# Challenges in Metropolitan Management: The Indian Experience

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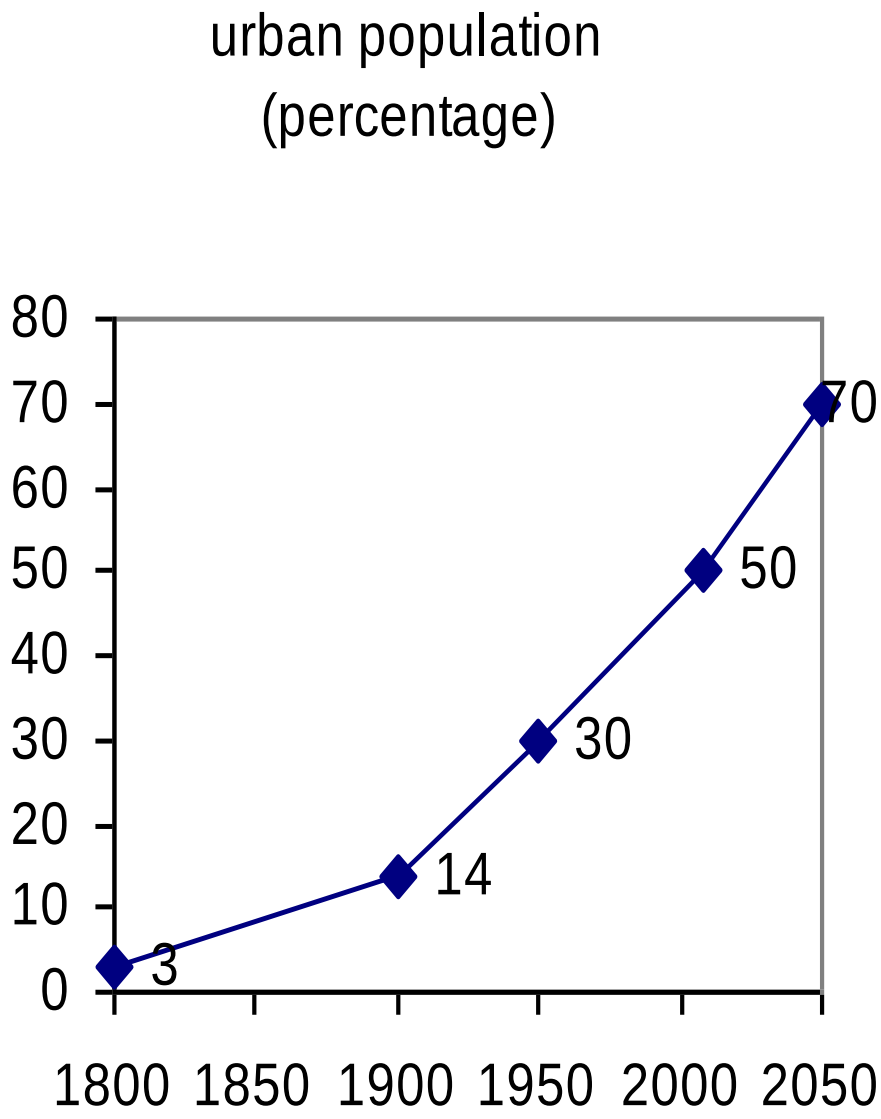
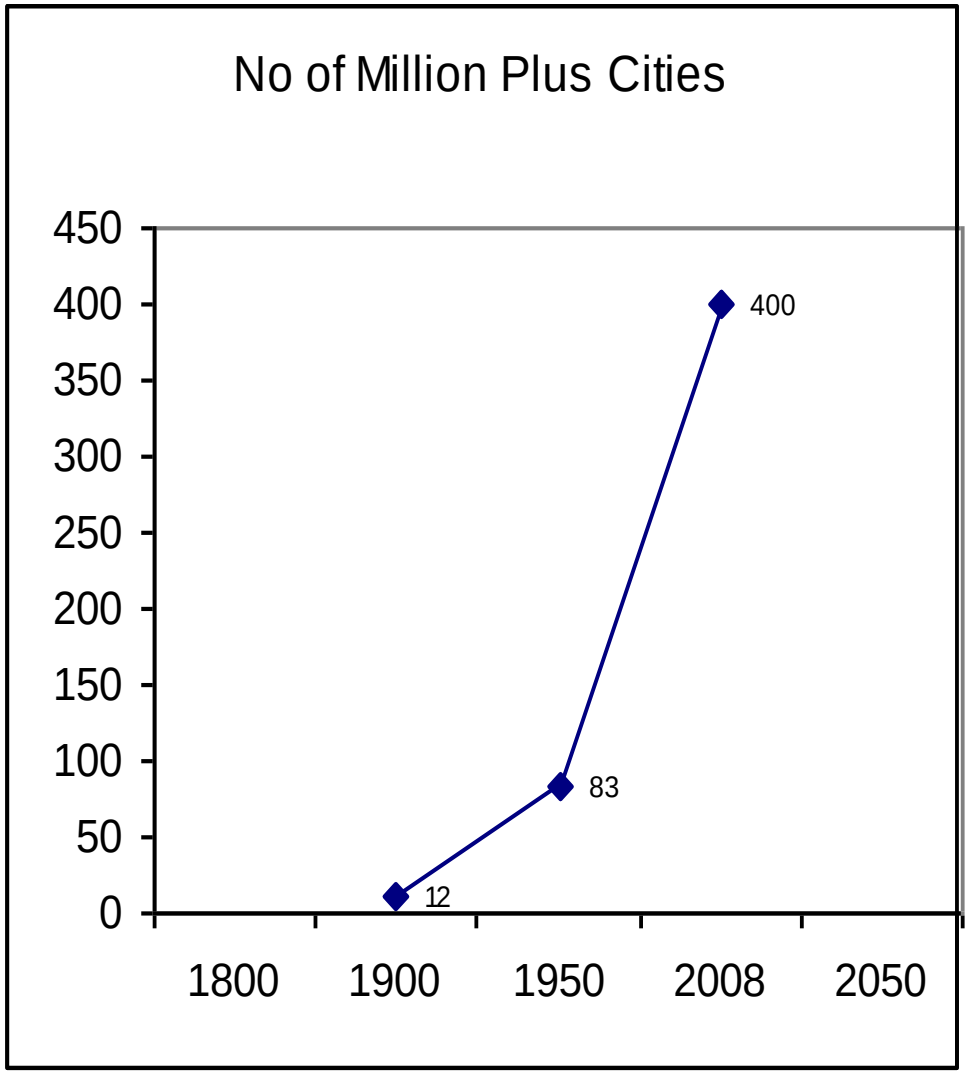
# Perspective

- Through most of history, the human population has lived a rural lifestyle, dependent on agriculture and hunting for survival.
- In 1800, only 3 percent of world's population in urban areas.
- By 1900, almost 14 percent were urbanites,12 million plus cities
- In 1950, 30 percent of the world's population in urban centers: 83 million plus cities.
- Unprecedented urban growth in recent decades: world's population evenly split between urban and rural areas in 2008.
- More than 400 cities over 1 million and 19 over 10 million.
- More developed nations were about 74 percent urban, while 44 percent of residents of less developed countries lived in urban areas.
- 70 percent of the world population will be urban by 2050: most urban growth will occur in less developed countries.

# Recent Rapid Urbanisation



# Metropolitan Areas : World and India

- Highest population: Tokyo (32.5 m)
- Highest area: New York (17,884 sq km)
- Highest Population density: Karachi (10,727 persons/sq km)
- Population : Mumbai, Delhi within top 10, Kolkata within top 15
- Population density: all 3 megacities in top 6 cities in the world
- Over 5,000 urban areas, different sizes
- 3 megacities: Delhi, Kolkata, Mumbai
- 53 million plus cities (census 2011)
- No other country in the world has three cities in the list of top 20 cities in the world
- 286,119,689 urban population (2011): 8 m annual addition

# Largest Urban Agglomerations : Across Time

- Falling number of cities from the developed world (blue)
- Out of five cities in all the time periods (shaded), 3 are from the developing world (black)
- Urbanisation: Post globalisation phenomenon in developing world

| 1975 | Millions | 2000 | Millions | 2025 | Millions |
|---|---|---|---|---|---|
| 1. Tokyo, Japan | 26.6 | 1. Tokyo, Japan | 34.5 | 1. Tokyo Japan | 36.4 |
| 2. New York, USA | 15.9 | 2. Mexico City, Mexico | 18 | 2. Mumbai, India | 26.4 |
| 3. Mexico City, Mexico | 10.7 | 3. New York, USA | 17.9 | 3. Delhi, India | 22.5 |
| 4. Osaka-Kobe, Japan | 9.8 | 4. São Paulo, Brazil | 17.1 | 4. Dhaka, Bangladesh | 22 |
| 5. São Paulo, Brazil | 9.6 | 5. Mumbai, India | 16.1 | 5. São Paulo, Brazil | 21.4 |
| 6. Los Angeles, USA | 8.9 | 6. Shanghai, China | 13.2 | 6. Mexico City, Mexico | 21 |
| 7. Buenos Aires, Argentina | 8.8 | 7. Kolkata, India | 13.1 | 7. New York, USA | 20.6 |
| 8. Paris, France | 8.6 | 8. Delhi, India | 12.4 | 8. Kolkata, India | 20.6 |
| 9. Kolkata, India | 7.9 | 9. Buenos Aires, Argentina | 11.9 | 9. Shanghai, China | 19.4 |
| 10. Moscow, Russia | 7.6 | 10. Los Angeles, USA | 11.8 | 10. Karachi, Pakistan | 19.1 |

Source: United Nations, World Urbanization Prospects, The 2007 Revision.


| Population Class (million), 2011 | |
|---|---|
| ★ | 1 to 5 |
| ★ | 5 to 10 |
| ★ | 10 and above |

# Urbanisation in India: Some Indicators

- Urbanization (per cent):28, at par with Burma, Guinea, Maldives
  - US:77 per cent, Canada:79 per cent
- Workers in Non Agriculture Sector (per cent) :93
- Households Having Tap as Source of water (per cent):52
- Toilets per 1000 population: 741
- Households Covered by Closed Surface Drainage (per cent):77
- Electricity Per 1000 population: 875
- Households Availing Banking Facilities (per cent):50

# Major Challenges

- How many qualifies as a global city?
  - Mumbai: a global city? Most discussed…:Some unique Characteristics
- Functions and finances : Effective Decentralisation
  - Assignment of responsibilities and sources of revenues
- Are we getting the prices right? Fiscal Health
  - Pricing mechanism, responsibilities, socio demographic and economic indicators
  - Distorted price system: sources of distortions
- Institutional arrangements : governance
  - The main players and their interaction
- Do we get what we pay for? Services as outcomes
- Reforms: Main Agenda (JNNURM and UIDSSMT)
  - Bigger metro cities like Kolkata, Delhi, Pune, Hyderabad, Chennai
  - Smaller cities in backward states

# Mumbai: Why so special?

Not financially viable,

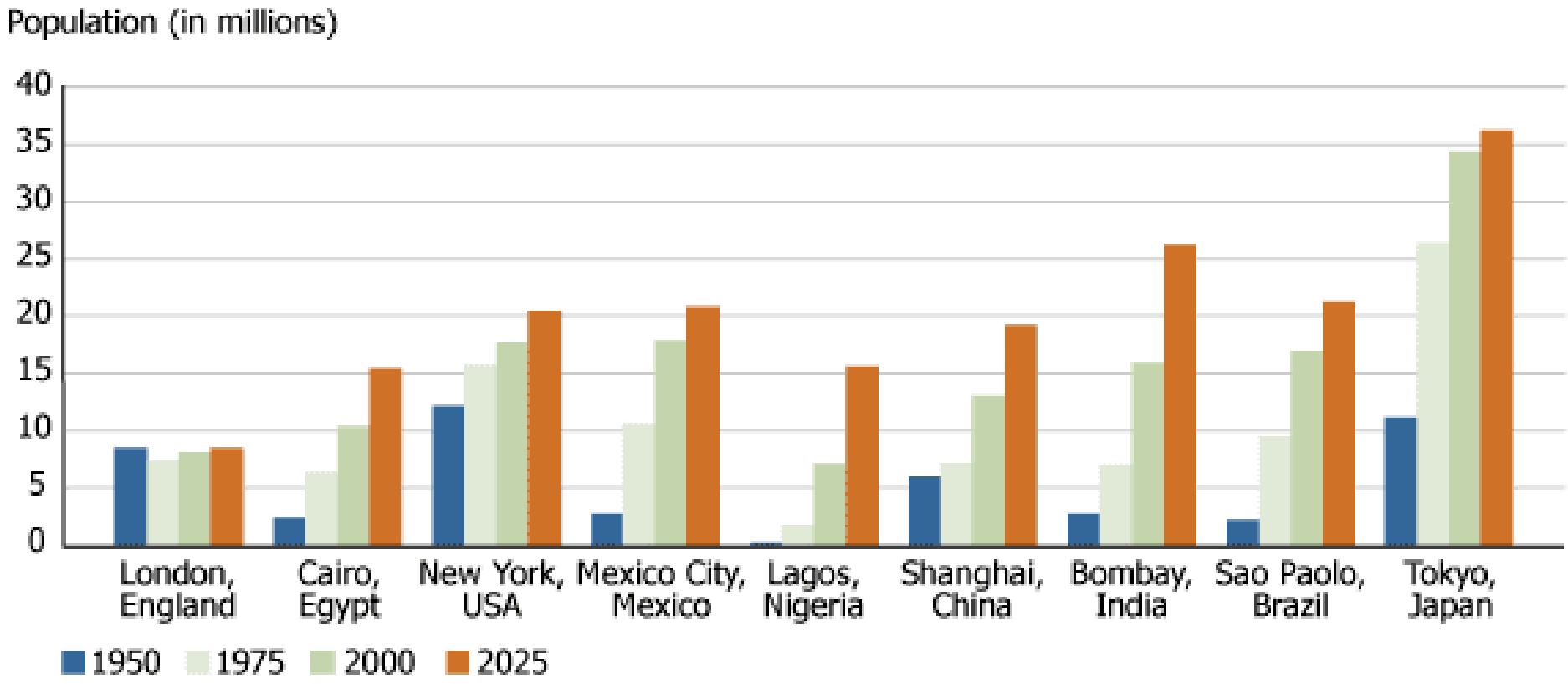
yet more freedom to choose……

# Mumbai

- Area of 2,350 square kilometres
- Comprises 8 corporations, 9 councils
- Its administrative jurisdiction includes Mumbai City and Mumbai Suburban Districts,
- The population of Mumbai is estimated at 20 million, having risen between 2000 and 2010 by about 25 per cent
- 37 per cent migrant population, the highest of all Indian cities
- Contributes 40 per cent of Maharashtra income and 5 per cent of India’s income

# World Cities : Mumbai

Phenomenal increase in population in the coming years expected: Rate higher than most cities in the world




Source: United Nations, World Urbanization Prospects: The 2007 Revision

# Unique Characteristics

- Only city with an Early development history:1950s (city and suburbs)
- Linear city: Services in the suburbs at par with the main city
- Excellent railway network connecting city and suburbs almost 24x7:Indian Railways
- Unorganised sector: choice of sustainable livelihoods even for illiterates (Dubbawalas, housemaids) : contributing to the organised sector
- Coexistence with the high-tech corporate profession, science and technology, finance expertise
- Mumbai slums: unique middle class character of chawls
- High crime rates but safe for commoners :only city with an active and safe night life
- Striking income inequality :underworld dons to Ambanis to street children
- Central Bank of India located in Mumbai

# Plausible Explanations

- Attributable to an early thinking process on agglomeration economies : Oversaturated central city
- A source of revenue like Octroi
  - Now under consideration for abolition
- Greater stability in the unorganised sector
  - Better choices even for the illiterates: important factor for sustenance of a city in a developing country
- A stable politics led by congress
- A Shiv Sena government both at the state and the municipal levels during 95-99 : Acted together to build up the necessary city infrastructure
- Big corporate lobby, financial institutions: bargaining power of the city resolving complex issues

# Socio Demographic Characteristics : UAs

| Urban Agglomeration | Area (in Sq. Km.) (Total (Maximum; Minimum) of the ULBs) | Households, 2001 (Total (Maximum; Minimum) of the ULBs) | Population 2001 (Total (Maximum; Minimum) of the ULBs) | Population Growth 1991-2001 (Average (Maximum; Minimum) of the ULBs) | Density (Persons per sq.km) (Average (Maximum; Minimum) of the ULBs) |
|---|---|---|---|---|---|
| **Hyderabad UA** | 752 (173; 18) | 1,070,543 (660,363; 19,748) | 5,557,591 (3,658,510; 94,372) | 33 (116; 20) | 7,387 (20,917; 1565) |
| **Chennai UA** | 376 (648) (174; 17) | 1,255,141 (962,213; 174,145) | 5,601,232 (4,343,645; 76,093) | 19 (1,118; 16) | 9,091 (24,963; 3,529) |
| **Kolkata UA** | 892 (186; 3) | 2,583,920 (931,402; 6,772) | 12,445,726 (4,580,546; 33,858) | 27 (459; -1) | 13,953 (38,337; 1,835) |
| **Delhi UA** | 1,483 (1,397; 43) | 334,191 (3,247,838; 25,045) | 11,106,411 (10,679,152; 124,917) | 46 (48; -1) | 7,489 (7,643; 2,907) |
| **Pune UA** | 664 (430; 13) | 827,774 (555,771; 9,773) | 3,755,304 (2,538,473; 46,921) | 64 (96; -3) | 5,659 (5,938; 1,303) |

# Socio Demographic Characteristics :Central Cities

| Central City | Area (in Sq. Km.) | Households | Population | Population Growth, 1991-2001 | Population Density |
|---|---|---|---|---|---|
| Hyderabad Municipal Corporation | 173 | 660,363 | 3,658,510 | 20 | 20,917 |
| Chennai Municipal Corporation | 174 | 962,213 | 4,343,645 | 13 | 24,963 |
| Kolkata Municipal Corporation | 186 | 931,402 | 4,580,546 | 4 | 24,596 |
| Delhi Municipal Corporation | 1,397 | 3,247,838 | 10,679,152 | 48 | 7,643 |
| Pune Municipal Corporation | 430 | 555,771 | 2,538,473 | 62 | 5,903 |

# Socio Demographic Characteristics: Smaller ULBs

| Urban Agglomeration | Area (in Sq. Km.) (Total (Maximum; Minimum) of the ULBs) | Households, 2001 (Total (Maximum; Minimum) of the ULBs) | Population 2001 (Total (Maximum; Minimum) of the ULBs) | Growth rate 1991-2001 (Average (Maximum; Minimum) of the ULBs) | Density (Persons per sq.km) (Average (Maximum; Minimum) of the ULBs) |
|---|---|---|---|---|---|
| Hyderabad UA | 580 (103; 18) | 410,180 (65,211; 19,748) | 1,899,081 (292,289; 94,372) | 67 (116; 20) | 3,276 (10,770; 1,565) |
| Chennai UA | 202 (65; 17) | 292,928 (73,630; 174,145) | 1,257,587 (310,967; 76,093) | 46 (1,118; 16) | 6,220 (9,910; 3,529) |
| Kolkata UA | 705 (55; 3) | 1,652,518 (211,441; 6,772) | 7,865,180 (1,007,532; 33,858) | 47 (459; -1) | 11,144 (38,337; 1,835) |
| Delhi UA | 86 (43; 43) | 94,079 (69,034; 25,045) | 427,260 (302,343; 124,917) | 8 (39; -1) | 4,970 (7,031, 2,907) |
| Pune UA | 234 (171; 13) | 272,003 (231,562; 9,773) | 1,216,831 (1,012,472; 46,921) | 69 (96; -3) | 5,209 (5,938; 1,303) |

# Decentralisation?

On paper…

# Functions: Core and Welfare

- Roads and bridges
- Water supply
- Public health, sanitation conservancy and solid waste management
- Burials and burial grounds, cremation grounds and electric crematoriums
- Public amenities including street lighting, parking lots, bus stops and public conveniences

**********

- Safeguarding the interests of the weaker sections of society
- Slum improvement and upgradation
- Urban poverty alleviation
- Provision of urban amenities and facilities such as parks, gardens and playgrounds
- Promotion of cultural, educational and aesthetic aspects
- Cattle pounds and prevention of cruelty to animals

# Functions: Development

- Urban planning, including town planning
- Regulation of land use and construction of buildings
- Planning  for economic and soicial development
- Fire services
- Urban forestry, protection of the environment and promotion of ecological aspects
- Vital statistics including registration of births and deaths
- Regulation of slaughter houses and tanneries

# Own Revenue Handles

## Tax

1. Property tax
2. Profession tax
3. Sanitation/ Conservancy Tax (if 'charge', then it's a non tax)
4. Scavenging tax
5. Latrine tax
6. Drainage tax
7. Education tax
8. Entry/Terminal tax
9. Taxes on vehicles
10. Advertisement tax
11. Entertainment tax
12. Pilgrim tax
13. Environment tax/Land Revenue
14. Betterment/Development tax
15. Passengers & Goods Tax
16. Timber tax
17. Tax/toll on animals
18. Cable Operator Tax
19. Toll/Tax on bridges/Vehicles

## Non tax

20. Sanitation/ Conservancy Charge
21. Water charges
22. Surcharge on Sales Tax
23. Birth/Death Registration fees
24. Betterment fees
25. Mutation fees
26. Dangerous and Offensive Trade License Fees
27. Slaughter house fees
28. Market fee
29. Fee for fire services
30. Fees on dogs
31. Fees for Registration of animals etc.
32. Parking fees
33. Fee on building application
34. Duty on transfer of immovable property
35. Penalty for late tax payment
36. Stamp Duty
37. Rent from Municipal Properties
38. Receipts from Fines
39. Receipts from Interest
40. Octroi

# Decentralisation on paper?

- Functions are transferred but many ULBs do not *actually* perform these functions
- Own revenue sources are *identified* but most of the ULBs are still dependent on state and central transfers
- Some of the major taxes and user fees are not imposed at all in many ULBs

# Prices and Pricing…

A long way to go……

# Property Tax

Property Tax: *identified* as a major source

- Integrated with other charges for services like water and conservancy
- Transfer of property: Surcharge /stamp duty
- Annual Rental Value (Rates) or Unit Area Method
  - Element of subjectivity
- Assessment : Self (Delhi, Bangalore)/ULB authorities
- Exemptions for maintenance

# A Note on Octroi

- A tax imposed at checkposts of entry and exit from the city
- Mostly advalorem and somewhat arbitrary  but revisable rates
- Huge Collections: Ready source of revenue
- Distortionary in nature: deadweight loss as it disrupts the free flow of goods
- Subjectivity: negotiation and corruption
- Massive exit of industries: Loss of manufacturing Base (Automobile in Maharashtra)
- Intergenerational effects
- Abolished by all states except Maharashtra for corporations

# Transfers

- A Negotiated Formula  Depending upon the status of commercial and economic activities of the state
- Population, deprivation index, difference compared with the highest income state, various compensations for alterations in tax regimes, etc

**Assigned /Shared Revenues**

- Entertainment Tax, Motor Vehicles tax, Stamp Duty/Surcharge
- Various Shared Taxes: Not Uniform across States

# Grants

**Grants from Centre**

- Central Finance Commission
- JNNURM
- UIDSSMT
- SJSRY
- ILCS
- IHSDP

**Grants From State**

- Shared Revenue
- Compensation for Octroi
- Dalit Wasti Sudhar Yojona
- Road Grants (Maharashtra)/Road Maintenance (Hyderabad)
- Grants in aid: Education (Delhi, Pune),

# Property Tax: Rates and Collection Efficiency

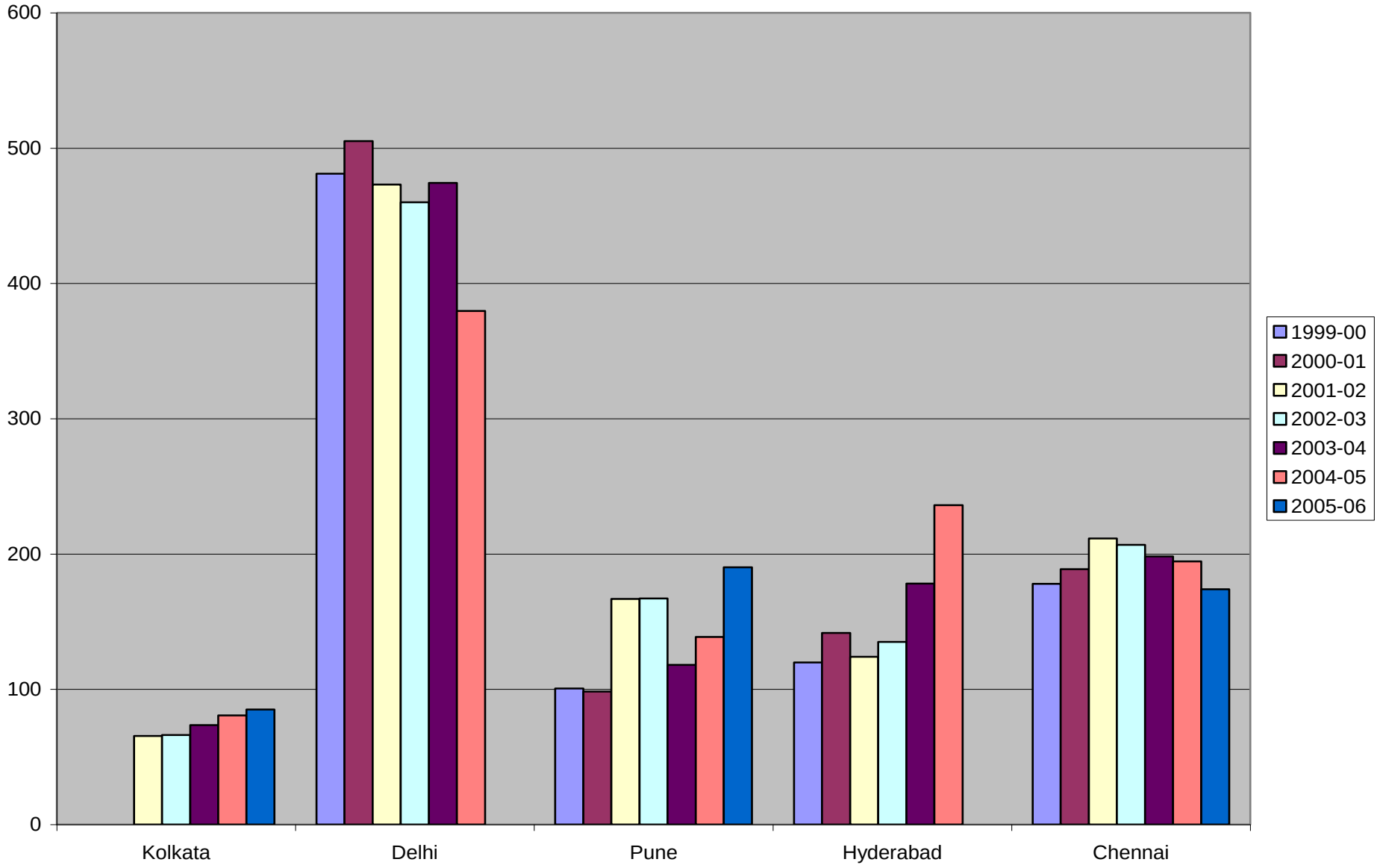
| UA | Property Tax Rate | Collection Efficiency |
|---|---|---|
| **Kolkata** | 11-40% | 35% |
| **Delhi** | Not Applicable | 32% |
| **Pune** | 14-38% | 48% |
| **Hyderabad** | 17-30% | 72% |
| **Chennai** | 13-25% | 53% |

| Cities | Assessed values as a % of market values |
|---|---|
| Faridabad | 29.2 |
| Ludhiana | 9.4 |
| Kolkata | 20.3 |
| Nagpur | 31.1 |
| Lucknow | 30.3 |

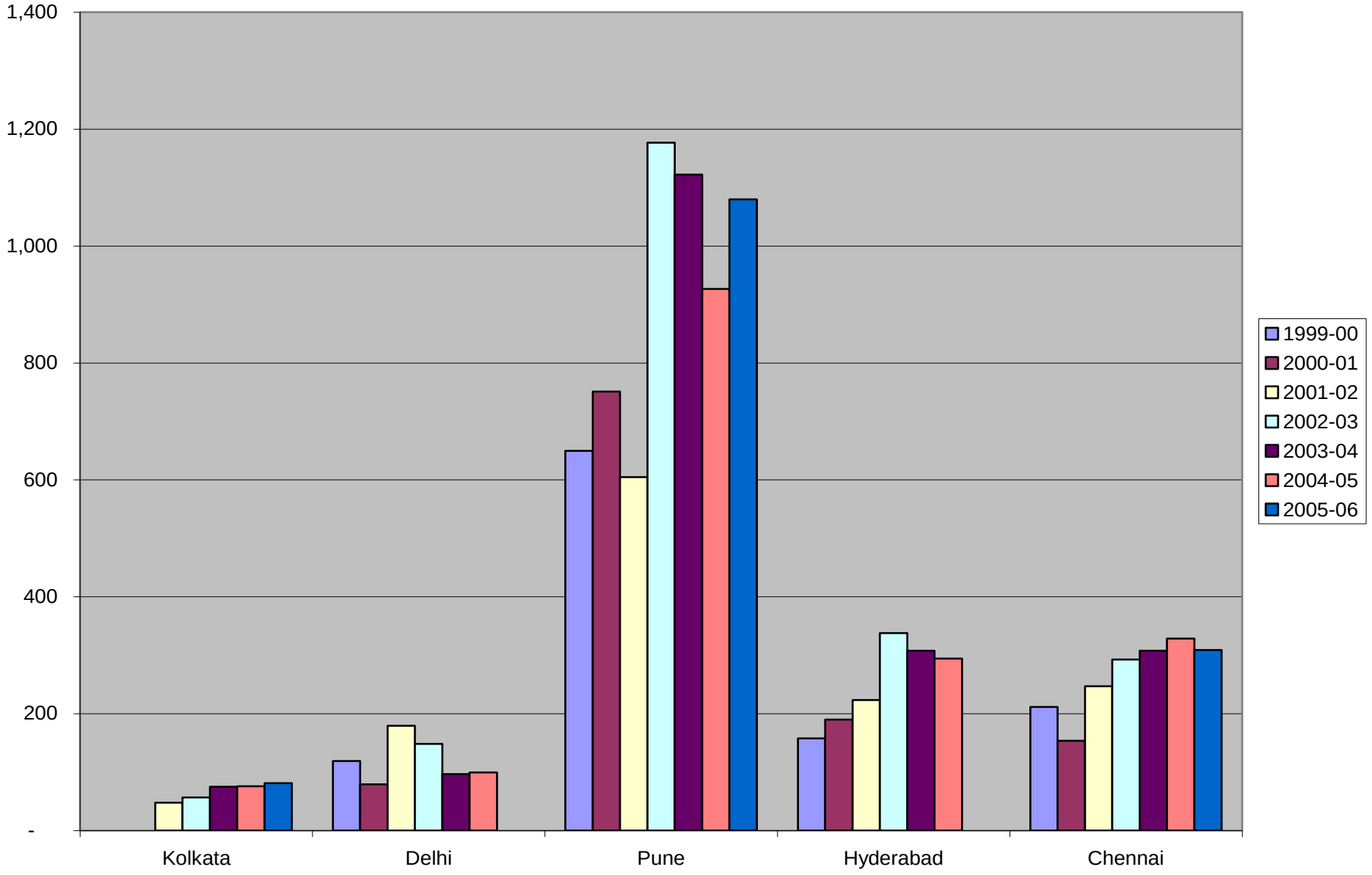
# Some Observations : Property tax

- In India, none of the methods outlined above approximate the market value of properties.
- Provisions in respect of the rate structure of property taxes vary significantly between states and among cities within states.
- An average annual growth 7.9 percent :roughly half of the growth in per capita municipal revenues.
- Large inter-city variations in property tax revenues
- Collection rate is 37 per cent of the tax demanded
- The highest collection rates :Karnataka, Tamil Nadu, Kerala, and Andhra Pradesh.
- Low :Bihar and Madhya Pradesh.
- Low collection rates :Delhi
- Corporations of Gujarat and Maharashtra: Higher per capita collections but lower collection efficiency.

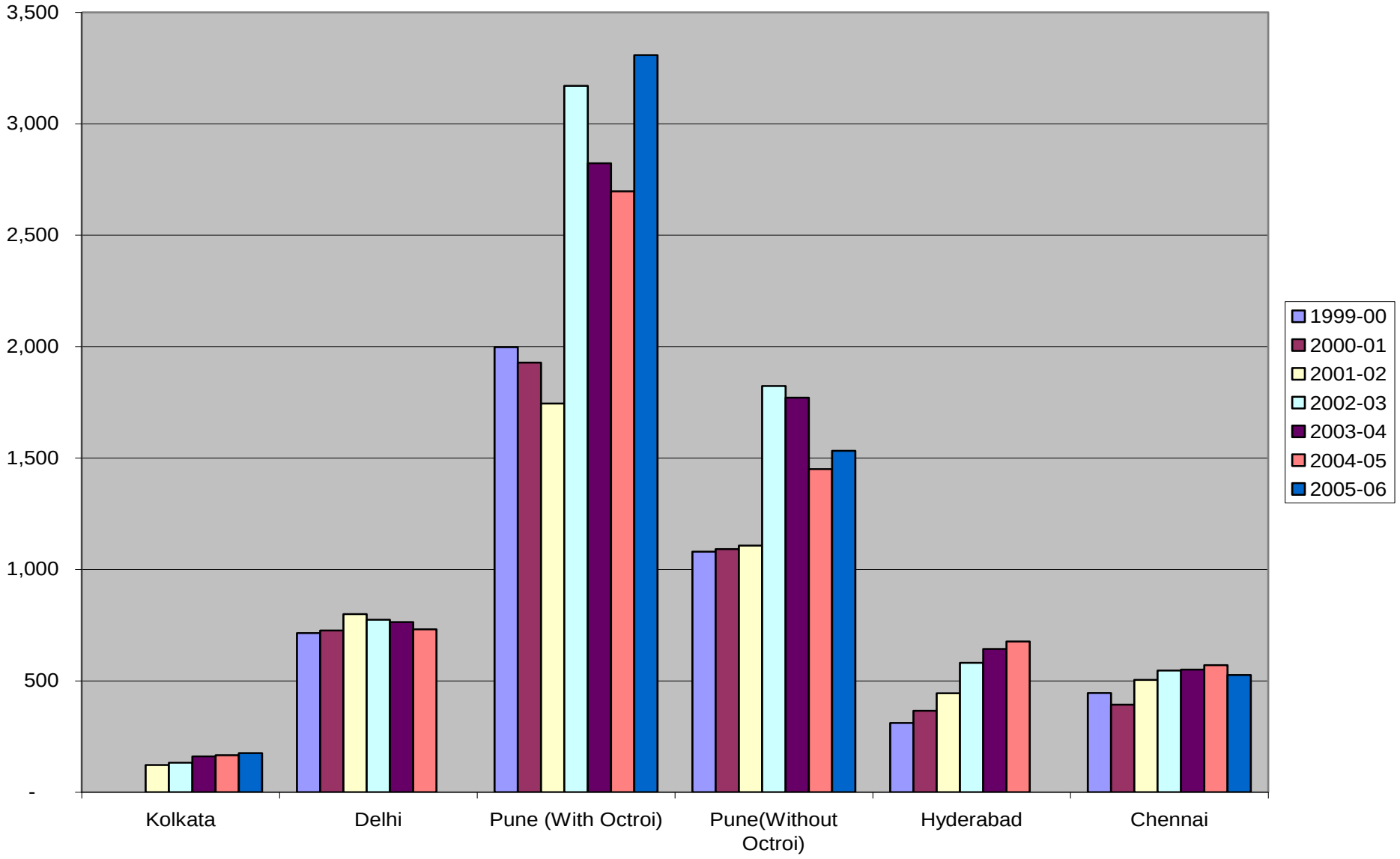
# Per Capita Property Tax : Five UAs of India (INR)



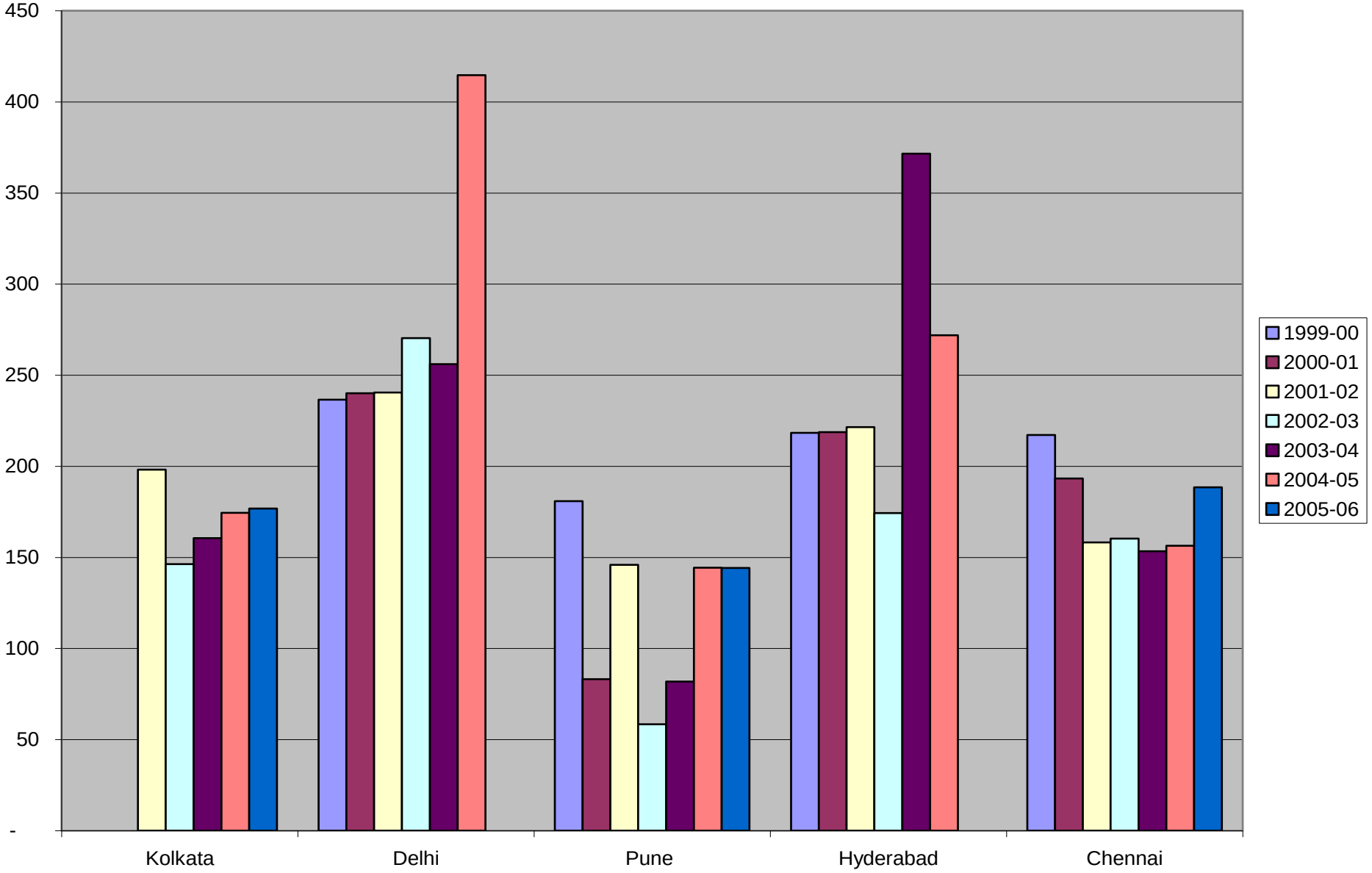
# Per Capita Non Tax Revenues :Five UAs of India (INR)



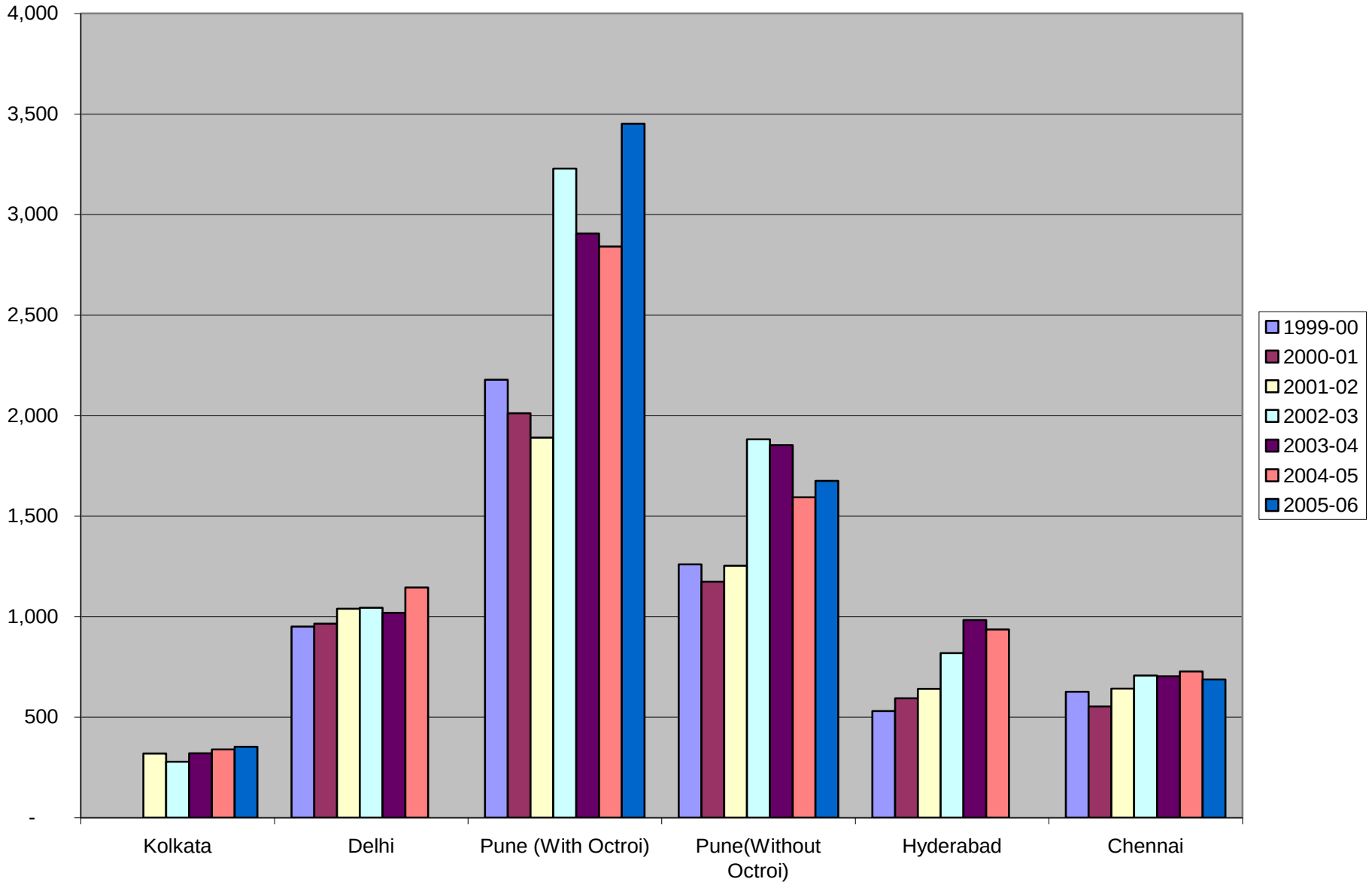
# Per Capita Own Revenues:Five UAs of India (INR)



# Per Capita Transfers : Five UAs of India (INR)



# Per Capita Total Revenues: Five UAs of India (INR)



# DIFFERENT SERVICES – DIFFERENT REVENUE TOOLS

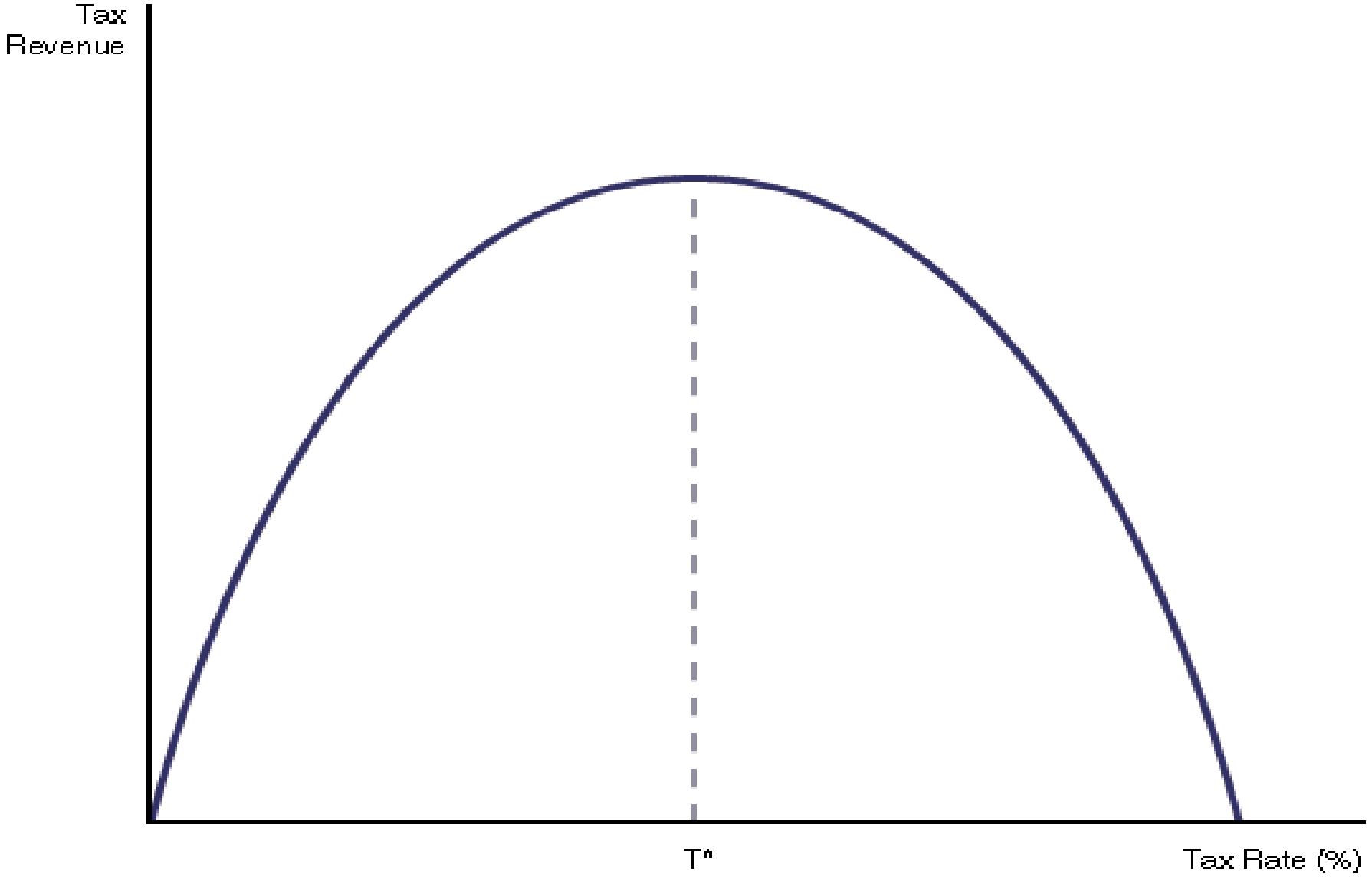
| **Private** | **Public** | **Redistributive** | **Spillovers** |
|---|---|---|---|
| Water | Police | Social assist. | Roads/transit |
| Sewers | Fire | Social housing | Culture |
| Garbage | Local parks | | Social assistance |
| Transit | Street lights | | |

| **User fees** | **Property tax**<br>**Sales tax** | **Income tax** | **Transfers** |
|---|---|---|---|

# Pricing : What's Wrong?

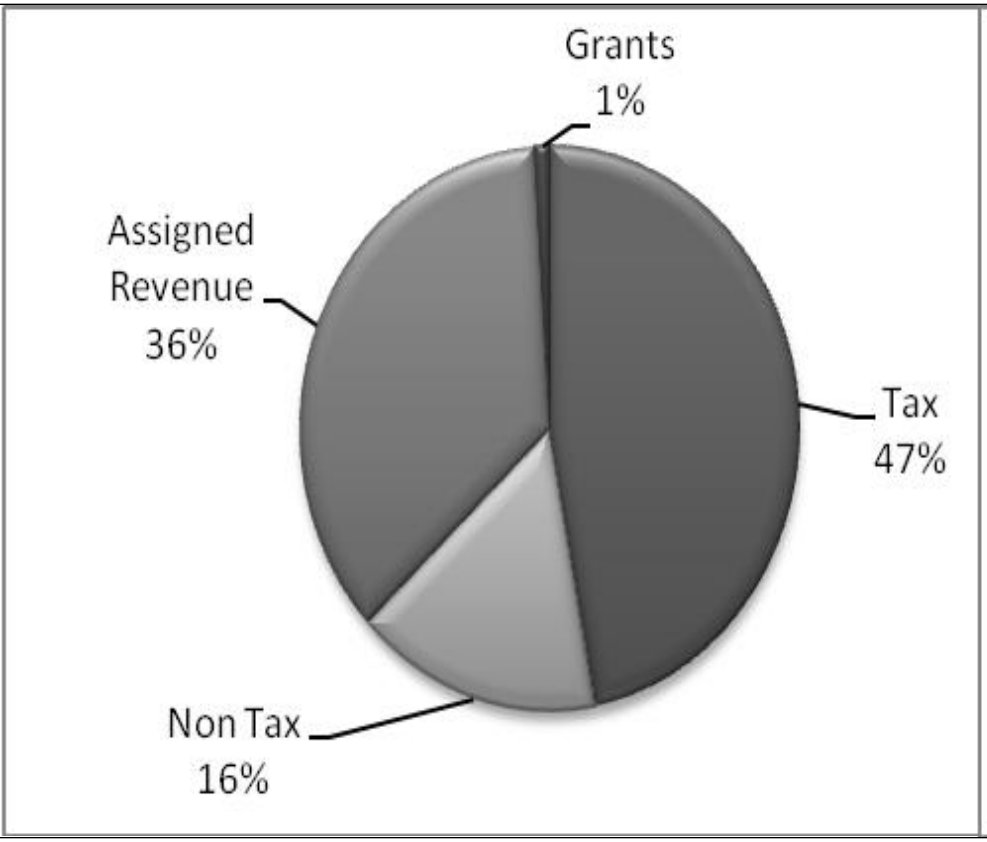
- At the local level, benefit taxation is mostly justified
- In India, whether this principle in local taxation is applied is a question
- Local Government provides a mix of private and public goods
- For private consumption goods the pricing should be such that the consumption levels give appropriate signals to the government for quantities of provision
- Most of the revenue heads which are there on paper are not *actually* levied
- Whichever levied have low collection ratios
- Underestimation of bases, no periodic revision

# Is it that we have reached the peak of the revenue hill?: No

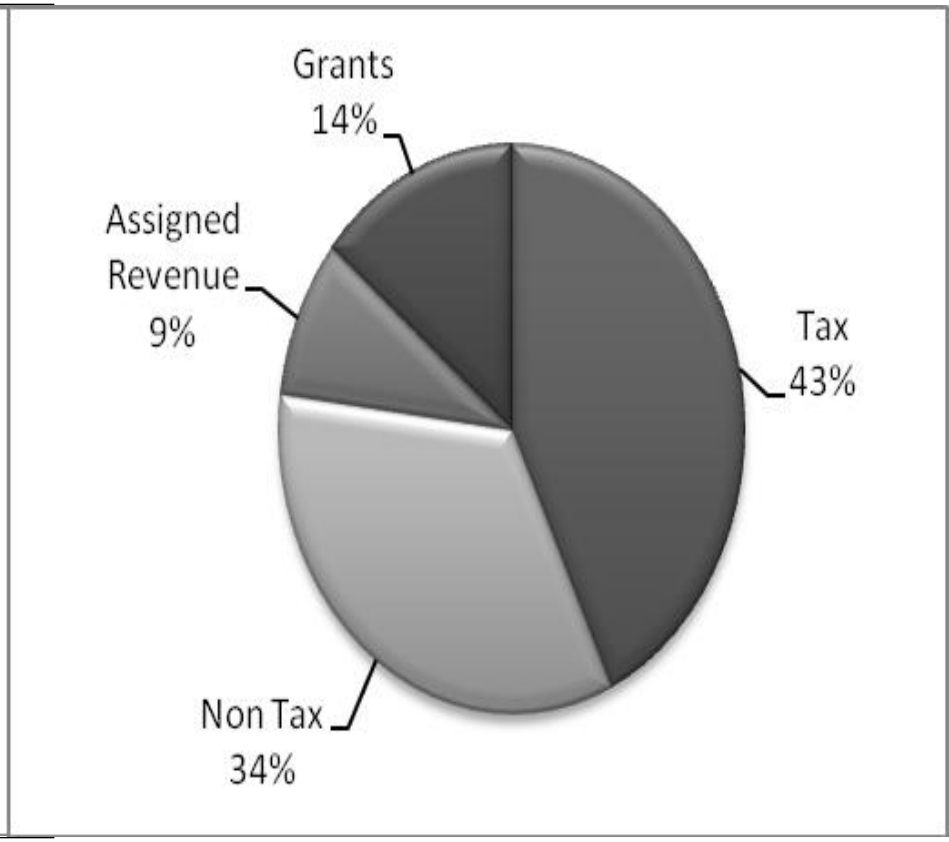


# Composition of Revenues

**Hyderabad (Central city)**

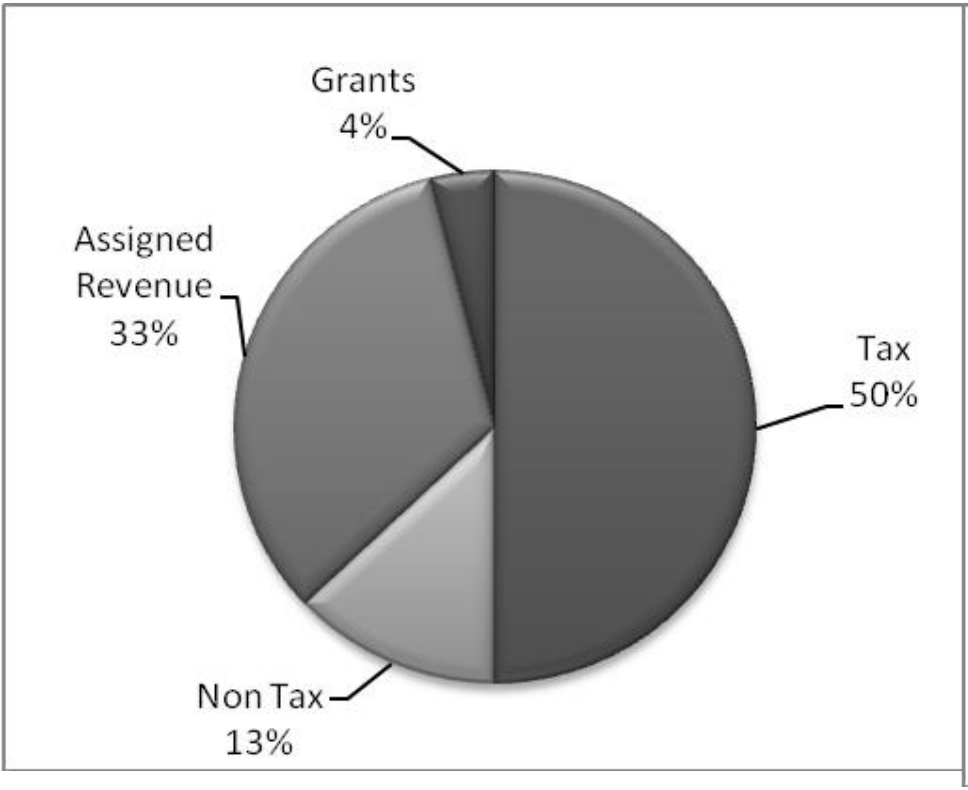



**Hyderabad (Smaller ULBs)**



# Composition of Revenues

**Chennai (Central City)**

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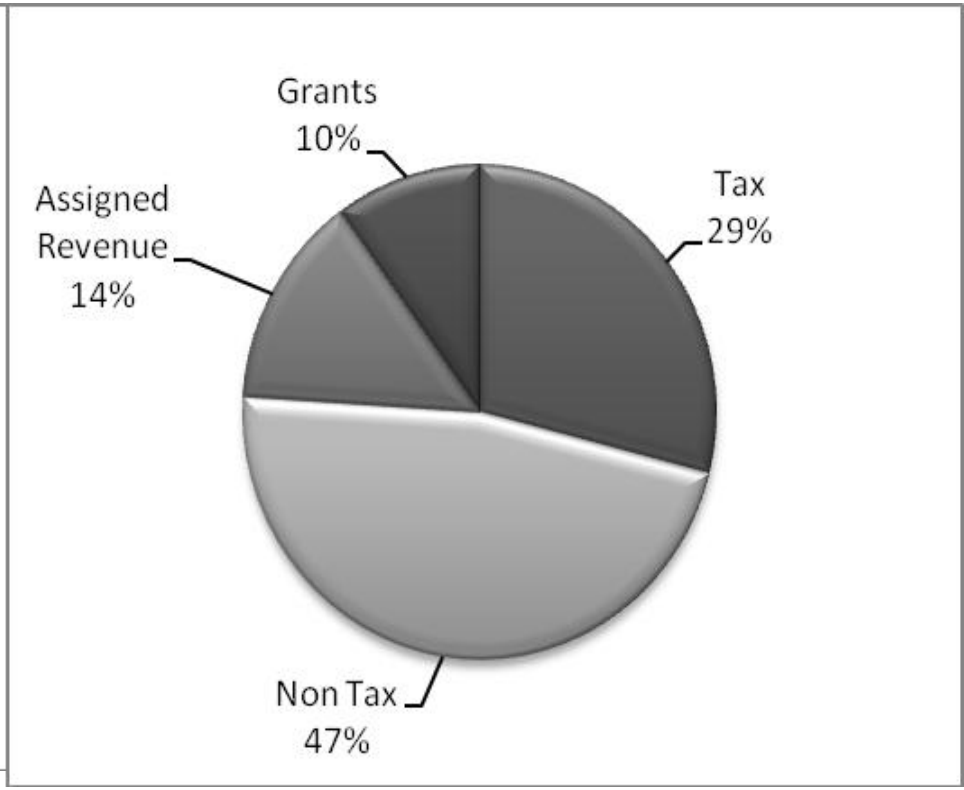
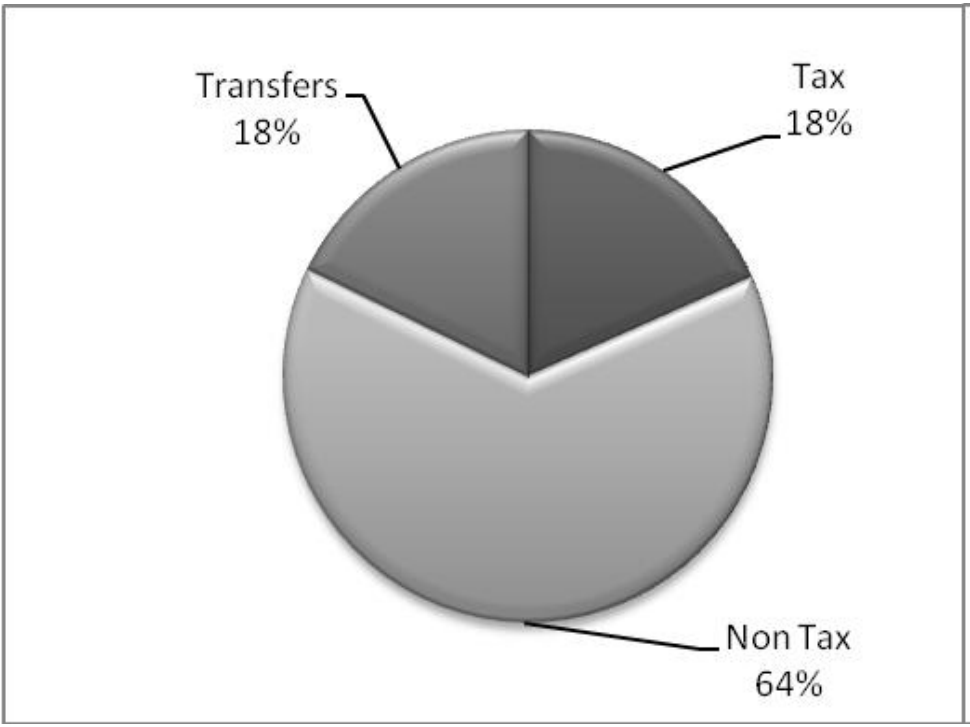
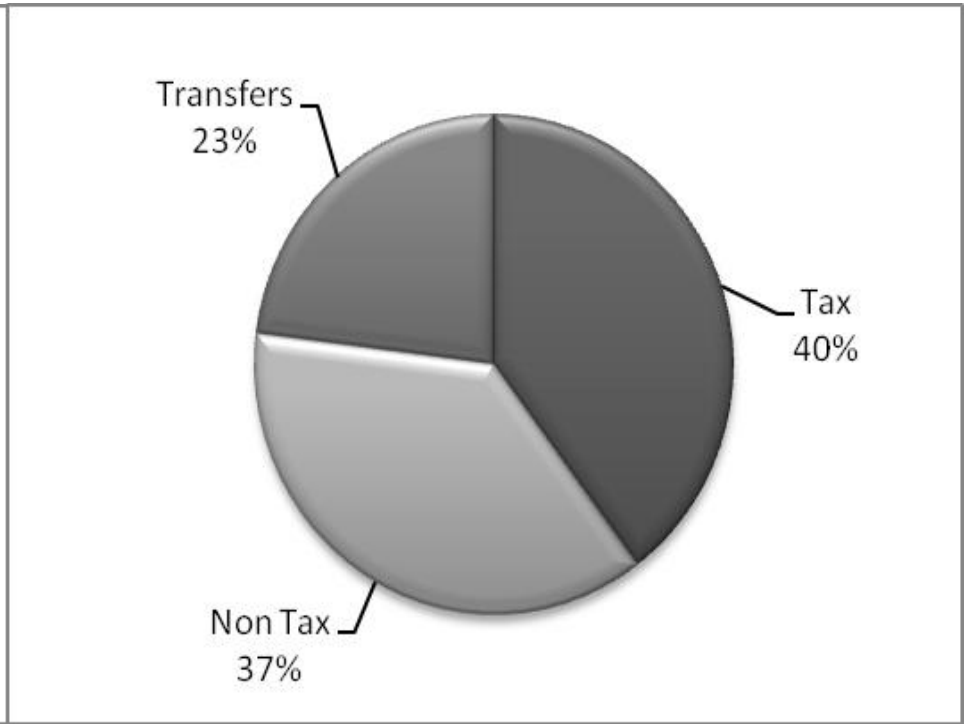


# Composition of Revenues (Without Octroi)

## Pune (Central City)

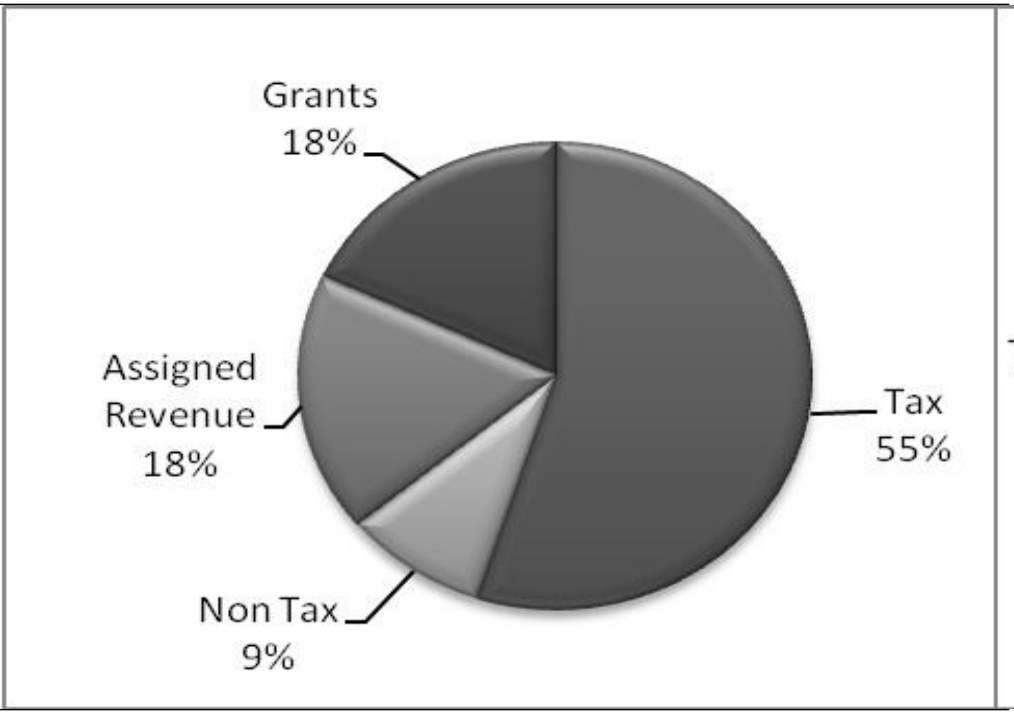



## Pune (Smaller ULBs )

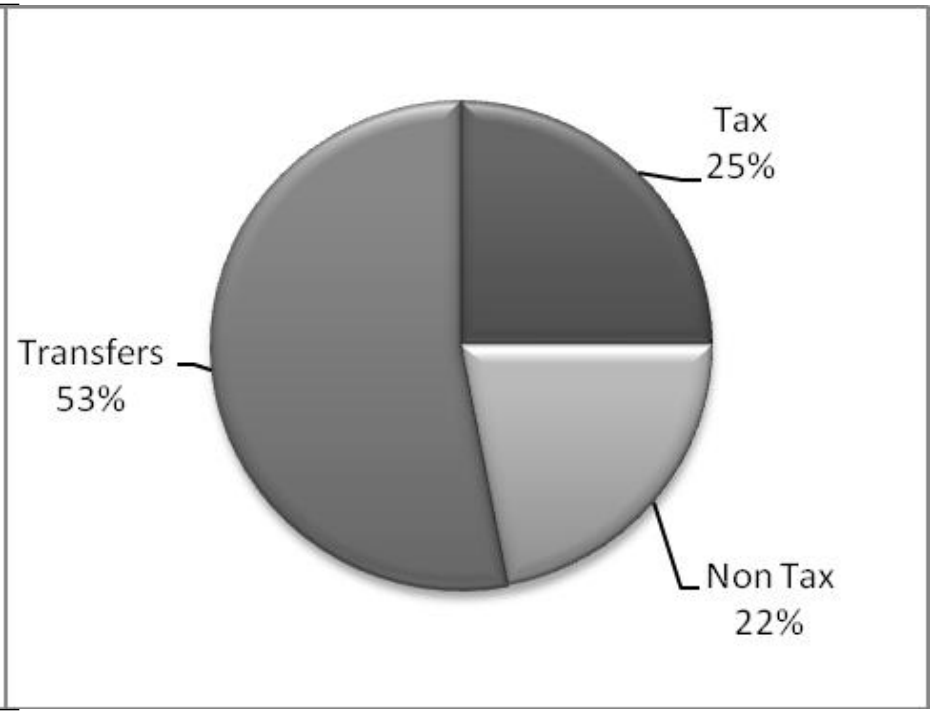


# Composition of Revenues

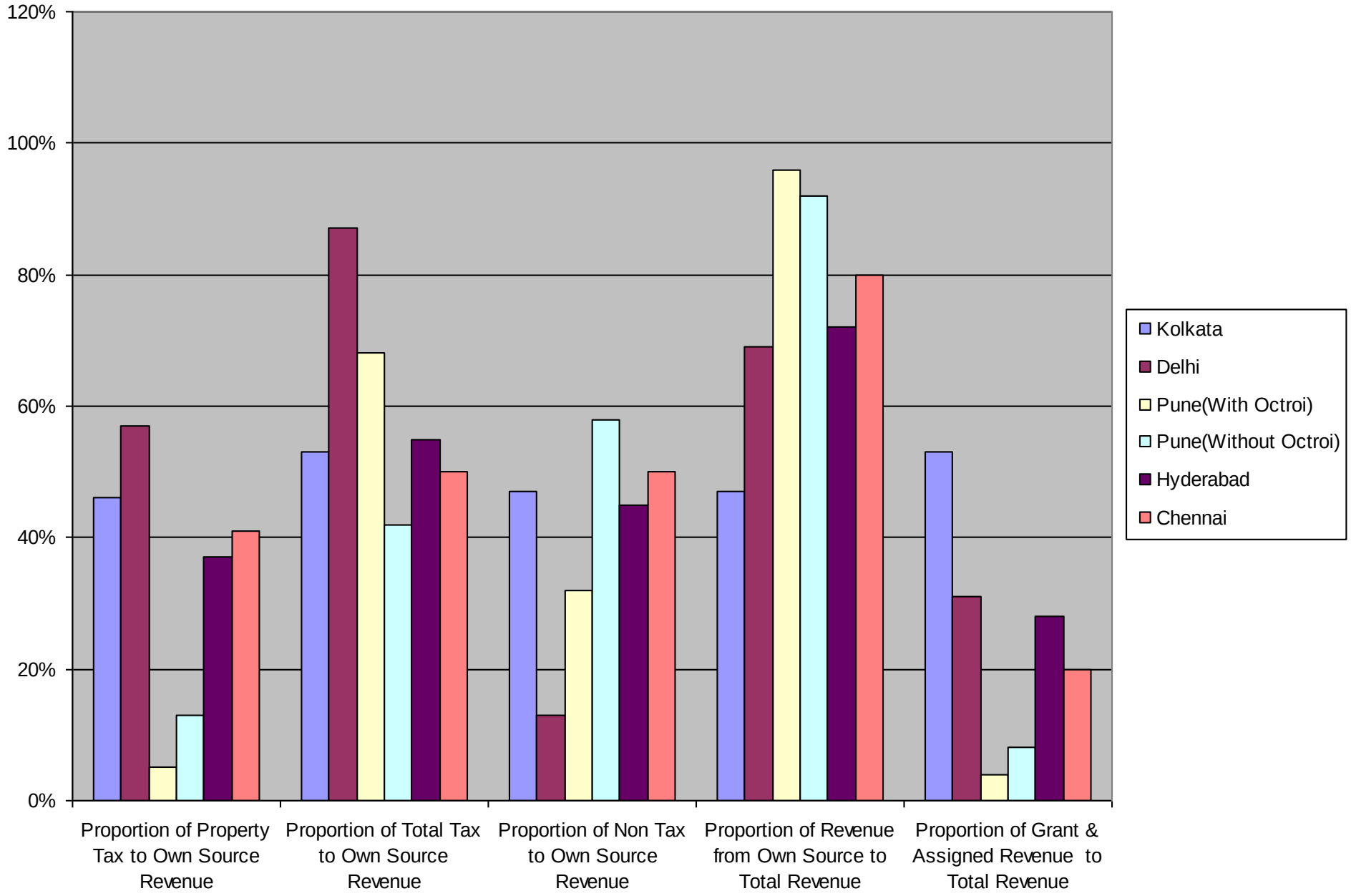
**Delhi (Central city)**




**Kolkata (Smaller ULBs)**



# Composition of Revenues in Five UAs of India

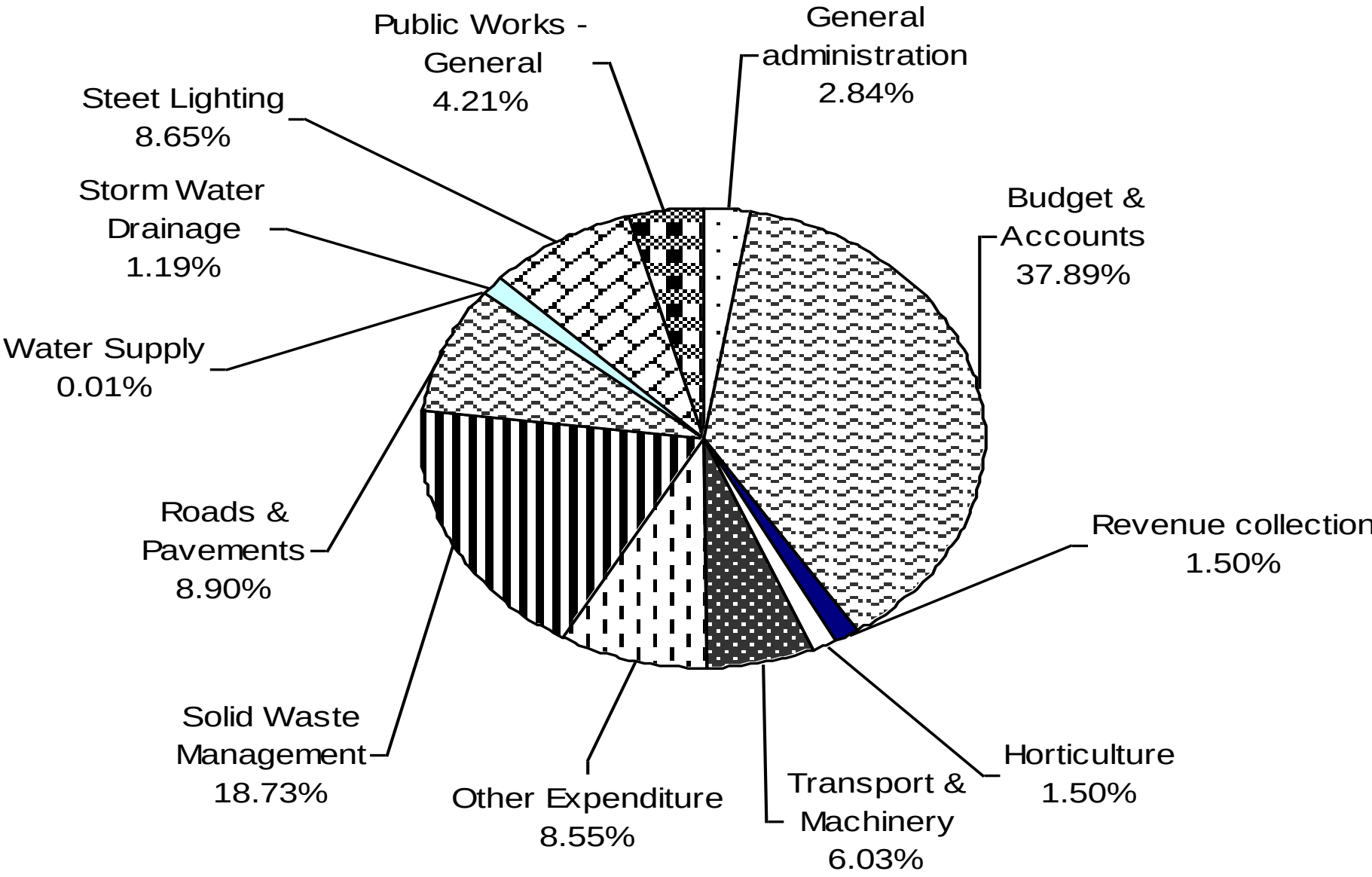


# Major Expenditure Heads

**A. Capital Expenditure**
(i) Water Supply
(ii) Sewerage
(iii) Solid Waste management
(iv) roads
(v) street Lights
(vi) sanitation
(vii) Education
(viii) Health
(ix) Fire Fighting
(x) Slum Improvement
(xi) Urban Poverty
(xii) other development works

**B. Revenue Expenditure**
(i) Administrative Expenditure
(ii) Establishment Exp.
(iii) Salary and wages
(iv) O&M Expenditure
a. Roads
b. Street lights
c. Water supply & sewerage
d. Solid waste management
e. Sanitation
f. Education
g. Health
h. Fire Fighting
i. Slum Improvement
j. Urban Poverty

# Expenditure Details: MCH Hyderabad



# How to Assess Financial Viability

- Assessing the Expenditure burden of Indian Cities
- Assessing the potential for revenue generation of Indian cities
- Fiscal Gap (indicator of financial viability)=Expenditure needs –Revenue Capacity
- No Comprehensive Study analysing different aspects of Fiscal Health of Indian Cities
- Comparison between Revenue and Expenditure aspects at the City level
- Meaningful numbers as Gaps (positive or normative) between the revenue and expenditure of cities
- Absence of a reliable database on fiscal variables at the city level
- Problems in formulating a methodology

# Determinants of Fiscal Health

| Category | Variables (Examples) |
|---|---|
| Resource Indicators | Property Tax, Non Tax Revenue, Transfers |
| Demand Indicators | Households having Assets, Households Availing Banking Facilities, Literacy, Proxies for Income |
| Infrastructure Indicators | Electricity per 1000 population, Domestic and Non Domestic Connections per 1000 population, Non domestic Connections to total connections(%), Banks per Sq Km, Toilets per 1000 population |
| Service Indicators | Roads per 1000 population, Street lights per 1000 population, Households having tap water(%) ,Households having closed surface drainage(%) |
| Cost Indicators | Population, Number of Households, Household Size, Area(sq km), Density (Population /sq KM) |

# Financial Viability of Mumbai

- An interesting city but not financially viable: huge unmet needs, expenditure requirements are above revenue capacities
- Dependent on Octroi: Almost half the revenues come from this source
- Has been dictating terms with Centre: Compensation to this Octroi is huge
- Rs 35,000 m :equivalent to the entire states excise income (how to compensate?)

# Alternatives to Octroi

- Local VAT
- Local business tax: Levy on business property
- Professions Tax

  – Political resistance
  – Inter-jurisdictional disparity

# Ratio of Own Revenue to Gross City Products

| Urban Agglomeration | Ratio of Own Revenue to GCP (Median for all ULBs) | 'Standard' Rate of Maximum Own Revenue Capacity to GCP |
|---|---|---|
| Hyderabad | 2.7% | 3.25% |
| Chennai | 1.7% | 2.5% |
| Kolkata | 1.15% | 2.5% |
| Delhi | 1.4% | 2.25% |
| Pune | 1.5% | 3% |

# Some Estimations: Jharkhand

| Indicators | Below 25000 | 25,000-50,000 | 50,000-75,000 | 75,000-1,00,000 | Above 1,00,000 | Jharkhand |
|---|---|---|---|---|---|---|
| Own revenue to GCP Ratio (per cent) Median (Minimum, Maximum) | 0.15 (0.07, 1.47) | 0.17 (0.05 ,0.43) | 0.28 (.16, 0.82) | 0.58 (.13, 0.73) | 0.09 (.01, 0.51) | 0.17 (0.01, 1.47) |
| Revenue Capacity to Actual Revenue (Index) Median (Minimum,Maximum) | 130 (101, 3,853) | 177 (121, 1154) | 210 (104, 623) | 192 (135, 252) | 284 (122, 702) | 177 (101, 3,853) |

# Financial Viability : Some Indicators

| UA | Ratio Of Revenue Capacity To Total Revenue (Index) | | Gap Between Expenditure Need and Actual Revenue (INR per capita) | |
|---|---|---|---|---|
| | Central City | Non Central City Median, (Maximum, Minimum) | Central City | Non Central City Median, (Maximum, Minimum) |
| **Delhi** | 138 | | 565 | |
| **Chennai** | 119 | 132 (188, 158) | 322 | 376 (4,176, 235) |
| **Hyderabad** | 179 | 113 (143, 103) | 524 | -339 (395, -1,345) |
| **Kolkata** | | 118 (277, 108) | | 477 (794, -134) |
| **Pune** | 196 | 155 ( 288, 111) | 2,453 | 1,828 (2,971, 21) |

# Institutional Arrangements

Accountability?

# Status of SFC reports in Indian states

| State | 1st SFC report | | 2nd SFC report | | 3rd SFC report | |
|---|---|---|---|---|---|---|
| | Con | Sub | Con | Sub | Con | Sub |
| Andhra Pradesh | Y | Y | Y | Y | Y | Y |
| Bihar | Y | N | Y | Y | Y | Y |
| Chhattisgarh | Y | Y | N | | N | |
| Gujarat | Y | Y | Y | Y | N | |
| Madhya Pradesh | Y | Y | Y | Y | Y | Y |
| Maharashtra | Y | Y | Y | Y | Y | Y |
| Orissa | Y | Y | Y | Y | Y | Y |
| Punjab | Y | Y | Y | Y | Y | Y |
| Rajasthan | Y | Y | Y | Y | Y | Y |
| Tamil Nadu | Y | Y | Y | Y | Y | Y |
| Uttar Pradesh | Y | Y | Y | Y | Y | Y |
| West Bengal | Y | Y | Y | Y | Y | Y |
| ***Jharkhand*** | ***Y*** | ***Y*** | | | | |

# Institutional Arrangements

- Investment intensity of services
- ULBs, Parastatals, Central Governments
  - Water supply :parastatals/water boards
  - Roads: NHAI and PWD, ULBs to a lesser extent
  - Airport Authority
  - Railway network, subways, land: National Railways,Development authority
  - Port Trusts
  - Outside the control of the ULBs
- Who is answerable? Service provider or the collector of charges?

# Delhi

**Delhi: Delhi Jal Board**

- DJB-metered connection/tanker
- Covers Capital and O&M for MCD
- NDMC and Cant Board (partial): Bulk Supply
- Cost Recovery: State, External Sources
- Private tankers

DDA for land development and land use,

# Hyderabad

- HMWSSB-4 ULBs including MCH covers capital and O&M
- Other ULBs: Bulk Purchase from the Board
- Planning, execution, management of network is done by the ULBs themselves
- Proposed coverage of the entire area of the GHMC by the board
- Cost Recovery: State, external sources

# Chennai

- Partial Metering /Tanker supply to network unconnected areas from the Board
- CMWSSB: O&M and Capital both covered for COC
- For other ULBs, capital expenditure is covered by the ULBs themselves
- Transfer of resources on account of augmentation/new capital work to the Board by the ULBs
- Planning, execution and management of new capital work is done by the board

# Mumbai

- MMRDA, MHADA, slum Rehabilitation authority, MSRDC for roads

# Other Services

- Solid waste management: RWA and private participation : Delhi, Pune

# Governance Issues: A political Question

- Multiplicity of controlling authorities
- Governed by different ministries
- ULB being the local self government does not enjoy bargaining power over these bodies
- Cannot make them pay or answerable to what they are doing in the jurisdiction
- Often the administrative rivalry takes over and service provision suffers.
- Political rivalry can make things worse: local level having a different party color than the state level
- Failure to prioritise

# Provision of Services

Uncertainty……

# Service Delivery

- Norms and standards of services
  - Zakaria(1963)
  - Report of Working group III (1995)
  - Pricewaterhousecoopers 2001
  - NIUA (2007)
  - HPEC 2011
- Status of urban Services
  - NIUA 2005

# Physical Norms for Basic Services

| Services | Physical Norms |
|---|---|
| Water Supply | 150 lpcd |
| Sewerage | 100per cent Population Coverage |
| Roads Length ( per km square) | Class I (1,00,000 and above Population) – 11.09 km,<br>Class II(50,000-99,999 Population)- 9.89 km,<br>Class III( 20,000-49,999 Population)- 9.10 km,<br>Class IV (less than 20,000 Population)- 5.79 km |
| Street Lights | Distance between two poles:28 meters |
| Solid Waste Management | 100per cent Population coverage and all the waste generated should be collected , treated and disposed |

# Financial Norms for Indian Cities (2004-05 Prices)

| Norm Category | Services | IA | IB | IC | II | III | IV |
|---|---|---|---|---|---|---|---|
| Per capita O&M requirements | Water Supply | 355 | 179 | 144 | 144 | 144 | 144 |
| | Sewerage | 137 | 160 | 236 | 236 | 236 | 236 |
| | Solid Waste Management | 165 | 72 | 226 | 226 | 226 | 226 |
| | Roads | 1246 | 1803 | 1746 | 2087 | 2087 | 2087 |
| | Storm Water Drains | 12 | 20 | 15 | 15 | 15 | 15 |
| | Street Lights | 7 | 9 | 11 | 12 | 12 | 12 |
| Per capita Investment Requirement | Water Supply | 3944 | 1994 | 1601 | 1601 | 1601 | 1601 |
| | Sewerage | 1525 | 1773 | 2620 | 2620 | 2620 | 2620 |
| | Solid Waste management | 411 | 180 | 565 | 565 | 565 | 565 |
| | Roads | 41538 | 60093 | 58185 | 69576 | 69576 | 69576 |
| | Storm Water Drains | 522 | 877 | 679 | 679 | 679 | 679 |
| | Street Lights | 74 | 102 | 121 | 134 | 134 | 134 |

# Service delivery and shortages from norms :India

| Population size class | Water Supply | | | | Sewerage | | Solid waste |
|---|---|---|---|---|---|---|---|
| | Water supply (litres per capita per day) | Norms | Water Supply to Norms index | Road length to norms | % of population covered | Norm | % of solid waste treated |
| Below 25,000 | 98.3 | 150 | 65.5 | 71.1 | | 100 | 68.0 |
| 25,000-50,000 | 77.0 | 150 | 51.7 | 66.3 | | 100 | 70 |
| 50,000-75,000 | 77.8 | 150 | 53.7 | 78.5 | | 100 | 44.7 |
| 75,000-1,00,000 | 55.8 | 150 | 35.5 | 47.5 | | 100 | 73 |
| 1,00,000-5,00,000 | 97.1 | 150 | 64.8 | 72.2 | 38% | 100 | 75 |
| Above 5,00,000 | 100 | 150 | 67 | 60.51 | 32% | 100 | 57.46 |

# Service delivery and shortages from norms: Karnataka

| Population Size Class | Water Supply | | Roads | Solid Waste | | |
|---|---|---|---|---|---|---|
| | LPCD | water supply to norm | Road length per sq km to norms | Collected as a percentage of generated | Treated as a percentage of generated | disposed as a percentage of generated |
| Below 25,000 | 102 | 68.0 | 71.1 | 85 | 68 | 68 |
| 25,000-50,000 | 80.6 | 54.7 | 66.3 | 84 | 70 | 80 |
| 50,000-75,000 | 80.8 | 53.9 | 78.5 | 85 | 45 | 78 |
| 75,000-1,00,000 | 59.1 | 39.4 | 47.5 | 84 | 100 | 95 |
| 1,00,000-5,00,000 | 96.3 | 64.2 | 91.2 | 89 | 46 | 56 |
| Above 5,00,000 | 100 | 67 | 60.5 | 94 | 65 | 65 |

# Service delivery and shortages from norms: Jharkhand

| Size Classes | Water Supply (Lpcd) | Index For Water Supply Adequacy (Compared with Norm of 145 LPCD) | Percentage Of Concrete/ Motorable Roads | Percentage Of Roads Covered By Street Lights | Distance Between Two Electric Poles (Meters) |
|---|---|---|---|---|---|
| Below 25,000 | 53.99 | 37.29 | 40 | 35 | 35 |
| 25,000-50,000 | 29.29 | 20.24 | 36.5 | 23.5 | 35 |
| 75,000-1,00,000 | 46.41 | 32.08 | 69 | 70 | 36 |
| 75,000-1,00,000 | 35.00 | 24.00 | 30 | 37.5 | 35 |
| Above 1,00,000 | 69.61 | 48.10 | 60 | 48.5 | 31 |
| Median (all) | 46.41 | 32.08 | 40 | 37.5 | 35 |

# Service Delivery: Expenditure Side

| Indicators | Below 25,000 | 25,000-50,000 | 50,000-75,000 | 75,000-1,00,000 | Above 1,00,000 | West Bengal |
|---|---|---|---|---|---|---|
| Revenue Expenditure to Revenue Expenditure Norms (per cent)<br>Median<br>(Minimum, Maximum) | 39<br>(28,64) | 34<br>(17,66) | 34<br>(24,71) | 29<br>(20,53) | 44<br>(8,73)) | 36<br>(8,73) |

| Indicators | Below 25,000 | 25,000-50,000 | 50,000-75,000 | 75,000-1,00,000 | Above 1,00,000 | Jharkhand |
|---|---|---|---|---|---|---|
| Revenue Expenditure to Revenue Expenditure Norms (per cent)<br>Median<br>(Minimum, Maximum) | 35<br>(2,148) | 47<br>(8,86) | 36<br>(19,52) | 42<br>(22,54) | 25<br>(1,103) | 41<br>(1,148) |
| Capital Expenditure to Capital Expenditure Norms (per cent)<br>Median<br>(Minimum, Maximum) | 3<br>(0.2,15) | 3<br>(1,12) | 3<br>(1,10) | 5<br>(1,7) | 2<br>(0.1,19) | 3<br>(0.2,19) |

Reforms :To approach an ideal pricing?

Rs 500 m central assistance during 2006-12

# Reforms : JNNURM

Assistance

- Urban renewal
- Five basic Services
- Urban Transport
- Parking Spaces on a PPP basis
- Development of Heritage Areas
- Soil erosion and water management

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Municipal Levels

- Accrual Based accounting
- GIS to reform property Tax
- User charges to recover O&M
- Basic Services for urban poor: Internal earmarking

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Specific purpose grants from centre to upgrade urban infrastructure
Sharing between state and Centre
Borrowing from financial institutions

# Other Components

State Level

- Overall administrative Reforms
- Full implementation of 74th constitutional amendment

UIDSSMT

- E governance
- Municipal Accounting
- Property Tax
- User Charges
- Poverty Alleviation