs 10 to Rs 500. It is not yet decided if the plant would make compost or convert waste to energy **(Talk of a compost plant handling 200 tonne of waste; 56 acres of land earmarked for sanitary landfill site and waste treatment plant).**

    Mr Mohapatra shared his experience of the two SWM plants set up in Ahmedabad city where the technology employed became obsolete and the plants were able to handle only half of the built capacity**.** Presently the city of Ahmedabad is generating 3000 tonnes of solid waste every day. A new contract has been given to a pharmaceutical company based in Gujarat, which uses waste to make energy**.** Dr Ahluwalia mentioned a study undertaken by World Bank, which reviewed some waste to energy projects and found the technology used to be inefficient and not environmentally

sustainable. She also talked about the Kanpur SWM plant, which does not make pellets from the waste. The solid waste is compressed and a state-of-the-art boiler set up in the plant, can process this compressed waste. Mr. Mohapatra added that a SWM plant in Surat city has a 0.5 MW power plant which uses liquid waste to produce energy. Rajkot city has an integrated solid waste management plant which produces compost and bricks from the waste. The compost produced is sold locally to farmers and bricks are exported. A suggestion was made to undertake a comparative study of the SWM projects in Rajkot, Raipur, Pammal and Kanpur.

13. In smaller towns of Chhattisgarh, a locally developed machine is used for solid waste management. The cost of the machine is around Rs 2.5 lakh and it can process up-to 25 tonnes of solid waste per day. The machine is mobile and can be taken on site, in turn, saving the cost of transporting waste to the treatment plant. The manure produced from the waste is sold to local farmers. A similar machine is used to wash and segregate debris and inert materials.

14. A participant asked whether the Raipur Corporation employs cleaning staff since all SWM work has been outsourced. According to Mr Sundarani, SWM work for 53 out of 70 wards in Raipur city has been outsourced. The Corporation staff is employed in the rest of the 17 wards.

Presentation by Gujarat on Governance Reforms

Ms. Mona Khandhar, Secretary (Housing & Nirmal Gujarat)

Mr. Guruprasad Mohapatra, Municipal Commissioner, Ahmedabad Municipal Corporation

15. **Municipal Cadres:** Four municipal cadres have been set up in Gujarat. These include accounting, sanitary officers and solid waste managers, fire officials; and engineering cadre.

16. **E-procurement:** Statewide E-procurement is being implemented since 2007. More than 3100 tenders have been processed since the implementation of the e-procurement system.

17. The contribution of urban areas in Gujarat to state GDP is 56.1%. A suggestion was made to study how the contribution of urban areas to state GDP can be estimated.

18. It is difficult for Urban Local Bodies to work without adequate human and financial capacity. Mr. Guruprasad Mohapatra mentioned that unlike a number of present Municipal Acts, the Municipal Acts of Gujarat and Maharashtra, allow ULBs to hire external consultants and specialists.

19. Rajkot Municipal Corporation (RMC) has opened service delivery centers across the city to reduce travel time for citizens. The distance from a citizen's residence to avail RMC services has reduced from 9 km in 2006-07 to 2 km in 2012-13.

20. Mr. Mohapatra shared his experience on how the online complaint handling system of Ahmedabad Municipal Corporation was initially neglected for two years (2009-2011). He emphasized on the fact that merely setting up of e-governance systems, without their effective monitoring, is not the solution.

21. **City Civic Centers in Ahmedabad:** At present there are 50 city civic centres in Ahmedabad. Services like online payment of property tax, professions tax, online issuance of birth and death certificate, hawker's license and building plan approvals are provided at city civic centres.

22. **M-governance in Surat:** Surat Municipal Corporation first implemented m-governance by sending vaccination alerts to parents of new born babies via SMS. Over 8 lakh vaccination alert SMSes have been sent so far.

Presentation by Madhya Pradesh on Governance Reforms

Mr. Sanjay Kumar Shukla, Commissioner, Directorate of Urban Administration & Development, Madhya Pradesh

23. Madhya Pradesh is also implementing urban reforms in cities not covered under JNNURM. 50 cities and towns across state are at various stages of implementing urban reforms.

24. **Double entry accounting system:** The accounting system is in various stages of implementation (between 40-100%) in 50 towns and cities (including 4 mission cities).

25. **State Property Tax Board:** The Board has been set up in the state, with the Commissioner of Urban Development as the chairperson. Self-Assessment of properties was introduced in 1996-97 in Madhya Pradesh. Its implementation without adequate monitoring led to widespread under-reporting of the area and type of the properties. At present both the coverage and the recovery of property tax are low in the state (between 30-60%). Collection of property tax varies from 30-50% in poorly performing towns and cities to 50-60% in better performing ones. Jabalpur Municipal Corporation suffers from the problem of low tax collection inspite of facilities like online tax payments.

26. The ULBs have also been unable to revise property tax rates. Mr. Sanjay Shukla gave an example of how residents in Gujarat and Maharashtra pay 6-15 % higher property tax for a similar size property in a town of comparable size as Khandwa in Madhya Pradesh. Alternatively, in West Bengal a State Property Tax Board was set up in 1928. The Board sets rates for property tax and not the ULBs. According to Mr. Mohapatra, formula based property tax system is the most efficient system.

27. **Madhya Pradesh Urban Infrastructure Fund:** The fund was set up in 2008 and the process for setting up the Project Development Company is under way.

28. **City Development Plans (CDP):** CDPs have been prepared for all 360 ULBs in Madhya Pradesh and not just JNNURM cities. Dr Ahluwalia asked if these plans incorporated natural conservation, affordable housing, mobility and financial plans. According to Mr. Sanjay Shukla, some of the plans have addressed these concerns. CDPs of 100 cities have been uploaded on a website. He suggested that ICRIER should review some of these plans and make recommendations. Ms Mona Khandhar from Gujarat added that the Ministry of Urban Development has recently circulated guidelines on including mobility and financial plan as part of the CDP.

29. In Madhya Pradesh, Urban Transport and Urban Development form a single department. Urban Housing and Environment form another department. Dr Ahluwalia emphasized that the integration of these departments is crucial for effective urban planning.

30. **Service Level Benchmarking**: For almost 110 ULBs in the states, engineering and service level benchmarks as per 13th Finance Commission recommendations are being set up. This benchmarking would be based on city and population sizes. Ms Mona Khandhar from Gujarat informed that Gujarat has already done service level benchmarking for all its ULBs's.

31. **Standard Schedule of Rates:** A comprehensive and updated standard schedule for rates is being used by the ULBs.

32. **Municipal Cadres:** State government orders have been issued for setting up of four Municipal Cadres - Administration (CMO), Engineering, Sanitation (Health) and Accounts & Finance. Along with these cadres, setting up of revenue cadre is under process. The need is also felt for setting up of Information Technology and Urban Poverty cadres.

33. Skill development activities are being undertaken at large scale. Collaboration with partners like Indian Training Institutes is being explored. A number of other pro- poor programs have been launched. An Act for inclusive planning and to protect the right to life and livelihood of street vendors has been enacted in 2011.

34. City sanitation plans have been prepared for 37 towns. Town of Panna has 100% door-to-door collection.

35. State schemes for urban infrastructure development, water and sanitation have been launched so that ULBs are not merely dependent on the central government funds under programs like JNNURM and UIDSSMT. E.g.: Chief Minister Urban Water Supply Scheme, Chief Minister Urban Infrastructure Development Scheme and Chief Minister Urban Sanitation Mission

36. Mr Sanjay Shukla discussed a new loan scheme for ULBs in collaboration with the state government and HUDCO. Under this scheme, an upfront grant of 30% of the loan value would be given to the ULB (by HUDCO). Out of the remaining 70%, 25% would be raised by ULB and 75% would be provided as loan. Thus the financial burden on ULBs would be only 17.5% of the loan amount.

37. **Automatic building approval system in Indore:** It is a fully online system used for providing building approval for all properties in Indore city. Business Process Reengineering was undertaken before initiating the program and the rejection rate for properties is less than 1%.

38. **Vehicle tracking and management system:** Bhopal Municipal Corporation is using GPS based vehicle tracking system for all its vehicles. Implementation of the system has led to considerable fuel savings and checks embezzlement. The system is also being implemented by the Jabalpur Municipal Corporation.

39. **Urban Sector Management Information System:** This system is being used for integrating the information on all projects undertaken by the ULBs in the state. The employee database would also be a part of the system. This will help save time and resources on getting information from other ULBs.

40. GIS based mapping and ground verification of these spatial coordinates is at various stages of completion in 14 cities.

41. **Phone-based grievance redressal system (Telesamadhan):** All 14 Municipal Corporations in the state have been connected to a call centre. More than 18,000 complaints registered with the call center have been addressed.

42. Mr Sundarani from Chhattisgarh suggested that we should have a common software for service delivery and grievance redressal across the country. He also emphasized on having a national level training program for elected representatives in the urban local bodies.