Status Report on Urban Reforms (SRUR) in Orissa

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Introduction

In a large and highly populated developing country like India fighting the problem of poverty and ensuring minimum level basic needs, such as food, shelter and clothing to all categories of population has so far remained an uphill task for the state. The task becomes more complicated for a state like Orissa which has traditionally been one of the poorer states of the country with a majority of the households living below poverty line. The course of modern economic development and social transformations initiated all over the country through planned intervention measures in the post Independence years and particularly the economic liberalization and globalization policies of the Government since early 1990s have been gradually and consistently converting the country and also the states into an urban-industrial society. Unlike other developed countries of the West and East, although India does not have a higher percentage of urban-based population, but the magnitude of the population in terms of absolute numbers is quite large.

The flow of human capital to the cities from the countryside of the country by and large is highly underdeveloped and highly unskilled. As the absorbing capacities of the organized and highly formalized economic structures of urban areas are limited for these employment seekers, the urban centres of the country exhibit the characteristics of a dual economy: (i) the formal and the organized sector having highly skilled, professional and educationally better-qualified people and (ii) the unorganized or the informal sector having people who are self employed or having casual wage employment (Samal, 2008; Meher, 2000). It is observed that all the large towns and cities in India are afflicted with the problems of invading slum and squatter dwellers even in the vicinity of their so-called posh localities and downtown areas of the city. Almost 25 to 30 per cent of the population in the big towns and cities of India live in slums and squatters in a very uncongenial and unhealthy environment with little access to basic services and civic amenities (Sivaramakrishnan, Kundu and Singh, 2006).

Urbanization in the largely populated developing countries like India is observed to be expanding mainly due to forced migration of rural poor seeking in the urban informal sector economy. The slums and squatter localities in which these urban poor reside are found deficient in supply of minimum basic civic services. In this scenario, unless adequate steps are taken to solve the housing problem and to improve the earning capacity of urban poor, the rapidly growing large cities of India will face enormous urban environmental management problems in terms of breakdown of basic civic services, increasing pollution and deteriorating quality of urban life (Meher, 2010). In India out of the total population of 1027 million, in 2001, about 285 million persons lived in urban areas. The proportion of urban population has increased from 19.9% in the year 1971 to 27.8% in the year 2001. The decadal growth of urban population was 31.2% in 1991-2001 (Vaidya, 2009). Three hundred and fifty million people live in Indian cities today. The percentage of people living under the poverty line in urban areas is higher than those living in rural areas, and rising. However, national, state and local governments generally have weak urban policies, and haphazard or non-existent slum

policies, and there is a critical lack of investment or coordination in addressing the shelter needs of the urban poor. Although slum dwellers provide cities with cheap, informal services, they are treated as non-citizens who have "encroached" in a city that needs their labour, but is unwilling to pay for their housing needs. Consequently, most poor people – over 50% of the urban population in some Indian cities live in informal settlements on private or public lands, lacking secure tenure, adequate housing, or access to sanitation, clean water, and basic services (DFID, 2008). Closely related to the issue was a study by World Bank which is published in World Development Report, 2009. The WDR 2009's main message is that economic growth will be unbalanced but development can still be inclusive and it also suggests a policy framework to benefit from urbanization

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Box 1: Unbalanced Growth but Inclusive Urban Development

The World Bank published the World Development Report (WDR) 2009 with theme, "Reshaping Economic Geography". The report's main message is that economic growth will be unbalanced but development can still be inclusive. The chapter on urbanization suggests a policy framework to help nations benefit from urbanization. It outlines that prioritizing and sequencing of policies can help governments facilitate inclusive development. For areas of incipient urbanization, the policy priorities would be provision of basic urban services and improvement of land markets. For areas with intermediate urbanization, the priorities include providing basic services, improvement in land markets and investing in infrastructure in around the growing cities. Advanced urbanized areas should focus on well-functioning land markets, representative management, state-of-the-art transport infrastructure, and social policies to integrate low income residents. The report provides important inputs for understanding and developing India's urban development strategy.

Source: World Bank, 2009; Vaidya, 2009

1.1 Urbanization in Orissa

Orissa has 30 districts, 314 communities and 51, 124 villages and the city Bhubaneswar is the state capital. With a population of 36.8 million in 2001, Orissa is one of the least urbanized states in India (14.97%). The agriculture sector absorbs almost three fourth of the total work force and contributes to around 50% of state's domestic product. It is particularly challenging for the state as it also has the distinction of having highest percentage (47.15%) of population living below poverty line among all Indian states. This is nearly double the all India average of 26.10 for the same year. Over 20% of Orissa's urban population lives in slums. It also has one of the highest populations of marginalized communities, with Scheduled Castes comprising 16% of the population Scheduled Tribes comprising 22%. Orissa is also extremely vulnerable to natural disasters, which became tragically apparent when a super cyclone devastated the state in October 1999. The table given below shows the trends of urbanization in Orissa.

Table No. 1: Trends of Urban Growth in Orissa

Census Year	Total Number of Town	Total Population	Total Urban Population	Decennial Growth
1901	14	1032917	254684	
1911	18	11378875	275159	8.04
1921	20	11158586	281498	2.3
1931	21	12491056	317254	12.7
1941	29	1376988	412528	30.03
1951	39	14645946	594070	44.01
1961	62	17548846	1109650	86.79
1971	81	21944615	1845395	66.3
1981	108	26370271	3110287	68.54
1991	124	31655736	4234983	36.16
2001	138	36706920	5496318	29.78
2011*	Not Released	41947358		13.97
Source: Rural-Urban Distribution of Orissa, Census of India, 2001; * Provisional Figures				

From the above table it can be seen that the growth of population was maximum in the decade 1951-61. Almost till this decade the population continued to grow at an alarming rate. After this decade although there is absolute growth in population the rate has reduced considerably. The latest figures (the decade covering 2001-2011) show a sharp fall in the growth rate of population. The figure given below shows the percentage of the urban population in Orissa as compared to the total population during the census year.
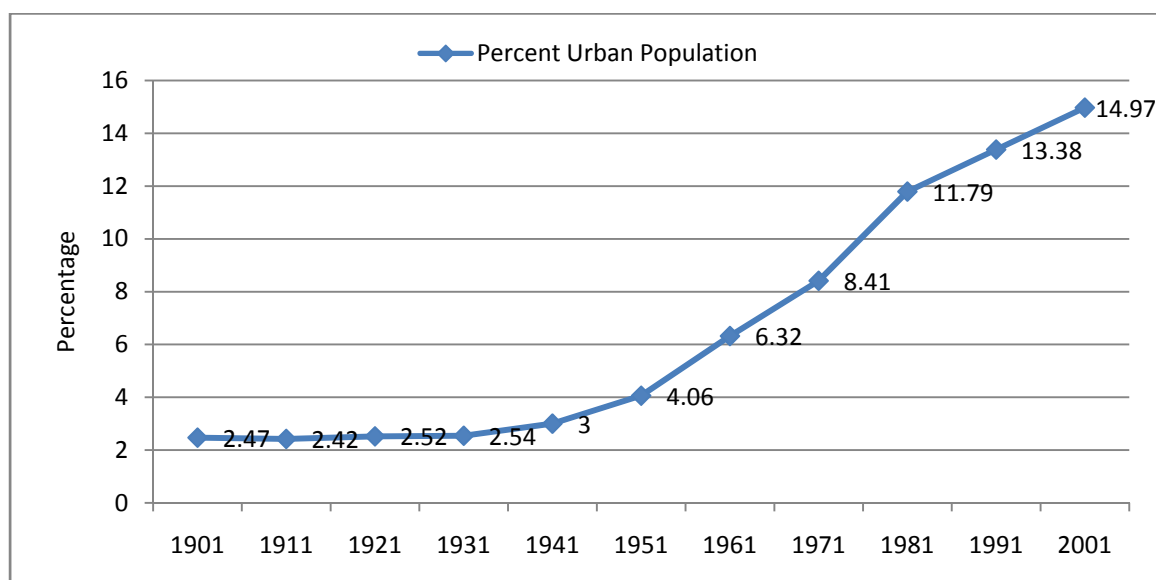
Figure No. 1: Percentage of Urban Population in Orissa in different Census Years

From the above figure it can be seen that the urban population in Orissa is steeply growing over the years. From the year 1901 to 1981 the growth was in single digits but after that it has crossed the single digit mark and rapidly increasing. Prior to 1951, there were only 39 urban centers in Orissa, which has grown up to 138 in 2001. In other words the urban population of the state share has increased from 3% in 1941 to 14.97% in 2001.

Among these urban centers Government of Orissa recognized 103 as urban local bodies. These urban local bodies were further sub divided into three categories such as Municipal Corporation, Municipalities and Notified Area Council. Presently there were 3 Municipal Corporations, 37 Municipalities and 63 Notified Area Councils.

Table No. 2: Distribution of ULBs in Orissa

Sl. No	District	No. of Blocks	No. of ULBs	U.L.BS Status		N.A.Cs	Areas (Sq.Km)	Headquarters
				Corporation	Munici pality			
1	Angul	8	3		1	2	6375	Angul
2	Balasore	12	4		1	3	3806	Balasore
3	Balangir	14	4		1	3	6575	Balangir
4	Boudh	3	1			1	3098	Boudh
5	Bhadrak	7	2		1	1	2505	Bhadrak
6	Baragarh	12	3		1	2	5837	Baragarh
7	Cuttack	14	4	1	1	2	3932	Cuttack
8	Deogarh	3	1		1		2940	Deogarh
9	Dhenkanal	8	3		1	2	4452	Dhenkanal
10	Ganjam	22	18	1		17	8206	Chhatrapur
11	Gajapati	7	2		1	1	4325	Paralakhemund i
12	Jagatsinghpur	8	2		2		1668	Jagarsinghpur
13	Jajpur	10	2		2		2899	Panikoili
14	Jharsuguda	5	3		2	1	2081	Jharsuguda
15	Keonjhar	13	4		4		8303	Keonjhar
16	Kalahandi	13	3		1	2	7920	Bhawanipatna
17	Koraput	14	4		1	3	8807	Koraput
18	Kendrapara	9	2		1	1	2644	Kendrapara
19	Khurda	10	5	1	2	2	2813	Khurda
20	Mayurbhanj	26	4		1	3	10418	Baripada
21	Malkangiri	7	2			2	5791	Malkangiri
22	Nawarangpur	10	2		1	1	5291	Nawarangpur
23	Nayagarh	8	2			2	3890	Nayagarh
24	Nuapara	5	2			2	3852	Nuapara
25	Puri	11	4		1	3	3479	Puri
26	Kandhamal	12	2			2	8021	Kandhamal
27	Rayagada	11	3		1	2	7073	Rayagada
28	Sambalpur	9	5		1	4	6657	Sambalpur

29	Sundargarh	17	4		4		9712	Sundargarh
30	Subarnapur	6	3		1	2	2337	Subarnapur
	TOTAL	314	103	3	34	66	155707	
Source : 1. Census of India, 2001, 2. Panchayati Raj Department, Government of Orissa, 3. H & U.D. Department, Government of Orissa								

There were 8 class-I towns, 14 class II towns, 37 class III towns, 40 class IV towns and 6 class V towns located in various parts of the state. The table given below shows the details.

Table No. 3: Distribution of Urban Agglomerations and Towns in Orissa

Class	Population	Number of UAs / Towns		
		1981	1991	2001
A	1,00,000 >	3 UA & 3 Towns	4 UA & 3 Towns	6 UA & 2Towns
B	50,000-99,999	1 UA & 6Towns	2 UA & 8Towns	1 UA & 13 Towns
C	20,000-49,999	3 UA & 20 Towns	3 UA & 23 Towns	3 UA & 30 Towns
D	10,000-19,999	1UA & 38 Towns	51 Towns	47 Towns
E	5,000-9,999	25 Towns	22 Towns	24 Towns
F	< 5,000	3 Towns	3 Towns	6 Towns
All Classes		8UA & 95 Towns	9UA & 110 Towns	10UA & 122 Towns
Source: Census of India, 2001, Series 22, Provisional Population Total				

A comparative analysis among the districts of Orissa reveals Khurda to be the most urbanized district in the State. This is due to the fact that Bhubaneswar town is said to be an administrative centre with people mostly engaged in non-agricultural activities. The Bhubaneswar Municipal Corporation itself has 100 per cent urban population (6,47,032), which is quite high as compared to the proportion of the total population of the district. Past records also reflect that Bhubaneswar town has got a very high growth rate of population since 1971-81(107.80%) and 1981-91(87.74%). This is obvious due to the migration from all parts of the state to the capital in search of jobs and better education. The districts of Nayagarh (4.3%) and Jajpur(4.5%) have the least percentage of urbanization as per 2001 census records. Jajpur has so less urban population however the district has a large number of suburban settlements like Sukinda, Korai, Mangalpur, Binjharpur, Balichandrapur, Badachanna and Dharmasala. The maximum urban population in the whole of Jajpur district is in Jajpur Road (i.e. around 32,209).

Along the coastal belt, only Ganjam and Puri districts have more than 10% urban population, though Ganjam district has the highest population in the whole of Orissa. The major urban centre in the district is Berhampur (M) which is a Class I town with an urban population of 30,7792. Puri district, which is famous as a place of pilgrimage, contributes an urban population of only 13.6 % in 2001 as compared to 19.76 % till 1991 .The reason for such a decadal fall of urban population in Puri district can be related to the reshuffling of towns in the district directory and addition of new districts. Earlier Bhubaneswar town, which is one of

the major urban centres in the map of Orissa, was a part of Puri district. The figure given below shows the urban map of Orissa.
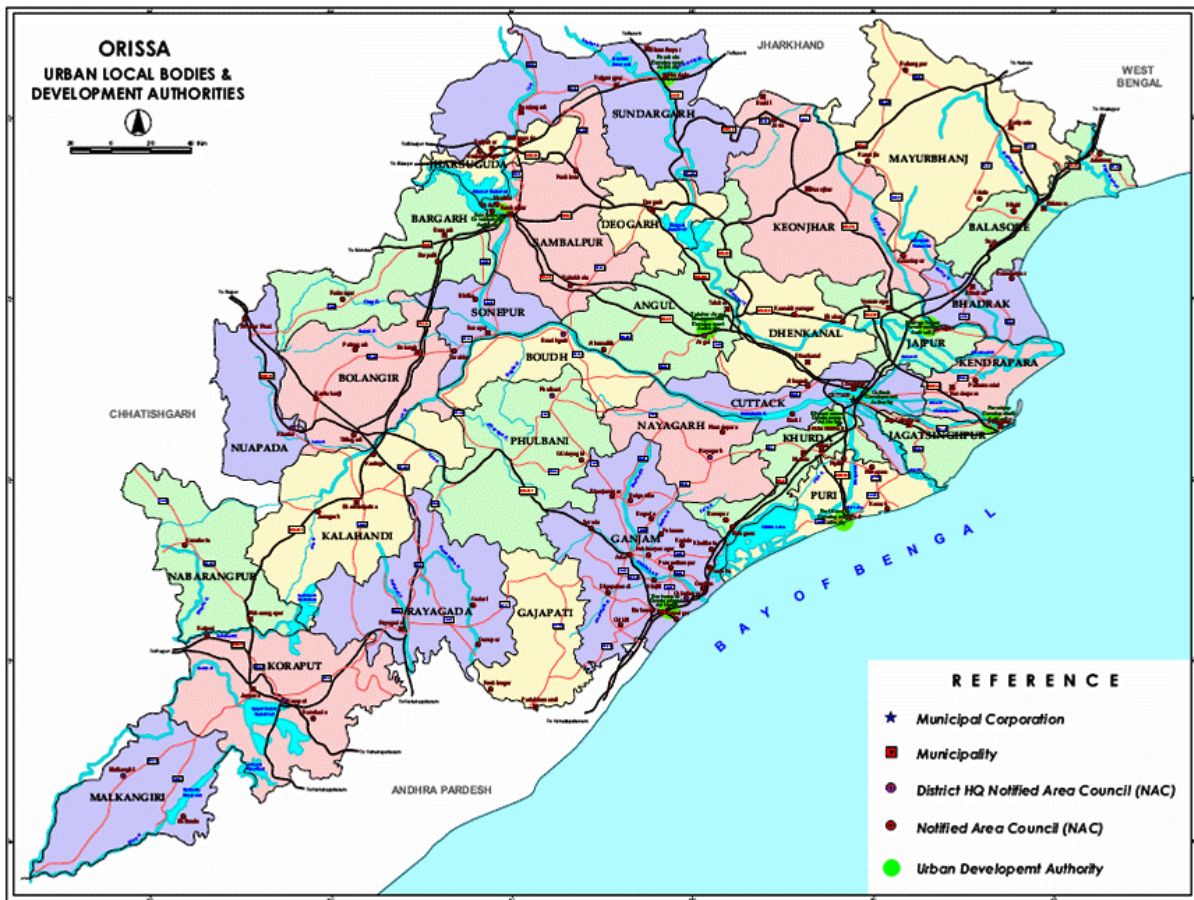
Figure No. 2: Urban Map of Orissa

The ULBs function under the overall administrative control of the State Housing and Urban Development Department. The Director of Municipal Administration is the head of the department. Each ULB is headed by an executive officer who is ordinarily an officer of the Orissa Administrative Service. The executive officers of the three Municipal Corporations are known as Commissioners. The State Government has the powers to call for information, conduct inspections, give directions, and dissolve a ULB, cancel orders and even rescind resolutions of the Council under specified circumstances.

ULBs in Orissa are governed as per the Orissa Municipal Act 1950 and subsequently it has been modified in 1994 and 2002 to incorporate the features of 74th CAA and trying to bring changes in composition of ULBs along with the related components such as Reservations of seats for Scheduled Castes and Tribes, Backward classes, women, tenure of ULBs and tenure of office of the councilors. The following table shows the various acts, rules and regulations.

Table No. 4: Acts and Rules for ULBs in Orissa

Sl.No.	Name of the Acts / Rules/Regulations	Enactment Year	Description
Acts			
1	The Orissa Municipal Corporation (Amendment) Act, 2008	2008	This act is the amendment act of the Orissa Municipal Corporation Act, 2003. It contains the insertion of new 'Section-24-A' for maintenance of information in catalogued and indexed manner by all Corporations.
2	Orissa Municipal Corporation Act, 2003	2003	
3	The Orissa Municipal Act, 1950	1950	
4	The Orissa Apartment Ownership Act, 1982	1982	An Act to make provision for ownership of an individual apartment in a multistoryed building and for matters incidental thereto.
5	The Orissa Development Authorities Act, 1982	1982	An act to provide for the development of Urban and Rural areas in the State of Orissa according to plan and for matters ancillary thereto. This act provides the details of the constitution of Development Authorities in the existing cities in the State, which are fast growing, large industrial complexes and potential urban areas to ensure systematic and planned growth.
6	The Orissa State Housing Board Act, 1968	1968	An Act to provide for measures to deal with and satisfy the need of housing accommodation and for that purpose to establish a Housing Board for the State of Orissa and to provide for matters ancillary or incidental thereto.
7	The Orissa Notified Area Councils (Extension of Term of Office and Validation) Act, 1991	1991	An Act to provide for the extension of term of Office of certain Notified Area Councils and Validation of actions of such Councils including their Chairman.
8	Orissa Town & Improvement Trust Act, 1956	1956	

9	Orissa Water Supply & Sewerage Board (OWSSB) Act, 1992	1992	
Rules			
1	Orissa Municpal Accounting Manual	2011	The GoO recognized the significant benefits of achieving consistent and comparable financial information across ULBs. Hence, it decided to adopt the NMAM (National Municipal Accounting Manual) for developing the state level municipal accounting manual. This state level manual is the Orissa Municipal Accounting Manual (OMAM). The GoO believes that this manual will play a key role in enabling the ULBs to achieve the overall benefits of ensuring a transparent, efficient, and informative accounting system.
Regulations			
1	Bhubaneswar Development Authority (Planning and Building Standards) Regulations, 2008	2008	This act provides the details of Bhubaneswar Development Authority (BDA) building plans and building standard details and for matters incidental thereto.
Source: Department of Housing and Urban Development, Govt. of Orissa			

1.2 The Context

In 2001, about 286 million persons were living in urban areas of India and it was the second largest urban population in the world. The 74th Constitution Amendment Act (CAA) came into force in June, 1993 which sought to improve strengthen urban governance and management of services. The urban population is expected to rise to around 38 percent by 2026. India has to improve its urban areas to achieve objectives of economic development. Huge investment is required in India's urban sector. Since public funds for these services are inadequate, urban local bodies (ULBs) have to look for innovative approaches for financing and management of urban services. However, most critical factors for introducing these innovations are a healthy municipal revenue base and good urban governance (Vaidya, 2009).

To sustain the momentum of growth to fulfil the aspirations of people residing in urban areas, the Government of India in the Ministries of Urban Development and Urban Employment & Poverty Alleviation, have formulated a comprehensive Infrastructure Development

Programme for Urban Renewal and massive expansion of services to urban poor. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) has been launched on 3rd December, 2005, for integrated planned development of 63 selected cities in India. There are two other reform driven schemes, which have been introduced by Government of India along with the JNNURM. These are UIDSSMT (Urban infrastructure Development Scheme for Small and Medium Towns) and IHSDP (Integrated Housing & Slum Development Programme) to be implemented in the cities/ towns other than the cities/towns, which are selected under JNNURM. The Mission period is spread over seven years starting from 2005-06. There are two major components under this scheme: (i) Urban Infrastructure and Governance (UIG) and (ii) Basic Services to Urban Poor (BSUP). These cities cover about 40% of India's urban population. Till April 2009, the Government approved 461 projects at total cost of Rs. 4, 94,224 million under urban infrastructure and governance component of the program.

Under the JNNURM, the Government of India enters into partnership with state governments and ULBs. As a first step, the ULB has to prepare a perspective plan or a City Development Plan (CDP), which is followed by a Detailed Project Report (DPR) in line with the priorities laid out in the CDP. The state government and the ULB of a Mission city are required to sign a memorandum of agreement (MoA) with the Government of India, where both the state government and the ULB commit to a set of reforms and they all agree to share in the funding of the project.

The state government and the ULB are expected to make specified parallel financial contributions along with the Government of India. For large cities with population of more than 4 million, a 35 per cent grant is made by the Government of India, 15 per cent by the state government, and 50 per cent by the ULB. In the case of cities with population between 1 and 4 million, 50 per cent is provided by the Government of India, 20 per cent by the state government, and 30 per cent by the ULB. For all other cities, the Government of India provides 80 per cent of the grant, while the state government and the ULB contribute 10 per cent each. Cities in north-eastern states and Jammu and Kashmir receive 90 per cent grant from the Government of India and 10 per cent from the state government.

1.3 Institutional Framework for Monitoring Reforms in Orissa

The Housing and Urban Development Department is the nodal department for ensuring proper and planned growth of cities and towns with adequate infrastructure and basic amenities. The continuous exodus of rural population to urban areas has contributed to the exponential growth resulting in severe strain on the existing infrastructure and subsequent demand for additional provisions. The department is responsible in the state for taking effective and adequate steps for efficient management & delivery of basic urban services like provision of safe drinking water, sanitation, roads, solid waste management, housing etc. Further one of the important reforms during 1990s was the 74th Constitutional Amendment Act which empowered the Urban Local Bodies (ULBs) to function as Local Self

Governments. Here also the Housing and Urban Development Department has got paramount responsibility to make the ULBs self sufficient and centers for good governance.

In Orissa the department functions through three Directorates. They are Directorate of Municipal Administration (attached to the Department), Directorate of Town Planning and Chief Engineer, Public Health Organization (Urban). Besides, there are 4 P.H., S.E. Circles, 13 P.H. Divisions, 52 P.H. Sub-divisions, 20 District Town Planning Units, 103 Urban Local Bodies including (Bhubaneswar Municipal Corporation, Cuttack Municipal Corporation and Berhampur Municipal Corporation), 9 Development Authorities (including BDA, Bhubaneswar & CDA, Cuttack), 7 Regional Improvement Trusts, 36 Special Planning Authorities, Orissa State Housing Board, Orissa Water Supply & Sewerage Board, Orissa Rural Housing Development Corporation, Valuation Organization, NIHM and SUDA.

BOX 2: The Mandatory Reforms at State and ULB Level under JNNURM

A. Mandatory Reforms for State Governments:
- Implementation of the 74th Constitutional Amendment
  - Elections to ULBs and transfer of 12th Schedule functions to ULBs
  - Formation of District/Metropolitan Planning Committees (DPCs/MPCs)
- Assigning City Planning Functions to ULBs
- Reform in Rent Control
- Rationalisation of stamp duty to not more than 5 per cent
- Repeal of ULCRA
- Enactment of Community Participation Law
- Enactment of Public Disclosure Law

B. Mandatory Reforms for ULBs:
- Accounting Reforms
  - Introduction of accrual-based double-entry system
  - Preparation of annual balance sheets
- Property Tax Reforms
  - Introduction of Self-Assessment system
  - More than 85 per cent properties to be brought under tax record
  - More than 90 per cent tax collection
- Recovering User Charges
  - 100 per cent collection of operations and maintenance expenses for water supply and solid waste management
- E-Governance set up
- Internal earmarking of funds for services to the urban poor
- Provision of basic services to the urban poor

BOX 3: The Optional Reforms at State and ULB Level under JNNURM

C. Optional Reforms for State Governments:

- Introduction of Property Title Certification system in ULBs
- Earmarking 20-25 per cent of developed land for LIG/EWS categories
- Simplification of framework for conversion of land from agricultural to non-agricultural purposes

D. Optional Reforms for ULBs:

- Computerized process of registration of land and property
- Revision of building bye-laws to streamline approval process
- Bye-laws for rain-water harvesting
- Bye-laws for reuse of recycled water
- Administrative reforms
    - o HRD policy covering recruitment, training, transfers, and promotions
- Structural reforms
    - o Building municipal cadre
- Encouraging public private partnerships (PPPs)

Chapter 2
Reforms in the State of Orissa

Although Orissa is one of India's least urbanized states, its cities are growing rapidly. Slums have emerged, as former villages were engulfed by urbanization and as new settlements were formed by migrants who moved to urban areas to work to fill cities' labor requirements or as a result of displacement due to natural disasters or commercial exploitation of Orissa's rich natural resources. As Orissa has been until recently been highly agricultural, its cities lack cohesive urban policies, especially ones that address the shelter needs of the poor. Besides having limited urban expertise, the Government of Orissa, one of India's most indebted states, has limited financial means to address these issues (DFID, 2008).

In view of this the Govt. of Orissa through their department of Housing and Urban Development decided to go in for the adoption of Reform Programmes to implement JNNURM in the state. This was conveyed by the govt. through their letter No. 25566/HUD 03.11.2006. The matter relating to adoption of the aforesaid reform programmes has been approved by the Cabinet which is communicated in the Memo of the Parliamentary Affairs Department No.7409, dated the 21st September, 2006. The State Government and the selected ULBs have executed a Memorandum of Agreement (MOA) with Government of India indicating the commitment and time-frame for implementation of both mandatory and Optional Reforms along with City Development Plan (CDP) and Detailed Project Reports (DPRs). Two cities, Bhubaneswar and Puri have been selected under JNNURM and Cuttack, Berhampur, Sambalpur and other smaller towns have been identified to be covered under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) in the first phase. The highlights of the programmes are listed below:

- JNNURM is a reform-driven programme of Government of India, it envisages further delegation of powers and functions to the Urban Local Bodies (ULBs) to access central funds with an objective to improve urban governance, enhance quality of service delivery to its citizens.
- Apart from JNNURM in the Twelfth Schedule to the Constitution of India eighteen matters have been listed which can be entrusted to the ULBs for performance of those functions. As a part of the mandatory reforms at the state Level, these functions are to be entrusted to ULBs in a phased manner, during the Mission Period. Concerned departments would work out detailed plans and programmes for entrustment of these functions to the ULBs.
- The entrustment of the functions to ULBs as required under Article 243W of the Constitution would entail transfer of powers and functions of departments of Government to the control and management of ULBs along with deputation of personnel. Their entitlements, including salary would continue to be borne by State Government in respective departments.
- The State Government and the selected ULBs shall have to execute a Memorandum of Agreement (MOA) with Government of India indicating the commitment and time-

frame for implementation of both mandatory and Optional Reforms along with City Development Plan (CDP) and Detailed Project Reports (DPRs).

With respect to these the Government of Orissa has decided to commit to undertake the reforms (apart from the requirements under JNNURM) within the Mission period as indicated below:

Table No. 5: Original Commitment of Govt. of Orissa regarding Mandatory Reforms (All State Level Reforms)

	Mandatory Reforms	
Sl.No.	Reforms required to be Undertaken	Decision of Government
1	Urban Planning including Town Planning function.	Complete transfer along with requisite personnel to ULBs during 2008-09.
2	Regulation of land use and constructions of Building.	The function would be transferred to ULBs during 2008-09.
3	Planning for economic and social development.	ULBs will continue to discharge this function.
4	Roads & Bridges.	The functions of management and control would be transferred to ULBs along with personnel on deputation basis in 2010-11.
5	Water Supply for domestic, industrial and commercial purposes.	The operation, maintenance of the water supply system and collection of water tariff would be transferred to ULBs along with personnel on deputation basis in 2009-10.
6	Public Health, Sanitation, Conservancy and Solid Waste Management.	ULBs will continue to discharge these functions.
7	Fire Services	The District Fire Officer will also report to ULBs within the jurisdiction. This will be transferred in 2007-08.
8	Urban Forestry, protection of the environment and promotion of ecological aspects.	Forest and Environment Department would transfer these functions to the ULBs in 2007-08 along with personnel on deputation basis.
9	Safeguarding the interest of weaker section of society, including the handicapped and mentally retarded.	The DSWO will report to the concerned Urban Local Body. For the programmes under ICDS in the ULB area, the field staff would be deputed to ULBs by W &C.D. Dept. by 2006-07.
10	Rationalization of Stamp Duty.	This has to be reduced to 5% during2007-08.
11	Public Disclosure Law	Public Disclosure of income and expenditure

	Enactment.	(ward wise) would be put to place in the 2nd year (2006-07) after receiving the guideline of Government of India.
12	Community Participation Enactment Law.	No formal mechanisms exist. These can be done in 2007-08 as per the guidelines of Govt. of India.
13	Associating elected ULBs with City Planning function.	Full transfer of such functions in2008-09.
Source: Dept. of Housing and Urban Development, Govt. of Orissa		

The following table shows the commitment of the Government of Orissa regarding the set of optional reforms.

Table No. 6: Original Commitment of Govt. of Orissa regarding Optional Reforms

Optional Reforms		
Sl.No.	Reforms Undertaken	Recommendations / Commitment
1	Revision of bye-laws to streamline the building approval process.	2007-08
2	Simplification of legal and procedural frameworks for conversion of agriculture land for non-agriculture purpose.	2006-07
3	Introduction of property Title Certification System in ULBs.	2008-09
4	Earmarking at least 20-25 per cent of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidization.	2008-09
5	Introduction of computerized process of registration of land and property.	2008-09
6	Revision of bye-laws to make rain water harvesting mandatory in all buildings and adoption of water conservation measures.	2006-07
7	Bye-laws on reuse of recycled water.	2011-12
8	Administrative Reform i.e. reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard.	2009-10
9	Structural reforms.	2009-10
10	Encouraging public private partnership.	2006-07
Source: Dept. of Housing and Urban Development, Govt. of Orissa		

With respect to the above two tables it can be seen that the majority of the reforms were to be introduced by the state govt. by the year 2009-10 except for the optional reform on "bye laws on reuse of recycled water" and the mandatory reform related to roads and bridges.

2.1 Overall Progress of Reforms at the State and ULB level in Orissa

The state of Orissa has witnessed a lot of progress in the implementation of reforms in the last one year. While a lot of progress has been made in the implementation of reforms in the last one year in terms of office order/ notifications, there is a need for stronger efforts to achieve completion of all the reforms. The implementation of reforms in terms of letter through office order/notifications is high and the platform is set for implementation as well. Some of the initiatives taken by the state of for implementation of reforms have been summarized in the tables given below. A revised time line has been suggested as the state was not able to meet the deadlines as agreed in the MOAs given in the table below.

One of the reasons for the slow progress in the state is because elections have been held regularly in the ULBs of Orissa in the years 2003, 2005, 2006 and 2010. The DPCs were already constituted at the time of the signing of the MoA by the state of Orissa. The DPCs were constituted to prepare Draft Development Plans for the ULBs vide Notification 15,813 dated 29/09/1998. Seventeen out of eighteen functions mentioned in the 12th Schedule have already been devolved on the ULBs. The process of allocation of functions, related to roads and bridges, to ULBs is under implementation.

Table No. 7: Revised Timeline for State level Reforms by Govt. of Orissa

Sl.No	Reform Agenda	Original Timeline for Implementation	Status	Revised timeline for Implementation
			I. Mandatory Reforms	
1	Urban Planning including Town Planning functions	2008-09	• Implemented as per the Government Order No.7678, dated 30.03.2010.	March, 2010
2	Regulation of land use and construction of building	2008-09	• Implemented as per the Government Order No.7678, dated 30.03.2010.	March, 2010
3	Planning for economic and social development	• Already discharged by the ULBs		
4	Roads & bridges	2010 - 2011	• Process is being initiated	March, 2011
5	Water supply for domestic, industrial and commercial purposes	2009 – 2010 & 2011 – 2012 (00 % cost recovery)	• Making PHEO accountable to the ULBs except Bhubaneswar Municipal Corporation is implemented through a Government Resolution No 7192/HUD, dated 22.03.2010. • Modalities for transfer of functions of operation, maintenance of the water supply systems to ULBs are under process with technical assistance from USAID, to be achieved by 2009-10. State Cabinet already decided to make PHEO accountable to ULBs. A Govt-owned corporatized entity (out of PHEO) would be established to provide WSS services as per a performance-based management contract	Achieved March,2012 (100 % cost recovery)
6	Public Health, Sanitation, Conservancy and Solid waste management	• Already discharged by the ULBs		
7	Fire Services	2007-08	• Achieved	
8	Urban Forestry, protection of the environment and promotion of ecological aspects	2007-08	• Achieved	
9	Safeguarding the interest of weaker section of society including the handicapped and mentally retarded	2006-07	• Achieved	

10	Rationalization of Stamp Duty	2007-08	• Achieved	
11	Public Disclosure Law Enactment	2006-07	• Achieved	
12	Enactment of Community Participation Law	2007-08	• State Cabinet approval is obtained and the Bill will be introduced in Winter Session of the State Assembly.	March,2010*
13	Associating elected ULBs with City Planning Functions	2008-09	• The Mayors of the Municipal Corporations and the Chairmen of Municipalities are associated with the city planning functions as members of Development Authorities in their respective Cities or Towns as per the Orissa Development Authority Act, 1982.	Achieved
	II. Optional Reforms			
1	Revision of bye-laws to streamline the building approval process	2007-08	• New bye-laws published in the Extraordinary Gazette of Orissa bearing No. 2309 dated December18, 2008.	Achieved
2	Simplification of legal and procedural frameworks for conversion of agriculture land to non-agriculture purpose	2006-07	• The legal procedure for conversion of agriculture land to non-agriculture purposes is available under 8-A of Orissa land Reforms Act	Achieved
3	Introduction of property Title Certification System in ULBs	2008-09	• Process is initiated.	March, 2012
4	Earmarking at least 20-25 percent of developed land in all housing projects. (Both public & private agencies) for EWS/LIG category with a system of cross subsidization.	2008-09	• Notification in this regard is expected soon. In-principle decision of the government has been received	March, 2010
5	Introduction of computerized process of registration of land and property	2008-09	.	Achieved
6	Revision of bye-laws to make rain water harvesting mandatory in all buildings and adoption of water conservation measures	2006-07	• Government instruction issued to Development Authorities, Town Planning (TP) and Regional Improvement Trust (RIT) to follow it at the time of approval for construction of new building.	Achieved
7	Bye-laws on reuse of recycled water	2011-12	• Process to be initiated.	March, 2012

8	Administrative reforms i.e. reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc. and achieving specified milestones in this regard.	2009-10	• 75 % of the base level posts have been abolished by the State Government and the Government Undertakings (ULBs, Development Authorities, OSHB etc.). • Need based training being imparted regularly. • E-tendering process introduced. • E-Seva Centres are introduced in Bhubaneswar and Cuttack This will be implemented in other cities/towns progressively. • 11 modules of e-Governance are being implemented in 44 ULBs under e-Municipality project in the first phase. • Citizen grievances redressal system made functional.	Achieved
9	Structural reforms	2009-10	• Cadre planning for technical and non-technical is in process.	March, 2010
10	Encouraging public-private partnership	2006-07	• Achieved	

* WAS NOT PASSED IN THE WINTER SESSION, 2011 AND REFERRED BACK TO THE LEGISLATURE

Source: Department of Housing and Urban Development, Govt. of Orissa

Table No. 8: Revised Timeline for ULB level Reforms by Govt. of Orissa

City			Bhubaneswar			Puri		
Sl. No	Reforms Committed	Original Timeline	Status	Revised Timeline	Original Timeline	Status	Revised Timeline
1	E - Governance set up	2006-07 2007-08	• Software developed for birth, death and marriage registration and issue of certificate. • The Municipal commissioner and all branch heads have been connected with LAN. • Website Developed • Online Grievance redressal system launched and monitored on daily basis. • Software for License Unit has been put in place. • Software on Payroll Management of BMC employees introduced. • Two e-Seva Kendras to be operational soon.	2009-10	2006-07-2007-08	• E-Municipality project is being implemented. • Already budget provision made. • Work started by OeSL for implementation of 11 modules as required under JNNURM. • Birth and death registration has been computerized	2009-10

			• Work started for all the 11 modules as required under JNNURM					
2	Shift to Accrual based Double Entry Accounting	2006-07 2007-08	• Migration to Double Entry Accounting System is completed.	2009-10	2006-07 2007-08	• Migration to Double Entry Accounting System is completed.	2009-10
3	Property Tax	2007-08 2009-10	• Digitization and joining of cadastral sheets is completed • Data entry from existing old records is completed • 100% physical field survey is completed. • Detailed map with built-up area is being digitized from the satellite image CARTOSAT-2	2009-10 2010-11	2007-08 2011-12	• Digitization and joining of cadastral sheets is completed • Data entry from existing old records is completed • 100% physical field survey is completed. • Detailed map with built-up area is being digitized from the satellite image CARTOSAT-2	2009-10 2010-11
			State Cabinet approval is obtained. The Bill will be introduced in the Winter Session of State for amendment of OMC Act & OM Act.1950. **WAS NOT PASSED IN THE WINTER SESSION (2010-11) AND REFERRED BACK TO THE LEGISLATURE**					
4	Levy of reasonable user charges	2007-08 2011-12	• User charges collection for parking of vehicles, cleaning of nursing homes and apartments, clearance of roadside debris and construction materials ,connection of domestic drains to Corporation drains have been introduced this year. • User charges would be collected from slums in coming years.	2009-10 2011-12	2007-08 2011-12	• User charges for parking of vehicles are in place. • Steps are under process for collecting user charges from hoteliers and lodging houses for disposal of solid waste materials	2009-10-2011-12

			• State level user fee advisory is in the process of finalization				
5	Internal Earmarking of Funds for Services to Urban poor	2006-07	• Achieved	--	2007-08	• Achieved	--
6	Provision of Basic Services to Urban Poor	2006-07 2011-12	<u>Covered under BSUP and other Line Departments programmes.</u> • DELL FOUNDATION and USAID helping in slum mapping and provision of sanitation services. • Under BSUP, three projects have been sanctioned for construction of 1961 dwelling units and other infrastructure which would help in extending services like water supply, sanitation, education, health, livelihood etc. • Profile of all 377 slums in Bhubaneswar with status on access to basic services and infrastructure has been developed. • Comprehensive Citywide Slum Upgrading Strategy for Bhubaneswar (CSUB) with a finance and implementation plan is being developed with assistance from USAID FIRE (D) project. • Tenability and tenure assessment of all 377 slums in Bhubaneswar is underway to priorities slums for in-situ upgrading / housing with resettlement. • Slum policy is being formulated to provide affordable housing to poor including LIG and EWS categories of people. This would be taken up in PPP mode. • Reduction in water & sewerage connection fees proposed for all including urban poor and slum	2009-10 2011-12	2007-08 2011-12	<u>Covered under BSUP and other Line Department Programmes.</u> • Under BSUP, two projects have been sanctioned for the construction of 355 dwelling units and other infrastructure.	2009-10 2011-12

		dwellers to access individual water and sanitation connection. • City Sanitation Plans for 8 Class - 1 cities including Bhubaneswar & Puri are being prepared in the first phase for building open defecation free cities with support from GoI. • State Level Strategy for sanitation is underway with the support from WSP-World Bank.				
Source: Dept. of Housing and Urban Development, Govt. of Orissa						

Table No. 9: Status of ULB level Reforms under JNNURM / UIDSSMT (March, 2010)

Sl. No.	Reforms	No. of ULBs Committed	No. of ULBs Achieved
I	**Mandatory Reforms**		
1	Full migration to double entry accounting system	4	1
2	E-Governance (Defining monitorable time table for implementation of each e-governance initiative)	3	0
3	Full recovery of O&M cost from User Charges	0	1
4	Internal Earmarking for basic services to poor	4	6
5	Property Tax		
5.1	Achieving 85% coverage ratio	3	0
5.2	Achieving 90% collection ratio	0	0
II	**Optional Reforms**		
1	Introduction of Property Title Certification system	12	0
2	Administrative Reforms	12	0
3	Structural Reforms	12	2
4	Encouraging Public Private Partnership	12	7
5	Revision of By-Laws for Streamlining building approval process	12	7

6	Simplification of legal procedural framework for conversion of agricultural land for non-agricultural purpose	12	7
7	Provision of Rain water Harvesting in all buildings	12	9
8	Earmarking of 20-25% of developed land for EWS and LIG category	12	1
9	Introduction of computerized process of registration of land and property	12	7
10	Byelaws on reuse of reclaimed water	0	0
Source: Department of Housing and Urban Development, Govt. of Orissa			

From the above tables it can be seen that although not all reforms have been done in the state some of the reforms have been successfully undertaken by the Govt. of Orissa. The stamp duty has been reduced to 5% with effect from 05.08.2008 by the Revenue and Disaster Management Department, Government of Orissa vide Order No .33267, dated 05.08.08. The Urban Land Ceiling and Regulation Act (ULCRA) was repealed in Orissa even before the state of the JNNURM programme. The Public Disclosure Law has been enacted and accordingly notified by the Law Department in the Gazette on 13th February 2009. The ULBs are also provided assistance by the state government in updating the accounts for the purpose of public disclosure.

Tata consultancy Services (TCS) has been appointed as consultant for the implementation of the e-governance module in Orissa.TCS is developing the front-end for the modules relating to Holding tax, Water tax, birth-death, reservation and cancellation of Kalyan Mandap, trade license, grievance, etc.

The state level municipal accounting manual has been prepared in conformity with the national accounting manual. An extract from the state-level accounting manual is provided as annexure to this appraisal report. The rules / format for the implementation of the double entry accounting system has been prepared by the National Institute of Urban Affairs (NIUA).

SREI has been appointed as consultant for developing and operating Citizen Service Centres named as "Sahaj'' in Cuttack. SREI is providing Government to Consumer (G2C) and Business to Consumer (B2C) services through Sahaj. The G2C Services include payment for water tax and application for birth and certificates. The B2C services include railway ticket booking, LIC premium payments, mobile top-ups, electricity bill payments, personal accidents policies etc. However, the front-end system has not been completely integrated with the back-end system and needs to be addressed for complete implementation of e-governance reform.

Section 332 of the Municipal Act has been amended to make it mandatory for ULBs to adopt electronic tendering for procurement of any services through vendors/private agencies for an amount of Rs. 1 lakh or more. Currently 70 of the 103 ULBs in Orissa are using the process of electronic tendering. A municipal cadre is being formed for the implementation of structural reforms in ULBs.

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<u>BOX 4: Reforms for Real Change: Govt. of Orissa won the award for its commitment to implement the JNNURM reforms</u>

JNNURM specified a set of comprehensive reforms, which cities would have to implement in the seven year mission period. It recognizes the significance of this combination of funding and reforms and its potential to create vibrant, eminently livable, people friendly cities. 'Commitment to Reforms' is thus the theme of awards in Municipal Initiatives 2006-07. The Awards for Excellence in Municipal Initiatives 2006-07 was launched as a joint initiative by CRISIL and Ministry of Urban Development, Govt. of India.

Govt. of Orissa has won the State and Union Territories categories award for its commitment to implement the JNNURM reforms agenda at the fastest pace among competing states. The state has advantage of not having enacted the Rent Control Act before launching of JNNURM. Building on these advantages, Govt. of Orissa committed to complete reforms in the area of Public Disclosure, Community Participation and Stamp Duty by the third year of JNNURM. These commitments have enabled Orissa to emerge as leader among state governments of India.

Source: CMAO, Newsletter, 2008

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2.2 Challenges in Implementation of Reforms in the State of Orissa

While a lot of progress has been made in the implementation of reforms in Orissa in the last one year, still stronger efforts are needed to expenditure the completion of all the reforms committed under JNNURM. The following key challenges need to be addressed to ensure successful achievement of reforms in the UIDSSMT towns Orissa.

2.2.1 Shortage of staff in ULBs

The shortage of staff has adversely impacted the ability of ULBs to implement reforms. For example, in Sambalpur, 109 posts are vacant out of 372 sanctioned posts. The majority of the posts for class 3 and 4 employees are required to be filled up. 15 posts are vacant for class 3 employees and 90 posts are vacant for class 4 employees. In the Cuttack Municipal Corporation, 218 posts are vacant out of 1,677 sanctioned posts. 176 posts of class 4 employees are vacant. Although all the sanctioned posts of class 1 and 2 officers are occupied the administrative capacity of ULBs is constrained to execute all the functions transferred under 12th schedule. The Project Management Unit (PMU) of Orissa is making an assessment of the reforms. The state Government needs to expenditure the study and make changes in the administrative capacity of the ULB, based on the recommendations of the PMU.

2.2.2 Lack of Integration of Front-end with Back-end Implementation of E-Governance Modules

TCS has prepared software for both back- end and front-end operations for the implementation of e-governance in 103 ULBs of Orissa including corporations, municipalities, and notified area councils. TCS has developed software for seven modules namely: (a) grievance, (b) accounts, (c) solid waste management, (d) Property tax, (e) trade licenses, (f) death and birth and (g) welfare scheme. The data entry for the back end is to be done by the ULBs. The ULBs have not been able to complete the data entry due to shortage of staff. The front end cannot be activated by TCS till the time the data entry is completed by a ULB . For example, in Sambalpur Municipal Council, TCS has installed modules for e-governance. However, none of the modules are functional. The ULB has not been able to collect and validate records to be digitized for property tax, accounts and archives of birth and death registrations, due to shortage of manpower.

2.2.3 Lack of capacity in ULBs to maintain accounts under Double Entry Accounting System

In the Berhampur Municipal Corporation and the Sambalpur Municipal Council, the consultant was appointed to implement the Double Entry Accounting System (DEAS). The contract was signed for the preparation of books of accounts for FY 2007-08. The preparation of accounts under DEAS came to a halt after completion of the contract of the CA firm. The consultant had prepared the annual accounts and the opening balances sheet as per DEAS for FY 2007-08. The ULB officials were not trained adequately to prepare the accounts under DEAS after completion of the contract of the consultant. The field level consultant is yet to be appointed by the ULBs of Berhampur and Sambalpur for preparation of accounts for subsequent years. In the case of the Nayagarh ULB, no field level consultant has been selected by the ULBs for the implementation of DEAS and the officials of the ULB do not have adequate skill-sets for the implementation of reforms.

2.2.4 Delay in Legislative Approval

Legislative approval needs to be secured for implementing following the reforms: (a) Community Participation Law and (b) Unit area based Method (non-discretionary method) for calculation of Property Taxes. In the Assembly session, which will start in winter in November 2010 the bill was introduced but was referred back by the legislature. The ULBs will be able to migrate to self assessment system of property taxation after the unit area-based method of taxation is approved by the legislature.

2.2.5 Absence of User Charges

The ULBs have explained that the user charges for services provided by the ULB will be levied after directions are provided by the state Government. The PMU has prepared a note for implementation / levying of user charges by ULBs in Orissa. The note has been submitted

by the PMU to the Urban Development and Housing Department for review. The state Government needs to quickly firm up the policy for implementation of user charges by the ULBs.

2.2.6 Low Collection Efficiency of Property Tax

The ULBs of Berhampur and Nayagarh need to take various steps for the improvement of collection efficiency of property tax. The Municipal Corporation of Cuttack has taken various measures for educating taxpayers by using electronic media such as the local cable network and print media and by setting up facility centers at various locations in the city. The Cuttack Municipal Corporation will also allow 5% rebate on advance payment of current tax in the months of April and May. Similar measures needs to be adopted by the ULBs of the state. The problems are briefly listed in table 8 given below.

Apart from the above listed problems which came out during the discussions with the elected representatives, resource persons, key informants and govt. officials especially during the town level meetings a number of other issues were also highlighted with respect to the functioning of the ULBs.

- There seems to be incomplete understanding of reforms in especially in the towns
- The role of parastal (such as utility boards) and ULBs is often not clearly defined for project planning, implementation and operation and maintenance.
- In most states, elected Mayor does not have executive powers.
- Under 12th schedule of the 74th CAA, it is not compulsory that all the identified functions have to be transferred to ULBs.
- The small and medium sized ULBs are not in position to manage all the functions as identified in the 12th Schedule. Further, they also have limited project development and implementation capacity.
- Property tax, the main source of own income of ULBs, has not been able to achieve adequate buoyancy due to constraints like rent control, inefficiency in updating property rolls, resistance to periodic assessment, etc.
- There are no regulations requiring provision of certain minimum level of services to be provided by ULBs.
- ULBs have weak revenue base as tax base is inadequate, user charges are relatively low and revenue collection is low.
- State transfers to ULBS are often low and unpredictable and tax collection.
- Support from Central Finance Commissions to ULBs has been ad-hoc and not linked to any central revenue source.
- Existing administrative structure does not require that there is certain minimum level of technical staff in ULBs. Also presently, DPCs and MPCs play a minimal role in urban planning and investment decisions.

Table No. 10: Challenges in the Implementation of Reforms

2.1	**Implementation of State Level Mandatory Reforms**		
	Sl. No.	Reform Area	Implementation Issues
	S-1	Implementation on 74th Constitutional Amendment Act	▪ On track
	S-2	Integration of city planning and delivery Functions	▪ Need to expenditure signing of tripartite MoA by ULBs, Which ensures PHEO accountability to ULBs
	S-3	Rent control Reforms	▪ No Rent control Law existing in the State
	S-4	Rationalization of stamp Duty	▪ On track
	S-5	Repeal of Urban Land ceiling and Regulation Act	▪ On track
	S-6	Enactment of Community Participation Law	▪ On track
	S-7	Enactment of Public Disclosure Law	▪ Constraints at ULB level for implementation
2.2	**Implementation of State Level Optional Reforms**		
	Sl. No.	Reform Area	Implementation Issues
	O-1	Introduction of Property Title Certification system in ULB	▪ Govt. of India guidelines to be issued to states in Feb 2011
	O-2	Revision of Building bye- laws to streamline approvals	▪ Partially Achieved in select ULBs
	O-3	Revision of bye laws to make rain Water harvesting mandatory	▪ Partially Achieved in select ULBs
	O-4	Earmarking at least 20-25% of devloped land in all housing projects (both Public and private Agencies) EWS/LIG category	▪ On track
	O-5	Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes	▪ On track
	O-6	Introduction of computerized process of registration of land and property	▪ On track
	O-7	Bye-laws for reuse of recycled Water	▪ Study of practices in other states is underway
	O-8	Administrative reforms -VRS, non- filling up of posts falling vacant due to retirement	▪ On track

	O-9	Structural reforms	▪ Study of practices in other states is underway
	O-10	Encouraging Public Private Partnership	▪ On track
2.3	**Implementation of ULB Level Reforms**		
	Sl. No.	Reform Area	Implementation Issues
	L-1	e-Governance	
	L-2	Municipal Accounting	▪ Opening Balance of Assets and Liability not prepared ▪ Online double entry accounting not in practice, due to capacity Constraints at ULB level ▪ Capacity Constraints at ULB level
	L-3	Property Tax (85% Coverage)	▪ Vetted by cabinet and passing of bill is under progress ▪ Tabled in legislature with huge protest.GIS implementation underway
	L-4	User charges (Recovery of 100% O & M charges)	▪ Capacity Constraints at ULB level ▪ Partially Achieved in select ULBs
	L-5	Internal earmarking of funds for services to urban poor	▪ Capacity Constraints at ULB level ▪ Partially Achieved in select ULBs
	L-6	Provision of basic services to urban poor	▪ Capacity Constraints at ULB level ▪ Partially Achieved in select ULBs
Source: Department of Housing and Urban Development, Govt. of Orissa			

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<u>Box 5: Transforming Public Health Engineering Organization into a Corporatized Entity for in Bhubaneswar</u>

Under the 74th Constitution Amendment, the Government of Orissa (GOO) is required to transfer Water Supply and Sewerage services (WSS) to ULBs. Bhubaneswar is the capital city of Orissa and popularly known as the "Temple City" of India. This refers to the initiative of the Govt. of Orissa, Housing and Urban Development Dept. innovative strategy to mobilize funds for the integrated sewerage system for Bhubaneswar City. Using Intergovernmental financial mechanisms funds for the development of integrated sewerage network in Bhubaneswar was identified. This involves the involvement of domestic and international agencies.

At present, the WSS services are provided by the State Public Health Engineering Organization (PHEO). PHEO has been functioning as an arm of State Government in providing WSS services to the public across 103 ULBs covering a population of 56 lakhs. In case of Bhubaneswar, Govt. of Orissa has decided that the assets, liabilities, rights, claim, proceeding etc. of the PHEO circle providing the services to the city would be transferred to the Bhubaneswar Municipal Corporation (BMC). Then PHEO would create a new Corporatized Entity (CE) for WSS services in the city. This CE would be given a management contract by BMC to operate and maintain the WSS services in the city. This contract for CE will include setting service standards, operations cost, subsidy, measurable performance standards, etc. Thus the CE will be able to provide efficient WSS services but be accountable to BMC.

Source: Vaidya, 2009

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2.3 Urban Reforms in the state of Orissa and 13th Finance Commission

As described the Government of Orissa is vigorously pursuing urban reforms in order to ensure efficiency and effectiveness in the delivery of basic services to the public in the urban locations. Though urban population of the state is 15 % against the national average of 28 %, the current flow of investment in different sectors in the state is expected to bring greater transformation in the urbanization process of the state. This will have a tremendous impact both on the requirement of urban infrastructure and delivery of quality services to meet the larger demands. Looking at the existing urban infrastructure and the conditions of the delivery of services, the State Government requires huge funds to improve the quality of urban basic services.

Orissa is one of the pioneering states in the implementation of various urban reforms in the country. The State Government has been vigorously pursuing the implementation of various reforms as part of the Jawaharlal Nehru Urban Renewal Mission (JNNURM). As part of its commitment, the State Government has already taken number of steps to accelerate the

reform process both at the State and the Urban Local Bodies (ULBs) level. The state urban sector has gained immensely out of the 12th Finance Commission allocation especially, in the areas of sewerage and solid waste management. Significant achievement has been made in solid waste management in the 103 ULBs in terms of identification of landfill sites, procurement of transport vehicles and equipments for door to door collection, transport and scientific disposal of waste in accordance with MSW Rules- 2000.

The project of Integrated Sewerage System has been taken up in Bhubaneswar by the Orissa Water Supply and Sewerage Board at the total cost of Rs. 755 crore. In addition to the 12th Finance Commission contribution, funds have been sourced from GOI, (JNNURM), JBIC loan as well as grant from the state. After implementation, the project will improve the quality of life of 2.2 million people including urban poor, women and children. To make the administration more accessible, transparent and accountable especially at the service delivery levels, the Government of Orissa has launched e-governance initiatives in a mission mode with funding from 12th FC grants and its own funds. In the first phase, the 103 ULBs have been supplied with computers, printers and other hardwares. A Special Purpose Vehicle (SPV), Orissa E-governance Service Limited (OESL) has been created to implement different e-governance modules at the 103 ULBs level.

2.3.1 Devolution of Power to ULBs

As per the 74th Constitutional Amendment Act, the State Government has already devolved 16 out of 18 functions enumerated in the 12th schedule of the Constitution to the Urban Local Bodies (ULBs). As for devolution of the remaining two functions, e.g. water supply for domestic, industrial and commercial purposes and roads and bridges, the State Government has already initiated the process.

To make the Urban Local Bodies (ULBs) more accessible, accountable and transparent in its functioning, the State Governemnt has introduced the Public Disclosure Bill in the Assembly to bring about necessary amendments in the Municipal Corporation Act, 2003 and the Orissa Municipalities Act, 1950. The enactment of this law would make mandatory for the ULBs to disclose their information periodically through different means such as, media, own websites, public notice boards etc., for the knowledge of the public. This would ultimately help in bringing about efficiency and effectiveness in delivery of basic services to the public.

The State Government has recently rationalized the stamp duty by reducing it from 8 % to 5% especially to expand and extend its revenue collection. State level Public-Private Policy (PPP) document has been brought out by the State Government. A number of projects like integrated commercial-cum-residential complex, residential apartment, truck terminals, mega housing project, and market cum residential complex have been undertaken under the PPP mode. ULBs are being encouraged to promote such projects at their respective levels.

2.3.2 Demand for Grant under 13th Finance Commission

The state government is putting tremendous effort for improvement of urban infrastructure and services in one hand and the governance on the other hand. However, there is an enormous gap between demand and the availability of resources with the state government which require interventions through the 13th Finance Commission. For providing adequate infrastructure and services to meet the demand of the growing urban population, funds to the tune of Rs. 4104.8 crore are required for both creation and management of urban infrastructure in the state.

(i) Water Supply and Sewerage

Supply of drinking water to all and coverage of entire urban space under sewerage network is one of the desired parameter of Millennium Development Goal (MDG). Around 60 % of the urban population in the 103 ULBs at present has access to the drinking water facilities. The rest of the population is largely in the category of BPL or urban poor who suffer from various health hazards due to lack of access to safe drinking water. Similarly, almost the entire urban space is devoid of sewerage facility leading to unhygienic disposal of waste water mostly into the water bodies e.g., lakes, rivers, ponds etc. Rampant pollution like this threatens the health of these water sources making them unsuitable for human uses.

The water supply and sewerage projects require detailed engineering and large investments. The funds allocated under the state budget for 15 % urban population as against a largely rural demography, are highly inadequate for these capital intensive projects. Consequently, the ULBs and in turn the state government have to look for external funding such as grants under various GoI schemes (JNNURM, UIDSSMT, IHSDP etc.). However, the allocation under these central programmes is meager considering the large requirement of funds contemplated in the City Development Plans (CDPs). In this context, the gap in resources needs to be bridged through the Finance Commission grant. In order to improve the coverage of water supply and sewerage in large cities like Cuttack, Samabalpur and Berhampur, project proposals have been prepared for total amount of Rs. 1287.11crore.

(ii) Solid Waste Management

Rapid urbanization has led to over-stressing of urban infrastructure services including Municipal Solid Waste Management because of poor resources and inadequacies of the existing systems. Therefore, augmenting, operating & maintaining solid waste management system in a sustainable manner by urban local bodies would require huge capital investment, introduction of latest technologies which are cost effective, Public- Private Partnerships (PPP) in waste management and introduction of appropriate waste management practices in order to prevent urban waste from causing environmental pollution and health hazards.

Urban Local Bodies (ULBs) spend between Rs.500/- to Rs.1500/- per ton on solid waste management, of which 60% to 70% is spent on collection alone, 20% to 30% on

transportation and less than 5% on treatment and disposal which is very essential to prevent environmental pollution. Crude dumping is normally resorted to by ULBs without adopting scientific and hygienic approach of sanitary land filling. Municipal solid waste comprises 30% to 55% of bio-degradable (organic) matter, 40% to 55% inert matter and 5% to 15% recyclables. Composition of waste varies with size of city, season and income group. It may be noted that composition of waste varies with the size of city, season and income group. Bio-degradable component of waste can be profitably converted into useful products and recyclables could be recycled, leaving inert to go to landfills.

As per the 13th Finance Commission Report, urban Orissa produces about 7,30lakh tons of municipal solid waste annually i.e. 2000 metric tons per day (TPD), out of which 70% is generated in 7 Class-I cities and this needs to be tackled on priority Problem of urban waste management is notable not only because of large quantities involved, but also its spatial spread across 103 towns and enormity and variety of problems involved in setting up and managing systems for collection, transportation and disposal of waste. It is incumbent upon ULBs to implement Solid Waste (Management & Handling) Rules, 2000 for management of municipal solid waste. The deadline for implementation of Rules was December 2003, but hardly any ULB could implement these rules in letter and spirit. Main issues concerning Waste Management in Orissa are:

- Absence of segregation of waste at source
- Lack of funds with ULBs for waste management
- Lack of technical expertise and appropriate institutional arrangement
- Institutional and financial capacity of ULBs to introduce proper collection, segregation, transportation and treatment / disposal systems
- Lack of IEC activities and community participation towards waste management and hygienic conditions

Looking at the situation of solid waste management practices being adopted by urban local bodies in the state and lack of action plans to solve the problem, and to provide technical & financial assistance to the urban local bodies in management of municipal solid waste in a scientific and hygienic manner, the following actions have been initiated by the State Government:

- Provision of tools and plants, vehicles and equipment to the ULBs to improve efficiency of collection and transportation process
- Identification and acquisition of land fill sites for treatment/disposal of solid waste
- Securing the land through construction of compound wall, approach road etc.
- Providing institutional and advisory support through agencies like World Bank for implementation of SWM.

Considering the complexities of processes involved in SWM, the investment requirement for implementation of Integrated Solid Waste Management Systems in the 103 ULBs will be to

the tune of Rs.500.00 crore which was requested by the state under the 13th Finance Commission.

(iii) Maintenance of Storm Water Drains

Flooding and water logging is predominant in most of the ULBs due to lack of drain coverage and inadequate carrying capacity of existing drains. Heavy rainfall in the rainy season also poses enormous problems for maintenance of storm water drains in the ULBs. Large scale flooding due to poor drainage affects nearly 15lakh people in the urban areas especially in the low lying slums. Absence of sewer and proper sanitation facility further compound the problem leading to outbreak of various diseases, threatening large sections of the urban population. During 2008, the severity of flooding due to poor drainage network is felt even in the capital city of Bhubaneswar. In order to improve the coverage and drainage network as well as upkeep of the existing drains capital investment to the tune of Rs. 100 crore need to be provided to the state.

(iv) Rain Water Harvesting Structure

Declining ground water levels across the ULBs is a matter of concern in urban areas due to reduction in open spaces and increasing paved areas. Rain water harvesting structures are required for recharging ground water in urban areas. Funds to the tune of Rs. 50 crore were requested by the state for the purpose of providing rain water harvesting structures in institutional building, parks and open spaces.

(v) Maintenance of Roads and Bridges

The total road network in the ULBs add up to 17, 890 kms. Since the state receives excessive rain fall in the monsoon season, the BT roads get damaged invariably requiring black topping almost every two years. Similarly, the earthen roads required reconstruction and repair almost every year. The requirement of fund for maintenance of these roads is a herculean task and according to the 13th finance commission requires around Rs. 728.7 crore.

(vi) Maintenance of Non-Residential Buildings

Most of the institutional buildings were created 30 to 40 years back. Due to age of structure compounded by the deleterious effect of intense rain fall and heat in cyclic process, inadequate maintenance and repair in the past years, the conditions of these buildings have deteriorated considerably. Due to paucity of funds, renovation and reconstruction of these buildings are not possible. Hence, special allocation of funds to the tune of Rs. 30 crore is required for the maintenance of such buildings.

(vii) Conservation of Water Bodies

Pollution and eutrophication of water bodies is a major concern especially in larger towns like Bhubaneswar, Cuttack, Puri and Berhampur. Water bodies help in recharge of ground water; provide an alternative source of drinking water in emergency situation, provide places for recreational activities apart from dampening the temperature effect in summer season. They play an important role in changing climatic conditions in micro level. It also helps in expansion of greeneries in the surrounding areas. Therefore restoration/ renovation of water bodies form an important strategy for over all improvement of environment in the towns / cities. Funds to the tune of Rs. 100 crore would be required for conservation of water bodies.

(viii) Maintenance of Street Lighting

Proper maintenance of the street lighting would require Rs. 178.89 crores for achieving energy efficiency and acceptable level of illumination.

(ix) Climatic Change

The global climatic change would require focused intervention at the local level. As part of the programme, increasing green cover in the urban areas would be beneficial for creation of sustainable and salubrious atmosphere. In this regard, funds to the tune of Rs. 100 crore are required.

(x) Capacity building of the ULBs

The state has vigorously undertaken urban reform programme for improvement of the delivery of services. With the launching of JNNURM and UIDSSMT, infrastructure development has also acquired momentum. This would require enhancement of the capacity of the ULBs and town planning organizations. This would require the funds to the tune of Rs. 15.10 crores.

(xi) Basic Services to Urban Poor

Providing services to the urban poor poses enormous challenges for the resource crunched ULBs. In order to provide security of tenure, improved housing, water supply, sanitation, education, health and social security to about 18 lakh slum dwellers, funds to the tune of Rs. 950 crore is required.

2.4 Urban Reforms in the State with respect to the Slum Rehabilitation and Development Policy

As Orissa continues to urbanize, it needs a coherent slum development policy to create 'slum free cities' and bring about a significant improvement in the quality of lives of slum dwellers through a process of integration, participatory slum upgrading and housing development. The

Slum Rehabilitation and Development Policy (SRDP), is aimed at creating an enabling environment at the State and city level for citywide slum upgrading and poverty reduction. This will also provide the framework within which the Rajiv Awas Yojna (RAY) shall be implemented.

In this context the following are the definitions that are followed: (i) "Government" means Government of Orissa for the State Government and Government of India for the Central Government, (ii) "Slum" means a compact settlement of at least 20 households with a collection of poorly built tenements, mostly of temporary nature, crowded together usually with inadequate sanitary and drinking water facilities in unhygienic conditions, (iii) Tenable settlements are such as are decided by the Government. These include sites where existence of human habitation does not entail undue risk to the safety or health or life of the residents or habitation on such sites is not considered contrary to public interest or the land is not required for any public or development purpose, (iv) Untenable settlements are such as are decided by the Government. These include sites where existence of human habitation entails undue risk to the safety or health or life of the residents or habitation on such sites is considered contrary to public interest or the land is required for any public or development purpose, (v) Words and expressions used in this policy but not defined shall have the same meaning as assigned to them in the Orissa Municipal Act-1950 and rules made there under, the Orissa Municipal Corporation Act-2003 and rules made there under and Orissa Development Authority Act-1982 and rules made there under, as amended from time to time.

2.4.1 Goals of Slum Rehabilitation and Development Policy (SRDP)

The goals of the programme are (a) ensure that every slum and poor family in every city/town will have access to decent and affordable housing with network municipal infrastructure services, schooling, health care, food and social security; (b) provide all new migrating families who are poor, access to affordable rental or for-sale housing with adequate network services; and (c) achieve holistic and sustainable development of all cities through inclusive and planned urban development, improved governance and service delivery, and implementation of urban reforms. This is fact is worked out through the following principles:

- Follow a citywide and comprehensive approach to slum development
- Upgrade through in-situ development, all tenable settlements, as far as possible through provision of tenure security, and minimize far-site relocation
- Provide tenure or legal right to land in an incremental manner in all tenable sites to ensure a stable living environment in the long-term and to facilitate self investment in housing upgrading
- Mainstream all slums to city infrastructure with legal, affordable, equitable and improved municipal networks and social services
- Provide basic minimum services to all slums till fully upgraded
- Develop nearby affordable housing for slum dwellers, who currently reside on untenable sites and tenants in these settlements with joint house titles in the name of women and men with access to micro-finance

- Encourage beneficiary contributions and minimize subsidies to ensure financial viability of slum up gradation programmes
- Increase the supply of decent and affordable rental housing for new migrants throughout the city to prevent development of new slums
- Promote sustainable livelihoods linked to city economic development to improve household incomes and affordability
- Ensure inclusive and participatory planning and implementation processes for slum and housing development
- Implement reforms for tenure security and legislation of property rights, internal earmarking of budgets for the poor, earmarking developed land in housing projects, rent control and planning bye-laws, and norms for basic services that enable citywide slum development with pro-poor governance

2.4.2 Institutional Arrangements for SRDP

The respective Urban Local Bodies (ULB), the Development Authorities (DAs), and the Orissa State Housing Board (OSHB) will implement the tenets of this Policy. A State Level Steering Committee (SLSC) will be constituted under the Chairmanship of the Honorable Chief Minister for taking policy decisions and undertaking necessary legislative and administrative amendments/enactments to implement the policy.

An Orissa Slum Development Task Force (OSDTF) would be constituted at the State level under the chairmanship of the Chief Secretary with the objective of providing assistance in mobilization of resources from central /state agencies, multilateral and bilateral funding agencies, if required; promoting convergence through removal of interdepartmental/ inter-agency bottlenecks; prioritize slums to be taken up for rehabilitation /development; decide tenable or untenable settlements, in-situ development or resettlement of a particular slum; approve project (s) and decide the agency namely ULB, DA or OSHB which may take up a particular project.

A Department Level Monitoring Committee would be constituted under the chairmanship of the Secretary to Government, Housing and Urban Development Department to review and monitor the progress of projects taken up under the policy. A State Level Nodal agency (SLNA) would be constituted with the objectives of: providing technical and manpower support and guidance to the implementing agencies in preparing Slum Free City Plans with implementation strategies and financial plans for slum development; disseminating information and sharing knowledge on good practices; monitoring implementation through a /Centre/State MIS system; setting objective indicators for slum prioritization and tenability; developing criteria for engagement of lead NGOs/Agencies, and technical consultants to take up various projects; designing a training strategy; and drafting necessary legislative and administrative amendments/enactments and policy decisions for slum free city development.

Slum Free City Planning Team (SPT) will be constituted in corporation areas and municipalities. Notified Area councils may organize into regional clusters and form Cluster

Level Task Forces. These may be headed by the Municipal Commissioner in case of a corporation, Chief Executive Officers in case of Municipalities and Collectors/Revenue Divisional Commissioners in case of the Cluster Level Task Force. SPTs will be responsible for preparing city strategies for slum development in partnership with Slum Upgrading Units (SUU)/Project Implementation Units (PIU) with community participation. providing assistance in implementation and mobilization of resources from state agencies, if required; drawing upon good practices in other cities; monitoring implementation through a city GIS-based MIS system; promoting convergence through removal of inter-departmental/inter-agency bottlenecks. The State Level Nodal Agency and the ULBs will set up a Slum Upgrading Unit (SUU)/PIU/Cell, as the case may be, to ensure a more focused approach to citywide slum upgrading and development. The PIU may be in charge of implementing and/or coordinating among the appropriate actors responsible for slum upgrading in their respective city.

2.4.3 Intervention Strategy

SRDP aims to bring slums within the formal system with an equitable level of basic services, redress the failures in the system that have led to the formation of slums, in particular address issues of affordable lands and housing for the poor. It is also aimed to promote this through in-situ development of slums in tenable areas through mainstreaming as far as possible. Relocation, where necessary, will be near-site as far as possible to enable poor households to continue with their livelihoods. In case of non-availability of land within the specified range, far-site relocation could be undertaken and shall include affordable housing and adequate municipal network services.

SRDP will ensure security of tenure and other reforms, critical for reaching the aim of building slum-free cities. In view of this it will prepare legislation for assignment of property rights to slum dwellers. Slums shall be developed through a range of interventions through: (i) in-situ up gradation aimed at provisioning of basic services and incrementally improving them to city standards with linkages to city systems, (ii) slum redevelopment by re-blocking, re-planning and re-building the sites with affordable housing, which would be carried out by the ULBs/DAs/OSHB themselves or under public private partnerships; and (iii) resettlement in new housing developed by ULBs/DAs/OSHB through public private partnership, wherever appropriate. ULBs/DAs/OSHB may use a mix of strategies based on types of slums in the city.

(i) For Slums/Households with Ownership Rights or ROR

Some slum settlements and groups of households in slum settlements may have ownership rights, especially in smaller towns, or peri-urban areas, or in inner-city areas. Households in these settlements, with some support, are able to improve their own housing conditions mostly through personal investments. The settlements will, however, need in-situ upgrading and networking to citywide infrastructure developed/augmented by the ULB1. In addition to in-situ upgrading of services, this intervention strategy could include the following elements:

- Mainstreaming and Networking: ULBs shall mainstream and integrate all slum settlements to main trunk infrastructure for sewerage, water supply, power, roads, transport services, schools, health facilities, etc. and shall augment infrastructure, where required in partnership with concerned agencies.

- In-house Municipal Services: All households in such slum settlements shall be provided improved municipal services (water, toilets, wastewater disposal) through legal, in-house and paid connections, which shall be mainstreamed to trunk infrastructure, where close. Services in slum settlements away from trunk infrastructure shall be incrementally improved from current levels to achieve equitable standards (in-house services) as in the rest of the city with augmentation of city resources/expansion of infrastructure networks. ULBs shall provide households with technical support to connect to the system. ULBs shall also link slums to micro-finance for payment of connection costs. Housing Reconstruction: Slum housing in these settlements shall be upgraded either through housing micro-finance or reconstructed with e assistance from the ULB under various schemes of the Government. All upgraded /reconstructed houses shall have access to in-house water and sewerage connections through simplified procedures and reduced costs.

- Housing Cooperatives and Community Land Trusts: Households in such slum settlements may in suitable cases be mobilized into cooperatives or community land trusts with support of lead NGOs/ULBs, who may help the slums develop their rules and regulations. Individual households shall be bound by the rules and regulations of the cooperative/trust and within the legal framework developed for land titles for the sale or transfer of land rights. Title to houses shall be granted in favor of the female member of the household or jointly with the male head of the household to uplift the status of women in the State. Individual land tenure shall be incrementally provided to these households, improving over time from restricted (occupancy and short-term lease) to full title with property rights as provided under the state property rights legislation.

- Community Mobilization and Planning: Community mobilization shall be anchored by ULBs directly or through a lead NGO/Agency/CBO. ULBs/NGOs may support formation of Resident Welfare Associations or Housing Cooperatives and assist in upgrading planning of the area in consultation with the community. In-situ upgrading may require re-blocking and realigning to ensure better mobility and movement of vehicles inside the settlements, provisioning of adequate infrastructure services, and development of common spaces. In case of re-aligning, any displaced houses shall be provided alternative housing near the site. These Associations shall also develop plans for the maintenance of common spaces. These Associations shall include all resident families, where each family is represented by a woman, and should be recognized by the ULB.

(ii) Intervention Strategies for Slums on Government Lands

Slums on government land are either on: (a) Tenable lands or (b) Untenable lands. In view of these ULBs shall develop slums on government lands through a range of slum redevelopment models like redevelopment with affordable housing in high or low density development, or resettlement. Redevelopment or resettlement could be done through a developer under PPP mode or through Development Authorities/ OSHB/ ULB, as appropriate.

(a) Slums on Tenable Land: In such case redevelopment with affordable housing through PPP or by ULB/DA/OSHB. These slums may be redeveloped by the ULBs/DAs/OSHB by involving private developers in PPP mode or by ULBs/DAs/OSHB themselves, whichever is found appropriate. Grants /subsidies available under various schemes of Government may be utilized and dovetailed wherever possible.

- Notification for Slum Redevelopment: The respective ULB/DA/OSHB would issue a notification for the proposed housing and redevelopment plan for the particular slum(s) under this Policy. The notification would contain the map(s) of the area with upgrading and service delivery plans and number(s) of households to be redeveloped along with their biometric identification details. The notification would specify the new land use as high or low density, residential, mixed or commercial use. If required, relevant provisions would be made in the relevant Acts.

- Security of Tenure: All tenable slums shall be redeveloped along with being granted tenure security under the Property Rights Act. Tenure security under the Act shall be temporary i.e. where households shall be given a license /permission to stay for longer or shorter durations as appropriate for that land. The tenure shall be incrementally made more permanent through conversion of licenses into lease rights (for longer or shorter durations) and eventually to full property titles or RoRs as prescribed in the Property Rights Act as per the merit of each case.

- Transfer of Land: The notification on slum upgrading or redevelopment as above would transfer lease rights from the GA/Revenue/Other government departments and agencies to the respective ULB/DA/OSHB. The lease rights would explicitly state that the land would be eligible for sub-leases by the ULB/DA/OSHB to the cooperative or developer and subsequently, if appropriate, by the developer containing enabling provisions for transferable sub-lease. For this purpose, the lease formats may be suitably articulated by the GA/Revenue Departments. The area on which slum dwellers may be rehabilitated (Rehabilitation Area) may be leased out in favour of ULB/DA/OSHB by the Government free of premium. The ULB/DA/OSHB may pay premium for the area to be developed as commercial/residential complex (Development Area) to the Government at the Government rate after appointment of the Developer.

- Community Mobilization, Planning and Agreement: The slum dwellers in the notified slum may form a cooperative society or community land trust to manage common assets and facilities in the rehabilitation area and will be bound by the tenets of this Policy. The ULB/DA/OSHB shall issue a notification recognizing the cooperative or trust and its nominated representative(s), including the slum community and partner NGO. The ULB/DA/OSHB shall sign an Agreement with the cooperative/trust for the members to move to transit accommodations during the reconstruction period and to redeveloped houses on completion.

- Appointment of Transaction Advisors (TA): The ULB/DA/OSHB may appoint Transaction Advisor(s), if it is determined that the housing redevelopment may be carried out in a partnership with a private developer in a PPP mode, for the transaction of the PPP. The TA may work on a success fee mode. Thus, there may be limited financial liability on the ULB/DA/OSHB.

- Delineation: The ULB/DA/OSHB would delineate the land for the rehabilitation houses (Rehabilitation Area), commercial/residential complex (Development Area), and the transit accommodation.

- Selection of Developer: Where the ULB/DA/OSHB takes the decision to involve a private partner in the housing redevelopment scheme, a developer should be selected by a competitive and transparent process. The minimum qualification requirements, the bid process and selection are to be decided by the ULB/DA/OSHB. The developer may partner with local NGOs for such redevelopment. The developer would build the rehabilitation houses and the transit accommodation and would have rights of development over the Development Area. The developer would be granted lease rights on the Development Area, and the lease rights over the Rehabilitation Area would remain with the ULB/DA/OSHB.

- Transit Accommodation: Transit accommodation has to be built by the developer. Minimum standards would be specified for the transit accommodation by the ULB/DA/OSHB. The slum dwellers would move to transit accommodation to facilitate redevelopment as and when required. This transition shall be managed with the support of the lead NGO.

- Rehabilitation Houses: The ULB/DA/OSHB or developer, as appropriate, would construct rehabilitation houses in the rehabilitation area as specified by the ULB/DA/OSHB. As far as feasible and in accordance with the specifications of the particular ULB/DA/OSHB, rehabilitation houses in the rehabilitation area ordinarily will be in a G+3 configuration. All housing will have in-house water linked to municipal supplies; private toilets linked to underground sewerage, where available, or septic tanks or sanitation units; power supply; and appropriate drainage for household wastewater. Adequate community facilities, such as access roads with street lighting and linked to main streets, covered drainage, solid waste disposal sites,

courtyards and common play areas, preschools, health clinics, parking sites for carts/rickshaws, etc., as specified by the ULB/DA/OSHB in consultation with the slum dwellers or their cooperative/trust are to be provided. ULB/DA/OSHB may provide design and technical support for construction. The land use for the Rehabilitated Area would be mixed as specified in the notification. The developer may transfer the rehabilitated houses to the ULB/DA/OSHB, which in turn may allot the same to the slum dwellers as per the provisions of this policy.

- Beneficiary Contribution: Beneficiaries may contribute their share to the cost of the housing, as specified by the Government from time to time. However, the ULB/DA/OSHB may try and reduce the subsidy component in future development projects to discourage new slum formation. All out effort may be made to ensure that housing remains affordable. Beneficiaries may be provided access to housing micro-finance as per Government guidelines to facilitate loan repayments in easy installments.

- Third Party Certification: A Third Party would be appointed by a process, to be determined in the bid documents for selection of a developer, where appropriate. The Third Party would verify and certify adherence to specified standards and any other certification required by the ULB/DA/OSHB.

- Allotment of Houses: The allotment of rehabilitated houses to slum dwellers listed through the survey/biometric process would be done transparently. in particular where more than one slum is rehabilitated to the same site. The process of allotment may be participatory, preferably by draw of lots. Ground floor accommodation may be provided to all families with elderly and members with disabilities, as far as possible.

- Transfer of Rights to Slum Dwellers of Rehabilitation Houses: The ULB/DA/OSHB would transfer tenancy rights of housing units along with inheritance but non-transferable rights to individual slum dweller households. The property title will be in the joint name of the woman and man in the household. Unauthorised transfer of rehabilitation houses by the alottees during the specified periods may lead to cancellation of the allotment and eviction of the transferee. All slum dwellers allotted land /house once will be debarred from any future allotment. To ensure this the ULB shall create an MIS system with the biometric database of beneficiaries.

- Maintenance of Common Spaces: Community / institutional arrangements would be made with support of NGOs for maintenance of the apartments and common spaces through either the cooperative or ULB, as the case may be.

- Right of Developer to Construct and Lease in 'Development Area: The ULB/DA/OSHB or the developer, as appropriate, would have rights to construct and lease/sub-lease or sell property in the 'Development Area' or the additional FSI or TDR as per the land acts. The construction would be in accordance with the existing

building bye-laws. The land use would be residential or commercial, as specified in the notification.

- Sub-lease of Buildings in Development Area: Sub-lease or sale of the buildings in the Development Area would be permitted only after at least 75% of the rehabilitation houses are built in that particular phase.

(b) On Untenable Government Lands: Resettlement-Rehabilitation of Settlements Slums on untenable sites will be relocated under planned resettlement-rehabilitation with affordable housing and adequate infrastructure in the new sites. Resettlement and rehabilitation projects may be taken up by the ULBs/DAs/OSHB with private developers under PPP mode or by themselves following the applicable procedure. Resettlement will be in near-site projects, as far as possible, identified through the vacant land survey. Far-site resettlements may be undertaken only where developable land is not available within the specified range. And if this is the case, mass transit should be accessible at the new site. The vacated site may be secured by utilizing it for its intended public/development purpose.

2.4.4 Urban Development through Access to Social Services through Convergence

As seen above the SRDP is aimed at comprehensive urban development. Towards this goal, all ULBs shall implement the Basic Services to Urban Poor (BSUP) 7-Point Charter. The 7-Point Charter is aimed at providing the following 7 services to all slum dwellers: housing, water supply, toilets and drainage, livelihoods, roads and transport, education, health and welfare services. ULBs shall improve access by all slum dwellers to these services in partnership with the relevant departments/agencies and through a process of convergence. The OSDTF may be responsible for integrating the inputs of the various departments. ULBs will use slum dweller lists/biometric identification to provision all welfare services (food subsidies, pensions, relief funds, school fee subsidies, maternity entitlements, and girl child benefits) to the poorest and slum dwellers.

2.4.5 Initiatives for Mobilization of Urban Resources

Creating a slum free Orissa will require considerable and long-term investment in upgrading and housing. Positive and pro-active interventions for enlarging the resource base may include a series of initiatives at State/local levels:

(i) State Financing: A Slum Development Fund (SDF) may be created at the State level to support slum development activities taken up by ULBs. The SDF may include;

   a. Contribution from Central funds as earmarked by Planning Commission and Central Finance Commission.
   b. Contribution from State own revenue resources.

(ii) Municipal Convergence Funding: As per BSUP, at least 25% of municipal funds are required to be earmarked for slum development. Besides these resources, a variety of other sources of funds may be converged to finance slum developments, as indicated in each ULB's Integrated Municipal Development Plan and Annual Action Plan. These sources may include:

- Proceeds from PPP projects
- Transfers from the State Slum Development Fund
- Private contributions (with tax concessions) from business, industry and trade
- Contribution from other domestic donors
- Contributions from the Shelter Fund to finance shelter needs in slums
- Matching contributions from community resource through CDSs
- Revenues from a Vacant Land Tax
- Special cess on plan approvals and new layouts (for slum development)
- Revenues from any other taxes/cess or service charges
- ULB priority sector allocations under the category of SC/ST/BC
- Contributions from the general municipal fund as decided by the ULB
- Percentage of the compounding fee collected by the ULB/DA

(iii) Private Sector Funding: Additional resources for slum improvement may be leveraged by involving the private sector, where appropriate, in housing projects, which may utilize revenues generated from commercial development in respect of resettlement and rehabilitation schemes that may result in bringing about a substantial improvement in the physical, economic and social quality of life of slum dwellers. Other private sector development schemes can also be considered by ULBs. They must, however, strictly comply with SRDP guidelines. Only those schemes which may cover the full cost of R & R and associated services (transportation, communication, etc.) may be considered by the ULB. The ULB must satisfy itself that any land development and R & R scheme may produce a clear win/win situation for all parties, but most particularly for the slum community.

(iv) Corporate Social Responsibility: The contribution of slum dwellers in helping to support local business, industry and trade is substantial. ULBs should undertake initiatives to mobilise resources from the private sector either for the adoption of specific development works at slum level in accordance with the priorities identified in the Municipal Slum Development Plan (MSDP) and Annual Action Plans or through direct contributions to the ULB Convergence Fund. State government and ULBs may consider introducing fiscal incentives, such as tax exemptions, etc., as incentives to mobilizing contributions.

(v) Institutional Finance: ULBs may also consider other means of attracting capital for investment in city and slum infrastructure, such as raising bonds and institutional loan finance. A refinancing scheme may be extended (in line with NHB refinancing) to facilitate city governments to raise funds from identified commercial banks.

(vi) Extending Tax Base: Slum areas, particularly those that have been provided with services, should be de-notified and brought under the net of municipal taxes. A Consolidated Service Tax (as part of the Property Tax family) on properties located in slums (tenable and untenable) may be levied to raise resources from users.

(vii) User Charges: At the administrative and political level, any unwillingness to charge for services delivered should be discouraged. The standard and effectiveness of service delivery can only be improved if sufficient funds are recovered from their operation. ULBs may consider a cross-subsidy from user charges, where appropriate.

(viii) Community Cost Sharing: Slum improvement projects should encourage contributions from slum households and the community right from the beginning as a means of sharing costs and extending works. This approach would commence from the stage of prioritizing / inclusion of slums for service delivery to later stages of assessment of needs and demand followed by planning and implementation. The cost sharing approach enhances commitment and self reliance. OSDTF may notify a policy in this regard, which may gradually reduce the subsidy component in housing and service delivery.

(ix) Selling of Land Title: ULBs may consider selling land titles on an installment basis as a means of raising capital for upgrading and improvement, as also to meet the expenses for operations and maintenance. Regularisation and granting of tenure should be linked with: (a) loans to beneficiaries for meeting the costs (partially) on infrastructure provision and (b) mobilisation of community resources. In this regard community/collective collateral may be used as security to finance subsequent provision of infrastructure.

The following table lists down some of the Revenue Enhancement Action Plan on Municipal Resource Mobilization.

Table No. 11: Revenue Enhancement Action Plan on Municipal Resource Mobilization

Source Type	Explanation
Holding Property Tax or Hoarding Tax	- Introduce Ward inventory Map of Tax & Non Tax Payer and Detection of un-assessed & under assessed properties, Publish list of Defaulters list in prominent places of the city. - Revision of tax to the buildings where expansions have taken place / change of use. (Use local Media) Introduce Self-Assessment of Holdings / Properties.
Green Tax View Tax	- Identify more space for hoarding by developing Bus Shelters, Public Toilets, Information Kiosks and Street Infrastructure. - Levy View taxes on properties other than ULB's used for hoarding / advertisements, etc

	• In principle Polluter must pay system introduce fees from personalized vehicle, three wheelers, car, bus (excluding Public Transport System) and sewerage generation. • Taxes on use of water through boring for commercial and private use.
Solid Fees Waste	• Levy solid waste fees for the use of public places based on the amount of waste generated. Particularly from the organizers of private functions in the city's marriage halls, debris from construction sites, informal hawkers, hotels & restaurants and commercial establishments.
Parking Fees	• Introduce pay and park scheme for vehicle parking except Cycle and public transport system • Parking fees are to be based on the duration of parking. • Monthly parking fees to be collected from the Auto & Taxi for parking in a particular location.
Tatkal Priority Fee & Service	• Introduce Tatakal & Priority service for faster delivery of Municipal Services such as issuing of birth and death certificates and taxation etc with additional fees
Fees for Gardens and Service Outsourcing	• Levy user fees on the persons using Gardens & parks. • Fees are to be collected at the entrance of the garden but regulars can obtain a monthly pass. • Cities may introduce incentive pass on the basis of areas, city pas and annual entry pass etc. • Children, person on ground of Health and senior citizens are to be exempted. • Outsource some of the municipal services and office administration to Pvt. sector for Resource saving i.e. maintenance of street lights, solid waste (collection, transportation, disposal), Grievance Redresal Cell, letter despatch (Use Courier), use Banks to collect Tax & fees and etc.
Asset Management Outsourcing Office Administration	• Outsource the markets (including collection of fees), Kalayan maintenance of small Mandap, Libraries, Computer etc. • Use e-mail for communication, enable use of the EPBX Phone for internal communication, hire photocopier (Contract Machine with man power) • Use contract pool Vehicle, take steps for energy saving measure in use of AC, Fan, Lights etc.
E-Governance	• Introduce Municipal information system for smooth functioning of the ULBs. • Convert all accounting and financial information into computer database.

Collection Taxes / Fees	• Set up 'efficient' enforcement squad, tax adalatas (Tax Courts to solve disputes at the ULB's level) and Special drive for collection of Tax. • Involve Residential Welfare association and Local NGO & Media in all indicatives.
Annual Report to Citizens	• Publish annually with key indicators on how Municipal Government is function Based on the Municipal Services Performance Report. • This will make Tax Payers and Citizens to know how its Rupees are being spent and Accountability.

Source: Department of Housing and Urban Development, Govt. of Orissa

2.5 Reforms with respect to Urban Sanitation

The National Urban Sanitation Policy (2008) envisions that all Indian cities become totally sanitized, healthy and livable; ensure and sustain good public health and environmental outcomes for all their citizens with a special focus on hygienic and affordable sanitation facilities for the urban poor and women. Orissa has the lowest level of urbanization (nearly 15 per cent of the state population of 37 million) amongst the major states in India. There is significant inter-district variation with Khurda district in coastal Orissa reporting an urbanization rate of 43 per cent at one end of the spectrum and Boudh in south-central Orissa, having an urbanization rate of only 5 per cent at the other. Urban Orissa population comprises of 13 per cent SC population (12 per cent of the state total) and eight per cent ST population (6 per cent of state total). Over the period 1991-2001, urban population has grown nearly twice than the state population. However, starting from a low base of urbanization, while these rates appear high; the challenges posed by absolute numbers do seem manageable.

2.5.1 Present Situation and Overall Goals

The Situation Analysis of sanitation arrangements in urban areas of Orissa was carried out in November 2009 by the Dept. of Housing and Urban Development. The Situation Analysis highlights the issues that need to be addressed by the Orissa Urban Sanitation Strategy. The overall goal of this strategy is to transform urban Orissa into community-driven, totally sanitized (safe), healthy and liveable cities/towns that are managed by ULBs with citizen and stakeholder participation.

These Goals will be achieved over a period of six years, i.e. 2011-2017, in a phased manner. The state will aim to achieve year-wise target for ODF status across urban Orissa beginning with ODF status for 5% of the wards in each ULB during the FY 2011-12 and progressively raising it to 10% by FY 2013, 20% by FY 2014, 50% by FY 2015, 80 by FY 2016 and 100% by the end of FY 2017. As part of the strategy, efforts will be made to showcase Bhubaneswar as the first ODF city of Orissa within FY 2011-12. City-wise, Bhubaneswar and Cuttack will be the pilot ODF cities beginning FY 2011-12. In the first phase, all 3

Municipal Corporations and 5 Municipalities are to prepare their CSP by FY 2010-11. The rest 32 Municipalities and all NACs will prepare their CSP in similar manner within a definite time-frame. A more detailed road map with OVIs to measure outcomes will be prepared by the SSNA and announced by the State Urban Sanitation Mission after integration of all the CSPs. The ULBs will accord sanitation as a priority basic service; and act upon accordingly. The state strategy is based on the following principles:

(a) Increased awareness and changing mind-sets: The causal linkages of sanitation with public and environmental health need to be made more explicit to citizens, communities and institutions. In addition to the provision of facilities, sustained improvements in quality of life are possible when supplemented by hygiene behaviour changes. Thus, sustained communication and behaviour change triggers are necessary.

(b) Sanitation as basic service: The state govt. will strive to create opportunities and provide necessary support through which all the citizens can have access to sanitation services as their basic entitlement; while enjoining the household to be responsible for maintaining such facilities and ensuring safety as declared by the Urban Local Body. This will be complemented with efforts to generate demand for sanitation amongst the un-served households. The state will also make efforts to resolve tenure, space and affordability constraints for providing individual sanitation facilities preferably; and community facilities where individual provision is not feasible. The emphasis will be to try and ensure that every urban dweller is provided with minimum levels of sanitation, irrespective of the legal status of the land in which he/she is dwelling, possession of identity proof or status of migration. However, the provision of sanitation services would not entitle the dweller to any legal right to the land on which e/she is residing. Adequate quantum of funds will be earmarked by the state govt. with clear modalities for allocation, to enable the provision of services to the urban poor. The ULBs are also enjoined to make annual budgetary provisions for supporting the cause.

(c) Institutional roles and responsibilities: The strategy will hinge on progressive articulation in policy and law followed up by operations that are in line with the spirit of the 74th Constitutional amendment. Devolution of functions, funds and functionaries will need to be progressively ensured to the ULB with adequate support for building planning and management capacities. The quality of planning and implementation of the city-wide sanitation plans will depend on the extent of deepening in urban governance through the formation of sub-city representative institutions and the active role that these institutions are given.

(d) Sustainability of sanitation arrangement: Sustainability shall be achieved through realistic planning considering trade-offs between on-site and off- site sanitation arrangements, proper management arrangements and realistic fund flows enabling capital cost contributions and operating cost contributions.

(e) City-wide integrated development: Water, sanitation, health and environmental sanitation services need to be coordinated at city (and sometimes region) level. Sanitation

needs to be mainstreamed in all urban management endeavors through inclusion of sanitation aspects in planning and implementation, across all sectors and departmental domains as a cross-cutting issue. Development of City Sanitation Plans is mandatory as directed by the national Urban Sanitation Policy before sanctioning of funds.

(f) **Environmental integration:** The environment (land, water and air resources) must be considered in all development activities for sanitation provision and management. All planning and implementation will seek to ensure that risks to public and environmental health are adequately minimized at all steps of management – containment, conveyance, treatment and disposal. Appropriate protection of the environment shall be applied, including prosecution under law where required.

2.5.2 Institutional Mechanisms for Urban Sanitation

The existing multi-tier (State-District-City/Town) institutional arrangement shall be oriented within the scope of increased devolution initiated over the last two years, with clear assignment of roles, responsibilities to the institutions as detailed below:

(a) **State Sanitation Nodal Agency (SSNA):** OWSSB to function as the nodal agency for facilitating implementation of the State Strategy. The SSNA will be led by the Executive Director, OWSSB, who will be the Nodal Officer. S/he will be designated as State Programme Officer, Urban Sanitation. S/he will be supported by a Technical Cell comprising at least four professionals with more than 5 years of experience in urban sanitation, social mobilisation, communication and capacity building. The Cell will provide technical, managerial and professional support to the SSNA.

(b) **District level Institutional set up:** In the current devolution scenario, most of the ULBs (barring the three Municipal Corporations) may have considerable deficits in capacities to plan, implement and monitor urban sanitation programs. While it is expected that ULBs will develop these capacities over the medium term (next three to five years), a district level mechanism will be the appropriate institution for guiding and assisting ULBs in urban sanitation, in coordination with different line departments and their frontline units at the district and the ULB levels. This will also enable leveraging on capacities and programs on-going in the nearby rural areas.

(c) **The ULB level institutional set up:** A city sanitation Task Force (CSTF) will be created within the ULB under the leadership of the Commissioner/ Executive Officer to design, implement and monitor the sanitation promotion programs in the respective ULBs. The CSTF will have membership of the relevant elected representatives heading the standing committees and also of women members and will be responsible for:

- Preparation of baseline database and situation analysis
- Design of city sanitation plan (CSP) emphasizing participatory approaches
- Ensuring use of sanitary latrine by all and ensuring safe disposal of sewage

- Conduct of city-wide communication campaign
- Monitoring progress of the campaign and make periodic corrections as needed and regular reporting to district and state coordination agencies
- Working with support organisations, line departments and civil society formations in setting up systems that enable community level monitoring and management of common sanitary facilities
- Developing systems that enable community-based monitoring of public health and environmental outcomes
- Working with the appropriate line departments and civil formations to identify and develop suitable citizen-interaction platforms as a hub for the communication and also monitoring
- Design and implement incentive schemes for ward or suitable sub-city administrative territory and other identified units – schools, slums, shopping areas; etc.

(d) **Sub-city level institutional set up:** Ward Committee/Area Committee will be constituted to be responsible for oversight and implementation of the CSP within the ward and report to CSTF. It will also be responsible for monitoring the progress of the campaign and school sanitation initiatives. CSTF may involve identified committed NGOs and CBOs by allocating clear roles and outcomes. Private sector involvement is to be encouraged through voluntary efforts, financial contributions or the PPP route.

2.5.3 Planning

(i) **ULB level:** City Sanitation Plans (CSPs) will need to be prepared in a participatory manner through consultations with urban citizens, especially the poor and women. The goal of making cities open defecation free and moving towards a safe disposal system for sewage will be the main thrust of CSP. The phasing of the plan, its operational elements, choice of technology options and finances will feature in the plan. This plan will be integrated in to the overall development plan of the ULB and will also be reviewed by the DUSC to dovetail it with other urban infrastructure development initiatives. The CSPs need to be readied within a definite time frame.

(ii) **State level:** The SSNA will consolidate CSPs into a state level plan specifying the time frame, finances, operational components and guideline-sets for these components, to enable the state to earmark resources. The ULB will align to the State plan. Special emphasis will need to be given to urban centres that attract floating population seasonally (tourism) or sporadically (religious/cultural occasions) for planning. Also, appropriate environment-friendly solutions would need to be incorporated for these locations.

2.5.4 Investment Requirements and Financing Options

(i) A dedicated State Urban Sanitation Fund will be set up under the budget of Housing and Urban Development Department with outlay from the state budget, supplemented by any provisions from MoUD, GoI. The proposed SUSF will be utilized for urban sanitation, and

will focus on assisting the ULBs in the management – planning, communication, monitoring, etc. - aspects of sanitation programme. Guidelines for access and use of this fund would be framed and the SUSC will advise the department on the approval and sanction of ULB proposals. It will be mandatory for ULBs to commit to prepare the CSP for accessing this fund, and subsequent fund flows will be conditional with the implementation of the CSP.

(ii) The consolidation of ULB City Sanitation Plans (anticipated over the 2010-2012 period) at the state level would indicate financing requirements for implementing total sanitation in the urban areas of the state.

(iii) A portfolio of funding sources - funds available through schemes like JnNURM, BSUP, IHSDP, UIDSSMT, ILCS and RAY; funds committed through externally aided projects, PPP options with private or corporate sector – and possibilities of partnerships with NGOs, private sector and other sanitation sector participants would be explored by the SSNA and clear guidelines issued to the ULB on the nature and modalities for access these.

(iv) Looking at the availability of funds, the need to incentivise ownership and maintenance of sanitation provisions and the exigencies of sustaining provisions created, guidelines will be developed on user fee and related principles. Examination of finance shortfall will also enable the state level nodal agency (SSNA) to develop appropriate estimations of required supplementary quantum through the state budget or advice on utilization of Finance Commission funds already earmarked; or instruct the ULB to make necessary cross-subsidization.

(v) The H & UD Dept. will earmark a certain percentage of its annual budget over six succeeding financial years (from FY 2011-12 to FY 2016-17); towards soft components-behaviour change, communication, technical support and administrative cost, which is essential to set the strategy in place and implement action plans. The approximate fund requirement for implementing the strategy and making SUSM, SUSSC and SSNA operational for FY 2011-12 is projected to be Rs. 3, 20, 65, 000.00; and over the period FY 2011-12 to FY 2016-17, it is Rs. 23, 98, 91, 762.00.

(vi) So far as the hard components are concerned – CAPEX and OPEX on creating and maintaining sanitation infrastructures, budgetary allocation to cities will be made for construction and maintenance of sanitation infrastructures, which will be linked with current need assessment and ODF performance of a particular city.

(vii) The ULB concerned will earmark a certain percentage of its own resource to be spent on creating and maintaining vital sanitation infrastructures in the city on sustainable basis; with objectively verifiable results thereof. This will be adjudged as an initiative towards ODF status.

2.5.5 Incentives for ULBs to make progress in Sanitation

(i) The state will institute an assessment scheme to encourage competition and transparency in sanitation actions, amongst the towns/cities in Orissa. The goal of the reward is to encourage ULBs to strive for 100 per cent access to sanitation facilities to all residents and 100 per cent safe disposal of all waste generated within the urban environs. The assessment and award is based on the premise that improved public health and environmental standards are two outcomes that ULBs must ensure for urban citizens. In doing so, city governments must adopt a holistic, city-wide approach while incorporating processes that help reach outputs pertaining to goals of this strategy.

(ii) The state reward scheme would be designed in consultation with the ULBs, for incentivizing city performance in sanitation aspects. It would consist of an assessment format with weighted indicators (this would possibly enlarge on the Nirmal Shahar Puraskar introduced by the Government of India – for details on rating schema refer Annexure-IV), and would also provide basis for performance based financial incentives for cities making progress on the sanitation front. The scheme will have earmarked budgets requisitioned from the state budget (and could be part of the SUSF).

2.5.6 Reaching the Un-served Population and Urban Poor

Sanitation facilities are not accessible to a considerable proportion of the population in Orissa. These include the poorest of the poor, the vulnerable and marginalized like the homeless, rag pickers and migrants. For providing access to these sections, the following steps need to be taken:

- Sanitation will be a basic service and de-linked from tenure. ULBs and other service providers should not have any problems in extending sanitation provisions in un-authorised settlements. Access to sanitation facilities will not automatically accrue the benefit of tenure/ land rights. Necessary modifications to existing law/rules to make this practicable would need to be initiated by the state government through the SSNA.

- Adequate community and public toilets need to be created and maintained with 24x7 water supply. Guidelines for these toilets will be prepared at the state level, including technical design options suitable for different locations and user groups, processes for stakeholders' engagement, capacity estimation, management rules, Operations and Maintenance. Financial options with share of contributions from user groups, support organisation, ULB, state government and central government for capital expenditure will be made clear. Operations and maintenance are the key responsibility of the user group and ULB concerned as specified by the state guidelines. It can be done through PPCP mode.

Chapter 3
Achievements under the Urban Reforms Programme in Orissa

The state of Orissa is lagging behind in the implementation of reforms planned under JNNURM / UIDSSMT as per the committed timelines in the Memorandum of Agreement signed with the Government of India. In view of this a revised time line has been suggested by the state government to meet the reforms commitment. The table given below shows the details.

3.1 Work Done Under JNNURM

Bhubaneswar and Puri town have been selected to cover under this programme. M/s. TCE Ltd., Mumbai has been engaged as consultant for preparation of detail engineering of the project of Puri Water Supply. M/s. TCE Ltd., Mumbai has submitted the Draft DPR (without WTP) on 21.12.2010 and final DPR is expected by 2nd week of February. The DPR for Bhubaneswar has been assigned to ASCI, Hyderabad. Since they have delayed, Government in H & U.D. Department has been requested to allow PHEO for engagement of private consultant through open and transparent tender.

As described before. Jawaharlal Nehru National Urban Renewal Mission (JNNURM) has been launched by Govt. of India in the Ministries of Urban Development and Housing and Poverty Alleviation, for integrated planned development of 65 selected cities in India. It includes two sub-Missions i.e. (i) Urban Infrastructure and Governance (UIG), (ii) Basic Services to Urban Poor (BSUP). Bhubaneswar and Puri have been included in JNNURM. Besides, two other reform driven schemes i.e. (i) Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and (ii) Integrated Housing and Slum Development Programme (IHSDP) were included under the Mission Programme. These two schemes are being implemented in the cities / towns other than the cities / towns, which are selected under JNNURM.

3.1.1 Urban Infrastructure and Governance

Under the UIG part of JNNURM scheme, seven have been sanctioned for the state of Orissa. One sewerage project, one heritage project, one water supply project, two drainage projects and two public transport projects have been sanctioned with a total project cost of Rs.831.78 crores for implementation in the mission cities of Bhubaneswar and Puri. Details of the achievements of these projects are given below:

(i) **Integrated Sewerage Project of Bhuabneswar City:** Under this scheme, a sum of Rs.9978.27 lakhs has been received as Additional Central Assistance towards 1st installment and the State Govt. have released Rs.11225.55 lakhs including the State Share in favour of the Orissa Water Supply & Sanitation Board for implementation of the project. In anticipation of GOI receipts, the State Govt. have released Rs.6570.71 lakhs (ACA of Rs.5840.63 + SS of Rs. 730.08 lakhs) to the implementing agency. So

far, expenditure for 9050.00 lakhs has been incurred. Out of 193 kms of sewers of Sewerage District-III for which work order is given, 57.20 kms have been laid.

(ii) **Bindusagar Lake Conservation, Bhubaneswar City:** The State Govt. have received ACA amounting to Rs. 120.26 lakhs towards 1st installment and a total of Rs.150.32 lakhs including the state share and ULB share have been released for implementation of the project and expenditure for the entire amount of Rs. 150.32 have already been incurred. In anticipation of Govt. of Indi receipts, the State Govt. has released Rs.135.29 lakhs (ACA of Rs.120.26 + SS of Rs. 15.03 lakhs) to the BMC, Bhubaneswar for implementation of the project. Peripheral and bioremediation work under progress. Out of the total periphery length of 1256 meters, 398 meter of peripheral work has been completed.

(iii) **Water Supply Project of Puri town:** ACA amounting to Rs. 3338.00 lakhs have been received from Govt. of India towards 1st installment and the State Govt. have released Rs.4172.50 lakhs including the state share for implementation of the project. Water Resources Dept. and PHEO (U), Govt. of Orissa are responsible for implementation of the project. So far, expenditure worth Rs.1702.00 lakhs have been incurred. Detailed planning, Engineering, Design are under progress. Work order has been issued for construction of compound wall for 8 storage reservoir sites.

(iv) **City Bus Services for Bhubaneswar and Puri:** Under these projects, the State Govt. has released Rs. 891.00 lakhs which includes the ACA component of Rs.792.00 lakhs and state share of Rs.99.00 lakhs to the ULBs concerned. In anticipation of GoI receipt, the State Govt. has released Rs. 712.00 lakhs (ACA+SS) for implementation of the project. A Special Purpose Vehicle in the name of "Bhubaneswar-Puri Transport Services Limited" has been created for monitoring the day to day operationalization of the City Bus Services. 55 standard buses (50 for BBSR + 5 for Puri) and 70 Mini buses (50 for BBSR+20 for Puri) have been procured for City Bus Services in Bhubaneswar city and Puri town. Expenditure for Rs.1258.07 lakhs out of the released amount has been incurred. The City Buses have been made operational in six routes of Bhubaneswar city.

(v) **Storm Water Drainage project of Bhubaneswar and Puri:** Under these projects, the govt. of Orissa has released Rs.3541.25 lakhs including the ACA component of Rs.2491.60 lakhs and the state share of Rs.1049.65 lakhs for implementation of the projects in Bhubaneswar and Puri. Detailed planning, engineering, design and tendering activities are under progress. Work has been started in 2 drains of Bhubaneswar city and 2 drains in Puri town.

3.1.2 Basic Services to the Urban Poor (BSUP)

Under BSUP, 4 Projects have been sanctioned by the Govt. of India in Bhubaneswar City with a total Project cost of Rs 5798.21 lakhs. The details of these are highlighted below:

(i) In Bharatpur Vikas Nagar, 1135 no of Houses have been sanctioned by the Govt of India with an estimated Cost of Rs 3023.67 lakhs. As on January, 2011, construction works for 979 houses are under progress which are being directly monitored by BMC, Bhubaneswar.

(ii) In Dumuduma, 753 no of Houses have been sanctioned by the Govt. of India with an estimated Cost of Rs 1922.66 lakhs. As on January, 2011, construction works for 541 houses are under progress which are being implemented through a reputed NGO (SPARC) and being monitored by BMC, Bhubaneswar.

(iii) In Nayapalli Sabar Sahi, 73 no of Houses have been sanctioned by the Govt. of India with an estimated Cost of Rs 174.37 lakhs. As on January, 2011, construction works for 40 no of houses are under progress. The work has already been entrusted to an NGO, SPARC.

(iv) In Damana and Gadakana Slum, 192 no of Houses have been sanctioned by the Govt of India with an estimated Cost of Rs 677.51 lakhs. As on January, 2011, construction works for 192 houses are under progress which are being monitored by BDA, Bhubaneswar.

(v) Similarly in Puri 355 no of houses have been sanctioned by the Govt. of India with an estimated Cost of Rs 1002.02 lakhs. As on January, 2011, construction works for 114 houses are under progress with an expenditure of Rs 127.85 lakhs.

In other words there has been some progress in the implementation of the reform activities under BSUP in the JNNURM towns of Bhubaneswar and Puri. The figure given below shows the utilization of the grants received under BSUP in these two towns and the subsequent table shows the detailed allocation of grants and the progress status.
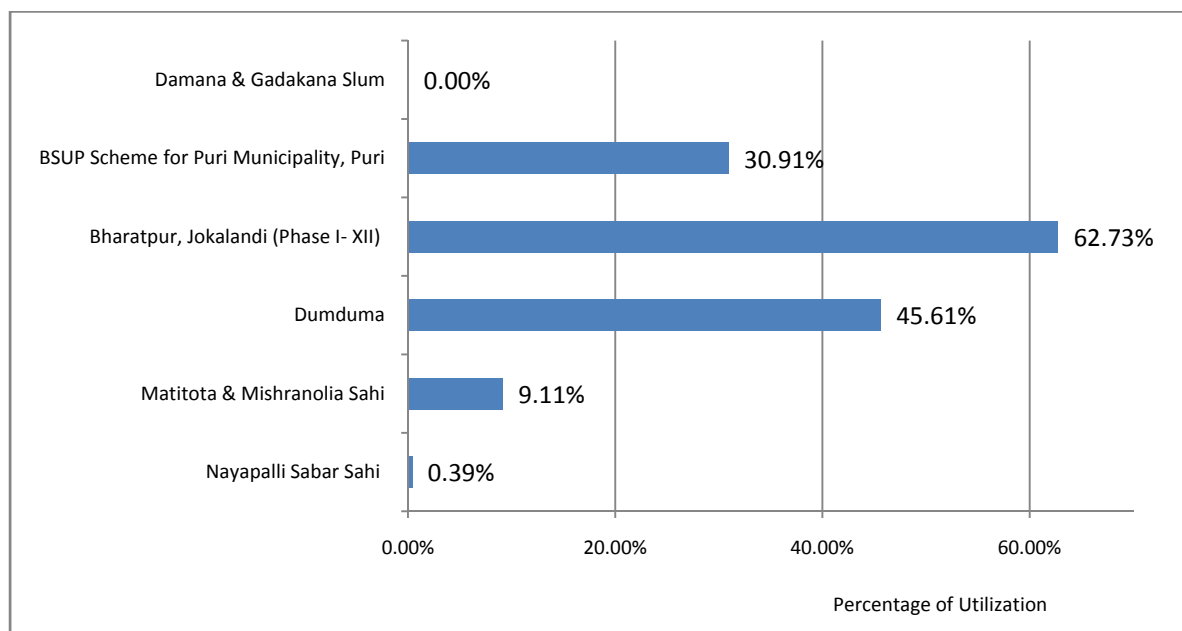
Figure No. 3: Utilization of grants received under BSUP in Bhubameswar and Puri

From figure 3 it can be seen that the progress of the projects has been rather slow considering that the seven year period of the JNNURM is nearing completion. In only one project out of the six the percentage of utilization of grants has been more than 50%. In one of the project work has not yet started even after it was sanctioned during February, 2009. For two projects under BMC, Bhubaneswar the utilization is even less than 1% of the total grants sanctioned. In one of the project work order has been given and work is scheduled to start shortly while in the other project work order is yet to be given. In all of the remaining projects, work is ongoing and in various stages of completion.

Table No. 12: Physical and Financial Progress of Sanctioned Schemes Under BSUP under JNNURM

Sl. No.	Implementing Agency	Name of Slums	Date of Sanction by CSC	DUs	Project Cost.	Amount Released by GOO (in Lakhs)			Up to date Expenditure (March 2010, Provisional)	Status
						Central Share	State Share	Total		
1	Bhubaneswar Municipal Corporation	Nayapalli Sabar Sahi	26.09.2007	73	174.37	33.87	4.23	38.10	0.15	Work order given. Work to start shortly.
2	Puri Municipality	Matitota & Mishranolia Sahi	26.09.2007	60	158.58	31.70	3.96	35.66	3.25	8 DWs and one community centre under progress.
3	Bhubaneswar Municipal Corporation	Dumduma (Raghunath Nagar, Suka Vihar, Satya Nagar, Sastri Nagar & Barabari)	20.12.2007	753	1922.66	393.53	47.94	441.47	201.37	Work order issued for 392 houses, work under progress for 241 DWs
4	Bhubaneswar Municipal Corporation	Bharatpur -Jokalandi (Phase I- XII)	20.12.2007	1135	3023.67	601.44	85.18	686.62	430.71	Work order issued for 818 DWS. 487under progress.
5	Puri Municipality	BSUP Scheme for Puri Municipality, Puri	13.02.2008	295	843.44	168.69	21.09	189.78	58.67	72DWs and one community centre under progress.
6	BMC, Bhubaneswar	Damana & Gadakana Slum	23.02.2009	192	677.51	135.25	16.91	152.16	-	Sanctioned during Feb-2009. Work will be taken up shortly.
Grand Total				2508	6800	1364	179	1544	694.2	
Source: Department of Housing and Urban Development, Govt. of Orissa										

3.2 Work Done Under UIDSSMT

Around twenty three Water Supply Schemes covering 22 ULBs in the state have been sanctioned under UIDSSMT. Out of which, seventeen water supply schemes have been accorded with A/A by Govt. About Rs.7,528.27 lakh for 11 schemes have been received out of the estimated cost of Rs, 12,861.35 lakh from concerned ULBs. The works are under progress. For preparation of DPRs of 3 schemes, the state government has released Rs. 200.00 lakh for one scheme. Authorization has been given for 2 schemes of Rs. 200.00 lakh each. The detailed engineering for 3 schemes is under progress by M/s Tetratech India Ltd. Funds for the remaining 9 schemes amounting to Rs. 22,448.05 lakh are yet to be sanctioned and released. Out of 23 water supply schemes one scheme has been completed.

Twenty eight projects have been included under the UIDSSMT Scheme till date, 16 nos. of projects are functioning under the scheme. An amount of Rs 8911.09 lakhs have been received for the 16 no of projects towards 1st installments of central share from the Govt. of India and accordingly State Government have released the state matching share for the above 16 nos. of projects. Besides, in anticipation of central releases, the State Govt. have already released Rs 4441.51 lakh towards 2nd installment of (Central + State) share for ongoing 6 projects sanctioned under UIDSSMT scheme for timely implementation of the projects.

The Government in Housing and Urban Development Department have already released 2.00 crore each to the Baripada Municipality, Keonjhar Municipality and Berhampur Municipal Corporation for initiation of tender process. Further, an amount of Rs. 312.50 lakhs has also been released to the Municipal Commissioner, CMC, Cuttack towards balance of fund for implementation of the Road up gradation project under UIDSSMT scheme. Further to this it should be noted that Government of India have informed to the state on 14.12.2010 that, the funds for the 12 water supply projects newly sanctioned under UIDSSMT could not be considered for release of ACA for which, it has been decided by the Government in Housing and Urban Development Department to take up the works from the State Budget allocation in a phased manner. The highlights of UIDSSMT in Orissa state are given in Box 2.

The state allocations for the projects under this component are to the tune of Rs. 181.96 crores and the total numbers of sanctioned projects are around twenty eight. With respect to the year wise progress of the projects it can be seen from box 2 that during 2006-07 around five projects were sanctioned out of which one was for road development, two were for water body restoration, one each for water supply and sanitation respectively. During 2007-08 six projects were sanctioned out of which five were for providing water supply and one was for heritage restoration. However during 2008-09 the highest number of projects was sanctioned (17) and all of which were for providing water supply in the selected towns. For all these water supply projects the ULB share grant was contributed by the state govt.

Urban infrastructure Development Scheme for Small & Medium Towns aims at improvement in urban infrastructure in towns and cities in a planned manner. This scheme is the merger of the existing schemes of Integrated Development of Small and Medium Towns (IDSMT) and Accelerated Urban Water Supply Programme (AUWSP).

- State Allocation: Rs. 181.79 crore
- Total number of projects sanctioned: 28
- 2006-07: 5 nos (one road project, two water body projects, one water supply and one sanitation)
- 2007-08: 6 nos. (5 water supply and one heritage)
- 2008-09: 17nos. (all water supply)
- Total project cost : Rs. 22,277.57 lakh (for 16 projects for which funds received)
    - ACA component   :   Rs. 17,990.83 lakh
    - State share   :   Rs. 2,227.75 lakh
    - ULB share   :   Rs. 2,227.75 lakh
- For all water supply projects, the ULB share is contributed by the State Government.
- Funds received from GOI: Rs. 9079.85 lakh (Rs 4410.38 lakh received between Jan-March 2009)
- Total Funds released by Govt. of Orissa: Rs. 14,480.01 lakh
    - ACA component   :   Rs. 12,053.96 lakh
    - GOO share   :   Rs. 20,73.32 lakh
    - ULB share   :   Rs. 363.725 lakh
- Total Expenditure: Rs. 4242.94 lakh (77.62 % against Rs 5465.715 lakh received prior to 2009)
- Projects sanctioned during 2008-09 for which funds not received: 12 projects
- Projects Sanctioned during 2006-08 and 2008-09 for which funds released:
    - Road up-gradation work of Cuttack city: out of 35 KM tendered, 24KM completed.
    - Water body conservation, Cuttack: 2 Water body completed, 4 in progress and for 2 work order issued.
    - Water body conservation, Berhampur: 13 Water bodies completed, 12 nearing completion, balance to be tendered.
    - Sanitation project of Sambalpur: Execution through NGOs is approved. Work to start shortly.
    - Water supply project of Sambalpur: 20.45 KM pipe procured and 10KM laid. Work under progress.
    - Water supply project of Berhampur: Work order issued to start the work.
    - Water supply project of Koraput town: Work of pipeline completed. Balance works of chlorination arrangement will be completed after receipt of 2nd installment.
    - Water supply project of Angul town: Pipes procured for 13.62 KM. Tender under finalization for balance works.
    - Water supply project of Parlakhemundi: Work order issued to start the work.
    - Water supply project of Vyasanagar town: Fund received during Jan-2009. Tender for pipes under finalization and tender for other works invited.
    - Conservation of Gadakhai fort: Fund received during Jan-2009. Pre-tendering works under process. Water supply project of Angul town: Pipes procured for 13.62 KM. Tender under finalization for balance works.
    -

Source: Department of Housing and Urban Development, Govt. of Orissa

From the box it can be seen that majority of the projects under UIDSSMT relate to the provision of water services in different towns of the state. There are twenty three towns in total and twenty eight projects are sanctioned covering all these towns. The table given below lists the towns under the scheme and the projects taken up in these towns under UIDSSMT.

Table No. 13: UIDSSMT Towns in Orissa

Sl. No	Name of the Town	Status of ULB	Sanctioned Projects
1	Phulbani	Municipality	Water Supply
2	Nayagarh	NAC	Water Supply
3	Bargarh	Municipality	Water Supply
4	Talcher	Municipality	Water Supply
5	Bhawanipatna	Municipality	Water Supply
6	Dhenkanal	Municipality	Water Supply
7	Baripada	Municipality	Water Supply
8	Balesore	Municipality	Water Supply
9	Chhatrapur	NAC	Water Supply
10	Khurda	Municipality	Water Supply
11	Jatni	Municipality	Water Supply
12	Keonjhar	Municipality	Water Supply
13	Jharsuguda	Municipality	Water Supply
14	Brajarajnagar	Municipality	Water Supply
15	Belpahar	Municipality	Water Supply
16	Barbil	Municipality	Water Supply
17	Berhampur	Municipal Corporation	Water Supply Phase-I
			Water Supply-II
			Water Bodies
18	Cuttack	Municipal Corporation	Water Bodies
			Road
			Heritage
19	Sambalpur	Municipality	Water Supply
			Sanitation
20	Koraput	NAC	Water Supply
21	Vyasanagar	Municipality	Water Supply
22	Paralakhemundi	Municipality	Water Supply
23	Angul	Municipality	Water Supply
Total	23		28
Source: Department of Housing and Urban Development, Govt. of Orissa			

Out of the above listed twenty eight projects work has started in only sixteen projects. None of these projects are fully completed yet and work is in progress in various stages. The table given below gives the detailed status of these projects in these towns.

Table No. 14: Progress of Ongoing Schemes Sanctioned Under UIDSSMT (Source: Department of Housing and Urban Development, Govt. of Orissa)

Sl. No.	Implementing Agency	Name of Project	Project Cost.	Central Share	1st installment of Central share	Amount released by GOO (Rs. in lakhs)				Expenditure, March 2010 (provisional)	Percentage of Utilization	Current Status
						GOI	State	ULB	Total			
1	Cuttack Municipal Corporation	Road Up-gradation	5074.12	4059.3	2029.7	3882.92	371.3	253.7	4507.91	2212.57	49.08%	• 35 Km tendered. 24 k.m completed. • Balance 11 km tendered. Work under progress.
2	Cuttack Municipal Corporation	Water Bodies	533.66	426.92	213.46	426.93	53.37	26.68	506.98	278.00	54.83%	• 3 water bodies completed. • 5 under progress.
3	BMC, Berhampur	Water Bodies	1665.89	1332.72	666.36	1332.71	165.59	83.34	1581.65	768.23	48.57%	• 15water bodies completed. 10nearing completion. • Work order given for one, Balance 16 to be tendered.
4	Sambalpur Municipality	Water Supply	976.00	780.80	390.40	780.8	195.20	-	976.00	643.91	65.97%	• Procurement of CI pipes for 20.45 KM is completed and laying of 14KM completed and work under progress. • Construction of OGR and pump house under progress. Pumps

5	Sambalpur Municipality	Sanitation	593.23	474.58	237.30	237.3	29.66	-	266.96	-	NA	• Tender participation is nil even after twice tendering with inclusion for NGOs which was concluded during March-2009. • Execution through NGOs approved also failed. (4) Fresh tender invited and is under finalization. Work will start soon.
6	BMC, Berhampur	Water Supply	520.15	416.12	208.06	208.06	52.01	-	260.07	1.50	0.58%	• Third time tender decided and work order issued. • Work under progress.
7	Paralakhemun di Municipality	Water Supply	527.74	422.19	211.10	211.1	52.77	-	263.87	121.05	45.87%	• Tender for pipes received. • 3rd time tender decided and work order issued. • Work under progress.

8	Angul (M)	Water Supply	1273.32	1018.66	509.33	1018.66	254.66	-	1273.32	554.94	43.58%	- Procurement of 13.62 KM pipes is completed. - Laying of pipes under progress. - Tender to be re-invited for Balance work.
9	Koraput NAC	Water Supply	87.50	70.00	35.00	70	17.50	-	87.50	65.56	74.93%	- Work of pipeline completed. - Balance works completed during March 2010.
10	Vyasanagar (M)	Water Supply	1429.87	1143.90	571.95	571.95	142.99	-	714.94	489.20	68.43%	Procurement of pipes under progress.
11	Cuttack Municipal	Gadakhai heritage restoration	1724.98	1379.98	689.99	689.99	86.25	-	776.24	150.00	19.32%	- Pre-tendering activities under finalisation. - Work started.
Total			**14406.460**	**11525.17**	**5762.65**	**9430.42**	**1421.29**	**363.73**	**11215.44**	**5284.96**		

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Table No. 15: Progress Of Ongoing Schemes Sanctioned Under UIDSSMT (only Water Supply)

Sl. No.	Implementing Agency	Project Cost.	Central Share	1st installment of Central share	Amount released by GOO (Rs. in lakhs)			Expenditure, March 2010 (provisional)	Percentage of Utilization	Current Status
					GOI	State	Total			
1	Phulbani Municipality	748.45	598.76	299.38	299.38	74.85	374.23	191.65	51.21%	• Tender invited during February was not responded. Pipe procurement under progress. • Tender invited for other packages was not responded. • Re-tendering being done.
2	Nayagarh NAC	2048.66	1638.928	819.46	803.89	204.87	1008.76	633.74	62.82%	• Tender invited during February was not responded. Pipe procurement under progress. • Finalization of tender under process for other packages.
3	Bargarh Municipality	3033	2426.4	1213.2	1213.2	303.3	1516.5	604.88	39.89%	• Procurement of pipes under progress. • Tender for balance works being invited.
4	Talcher Municipality	1069	855.2	427.6	427.6	106.9	534.5	347.37	64.99%	• Tender invited during February was not responded. Procurement of pipes under progress. • Tender for laying of pipeline under finalization. • Tender for other packages invited and under process.
5	Bhawanipatna Municipality	972	777.6	388.8	388.8	97.2	486	298.4	61.40%	• Procurement of pipes under progress.
6	Dhenkanal Municipality	2962.3	2369.84	-	-	-	-	-	NA	• ACA yet to be received
7	Baripada Municipality	3059	2447.2	-	-	-	-	-	NA	• ACA yet to be received
8	Balesore Municipality	1564.12	1251.296	-	-	-	-	-	NA	• ACA yet to be received
9	Chhatrapur NAC	626.42	501.136	-	-	-	-	-	NA	• ACA yet to be received
10	Khurda Municipality	2837.45	2269.96	-	-	-	-	-	NA	• ACA yet to be received

11	Jatni Municipality	3150.92	2520.736	-	-	-	-	-	NA	• ACA yet to be received
12	Keonjhar Municipality	3161.2	2528.96	-	-	-	-	-	NA	• ACA yet to be received
13	Jharsuguda Municipality	3196.11	2556.888	-	-	-	-	-	NA	• ACA yet to be received
14	Brajarajnagar Municipality	3136.59	2509.272	-	-	-	-	-	NA	• ACA yet to be received
15	Belpahar Municipality	3156.53	2525.224	-	-	-	-	-	NA	• ACA yet to be received
16	Barbil Municipality	1740.32	1392.256	-	-	-	-	-	NA	• ACA yet to be received
17	Berhampur Municipal Corporation (Phase II)	3200	2560	-	-	-	-	-	NA	• ACA yet to be received
	Total	**39662.07**	**31729.656**	**3148.44**	**3132.87**	**787.12**	**3919.99**	**2076.04**		

Source: Department of Housing and Urban Development, Govt. of Orissa

Tables 7 and 8 above show the current status of the different projects under UIDSSMT in the state of Orissa. While 12 projects have not taken off the other are in different stages and work is going on in almost all of them. Grants have been utilized in 16 of the projects as of March 2011 in varying levels. Figure given below shows the financial utilization status of the different projects.
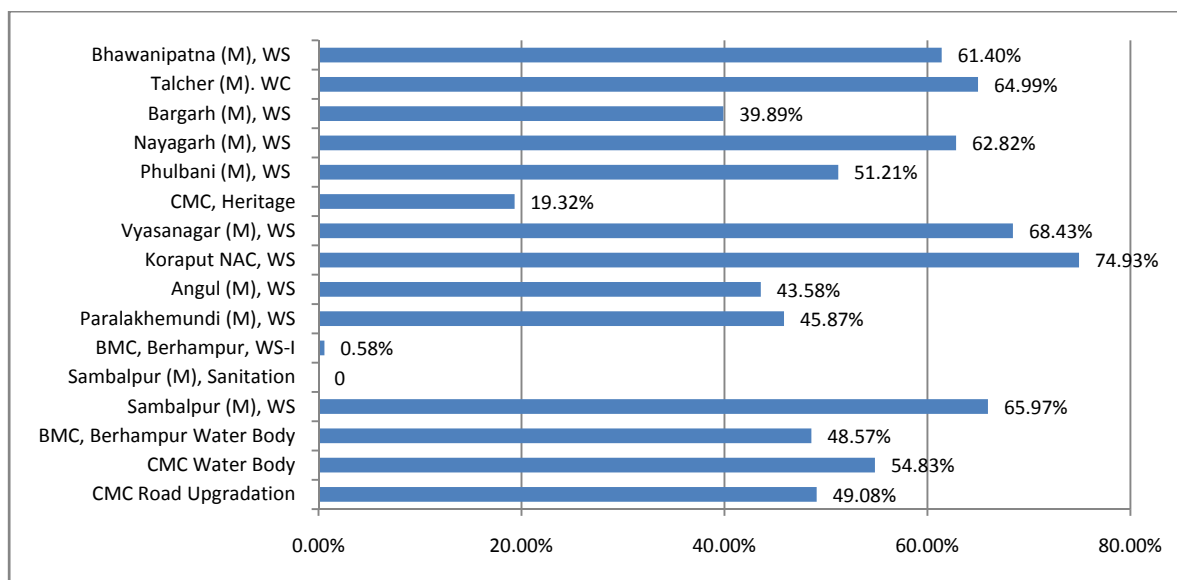

Figure No. 4: Financial Utilization of grants received under UIDSSMT in the towns of Orissa

From the above figure it can be seen that the utilization of funds in the UIDSSMT towns of Orissa is at various levels. While none of the finds have been utilized in Sambalpur municipality for their sanitation project, the highest fund utilization is by the Koraput NAC for their water supply project. Bhawanipatna municipality has utilized around 61% of the funds for their water supply project, while Talcher municipality has utilized about 65% of their allocated share. Bargarh, Nayagarh and Phulbani municipalities have utilized their funds upto 40%, 63% and 51% respectively for the water supply projects in their towns. One project was sanctioned to Cuttack Municipal Corporation (CMC) for heritage restoration and they have utilized around 19% of the funds allocated for the purpose. Similarly, Vyasanagar, Angul and Paralakhemundi municipalities have utilized 68%, 44% and 46% of their funds allocated for water supply projects. Berhampur Municipal Corporation (BMC) has utilized less than one percent of its allocated share of funds for the first stage of water supply project. Under BMC and CMC water body restoration project the corporations have utilized 49% and 55% of their funds respectively. Similarly, 49% of the allocated funds have been utilized by CMC for their road up-gradation project.

3.3 Work Done Under IHSDP

The Integrated Housing & Slum Development Programme was launched by the Prime Minister in December 2005 with a view to ameliorate the conditions of the urban slum dwellers who are residing in dilapidated conditions. The existing Valmiki Ambedkar Awas

Yojana (VAMBAY) and the discontinued National Slum Development Programme (NSDP) are subsumed in the IHSDP, to strive for holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the urban slum dwellers. The programme covers all the towns except the 63 mission towns/cities covered under the Basic Services for the Urban Poor (BSUP) under Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

The Basic Services to the Urban Poor (BSUP) was launched by the Prime Minister in December 2005 with a view to ameliorate the conditions of the urban slum dwellers who are residing in dilapidated conditions in the identified 63 mission cities. The basic objective of the scheme is to strive for holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the urban slum dwellers. The highlights of the programme in the state of Orissa are the following:

➡ Ministry of Housing and Urban Poverty Alleviation, Govt. of India has already sanctioned 32 projects in 29 ULBs under IHSDP Scheme for 12773 number of houses along with infrastructure facilities with an estimated cost of Rs 258.79 lakhs.
➡ The State Govt. has released a sum of Rs 11134.23 lakhs including state share and 2nd installment (in anticipation of receipt of ACA from Govt. of India) to eligible 5 ULBs for execution of the project.
➡ As on January 2011, construction work for 6787 number of houses under progress with an expenditure of Rs 4481.73 lakhs.

The figure given below shows the percentage of expenditure under the IHSDP projects sanctioned for different cities of Orissa.
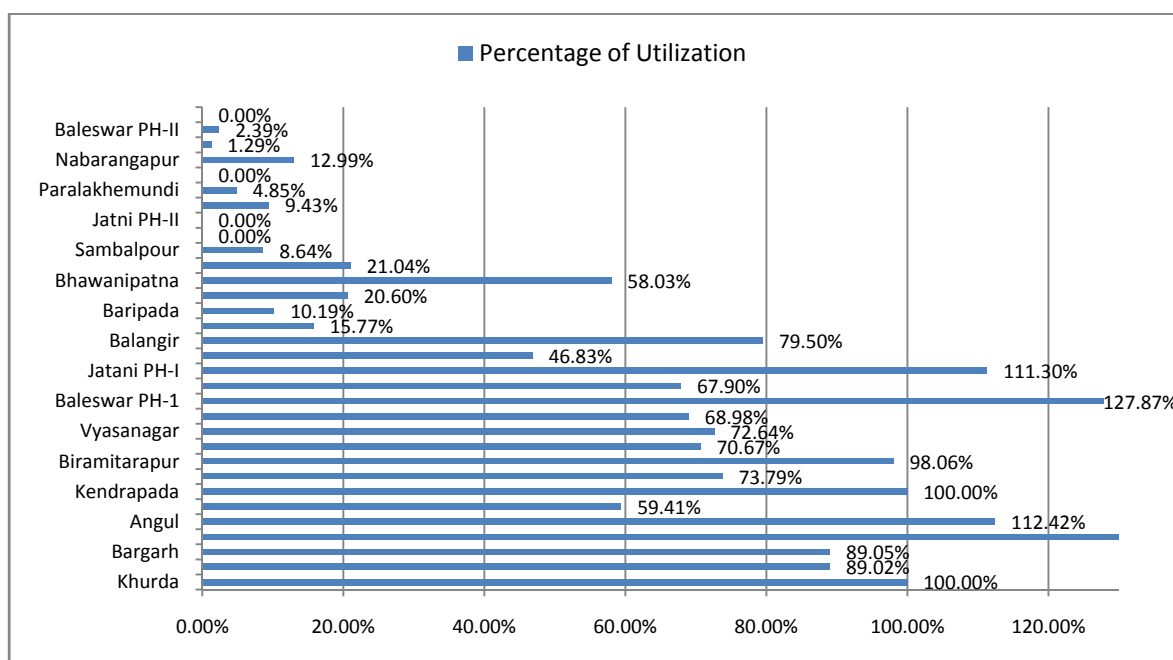

Figure No. 5: Financial Utilization of grants received under IHSDP in the towns of Orissa

As described before the projects this scheme relate to the construction of dwelling units in different slums of the town. From the above figure, it can be seen that work has started in majority of the towns under this scheme. Out of the 32 approved projects covering different cities work has not yet started in 3 towns while it is in various stages of completion in the other selected towns of the state. The average utilization of financial grants in this case is high. While in some towns (around 10) the level of utilization is below 50%, most of the cases it is above the half way mark. In three towns (Khariar Road, Angul and Baleswar) the financial utilization is above the cent percent mark. The figure given below shows the physical achievements of the scheme.
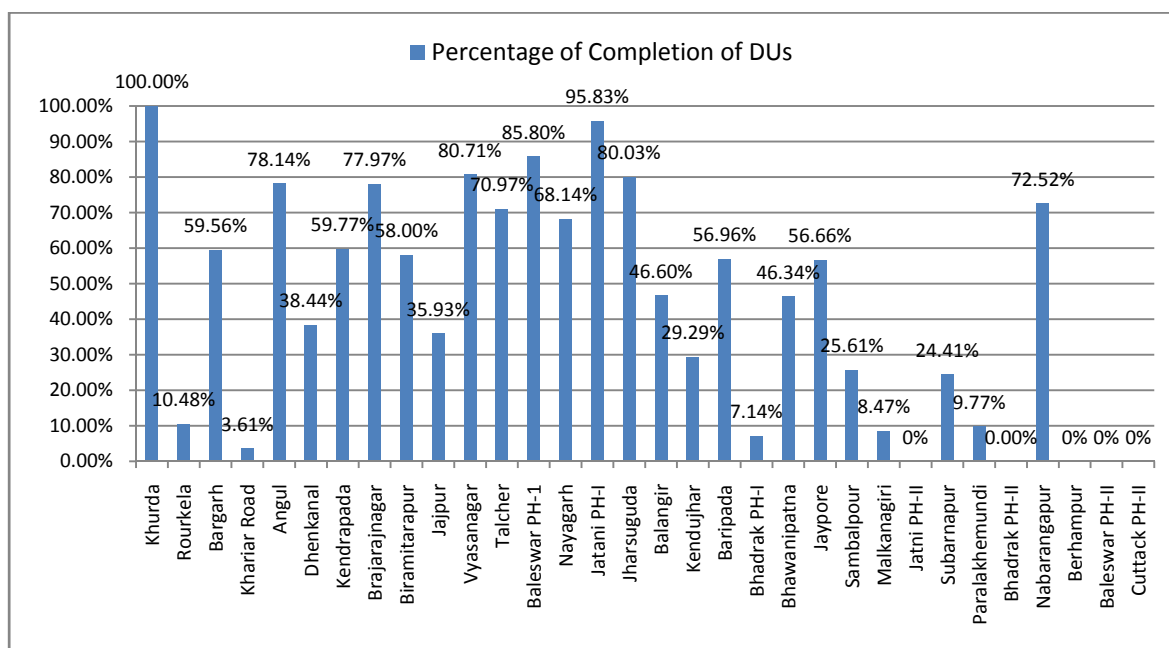

Figure No. 6: Percentage of completion of DUs under IHSDP in the towns of Orissa

From the above figure it can be seen that the progress of the scheme is not upto the satisfactory level across majority of the towns. Majority of the ULBs are lagging behind in terms of the deadlines for completion. It is also very disappointing to note that in some of the towns the work has not at all started. Out of total number of dwelling units 4884 dwelling units sanctioned in 15 towns during 2007-08, 7433 houses sanctioned in 16 towns during 2008-09 and 456 houses sanctioned in one town during 2009-10. Work is in progress for 6930 DUs. As all the projects are in-situ development, participation by contractors is poor even after tendering two times. Execution through beneficiaries is also not remarkable. Recently, decision has been taken to involve NGOs in the execution of IHSDP projects. The highest share of approved houses was for the town of Vyasanagar, where construction of 1016 houses were approved out of which 820 have been completed and construction is going on in the rest 58 dwelling units. The table given below shows the details.

Table No. 16: Progress of Ongoing Schemes Sanctioned Under IHSDP in Orissa

ULBs	Project Cost	Financial (in Rs. Lakh)			Physical (No. of Units)		
		Released	Exp. upto March 2011		DUs Sanctioned	Progress	Completed
Khurda	1.84	66.92	66.92	100.00%	91	91	0
Rourkela	2.1	170.82	152.07	89.02%	124	13	111
Bargarh	9.46	427.01	380.26	89.05%	732	436	232
Khariar Road	3.93	176.66	244.08	138.16%	305	11	229
Angul	5.15	231.63	260.41	112.42%	334	261	47
Dhenkanal	14.04	631.64	375.25	59.41%	908	349	226
Kendrapada	1.42	58.89	58.89	100.00%	87	52	32
Brajarajnagar	3.15	263.46	194.42	73.79%	177	138	16
Biramitarapur	3.2	134.81	132.2	98.06%	200	116	84
Jajpur	4.63	416.7	294.49	70.67%	295	106	180
Vyasanagar	15.92	716.39	520.36	72.64%	1016	820	59
Talcher	2.86	226.72	156.4	68.98%	155	110	40
Baleswar PH-1	2.98	120.85	154.53	127.87%	162	139	0
Nayagarh	4.24	172.92	117.41	67.90%	226	154	50
Jatani PH-I	1.13	50.78	56.52	111.30%	72	69	0
Jharsuguda	18.03	819.14	383.58	46.83%	786	629	154
Balangir	7.61	345.74	274.88	79.50%	324	151	168
Kendujhar	20.4	757.56	119.44	15.77%	891	261	23
Baripada	10.16	457.31	46.62	10.19%	474	270	17
Bhadrak PH-I	4.67	188.9	38.92	20.60%	238	17	51
Bhawanipatna	3.86	288.22	167.25	58.03%	164	76	88
Jaypore	6.42	283.26	59.59	21.04%	323	183	0
Sambalpour	14.03	521.2	45.05	8.64%	613	157	4
Malkanagiri	5.52	250.79	0	0.00%	236	20	0
Jatni PH-II	3.09	127.21	0	0.00%	132	0	0
Subarnapur	21.48	882.75	83.24	9.43%	934	228	37
Paralakhemundi	6.84	280.26	13.6	4.85%	307	30	0
Bhadrak PH-II	3.63	148.97	0	0.00%	160	0	0
Nabarangapur	5.05	226.2	29.39	12.99%	262	190	0
Berhampur	28.19	1160.5	15	1.29%	1202	0	0
Baleswar PH-II	8.32	347.73	8.32	2.39%	387	0	0
Cuttack PH-II	15.44	531.55	0	0.00%	456	0	0
7 years GOI allocation: Rs. 140.85 crore							
No of projects sanctioned: 32 (in 29 towns): Total 12773 dwelling units with infrastructure facilities.							
Total project cost: Rs. 243.35crore; ACA component: Rs. 176.33 crore ; State share: Rs. 38.35 crore							
ULB share: Rs. 17.15 crore; Beneficiary share: Rs. 11.52 crore							
Source: Dept. of Housing and Urban Development, Govt. of Orissa							

3.4 Work Done Under Accelerated Urban Water Supply Programme (AUWSP)

AUWSP was launched in March 1994 for providing water supply to town having population of less than 20,000 as per the 1991 census. This programme is now commissioned subsumed into the new programme of Urban Infrastructure Development Scheme for Small and Medium town (UIDSSMT) launched during 2005. However, there are project under AUUSP yet to be completed. The following is the funding pattern under this scheme.

- GOI share: 50% of project cost
- State share: 45% of project cost
- ULB share: 5% of project cost

Till the year 2005, around 35 water supply projects were sanctioned in 35 towns under AUWSP. Out of these, only one scheme i.e. Water Supply to Gopalpur town with desalination technology was dropped due to high capital and operation and maintenance cost. The table given below shows the details of the scheme.

Table No. 17: Highlights of Schemes Sanctioned Under AUWSP in Orissa

Abstract	Amount in Rs. Lakh / Nos.
No. of Scheme Completed & Commissioned	29
No. of Scheme Partly Commissioned	3
No. of On-going Scheme	2
Schemes to be deleted (Not taken up)	1
Total	35
Total Central Share received	3402.48
Central Share to be refunded for Gopalpur Scheme	115.41
Central Share to be surrender	20.61
Total Central Share Utilized and UC submitted	3266.46
Central Share	3266.46
Total	3266.46
Source: Department of Housing and Urban Development, Govt. of Orissa	

Beyond the implementation of schemes and programmes, the state government would like to tackle the challenges of urbanization in a more planned and prudent manner in the coming decades. It is an accepted fact that governance and service delivery in the urban areas are becoming increasingly complex with powerful socio-economic, political and technological overtones; thereby calling for continuous research, development and capacity building efforts by the domain experts in an institutionalized manner. Some of the initiatives are:

- Vending Zones - Initiatives towards Low Carbon Society
- Living Heritage Streets
- Bio Composting- Puri Solid Waste Management
- Restoration of Urban Water Bodies, Berhampur Sets Example for Cities of Orissa

- Orissa on track to meet MDG target on urban drinking water - programme "PIYUSH"
- JNNURM: Connecting Capital with Heritage City, Bhubaneswar Puri Public Transport Services

The next section showcases some notable and successful urban initiatives taken in Orissa in the recent years, with the objective to catch on and improvise on them.

Case I: Restoration of Water Bodies: Berhampur Sets Example for Cities of Orissa

Water bodies are perhaps the only lively oasis of the cities. They not only control the temperature but are also a source of vegetation. However many often these oasis are turned into dumping yards for waste or toilet sheet for informal settlers. Cities are learning the benefits of water bodies within their territory. Same time opportunity of grants from govt. is encouraging cities to rejuvenate these water bodies. Berhampur is one such Indian city and has restored more than 22 ponds and restoration is ongoing in another 17 under UIDSSMT. The city mobilized the funds to restore these ponds from Govt. of India, Govt. of Orissa and Berhampur Municipal Corporation sharing the cost in an 80%:10%10% ratio respectively. This is an example of Pro-Poor policy.

Situation before the Initiative

The increase in population in the recent decade has transformed the lakes and ponds into residential or commercial areas. The disappearance of the ponds in Berhampur started in the 80s. Historically there were numerous ponds in the city and they were interconnected to each other through underground channels. However over the years the channels vanished and most of the private owned lakes/ponds were used for residential and commercial purposes. Official statistics today mention the existence of 42 lakes/ponds out of which 39 are in the process of restoration and 3 are in litigation. Water bodies here are either natural lake, manmade ponds which have been built around 18th and 19th century to meet the water requirements of the population. They are also a part of the local hydrologic system. It helps keeping

monsoon waters for the drier periods of the year, to canalize these important flows preventing water logging, inundation and erosion and to ensure refilling of groundwater. They also support the rich ecosystem with a variety of plants and animals. The following are the primary uses:

- Refilling of ground water, ensuring the bore wells do not dry up
- Recreational area for the community
- Regulation of temperature
- Support a rich ecosystem

Problems

The water bodies in Berhampur were in need of a major rejuvenation. As a result of decades of neglect the following were the main problems:

- The storage capacity got reduced over the years due to silting
- The weir was damaged so the water level was going down
- The natural rainwater channels were either blocked or diverted away from the water bodies due to housing construction
- About 80-100% of the water was covered with weeds
- Sewerage management was weak

Strategy Adopted

With its limited resources and financial strength the city council took the mammoth effort to restore these. The criticality of the restoration lies in the fact that:

- The domestic water needs today are met by bore wells in the area

- There are no other civic amenities or parks in layout and the ponds are the only breathing space

Innovation

While debates were going on about the restoration, opportunity came through UIDSSMT. The City Council submitted DPR to restore 39 of the 42 water bodies with the basic objective of improving water quality, recharging ground water, provision of water for animals, water for use in fire fighting and construction activity. The activities included dewatering, desilting, embankment protection, bathing ghats, pavements, periphery lighting, guard wall and aeration of 42 selected water bodies.

Results

The project was approved by Govt. of India with an amount of Rs 1665.89 lakhs under UIDSSMT. All the water bodies were drained in a phased manner and allowing them to dry up in sunlight. Excavation of earth and silt upto the required depth, removal of silt and foreign matters were carried out. The tank bottom surfaces were filled with granular sand for recharging of ground water.

The city will restore around 270 acres of land by the end of the restoration process

of 42 water bodies. This is one of the biggest restorations of water bodies practice in urban areas of Orissa. The physical characteristics of water bodies along with water quality are improving.

Lessons Learned

Many of our city's environments are ruined due to negligence. Berhampur city has transformed itself into a responsible institution in managing environmental resources and setting an example for other cities in this region.

Sustainability

During the course, city learned more and more about lake/ pond rejuvenation in a holistic sense. That is to ensure the lake not only is clean, but sustains the test of time. Hence city must keep constant efforts in focusing on both the aspects of restoration: rejuvenation and sustenance through regular engagement with citizens and users.

Transferability

Berhampur city plans to replicate the same process in restoring remaining water bodies. Similarly this process can be easily replicated in other cities of this region and also in cities across India facing similar challenge in managing water bodies.

Case II: Vending Zones: Initiatives towards Low Carbon Society in Bhubaneswar

In December 2006, Bhubaneswar city embarked on a new initiative to give the much-needed facelift to the city without affecting the livelihood prospects of the street vendors. This has been possible by striking a balance between enhancing the look of the city and accommodating the poor vendors in the prime localities. The

concept of Vending Zone mooted by the BMC was discussed in the City Management Group (CMG) meeting in the General Administration Department wherein representatives of all city stake holders- BDA, PWD, Police, NHAI, Forest Deptt., IDCO were present. The idea was put forth, debated and accepted.

It was in December, 2006. BMC took the lead with Corporators, Khyudra Vyavasayi Mahasangha (the local federation of vendors) and BMC officials coming together for the novel exercise. The first vending zone was set up at Sishu Bhawan square and this set the ball rolling. Presently, there are more than 30 vending zones accommodating 2000 vendors in different parts of the city. This initiative is unique in nature due to the development of Public Private Partnership (PPP) model.

As part of the process, the General Administration Department accords approval for the use of a particular patch of land suggested by BMC as a vending zone, ensuring that it is not very far from the present vending place to avoid too much of dislocation for the poor vendors. Vendors are, thereafter, surveyed, listed & photographed. In a few day (bamboo) structures all painted green has come up with white letters conveying messages like "Clean Bhubaneswar - Green Bhubaneswar".

At this stage, the entire cost is borne by the vendors. However, once a vending zone passes the six months litmus test i.e it functions properly for the period, it becomes eligible for iron structure of either 6'x6' or 8'x6' depending on space availability. An advertising agency then dove tailed which constructs the vending zone at its cost, procuring advertising space atop the shops. This is a win-win situation for all vendors, who get a well developed legal vending space the advertiser who expand its market and the city which get good looks. All along, BMC acts as a facilitator. A comprehensive database of vendors accommodated in the vending zone is being prepared and steps are afoot to issue identity cards to the vendors.

Problems Earlier

Even though law prohibits hawking on the street, public place, still it is a growing practice due to the growing informal economy. The overall problems faced before:
- Street hawking was affecting city beautification
- Were one of the major reasons for accident and traffic obstruction
- Civic body was not getting any revenue

Strategy Adopted

The city was able to convince the vendors and various service providers to shift to vending zones. The following strategy was adopted:
- Step I: Civic body along with street vendors association did enumeration of vendors. Independent surveys were also conducted to identify the correct persons.
- Step II: Civic body then identified a place of relocation of the vendors in consultation with City Management Groups (CMG) which consisted of representatives from various service providers in the city including planning and police.
- Step III: The identified informal hawkers were moved to new location. The existing place was cleaned from encroachers and wire fenced for parking and or plantation.
- Step IV: Vendors were allowed to construct temporary sheds as designed by civic body from recycled bamboo product. Upon successful functioning for six months they were allowed to covert from bamboo to iron sheets.

▶ Step V: The process of construction of Iron shed was done through an advertisement agency. The advertisement agency is given the right to use the defined displayed space for commercial use. The advertisement agency shares some portions of revenue in constructing the sheds.

▶ Step VI: The vending zones have to follow the following instructions of the civic body.

Dustbins	Keep dustbins to collect garbage
Sanitation	Ensure cleanliness of the vending zones
Lighting	Use only CFL bulbs
Advertisement	BMC will collect the advertisement fees
Structure	No permanent structure other than Bamboo or Iron Sheet
Ownership	Vendors can't claim owning the land
Size	Structure would be 6'×6' or 8'×6'

Results

▶ Illegal vending in major streets are encroachment free

▶ Around 30 vending zones were setup with 2000 vendors in all parts of the city

▶ The vending zones are more organized

▶ Civic body received revenue of Rs. 15 lakhs as trade licenses and Rs. 1.96 lakhs as advertisements

▶ Citizens are happy in identifying reliable informal business vendors

▶ Civic body got ride off from everyday eviction drive

Lessons Learned

Although street vending is not new in India, the present practice is a good example of organizing vendors in a zone through partnership, consultation and private sector involvement. These type of programs also help reduce the traffic congestion, improved parking space, equality in space management and contribute substantially in reducing carbon footprints.

Innovation

▶ Organized informal trade linked to beautification, energy conservation, reduction of carbon footprints and building confidence among vendors

▶ Inclusion of private sector to construct Vending Zone at zero cost to the civic body

▶ Any city can use the strategy to motivate informal vendors on forming low carbon society

Sustainability

▶ Growing informal trade in Indian economy will boost vending zones

▶ Inclusive Vending Zone policy is essential

▶ Vending zones near to residential complexes or on way from work place

▶ Advertising rights as per actual rates

▶ Being a PPP it has no financial burden

Transferability

The Vending Zone concept is transferable to any cities having available space near to housing society, streets or commercial areas. Authorities for many Indian cities have visited these for replication in their respective towns.

Case III: JNNURM, Connecting Capital with Heritage City (Bhubaneswar - Puri Public Transport)

Like many urban systems in the world ,Indian cities are facing challenges of mobility .Cities are often ill equipped to control and manage the rampant growth in motorized vehicles. The challenges are to provide affordable, efficient and reliable transport services for the majority of citizens while minimizing negative environmental externalities. Therefore, strategic planning for promotion of environmentally sustainable transport is the option. The present study is on city Bus Services in Bhubaneswar city.

JNNURM created an opportunity for many Indian cities to organize its public transport system. Under JNNURM Bhubaneswar – Puri city received funds for Procuring Buses to run Public Transport in these cities. Govt. of India and Orissa share the cost at 80% and 20% respectively. Govt. Of Orissa has formed a Public Company to operate to run Buses with cost Shares Basis. Respectively City authorities are the Shareholders of the company heads by Mayor of Bhubaneswar.

Public Transport System:

Bhubaneswar, Puri Transport Services Limited (BPTSL) is the first ever formed public company in Orissa State to run city buses. It currently has ten Board of Directors. The BPTSL has the mandate of running city buses in and around linkages of Bhubaneswar and Puri. The BPTSL has 125 buses to run in nine routes covering a distances of 267 km. BPTSL has hired a firm to run the buses with predefined revenue sharing model.

Situation before the Initiative

The Present Population of the city is hovering around a million. Like many urban systems of the world, Bhubaneswar is beginning to smell issues relating to water, waste, transport, Public space, roads and many more. Even global concerns like Global warming, HIV/AIDS and climate change etc. are visible. Perhaps, the biggest challenges for the city is slowly bubbling around are mobility. The absence of organized form of city transport and traffic management system is making the situation worse. Bhubaneswar and Puri together represents many of the common ailments facing by cities in developing countries. Such cities are often ill equipped to control and manage the rampant growth in motorized Vehicles.

As self dependent motorized vehicles ownership is currently increasing resulting in an expected doubling of the motorized fleet over the next years. Similarly, the existing unorganized Public transport system does not have enough buses to complete with other form of motorized options, especially two and three wheelers. In reality Public transport system has losing its importance due to the factors.

Problems

The past experienced of city Authorities in running Public transport system was one of the major obstacles for future thoughts. As result, there is a growth in three wheelers auto rickshaws and personalized

vehicles. As two wheelers, three wheelers and car usages rapidly increase across the cities, the impacts of motorization are increasing clear.

- Deteoriation of air quality and deleterious impact on human health.
- Heightened emissions of greenhouse gases.
- Street noise levels well in excess.
- Increased road accidents along with resultant injuries and death.
- Reduced economic efficiency due to congestion and subsequent productivity losses.

As the experiences from the developed world clearly indicators, once residents become fully motorized reversing such trends becomes quite difficult and costly.

Strategy Adopted

While the growth in motorized vehicles has already changed the urban landscape of cities, there is still an opportunity to direct the transport sector to a different paradigm. The important aspect is people have no options to travel other than personalized vehicles. However, experience realizes many citizens would be interested to turn back the surge of private motorization to public transport and non – motorized options with given opportunity. Same time policy makers learned that integrating people friendly mobility plan instead of engineering driven technology. Bus based transit system, Greenway pedestrian, Transportation Demand Management (TDM) and land use measures can make cities mobility friendlier. Bhubaneswar and Puri instead of worrying towards full individual motorizations leapfrogged from past unsustainable transport

forms to directly into policies and practices leading better mobility .The Process was supported by Govt. at various levels.

Innovations

While city authorized were Planning for introducing Public transport system an Opportunity was conceived at the Govt. of India level to respond global financial recession. In response to recession, the Govt. of India provided economic stimulus to India's Auto Industry by Providing extra financial assistance to cities for buying buses. Like many JNNURM cities, Bhubaneswar and Puri also approached Govt. of India for financial assistance Govt. of Orissa also appointed and Transaction Advisor to assist the Process of implementing city Bus Services.

Govt. of Orissa has formed a first ever a company to run Public transport system as Bhubaneswar-Puri Transport Services Limited (BPTSL). With share of 40% each from Bhubaneswar Development Authority (BDA) and Bhubaneswar Municipal Corporation (BMC) 5% each by Puri Konark Devlopment Authority (PKDA) and Puri Municipality (PM) and 10% by Orissa State Road Transport Corporation (OSRTC). The Mayor of Bhubaneswar acts the chairman of the company.

Results:

A Private Operator was identified for operationalizing bus services in Bhubaneswar and Puri. They will hire Conductor , Driver maintain the bus as per the Annual Maintance contract

(AMC) with bus manufacture , will have to pay fees of AMC , registration , insurance and route authorization. The operator will share revenue generated from advertisements with company. The Private operator has the option to buy back with depreciation price of buses after seven years. The private operator will have to make an upfront payment of Rs 3.40crore 20% of the cost of buses. However ,it paid Rs 85 lakh during signing of Memorandum of Understanding (MoU) and the remaining amount in three installments by May 31 2011.

The fares range from Rs. 2 to Rs. 30. The 125 buses will ply on six designated routes in the capital city three routes in Puri. Two hour long slot each in morning and evening specified as peak hours. Buses will have to touch every designated bus stop in six to 13 minutes interval between 9 a.m and 11.a.m and between 5 p.m and 7 p.m. During the rest period, a town bus will be available at every bus stop in a gap of 13 to 30 minutes. Buses will run from 6 a.m. to 10 p.m. The Bus routes will connect nearby towns like Khurda, Pipili, Konark, with Bhubaneswar and Puri. This will reduce personalized vehicle movement into the cities and encourage use of public transport.

Lessons learned

Leadership, ownership and private operator participation in running public transport system and champions in Govt. are important aspects of grounding the systems. Similarly, approach that is more professional is required to utilize the Transaction Advisors.

Sustainability

In this present form of operation, the govt. will have no difficulty in running the buses. However, govt. will have to provide leadership and policy intervention in making public transport system viable in cities. The operator will put effort in making operation profit from advertisement, bus stations etc. this will add to the expansion of more routes. The system required Integration of bus routes and seamless travel options.

Source: Workshop on Urban Development in Odisha: Opportunities for Growth, 21-22 January, 2011, organized by General Administartion (Administrative Reforms) and Dept. of Housing and Urban Development, Govt. of Odisha.