

# **FINANCIAL RESOURCE MAPPING**

**FOR**

# **PRO-POOR GOVERNANCE**

**PART – I**

# **FINANCIAL RESOURCE MAPPING**

**FOR**

# **UNTIED RESOURCES AVAILABLE AT CITY LEVEL**

**PART – II**



**UN-HABITAT**

**Water for Asian Cities, India Programme  
United Nations Human Settlements Programme (UN-HABITAT)**

**FINANCIAL RESOURCE MAPPING  
FOR  
PRO-POOR GOVERNANCE**

**PART – I**



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## FOREWORD

Today the urban India is facing serious problems due to population pressure, deterioration in the physical environment and quality of life. Nearly one third of the urban India lives below poverty line, about 15 percent of the urbanites do not have access to safe drinking water and about 50 percent are not covered by sanitary facilities. The urban local bodies are facing uphill task of bridging the widening gap between demand and supply in water and sanitation sector due to lack of necessary basic infrastructure facilities. In the process the urban poor suffer the most and are forced to live under unhygienic conditions in slums and shanty areas, lacking in basic amenities. Thus there is need for proper urban reforms to streamline infrastructure facilities to improve living conditions in the expanding cities matching with their growth.

There is need for mobilization of adequate financial resources to facilitate improvement of basic services for the urban poor. Accordingly, UN-HABITAT had conducted a study to assess the availability of fund in the project cities for the development works in the water and sanitation sectors in general and as well as for the poor settlements under various government and non government programmes and drafted the strategy for greater convergence of available resources to achieve the Millennium Development Goals.

The findings of the study have been documented in two volumes. In volume I, an attempt has been made to assess the flow of funds from the Central Government schemes pertaining to urban development with emphasis on poverty alleviation and infrastructure development in slum areas of the 4 project cities. Possibilities of mobilization of funds for infrastructure and slum area development from the new schemes of Government of India under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Integrated Housing & Slum Development Programme (IHSDP) have also been discussed. In Volume II, the untied locally available central and state government funds not necessarily pertaining to the urban administration department, funds available with the local bodies and non governmental sources have been analyzed. Special emphasis are on the MPLAD and MLALAD schemes, public contribution schemes, funds available with the ULBs, District Administration and international and non-government organizations funding.

I hope that the strategy suggested in this report will help the state government to take initiative for mobilisation of additional resources for the attainment of Millennium Development Goals.

**Andre Dzikus**  
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## Abbreviations

ABY	: Ayodhya Basti Yojana
ADB	: Asian Development Bank
DNA	: Data Not Available
EGS	: Education Guarantee Scheme
EWS	: Economically Weaker Section
Gol	: Government of India
GoMP	: Government of Madhya Pradesh
HUDCO	: Housing and Urban Development Corporation
ICDS	: Integrated Child Development Services
IDA	: Indore Development Authority
IDSMT	: Integrated Development of Small and Medium Towns
IHSDP	: Integrated Housing & Slum Development Programme
IMC	: Indore Municipal Corporation
JNNURM	: Jawaharlal Nehru National Urban Renewal Mission
MDGs	: Millennium Development Goals
MP	: Madhya Pradesh
MoU	: Memorandum of Understanding
NCHF	: National Co-operatives Housing Federation
NPEGEL	: National Programme for Education Of Girls At Elementary Level
NSDP	: National Slum Development Programme
RMK	: Rashtriya Mahila Kosh
SJSRY	: Swarna Jayanti Shahari Rozgar Yojana
UADD	: Urban Administration and Development Department
ULBs	: Urban Local Bodies
VAMBAY	: Valmiki Ambedkar Awas Yojana
WAC	: Water for Asian Cities

# 1 Introduction

## 1.1 Background and context

The Water for Asian Cities (WAC) programme was officially launched in March 2003 via a Memorandum of Understanding (MoU) between ADB and UN-HABITAT. WAC in Madhya Pradesh is expected to build on UN-HABITAT's experience in urban water governance and capacity building in other regions as well as ADB's operational experience and lessons from evaluation of impact. UN-HABITAT is mandated under the WAC agreement to develop a strategy for Pro Poor Water and Sanitation Governance in Madhya Pradesh, an initiative which aims to support the attainment of the Millennium Development Goals (MDGs) on water and sanitation and slum upgrading with a special focus on the urban poor. The ADB loan of \$200 million for the '*Urban Water Supply and Environmental Improvement in Madhya Pradesh*' project, focuses on improving primary environmental infrastructure in water, sewerage and sanitation, storm water drainage and solid waste management and on addressing some of the major infrastructural bottlenecks in the delivery of basic services in Bhopal, Gwalior, Indore and Jabalpur.

## 1.2 Rationale for this Study

UN-HABITAT in collaboration with ADB and the Government of Madhya Pradesh organised a workshop on 18<sup>th</sup> and 19<sup>th</sup> March, 2005, to bring together representatives from the State departments dealing with urban development, provision of water and sanitation services and poverty alleviation<sup>1</sup>; officials and elected representatives from urban local bodies of the project cities<sup>2</sup>; representatives from non-government organisations, community-based organisations and academic institutions. The purpose of this workshop was to present, discuss and finalise the approach and strategy to be adopted by UN-HABITAT in the implementation of the WAC in Madhya Pradesh.

The workshop was followed by a roundtable in New Delhi on 21<sup>st</sup> March, 2005 organised by UN Habitat and attended by ADB, Cities Alliance, USAID and DFID, to discuss UN-Habitat's strategy for pro-poor water and sanitation and urban governance in Madhya Pradesh. The issue of financial resources available for pro-poor infrastructure and services in the project cities was raised and discussed and development partners present, endorsed UN Habitat's proposal to commission a study that would map various sources of funding with direct or potential relevance for poverty-focussed initiatives in water and sanitation in the four project cities. It was felt that a good understanding of government and non-government sources of finance and resources available would help donors to complement existing resources and strengthen their uptake where it was less than optimal.

## 1.3 Approach and methodology

The 'Financial Resource Mapping' exercise endeavours to:

- Identify sources of finance including both governmental<sup>3</sup> and non governmental sources (private, NGO, donor agencies) available in the project cities in the thematic areas of water, sanitation, social participation, health and hygiene promotion.

<sup>1</sup> Including Urban Administration and Development Department, District Urban Development Agency and Public Health and Engineering Department

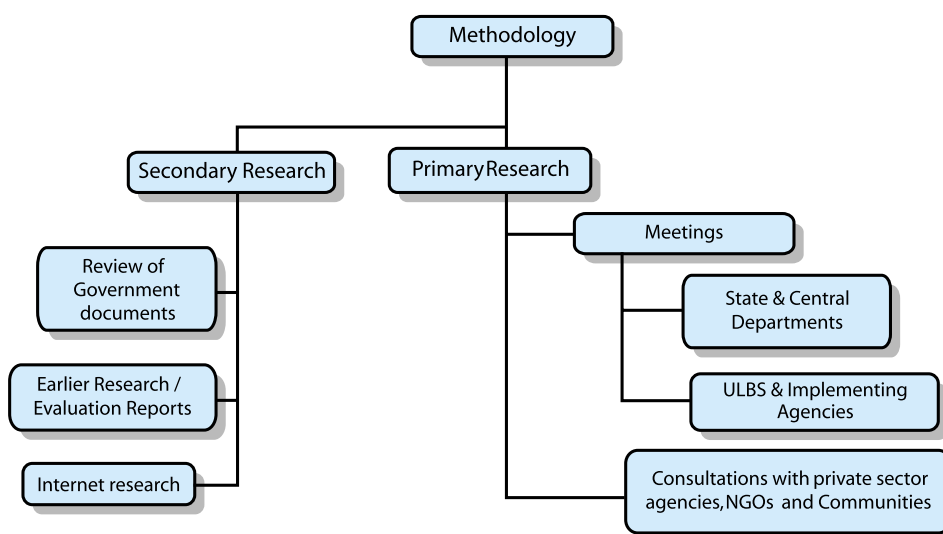
<sup>2</sup> Including Bhopal Municipal Corporation, Indore Municipal Corporation, Jabalpur Municipal Corporation and Gwalior Municipal Corporation

<sup>3</sup> The governmental sources include all centrally and state sponsored schemes and programmes on urban poverty alleviation, women's empowerment, health and education linked to urban environmental improvements with a focus on water and sanitation.

- Identify the criteria for uptake of these schemes or sources of funding.
- Analyse the funding from all sources and its current uptake in the project cities for ascertaining the areas / sectors with financing gaps and / or potential for convergence.
- Ascertain enabling and disabling factors for accessing funds and uptake in the project cities.

This report summarises findings from consultations organised in New Delhi and in the four project cities in Madhya Pradesh with government officials in ministries and departments involved in Urban Development, Urban Poverty Alleviation and Women and Child Development, officials of agencies implementing and monitoring schemes, NGOs, CBOs and beneficiaries; and resource organisations. The methodology followed is represented in brief, in the diagram below.

**Fig 1: Methodology of Financial Resource Mapping Study**



## 2 Government Schemes

### 2.1 Schemes in urban areas

Poverty in India continues to be conceptualised largely as a rural phenomenon by policy makers and donors alike. It is no different in Madhya Pradesh where the analysis of data, advocacy and investments remain skewed towards rural areas largely ignoring the evidence of the rapid urbanization of poverty. As such the lack of accurate data on gaps between entitlements and access to services for the urban poor is matched by a corresponding lack of financial and other resources targeted at correcting these inequities. The MP Human Development Report, 2002, declares that there has been a moderate decline in rural poverty across the State, but is silent on the increase in the urban poor manifested in MP's high urban poverty ratio relative to other states in India. (Planning Commission, 1997)

Nevertheless, in the current decade, the number of government financed Urban Poverty Alleviation Initiatives (UPAIs) have been on the rise, indicating the increasing importance accorded to urban development and poverty alleviation by the Centre. The GOI's poverty programs are managed and funded by different lines departments and institutions namely the Department of Social Welfare; Department of Women and Child Development, Ministry of Human Resource Development; Ministry of Urban Development; and Ministry of Urban Employment and Poverty Alleviation. The Central Government sponsored UPAIs can be classified into three categories Housing, Welfare and Credit and Employment.



State Governments also have a mandate to design and implement schemes and programmes aimed at urban development and poverty alleviation. Additionally, following the 74<sup>th</sup> Constitutional Amendment Act, “economic and social planning as well as poverty alleviation” has been added as obligatory functions of urban local bodies. In MP, the State government has devised some innovative mechanisms such as the Shelter Fund – *Ashray Nidhi* for directing funds available from private real estate developers towards slum upgradation and poverty alleviation. Experiments in slum upgradation and provision of basic services and facilities such as the Slum Networking Initiative at Indore and Bhopal have also been undertaken at various points.

## Schemes in Urban MP

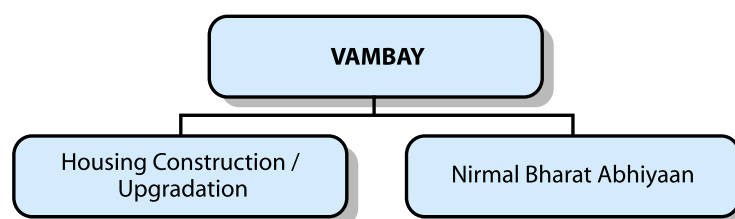
Madhya Pradesh has a large and growing urban population. In 2001, approximately 16.1 million people (27%) of the state’s population were residing in urban areas<sup>4</sup>. The growth rate for the urban population in the state averaged 2.8%<sup>5</sup> per year in the last decade (1991-2001), and is the fifth highest among all states. Table 1 overleaf, presents an overview of government schemes for urban development and poverty alleviation in Madhya Pradesh, highlighting sector-wise resource flows. A cross-sectoral analysis of fund flows reveals that most government investment via schemes is directed towards housing and infrastructure provision.

## 2.2 Government Schemes<sup>6</sup> in Project Cities

### 2.2.1 Valmiki Ambedkar Awas Yojana (VAMBAY) 2001

VAMBAY is aimed at **bridging the long-standing gap in the provision of shelter** (or upgrading existing shelter) to people living below the poverty line in urban notified slums. The target group under VAMBAY is specified as *all slum dwellers in urban areas that are below the poverty line including members of EWS who do not possess adequate shelter*. An important sub component of the scheme is the Nirmal Bharat Abhiyan, which is a sanitation initiative aimed at **ensuring access to sanitation facilities for the slum dwellers**.

Fig 2: Components of VAMBAY



Residents of the Satnami Slum Community stated that there were delays in the sanctioning of the VAMBAY scheme in their slum settlement because they did not possess a *patta* (land title).

Mixed FGD with Satnami Slum Community, Bhopal, 25<sup>th</sup> April, 2005

<sup>4</sup> Proportion of urban population in India averaged 27.8 percent in 2001.

<sup>5</sup> The decadal growth rate was 31%; a geometric mean of 2.8% per year

<sup>6</sup> Refer Annex 2 for details of each scheme and Annex 3 for scheme guidelines

Table 1: Government Schemes for Urban Development and Poverty Alleviation in Madhya Pradesh

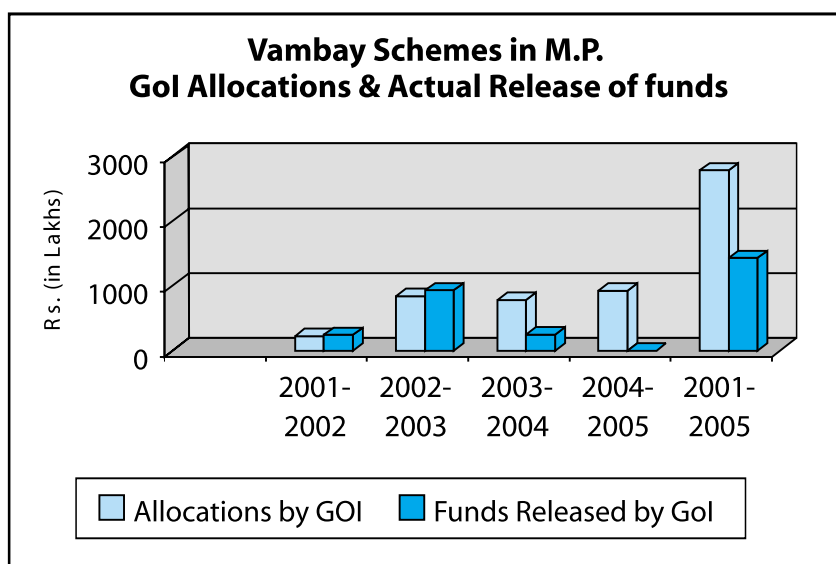
Year	Scheme	Sub Schemes	Credit	Employment	Training	Education	Health	Housing	Infrastructure	Sanitation	Land	Nutrition	Remarks	Componets related to urban poor
1979	Integrated Development of Small and Medium Towns (IDSMT)												Infrastructure provision as per City / Town Development / Master Plans with city / town wide significance	The only component specifically targeting the urban poor is towards proving "social amenities for the poorer section"
1993	Accelerated Urban Water Supply Programme (AUWSP)												Providing safe and adequate water supply facilities to towns having population less than 20,000	No specific component for the urban poor, although indirect benefit is anticipated
1992	Night Shelter Scheme for Urban Shelterless												Construction of community night shelters with community toilets and baths and toilets community pay and use toilets for the homeless	Targets Urban homeless and pavement dwellers
1997	Swarna Jayanti Shahari Rozgar Yojana (SJSRY)												Providing gainful employment to the urban unemployed and underemployed poor. Instruments for employment generation: capacity building & credit assistance for micro enterprises; opportunities for earning wages under municipal works; and intermediation in household savings	All
		Urban Self Employment Programme: Self-employment through setting up Micro-enterprises and Skill development; DWCUA; Thrift and Credit Societies; Infrastructure Support: Training; IEC and Admin. Support												
		Urban Wage Employment												
1997	National Slum Development Programme (NSDP)												Provision of physical infrastructure, social infrastructure, community structures and shelter upgrading work (not less than 10% of total allocation)	All

Year	Scheme	Sub Schemes	Credit	Employment	Training	Education	Health	Housing	Infrastructure	Sanitation	Land	Nutrition	Remarks	Components related to urban poor
2001	Valmiki Ambedkar Malin Basti Awas Yojana (VAMBAY)	Housing Construction / upgrading											Housing construction / upgrading and toilet construction	
		Nirmal Bharat Abhiyaan											Aims at identification of scavengers and their dependents, Training of scavengers and their dependents in identified trades; and Rehabilitation of scavengers in various trades and occupation by providing subsidy, margin money and loan.	
1993	Liberation and Rehabilitation of Scavengers (SLRS)												Conversion of dry latrines into low cost twin pit sanitary latrines, construction of new latrines and pay and use toilets	
1981	Sanitation (LCS) (for liberation of scavengers)												Addresses the needs of adolescent girls for self-development; nutrition and health status; literacy and numerical skills; and vocational skills.	
1975	Integrated Child Development Services (ICDS)													
1997	Kishori Shakti Yojana (KSY)													
2001	Sarva Shiksha Abhiyan (SSA)													

VAMBAY enjoys GOI funding of 50% with the balance 50% to be arranged by the State Government. Ceiling costs are prescribed both for dwelling units and community toilets<sup>7</sup>. State Governments have the option to mobilize its matching portion of 50% from other sources, such as their own budget provision, resources of local bodies, loans from other agencies and contributions from beneficiaries or NGOs. The Government of India subsidy is to be released only after the States' matching share of 50% has been released. The Government of India (GoI) subsidy and the loan are to be released by HUDCO to the State Urban Development Agency (SUDA) / District Urban Development Agency (DUDA).

From the initiation of the scheme in 2001-2002 up to March 2005, a total of Rs. **2788.67 lakh** was allocated for VAMBAY schemes in Madhya Pradesh by the Government of India. Of this amount, **Rs. 1436 lakh<sup>8</sup>** (51.49% of the total allocated amount) has been released by the GoI.

**Fig 3: Comparison of GoI allocation and actual release of funds, VAMBAY, MP**

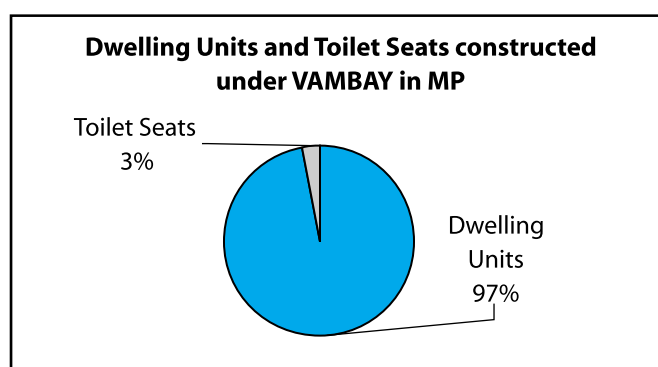


Under various VAMBAY Schemes operational in the state a total of **6062 dwelling units** have been covered and **170 toilet seats (only 2.8% of the total dwelling units constructed)** have been provided. The GOI guidelines for VAMBAY are broad based with the assumption that each State may further specify detailed guidelines to ensure that the scheme's twin objectives of shelter and sanitation are met. Although Nirmal Bharat Abhiyan was added on to the scheme as an integral sub-component of VAMBAY, to ensure that dwelling units included access to basic services through individual or community toilet blocks, in reality this does not always happen. In the Indore Vambay initiative, the team was informed by community members that a large number of dwellings had been constructed without direct access to water and sanitation.

<sup>7</sup> The upper limit for construction of VAMBAY units is Rs 40,000 with provision for toilet. For metro cities with a population of more than one million the upper limit for construction is Rs 50,000 and for mega cities (Delhi, Mumbai, Kolkata, Chennai, Hyderabad and Bangalore) it is Rs 60,000 per unit. In hilly and difficult areas this ceiling can be enhanced by 12.5%. Approximately 20 percent of the total funds allocated can be used for upgrading existing dwelling units in slums; the upper limit for up-gradation of an existing unit shall not be more than 50% of the ceiling specified for construction of a new house. The average cost of community toilet seat has been estimated at Rs 40,000 per seat.

<sup>8</sup> This figure does not include funds released by GoI in 2004-2005 for which data was not available.

**Fig 4: Dwelling units and toilet seats constructed under VAMBAY**



### Overview of VAMBAY in Madhya Pradesh

There are a total of 28 VAMBAY schemes that have been implemented in the state, mainly concentrated in the cities of Bhopal (4) and Indore (9).

**Table 2: VAMBAY scheme overview – 2001-2005**

Year	Estimated Slum Population – as per TCPO (population in lakhs) (% of total population)	Allocations by Gol (Rs. in lakhs)	Funds Released by Gol (Rs. in lakhs)	No. of Dwelling Units constructed	No. of Toilet Seats constructed
2001-2002	20.406 (3.30%)	227.74	246	984	0
2002-2003		847.75	934.78	4054	170
2003-2004		787.18	255.22	1024	0
2004-2005		926			
<b>2001-2005</b>	<b>20.406 (3.30%)</b>	<b>2788.67</b>	<b>1436</b>	<b>6062</b>	<b>170</b>

The Municipal Corporation of Bhopal (MCB) is currently implementing two VAMBAY schemes. A scheme that has recently been approved for Bhopal covers **1214 houses**. The first instalment of **Rs 100 lakh** has already been released by Gol.

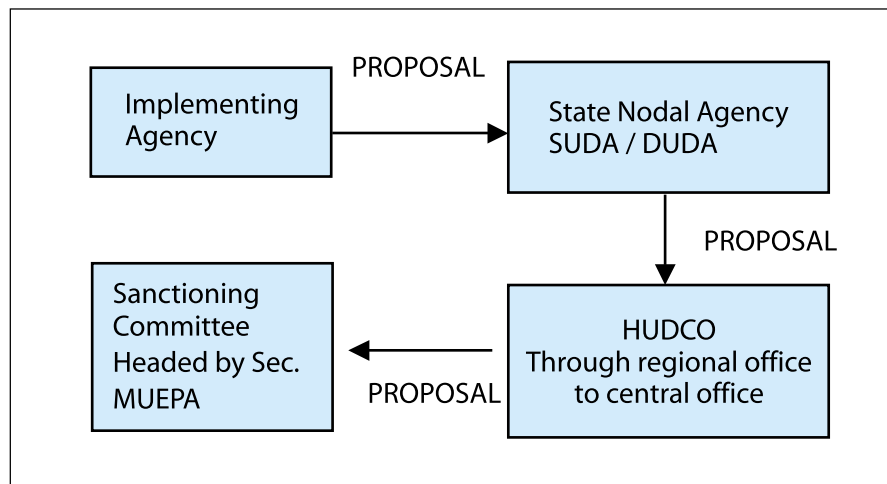
The Indore Municipal Corporation (IMC) and Indore Development Authority (IDA) are the two agencies involved in implementing VAMBAY schemes in Indore. IDA had submitted proposal for six schemes under VAMBAY covering 28 slums and 4,804 houses. However, the schemes have been approved by HUDCO but with changes in the total number of beneficiaries, reducing it from 4804 to 800.

Compared to other states like Andhra Pradesh, Maharashtra, Karnataka, Tamil Nadu, Kerala, Uttar Pradesh and Gujarat the **uptake of India funds for VAMBAY schemes in Madhya Pradesh has been quite low**. There is potential for much better utilisation of this scheme by addressing some of the barriers to utilisation presented below.

## The Monitoring Agency's (HUDCO) Perspective

- The **proposal formulation is long and tedious** due to the requirement of providing socio economic and caste details and proof of proposed beneficiaries
- **The project approval process takes quite long:**

Fig 5: HUDCO's Perspective



## Implementing Agency's (ULBs / DAs) Perspective

- **Mismatch between actual cost of housing construction and the provision under the scheme**
  - Unit cost as provided under the scheme = Rs. 50,000
  - Actual Cost = Rs. 75,000.
- **Provision for housing construction and not for infrastructure:** The scheme provides funds only for construction of houses and not for infrastructure provision. This results in houses not getting connected to essential services. The implementing agencies feel that this component should be included within VAMBAY and funds should be made available from other ongoing schemes such as National Slum Development Programme and / or Shelter Fee Fund (Ashray Nidhi).
- **Long and tedious project formulation, approval and sanctioning process**

## Beneficiaries' (ULBs / DAs) Perspective

- **Area of houses is very small<sup>9</sup>** and doesn't provide enough space for all essential household activities.
- **Planning of the houses** is illogical since the toilet is oddly shaped, with doors opening inwards and they are positioned very close to the cooking area, in several houses.
- **Limited access to information** on the scheme available from the implementing agency
- **Lack of mechanisms / platforms to ensure community participation in design, monitoring of construction and project implementation**

<sup>9</sup> An area of 18-20 sqmt are has been approved under the scheme.

**Fig 6: What poor women feel about VAMBAY**

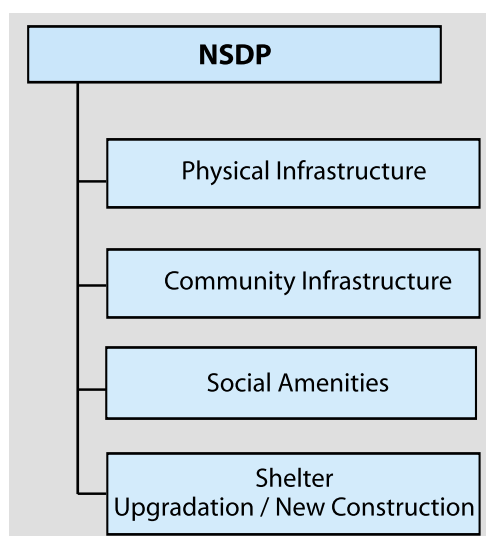


The women are **extremely** dissatisfied with the size of houses allotted. They were used to having access to a larger area, due to use of the space surrounding their slums. Now with multi-storeyed apartments, they were finding it problematic. There are very frequent **arguments** with neighbours since the tendency is to use the space outside the apartment (to dry clothes, utensils etc). They also claim that they were promised a separate kitchen and balcony, but the **quality** of the houses finally allotted, are far lower than the promised standards. The **toilets** are inconveniently shaped and positioning is illogical due to its proximity to the kitchen area. The promises made at the time of proposal submission have not been met. They also stated that the contractor had made one sample house fitted with several additional amenities, to show to all officials, but in reality the houses are far smaller and are nothing like the sample flat.

Views expressed by new occupants of Arjunpura Slum Settlement under the VAMBAY scheme in Indore Focus Group Discussion, April 27<sup>th</sup>, 2005

## 2.2.2 The National Slum Development Programme (NSDP) 1996

**Fig 7: Components of NSDP**



The NSDP embodies the principle that households in all urban informal settlements should have access to certain basic minimum services irrespective of land tenure or occupancy status. The scheme is applicable to all urban centres and includes the **provision of physical amenities** (water supply, storm water drains, community bath, widening and paving of existing lanes, sewers, community latrines, street lights, etc.), **community infrastructure, primary health care centres, social amenities and shelter up-gradation or construction of new houses (including EWS)**.

The Planning Commission indicates annual allocations at the beginning of each financial year. Allocations between States are made on the basis of the slum populations in the States. State governments can also work out state specific schemes for housing construction/up-gradation subject so that the scheme

is not entirely subsidy based and but contains a loan component as well. The housing construction sub-component should not be less than ten percent of the total allocation.

## Limited coverage of identified Slums / Beneficiaries under NSDP

- NSDP is limited to government recognised or notified slums only.
- The scheme has been able to cover only less than half of the slums / identified beneficiaries identified in Bhopal (41%) and Gwalior (43%) from the initiation of the scheme till 2003-2004. In Jabalpur the reported coverage for the same period was 100%.
- In the year 2004-05 the coverage was very low in Bhopal (19%) and Gwalior (49%).

**Table 3: Beneficiaries identified under NSDP 2003-2005**

City	No. of beneficiaries identified for coverage	No. of beneficiaries covered in 2003-2004	No. of beneficiaries covered in 2003-2004	No. of beneficiaries covered in 2004-05
Bhopal	354980	145865 (41.09%)	209115	40500 (19.37)
Indore	DNA	DNA	DNA	DNA
Jabalpur	667815	667815 (100%)	667815	667815 (100%)
Gwalior	537117	230750 (42.96%)	140000	68110 (48.65%)

## Limited Allocations and Uptake

- **Annual Allocations** under NSDP are to be made on the basis of proportion of slum population. In the project cities the **annual allocations are not uniform across financial years and there is a lot of variation in the funds allocated.** . This is a clear **deterrent for effective programme planning by the implementing agencies (DUDA and ULBs).**

**Table 4: Allocations under NSDP**

City	Minimum Annual Allocation under NSDP	Year of the Allocation	Maximum Annual Allocation	Year of Allocation under NSDP
Bhopal	Rs. 63.26 lakh	2000-2001	288.63 lakh	1997-98
Indore	Rs. 2.45 lakh	2004-2005	Rs. 214.54 lakh	1999-2000
Jabalpur	Rs. 12.41 lakh	2000-2001	Rs. 185.26 lakh	2000-2001
Gwalior	Rs. 7.47 lakh	1999-2000	Rs 163.46 lakh	2001-2002

## Allocations and Actual Uptake

- The **disbursal of funds under NSDP usually takes place in either the last quarter (January – March) or the second last quarter (October – December)** due to which funds cannot be spent in the financial year and there are **huge unspent balances in the beginning of financial year.**
- **The officials of implementing agencies were of the view that the allocations do not meet the actual demand.**

## Uptake and Use of Funds allocated for Construction Activities

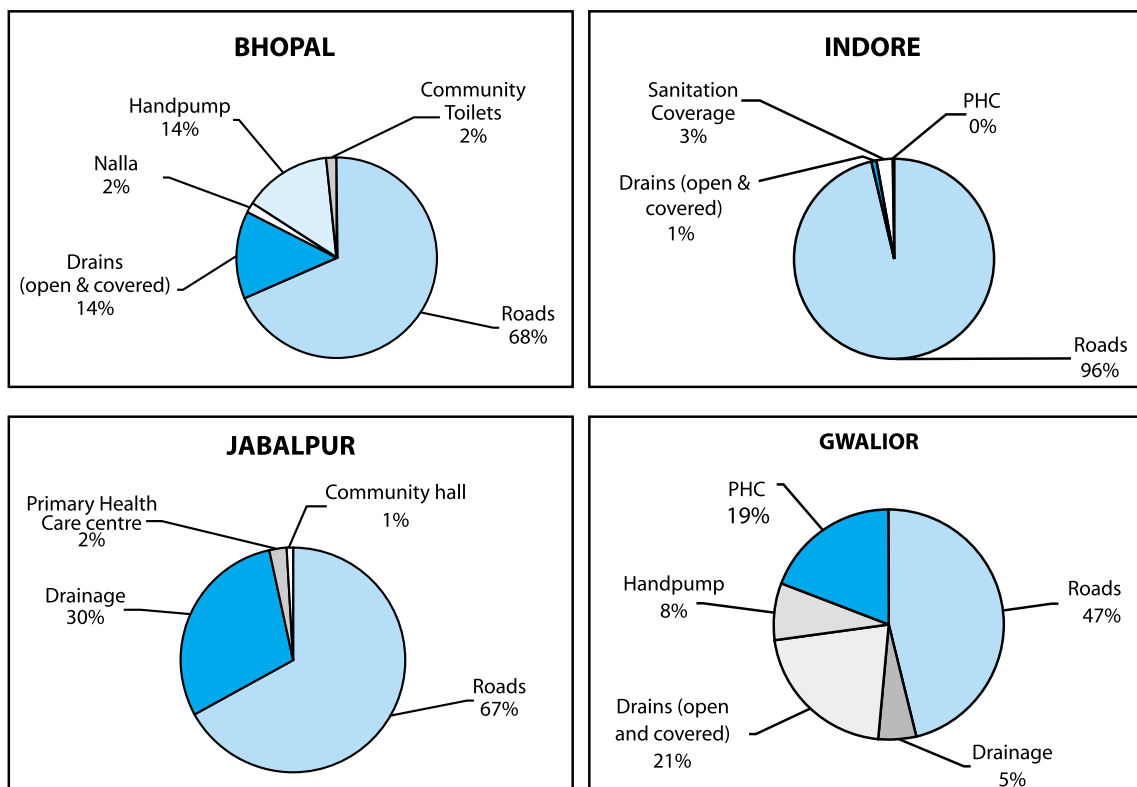
- The uptake is usually the highest in wards<sup>10</sup> that have powerful political representatives (Councillors).

<sup>10</sup> The coverage of settlements / beneficiaries is limited to notified slums and its residents.



- Funds are rarely used for construction activities aimed at providing better access to basic services (water and sanitation) and social services.
- Funds are mainly used for construction of roads. Officials at the implementing agencies and monitoring bodies (DUDA) were of the view that this was because the maximum kickbacks from contractors are available in the roads sector.

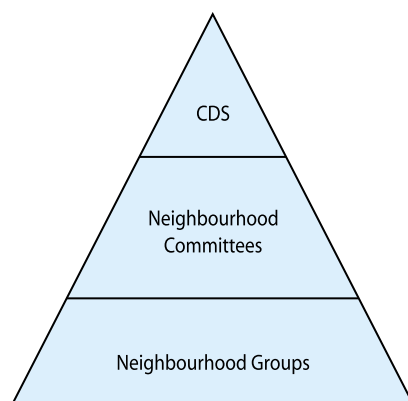
**Fig 8: Details of Expenditure Incurred under Construction Activities under NSDP in Project Cities 2004-2005**



### 2.2.3 Swarna Jayanti Shahari Rozgar Yojana, JSRY 1997

JSRY aims to **provide gainful employment to the urban unemployed and underemployed poor** by encouraging the setting up of self-employment ventures or the provision of wage employment. JSRY rests on the foundations of community empowerment<sup>11</sup>.

**Fig 9: Mechanisms for Implementation**



<sup>11</sup> Towards this end, community organisations like Neighbourhood Groups (NHGs), Neighbourhood Committees (NHCs) and Community Development Societies (CDSs)<sup>11</sup> are set up in target areas.

SJSRY has two basic components – The Urban Self-Employment Programme (USEP) and the Urban Wage Employment Programme (UWEP).

The **Urban Self-Employment Programme (USEP)** has the following sub-components

- **Providing assistance to individual urban poor beneficiaries** for setting up gainful self-employment ventures.
- Providing assistance to groups of urban poor women for setting up gainful self-employment ventures – **Development of Women and Children in the Urban Areas.**
- **Training beneficiaries**, potential beneficiaries and other persons for up-gradation and acquisition of vocational and entrepreneurial skills.

The **Urban Wage Employment Programme (UWEP)** aims at providing wage employment to beneficiaries living below the poverty line within the jurisdiction of urban local bodies by utilising their labour for construction of socially and economically useful public assets. While the USEP is applicable to all urban centres the UWEP is applicable only to urban centres with a population of less than 5 lakh population.

### SJSRY in MP

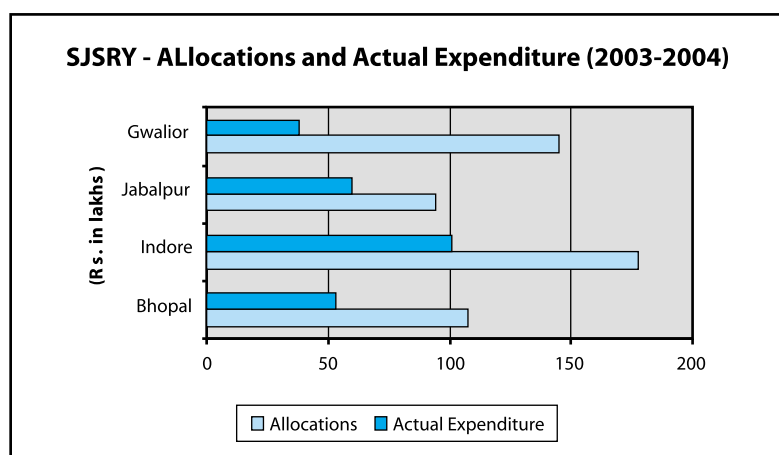
The highest allocation for all cities in 2003-04 has been in the urban self employment component. In Bhopal the **utilisation** has been 122.5%, in Indore, 102.97%, in Jabalpur, it was 102.19% and in Gwalior, it was 99%.

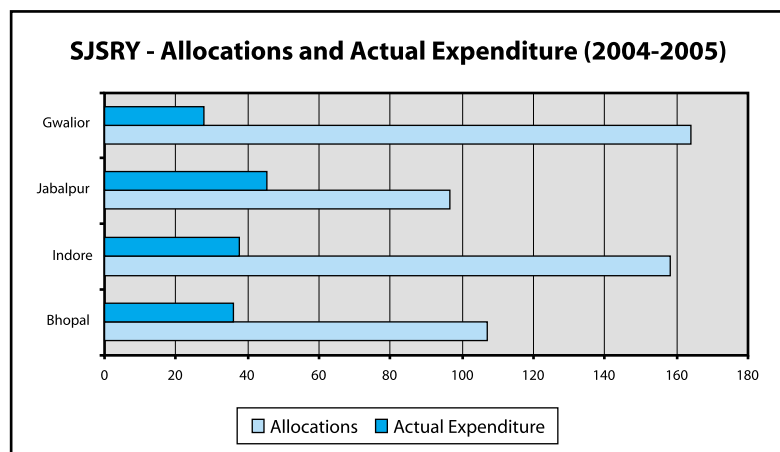
**Table 5: Status of SJSRY in project cities**

	2003-2004		2004-2005	
	Allocations	Actual Expenditure	Allocations	Actual Expenditure
<b>Bhopal</b>	107.84	53.17	107.09	36.25
<b>Indore</b>	177.83	101.11	158.17	37.86
<b>Jabalpur</b>	93.57	59.31	96.5	45.32
<b>Gwalior</b>	144.47	37.95	164.01	27.59

Utilisation of the other components of infrastructure support, women and child development, thrift and credit societies and community structures provided for under this scheme display very low fund utilisation in comparison for the period 2003-04, 2004-05.

**Fig 10: Allocations and expenditure of SJSRY funds; 2003-2005**





## 2.2.4 Low Cost Sanitation for the Liberation of Scavengers, 1981

The objective of the scheme is to **convert dry latrines into low cost twin pit sanitary latrines / construct individual / community sanitary latrines**. It was envisaged that this would result in **liberation of scavengers from manual scavenging** and improve the overall sanitation in the towns. The financing pattern (loan and Subsidy proportion) is based on the income of the beneficiary. The loan and Subsidy is extended by Housing and Urban Development Corporation (HUDCO).

**Table 6: Overview of LCSLS in the four project activities**

Sch. No.	No. of Towns	Project Cost (Rs. in lakh)	Loan Amt	Subsidy		Number of Units				Number of Scavengers		Physical Progress
				Sanctioned	Released	Conversion	Construction	Community Toilets	Completed	Public	Private	
17410	Bhopal* (11)	120.95	0	55.79	55.79	4100	0	0		158	0	100.00
17412	Gwalior* (7)	192.93	0	89	89	6540	0	0		137	0	100.00
17414	Indore* (7)	134.4	0	62	62	4556	0	0		240	0	100.00
17415	Jabalpur* (5)	142.13	0	65.56	65.56	4818	0	0		285	0	100.00
17590	Indore* (39)	602.36	0	277.86	277.86	20419	0	0	19754	532	0	96.74
17593	Jabalpur* (32)	763.02	0	351.97	351.97	25865	0	0	24722	349	0	95.58
17595	Gwalior* (10)	785.08	0	362.15	362.15	26613	0	0	26102	195	0	98.08
17596	Bhopal* (27)	519.44	0	239.61	239.61	17608	0	0	17451	194	0	99.11

\* Including the division headquarter (Gwalior, Indore & Jabalpur)

# Excluding Bhopal

The Department of Urban Administration and Development (UADD) in Madhya Pradesh (till 31<sup>st</sup> March 2005) has implemented 34 schemes under the banner of Low Cost Sanitation. While the NSSO Survey (1989) estimated the total number of dry latrines in the state to be 6,11,920, conversion of only 44% of the existing latrines (2,72,957) has been sanctioned till March 2005. All the schemes sanctioned in Madhya Pradesh are for only **one component of the scheme**, that is, **conversion of dry latrines into low cost twin pit sanitary latrines and there are no schemes for construction of individual sanitary latrines or community toilets**. Of the total 2,72,957 latrines sanctioned for conversion, while 2,44,513 (89.57%) have been converted till 31<sup>st</sup> March 2005, in the remaining work is in progress.

The NSSO Survey (1989) estimated the total number of scavengers in the state to be 30,895. The target set for ILCS was to liberate 7510 scavengers (only 24% of the total identified scavengers) of which 3924 (52% of the target) have been liberated so far.

The State Government enacted "The Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993 and its rules in 1998 to address the issue of manual scavenging.

According to HUDCO Officials at its Regional Office in Bhopal, the Department of Urban Administration claims that the target of conversion of all dry pit latrines into pour flush latrines has been met. The Government of MP has declared all towns covered under the scheme as scavenger free and have written to HUDCO asking for the scheme to be discontinued.

This claim, is however, challenged by non-government organisations like Action Aid and Sulabh International. ActionAid officials, who run the Garima Abhiyan, a campaign that works for the rehabilitation of scavengers, were of the opinion that the cities are no where close to being scavenging free and that manual scavenging continues in many urban areas. They shared that most households that have dry latrines consider it a symbol of power and a matter of pride to have someone come and carry the night soil. This viewpoint was corroborated by officials at Sulabh International, New Delhi.

### 2.2.5 Night Shelter scheme for Urban Shelterless (Shelter and Sanitation Facilities for Footpath Dwellers)

Shelter and Sanitation Facilities for Footpath dwellers in Urban Areas was initiated during the VII Plan, but was later modified and called 'The Night shelter scheme for the Urban Shelterless. The scheme aims at **providing shelter to footpath dwellers** including destitute women, street children, beggars, orphans. This scheme provides for **construction of community night shelters (with community toilets and baths) and construction of community pay & use toilets / baths** for the homeless. The Central grant assistance is envisaged as an input in the overall scheme and the remunerative components are to be financed by the implementing agency from various sources. The remunerative components are aimed at reducing the loan burden of the beneficiary agency and to defray maintenance costs. HUDCO is responsible for appraisal, financing and monitoring of the scheme under the supervision of Ministry of Urban Development.

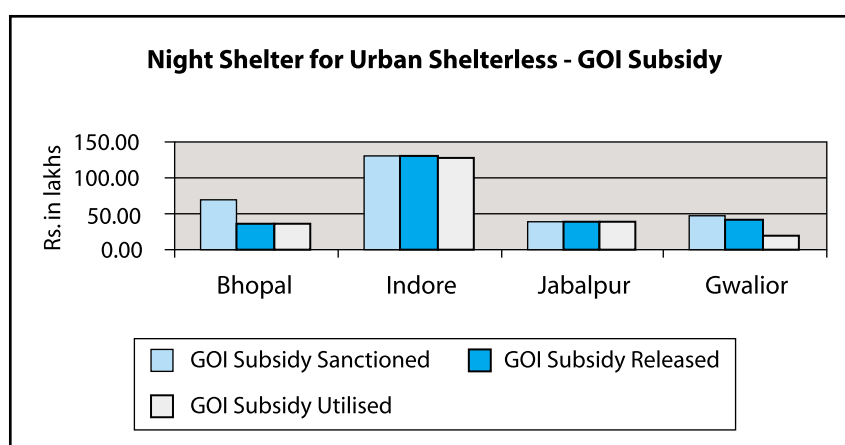
One scheme has been implemented in each of the four project cities. The total funds available under this scheme for each city range from Rs.39.48 lakh (Jabalpur) to Rs.129.6 lakh (Indore). The allocations in this scheme depend upon the demand from the cities/implementing agencies. The low allocations among the project cities thus reveal a low level of demand for this scheme. Additionally, the actual GOI subsidy released is usually much smaller than the sanctioned allocations – in Bhopal while Rs.70 lakh was sanctioned only Rs.35 lakh (50%) was released and in Gwalior only Rs. 40 lakh was released, as against the Rs.45 lakh sanction.

The scheme was transferred from the Central Government to the State Governments w.e.f. 1<sup>st</sup> April 2005. Officials at HUDCO cite few takers and the slow progress of the scheme to be the major reasons for the Central Government's decision to transfer it to the state. In Madhya Pradesh, in the light of this development, the scheme has been transferred to the UADD from the current financial year (2005-06). While data is available on the allocations under various schemes implemented in the project cities there isn't any information available regarding the actual uptake/utilisation.

**Table 7: Night Shelter Scheme - Uptake 1**

City	GOI Subsidy Sanctioned	GOI Subsidy Released	GOI Subsidy Utilised
Bhopal	70.00	35.00	35.00
Indore	129.6	129.6	129
Jabalpur	39.48	37.66	37.66
Gwalior	45.36	39.62	20.44

**Fig 11: Night Shelter Scheme in Madhya Pradesh**



**Table 8: Night Shelter Scheme, Uptake 2**

City	No. of Schemes	Year of sanction	Sanctioned facilities				Sanctioned Budget		Amounts Released		Subsidy Amounts Utilised	
			Toilet Complex	WCs	Baths	Urinal	Subsidy	Loan from HUDCO	Subsidy	Loan from HUDCO	Subsidy	% of Budget Released
Bhopal Municipal Corporation of Bhopal	1	1995	38	500	0	0	70.00	123.64	35.00	15.45	35.00	100.00
Indore (Indore Municipal Corporation)	1	1994	32	598	210	141	129.6	137.17	129.6	137.17	129	99.54
Jabalpur (Jabalpur Municipal Corporation)	1	2001	17	165	65	62	39.48	0	37.66	0	37.66	100.00
Gwalior (Gwalior Municipal Corporation)	1	2001	18	180	72	72	45.36	0	39.62	0	20.44	51.59

Despite the fact that financial allocations under the scheme have been relatively modest and uptake in the four project cities, relatively poor, this is the only scheme explicitly formulated for the *non-slum* poor.

## 2.2.6 Integrated Child Development Services, 1975

The ICDS aims to lay the foundations for physical, psychological and emotional development of the child; improve their nutritional and health status; reduce the incidence of mortality, morbidity, malnutrition and school dropouts; and promote child development. The scheme also aims to enhance the capability of the mother, through community education, to look after the health, nutritional and development needs of the child. ICDS extends the following services – **Health services** (Immunisation, Health Check-ups, Referral services, Treatment of minor illnesses); **Nutrition** (Supplementary Feeding, Growth Monitoring and Promotion, Nutrition & Health Education); **Early Childhood**

**Anganwadi** is a childcare centre, located within the village or slum area. It is the focal point for the delivery of services under ICDS and serves as the meeting place for women's groups and mothers' clubs promoting awareness and joint action for child development and women's empowerment.

**Care and Pre-school Education.** The scheme also aims to provide **convergence of supportive services** such as **safe drinking water, environmental sanitation**, women's empowerment, non-formal education and adult literacy.

ICDS is completely funded by the Central Government. State Governments are responsible for providing supplementary nutrition to the beneficiaries. One rural/urban project has been envisaged for one lakh population and one tribal project for 35,000 population. There is a provision of one anganwadi centre for a population of 1,000 in rural / urban projects and 700 in tribal projects.

Two components of ICDS are related to the provision of basic services and environmental sanitation, namely

- Construction of Anganwadi centres which include toilets
- Installation of hand-pumps.

In Madhya Pradesh, the ICDS is implemented through the Women and Child Development Department, Government of Madhya Pradesh. While the Rural Engineering Department is responsible for the construction of Anganwadi Centres, the Public Health and Engineering Department installs the hand pumps in ICDS centres in both rural and urban areas. It is unclear which agency bears responsibility for operations and maintenance of this critical infrastructure in Anganwadi centres across the State.

**Table 9: Status of ICDS in the four project Cities**

	Bhopal	Indore	Jabalpur	Gwalior
ICDS Schemes Operational	5	2	2	1
Anganwadi centres	20	34	31	13
Allocation in 2003-04				
1) Running centres (overall)	1,25,00,000	42,50,000	38,75,000	16,25,000
2) Hand pumps	40,00,000	1,36,000	12,40,000	5,20,000

While data on actual expenditure under this scheme was not available, **discussions with officials at the Department for Women and Child Development revealed that the amounts allocated for a financial year usually get utilized within the same year.**

## 2.2.7 Kishori Shakti Yojana, 1991

A special intervention 'Adolescent Girls Scheme' was devised for girls in the age group 11-18 years belonging to families with an income of less than Rs.6400 per annum. Using the ICDS infrastructure, the scheme aimed at addressing the needs of adolescent girls for self-development; nutrition and health status; literacy and numerical skills; and vocational skills. There are several options available with states and districts to selectively intervene for the development of the adolescent girls on the basis of state and/or area specific needs and requirements. In Madhya Pradesh, the scheme provides an allocation of **Rs. 1.10 lakh per year per ICDS scheme**.

In Bhopal there are five ICDS schemes, an annual budgetary allocation of Rs.5.5 lakh with an outreach of **9848** adolescent girls in Bhopal. Indore, Gwalior and Jabalpur have two ICDS schemes each and therefore the cities receive an annual allocation of Rs.2.2 lakh. In 2003-04, the scheme reached out to 2335 beneficiaries in Indore, 3245 beneficiaries in Gwalior and 1036 beneficiaries in Jabalpur.

**Table 10: Uptake in Project Cities (2003-04 up to September 2004)**

	District	Schemes	Number of Beneficiaries		Budget in lakhs
			April 2003 – March 2004	April 2004 – September 2004	
1	Bhopal	Chandbadh	1741	358	1.10
		J. P. Nagar	2409	348	1.10
		Ber Khedi	1958	356	1.10
		Banganga	1892	344	1.10
		Motiya park	1848	336	1.10
2	Indore	Urban Scheme No I	827	222	1.10
		Urban Scheme No II	1528	380	1.10
3	Gwalior	Urban Scheme No I	2035	560	1.10
		Urban Scheme No II	1210	220	1.10
4	Jabalpur	Urban Scheme No I	580	224	1.10
		Urban Scheme No II	456	304	1.10
			<b>16484</b>	<b>3652</b>	<b>12.10</b>

## 2.2.8 Rashtriya Mahila Kosh, 1993

The Rashtriya Mahila Kosh (RMK) was established in 1993 to meet the vast gap between demand and supply of credit to poor women in the unorganised sector. Its main objective is to provide/ promote the provision of micro-credit to poor women for income generation activities. The Schemes under RMK mainly focus on women and empowerment through the provision of credit for livelihood and related activities. The credit facility is channelled through eligible organizations (NGOs, women development corporations, Women cooperative societies, Indira Mahila Block Samities under the Indira Mahila Yojana and suitable state government agencies) to needy women in a simple and flexible manner without insisting on any type of collateral.

In Madhya Pradesh over the last two financial years a total of **Rs.325.50 lakh** have been disbursed to organisations for **onward lending to women in the unorganized sector**. Under the main loan

scheme Rs.135 lakh were allocated during the year 2003-04 and Rs.17.50 lakh during the year 2004-05. Under the franchisee scheme the funds disbursed were to the tune of Rs.200 lakh in the last financial year.

**Table 11: Funds disbursed under Rashtriya Mahila Kosh<sup>12</sup>**

Scheme	2003-04	2004-05	Total* (2003-05)
Main Loan Scheme	135.00	17.50	152.50
Revolving Loan	0.00	0.00	0.00
Loan promotion Scheme	0.00	0.00	0.00
Franchisee Scheme	0.00	200.00	200.00
<b>Total</b>	<b>135.00</b>	<b>217.50</b>	<b>325.50</b>

\* amount in lakhs

### 2.2.9 Sarva Shiksha Abhiyaan

**Sarva Shiksha Abhiyan (SSA)** is Government of India's flagship programme for achievement of Universalisation of Elementary Education (UEE). The scheme has five specific components, namely, **Education Guarantee Scheme/Alternative & Innovative Education; National Program for Education of Girls at Elementary level as a separate component of Sarva Shiksha Abhiyan (NPEGEL); Mid-Day Meal; Janshala; and Mahila Samakhya.** The programme seeks to open new schools in those habitations which do not have schooling facilities and **strengthen existing school infrastructure** through provision of additional **class rooms, toilets, drinking water**, maintenance grant and school improvement grants. Existing schools with inadequate teacher strength will receive additional teachers, while the capacity of existing teachers is to be strengthened through extensive training.

**Although SSA has provisions for strengthening school infrastructure, these do not specifically consider class size, gender dimensions, operations and maintenance of facilities and hygiene and sanitation hardware- software linkages. Additionally, although poor infrastructure, especially toilets, and the lack of privacy have been cited as one of the most important reasons for drop-out of girls in upper primary and secondary school, water and sanitation facilities continue to be viewed as minimum norms, rather than as essential and critical determinants of learning achievement for boys and girls.**

In Madhya Pradesh, the EGS-AIE (Education Guarantee Schools-Alternative Innovative Education) Scheme and the National Programme for Education of Girls at Elementary Level (NPEGEL) are the operational sub components of SSA. (The NPEGEL component is not applicable to urban areas). The Government of Madhya Pradesh made a radical break-through by promoting the EGS in 1997 to make primary school facilities accessible to every child in the State. Under EGS, the Government is committed to providing primary school facilities to all children in areas where there is no such facility within the distance of a kilometre, within 90 days of receiving a demand for such a facility from the local community. The scheme operates on a decentralised basis through collaboration of the state government, local body / panchayat and the community.

### Funds Allocation and Actual Uptake

The budget utilization levels in all the four project cities in 2004-05 is less than 60% ranging from 51% in Bhopal to 60% in Jabalpur.

<sup>12</sup> Source: Pratibha Joshi, "Empowerment Evaluation of RMK", Annexure II, Centre for Women's Development Studies, New Delhi

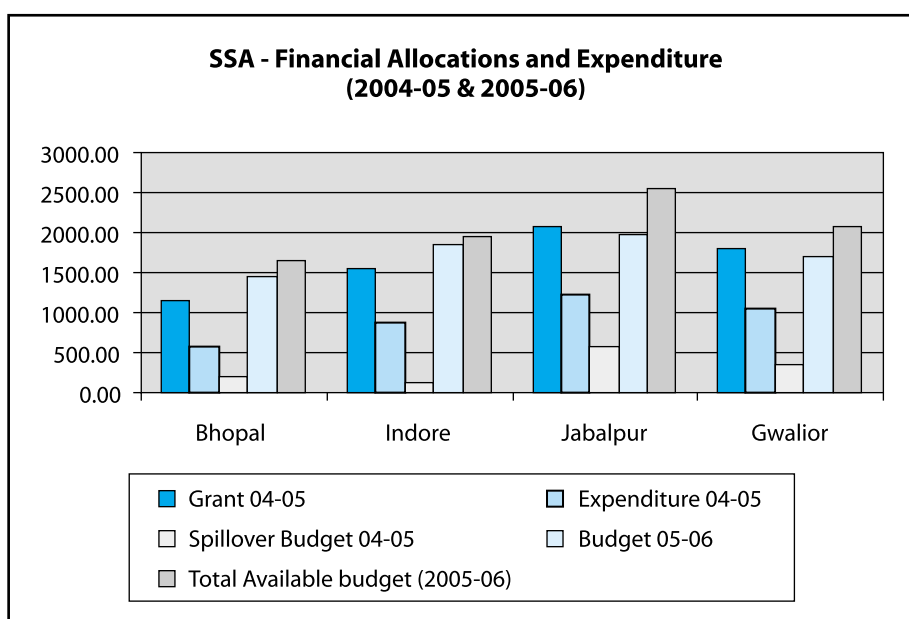


**Table 12: Financial Allocations and Expenditure under SSA (2004-05 and 2005-06)**

(Rs. in lakhs)

District	Grant 04-05	Expenditure 04-05	% of total budget	Spillover Budget	Budget 05-06	Total Available (2005-06)
Bhopal	1159.75	587.10	50.62	193.15	1461.86	1655.02
Indore	1554.34	879.81	56.60	113.98	1839.99	1953.98
Jabalpur	2080.84	1237.26	59.46	584.13	1970.31	2554.45
Gwalior	1802.44	1050.08	58.26	360.20	1710.66	2070.85

**Fig 12: Sarva Shiksha Abhiyan in Project Cities**



**Table 13: Allocations, Uptake for Civil Works & Provision of Drinking Water & Toilets**

	Budget (2004-2005)					Expenditure (2004-2005)				
	Total Budget	Civil Works Costs	% of total Budget	Water and Toilets	% of total Budget	Total Budget	Civil Works Costs	% of total Expenditure	Water and Toilets	% of total Expenditure
Bhopal	1159.75	468.95	40.44	40.24	3.47	587.10	257.95	43.94	0.00	0.00
Indore	1554.34	622.30	40.04	78.45	5.05	879.81	463.45	52.68	7.85	0.89
Jabalpur	2080.84	836.49	40.20	36.30	1.74	1237.26	259.27	20.96	5.29	0.43
Gwalior	1802.44	719.98	39.94	26.45	1.47	1050.08	363.02	34.57	1.53	0.15

### 2.2.10 Ayodhya Basti Yojana

The Ayodhya Basti Yojana is a unique scheme of the Government of Madhya Pradesh launched in 2004-05 which is aimed at undertaking comprehensive physical and social development of slums in urban areas. The scheme aims at converging ongoing schemes and programmes in the state towards the development of the most disadvantaged and vulnerable slum settlements (which have been left untouched by various programmes of the state and centre). The scheme aims at providing physical infrastructure services (including roads, drainage, electrification, drinking water, etc) and community

social facilities/ interventions. Slums are selected by the urban local bodies (Municipal Corporation, Municipal Council and Nagar Panchayats) in consultation with the District Collector. City wise status of implementation of scheme is described below:

## Bhopal

In Bhopal 6 slums viz. Rahul Nagar Pampur, Jai Bhim-Jai Durge Nagar, Jet Khedi , Chattisgarh Basti and Satnami Nagar, Shankar Nagar and Indira Nagar were selected during 2004-05. Later slums in Bairagh Kalan, Bag Sewania, Bagmugalia and Chand Bari have been added. During 2004-06, a sum of Rs.164.31 Lakhs was spent mainly on construction of roads and community buildings. No works were sanction for water supply and sanitation works. Slum wise sanction of fund for the period 2004-06 is given in Table 15.

**Table 15: Sanction of fund under Ayodhya Basti Yojana in Bhopal during 2004-06**

Slum	Total Sanction (Rs in Lakhs)	Sanction for water supply and sanitation works (Rs in Lakhs)
Rahul Nagar Pampur	36.73	0
Jai Bhim-Jai Durge Nagar	21.60	0
Jet Khedi	10.54	0
Chattisgarh Basti and Satnami Nagar	51.69	0
Shankar Nagar	16.22	0
Indira Nagar	4.50	0
Bairagh Kalan	7.00	0
Bag Sewania	5.68	0
Bagmugalia	5.20	0
Chand Bari	5.15	0
<b>Total</b>	<b>164.31</b>	<b>0</b>

## Indore

Five slums, viz. Godra Khadi, Kulkarni ka Bhatta, Dwarkapuri , Pawan puri, Mewati Mohalla have been selected. During 2004-06, Rs.63.56 Lakhs was sanctioned. Out of which sanction for water supply and sanitation works was Rs.45.70 Lakhs, averaging Rs.22.85 Lakhs per annum (Table 16).

**Table 16: Sanction of fund under Ayodhya Basti Yojana in Indore during 2004-06**

Slum	Total Sanction (Rs in Lakhs)	Sanction for water supply and sanitation works (Rs in Lakhs)
Godra Khadi	17.25	7.59
Kulkarni ka Bhatta	12.49	12.45
Dwarkapuri	14.75	8.60
Pawan puri	10.99	10.04
Mewati Mohalla	8.08	7.02
<b>Total</b>	<b>63.56</b>	<b>45.70</b>

## Jabalpur

Five slums, viz. Temer Bhita (Rani Lami Ward) , Choudhary Mohalla (Radha Krishna Ward) , Ram Nagar Ravi Nagar Kachiyana (Jawaharganj Ward), Choudhary Mohalla (Diwan Aadhar Singh Ward) and Ladiya Mohalla ( Rani Durgawati Ward) have been selected. During 2004-06, Rs.61.39 Lakhs was sanctioned. Out of which sanction for water supply and sanitation works was Rs.45.54 Lakhs, averaging Rs.22.77 Lakhs per annum (Table 17).

**Table 17: Sanction of fund under Ayodhya Basti Yojana in Jabalpur during 2004-06**

Slum	Total Sanction (Rs in Lakhs)	Sanction for water supply and sanitation works (Rs in Lakhs)
Temer Bhita (Rani Lami Ward)	9.66	8.65
Choudhary Mohalla (Radha Krishna Ward)	15.83	11.25
Ram Nagar Ravi Nagar Kachiyana (Jawaharganj Ward)	16.79	10.16
Choudhary Mohalla (Diwan Aadhar Singh Ward)	7.72	7.24
Ladiya Mohalla ( Rani Durgawati Ward)	11.39	8.24
<b>Total</b>	<b>61.39</b>	<b>45.54</b>

## Gwalior

Ten slums, viz. Ramaji ka pura (Ward No. 1) , Ghoshi pura (Ward No. 3), Rani pura (Ward No. 9) , Jade Ruan Kalan (Ward No. 25), Choti Madhaiya-Badi Mardhaiya (Ward No. 29), Dhobi ghat, Gande wali Road (Ward No. 33) , Ranipura (Ward No. 37) , Gol Pahariya (Ward No. 48) , Nadkiya mata (Ward No. 54) and Awadh pura (Ward No. 60) have been selected. During 2004-06, Rs.71.03 Lakhs was sanctioned. Out of which sanction for water supply and sanitation works was Rs.27.14 Lakhs, averaging Rs.13.57 Lakhs per annum (Table 18).

**Table 18: Sanction of fund under Ayodhya Basti Yojana in Gwalior during 2004-06**

Slum	Total Sanction (Rs in Lakhs)	Sanction for water supply and sanitation works (Rs in Lakhs)
Ramaji ka pura (Ward No. 1)	10.53	1.50
Ghoshi pura (Ward No. 3)	8.93	0.0
Rani pura (Ward No. 9)	2.97	1.50
Jade Ruan Kalan (Ward No. 25)	26.90	10.52
Choti Madhaiya-Badi Mardhaiya (Ward No. 29)	0.0	0.0
Dhobi ghat, Gande wali Road (Ward No. 33)	3.68	1.50
Ranipura (Ward No. 37)	3.31	0.0
Gol Pahariya (Ward No. 48)	0.0	0.0
Nadkiya mata (Ward No. 54)	0.0	0.0
Awadh pura (Ward No. 60)	14.71	12.12
<b>Total</b>	<b>71.03</b>	<b>27.14</b>

It is evident that sanction of fund for water supply and sanitation works in Indore, Jabalpur and Gwalior were to the extent of 71.9%, 74.2% and 38.2% respectively. No fund was sanctioned for water supply and sanitation works for Bhopal which needs to be increased.

## 2.3 Schemes applicable in select cities

### 2.3.1 Central Scheme of Solid Waste Management and Sanitation in Air Field Towns

Bird hits are among the major causes of air crashes in India which leads to a loss of a large quantum of defence equipment. An Inter-Ministerial Joint Sub-Committee constituted by the Ministry of Defence recommended provision of proper sanitation facilities, including Solid Waste Management and Drainage to overcome the bird menace in 10 towns having airfields of Indian Air Force and this includes Gwalior.

The scheme has been approved by the Department Expenditure Finance Committee on 26.6.2002 at a cost of **Rs.9934.56 lakh** and approved by the Finance Minister. The Ministry is in the process of forwarding the proposed scheme for approval by the Full Planning Commission. The scheme will be in the form of a 100% grant from the Government of India towards the capital cost of the scheme. Subsequently, the concerned Urban Local Bodies would take over the scheme for continuing the same for day to day operations and maintenance. The O&M of the scheme would be borne by the respective urban local bodies / State Governments.

## 2.4 Plan Funds (5 year plans and annual plans)

The annual plan for 2005-06 in Madhya Pradesh has demarcated Rs.65848 lakh for the development of rural areas, compared to a meagre Rs.21492 lakh allocated for urban development. A noteworthy aspect of the sectoral distribution of funds is that unlike rural development which is a priority area for expenditure, urban development and water supply and sanitation are **sub-heads under the main category of Social Services**.<sup>13</sup>

In the ninth (1997-2002) and tenth five year plan (2002-07)<sup>14</sup>, allocations were made to the urban administration and development department, town and country planning department, directorate of urban projects and urban welfare departments as under:

**Table 19: Plan Funds**

	9 <sup>th</sup> Five year plan approved outlay	9 <sup>th</sup> Five year plan expenditure	10 <sup>th</sup> Five year plan outlay
<b>Urban Administration &amp; Development</b> (Urban Administration and Development Department)	<b>Rs. 260953 lakh</b>	97-98- Rs.1711.84 lakh, 98-99- Rs.1079.00 lakh, 99-00- Rs.4566.64 lakh, 00-01- Rs.2456.45 lakh.	Rs. 29430.60 lakh
<b>Urban Development</b> (Town and Country Planning Department)	<b>Rs. 1869 lakh</b>	97-98- Rs.308.36 lakh, 98-99- Rs.200.81 lakh, 99-00 Rs.270.37 lakh, 00-01 Rs.149.21 lakh.	Rs. 1259 lakh
<b>Urban Projects</b> (Directorate of Urban Projects- 10 towns)	<b>Rs. 935 lakh</b>	97-98- Rs.100.00 lakh, 98-99- Rs.107.51 lakh, 99-00- Rs.117.60 lakh, 00-01- Rs.73.40 lakh.	Rs. 183.40 lakh
<b>Urban Welfare</b> (Urban Welfare Department)	<b>Rs. 18130 lakh</b>	97-98- Rs.3668.12 lakh, 98-99- Rs.2415.96 lakh, 99-00- Rs.2537.99 lakh, 00-01- Rs.3618.05 lakh.	Rs. 4880 lakh

<sup>13</sup> Source: <http://www.mp.nic.in/annualplan/archive/2005-06/annual%20plan%202005-06.htm>

<sup>14</sup> Source: <http://www.mp.nic.in/planning/summarytenth.htm#trust>,

Plan allocations for **urban water supply, sewerage and sanitation** as per the 9<sup>th</sup> plan, is Rs.72497 lakh. (The water supply component includes only those towns with a population of less than 1 lakh<sup>15</sup>). The tenth plan outlay for the sector is Rs.89425 lakh.

## 2.5 Schemes<sup>16</sup> applicable in non-project cities

### 2.5.1 Integrated Development of Small and Medium Towns, 1979-80

IDSMT was launched to slow down the growth of large cities by developing small and medium towns through increased investment, improving the economic and physical infrastructure and providing essential facilities and services to small and medium towns.

From the scheme's initiation till 1995, the funds from the Centre to Madhya Pradesh government were available as a **loan to the urban local bodies**. During this period the scheme was implemented in 49 towns. Of the total estimated cost of Rs.**7210.877 lakh**, **only 50.37% i.e., Rs.3632.53 lakh was disbursed**. The proportionate share of the Central and State government was 50:50. Seventy six percent of the loan i.e., Rs. 2710.03 lakh has been expended by the urban local bodies in the above stated period.

From 1995 onwards<sup>17</sup>, **the central assistance and state share provided to urban local bodies is in the form of grant**. The Central assistance and the state's share are to be in the ratio of 60:40 (Centre & State). The State Level Selection Committee in Madhya Pradesh has selected 201 towns to be covered under this scheme. Of the same, the Central Government has **approved schemes for 97 towns** at an estimated cost of **Rs. 14672.83 lakh**. Till 2004-2005, the total funds that have been **disbursed** amount to **Rs. 4772.12 lakh**. Of the total assistance received by the urban local bodies, Rs.1711.23 lakh (41.15%) has been spent.

**Table 20: Details of Uptake under IDSMT during 1995-96 to 2004-2005<sup>18</sup>**

No. of towns selected by State Selection Committee	201
Number of towns approved for grant assistance	97
Total approved cost	Rs.14672.83 lakh
Total funds disbursed	Rs. 4772.12 lakh
Government of India's Contribution	Rs.2869.13 lakh
State government contribution	Rs. 1902.99 lakh
Total Amount Spent	Rs.1711.23 lakh

### 2.5.2 Accelerated Urban Water Supply Program (AUWSP), 1993-94

The scheme was formulated to provide safe and adequate water supply facilities to towns having population of less than 20,000 (as per 1991 Census). Priority is given to the towns with very low per capita supply of potable water; very distant or deep water sources; drought prone areas; excess salinity, fluoride, iron and arsenic content in water sources; and high incidence of water borne diseases.

<sup>15</sup> Source: <http://www.mp.nic.in/annualplan/archive/2002-03/chapter13.htm#urbandeve>

<sup>16</sup> Refer Annex 2 for details of each scheme and Annex 3 for scheme guidelines

<sup>17</sup> As per the revised guidelines under the 8<sup>th</sup> five-year plan

<sup>18</sup> Source: Urban Administration and Development Department, Government of Madhya Pradesh

**Table 21: Details of Uptake under AUWSP during 1993-94 to 2004-2005<sup>19</sup>**

Details	Towns Schemes (Nos.)	Approved / Budgets/A mounts Spent
Number of Towns in Madhya Pradesh with population of less than 20,000	236	
Number of Towns selected by State Selection Committee for AUWSP	155	
Number of Towns approved by GOI for implementation of the scheme	128	Rs. 11776.37 lakh
Number of Schemes that have been completed	33	Rs. 1889.65 lakh
Number of schemes in progress	36	Rs. 7194.90 lakh
Number of Schemes that have received approval but work is yet to start	39	
Number of schemes pending with GOI for technical approvals	21	Rs. 2342.46 lakh
Number of towns yet to be selected by the State level committee	82	

## 2.6 New Initiatives

Government of India launched two schemes in 2005 for urban renewal through infusion of additional funds for planned development of basic infrastructure as well as convergence of the of ongoing schemes for addressing the problems of the urban poor. The provisions of the schemes are enumerated below:

### 2.6.1 Jawaharlal Nehru National Urban Renewable Mission (JNNURM)

The JNNURM , a new scheme aimed at improving the quality of life in identified cities and towns across the country, was launched in December 2005. It is a reform-based window for redressing urban-rural resource inequity by fast tracking planned development of cities with focus on efficiency, accountability and inclusion. It will provide the policy context for urban renewal and redevelopment over the next 20-25 years with five-year stock taking breaks. Integrated and participatory development of urban poor housing with basic and social services is at the core of the mission and nearly 50% of the mission funding to cities will be focussed on provision of Basic Services to the Urban Poor (BUSP). In a significant departure to earlier policy, cost of housing will also be shared (between 10-12%) with the beneficiary and the urban slum renewal agenda will be to a mandatory reform plan.

To be extended to 63 cities including those with population of above a million, all state capitals and other cities considered important from religious, historical and tourist point of view, the scheme is the single largest central government initiative in the urban sector, has provision of Rs 50,000 crore for a period of seven years. To be given as grants-in-aid, the amount will be used to leverage additional resources for financing urban development. The combined investment by the Central Government, State Governments and Urban Local Bodies is proposed to be over Rs one hundred thousand crore in the next seven years.

### Mission Objectives

1. Integrated Development of Infrastructure Services of the cities covered under the mission and adequate investment of funds to fulfill deficiencies in Urban Infrastructural services.

<sup>19</sup> Source: Urban Administration and Development Department, Government of Madhya Pradesh

2. Planned development of identified cities and to scale up the delivery of civic amenities.
3. Urban Renewal Programme i.e. re-development of inner (old) cities area to reduce congestion.
4. Provision of basic services to Urban Poor including improved housing, water supply, sanitation etc. etc.

### *Duration of the Mission*

The duration of the Mission is of seven years beginning from the year 2005-06. During the period the mission will seek to ensure sustainable development of selected cities. An evaluation of the commencement of eleventh Five Year Plan and, if necessary, the programme calibrated suitably.

### *Financing Pattern for JNNURM*

Central Grant – 50%, State Share – 20% and ULBs – 30%

### *Revolving Funds*

25% of the funds released need to be recovered and credited in the revolving fund at the city level by the implementing agencies to meet O & M expenses of the assets created under the mission.

The JNNURM would be guided by a National Steering Group chaired by the Urban Development Minister and co-chaired by the Minister of State for Urban Employment and Poverty Alleviation.

### *Sub-Missions under JNNURM*

The Mission consists of two sub-missions, one for Urban Infrastructure and Governance (UIG) and other for Basic Services to Urban Poor (BSUP).

- I. Urban Infrastructure and Governance under Ministry of Urban Development** – main thrust of this mission is on water supply including sanitation, sewerage, solid waste management, road network and re-development of inner (old) cities area etc.

### *Sub Mission objectives*

1. Focussed attention to integrated development of infrastructural services in the cities covered under the Mission.
2. Secure effective linkages between asset creation and asset management so that the infrastructural services created in the cities are not only maintained efficiently but also become self-sustaining over time.
3. Ensure adequate investment of funds to fulfill deficiencies in the urban infrastructural services.
4. Planned development of identified cities including peri-urban areas, out growths, urban corridors, so that urbanization takes place in a dispersed manner.
5. Scale up delivery of civic amenities and provision of utilities with emphasis on universal access to urban poor.
6. To take up urban renewal programme, i.e., re-development of inner (old) cities area to reduce congestion.

### *Scope of Mission Programme*

The main thrust of the sub-Mission on Urban Infrastructure and Governance will be on major infrastructure projects relating to water supply including sanitation, sewerage, solid waste management, road network, urban transport and redevelopment of inner (old) city areas with a view to upgrading infrastructure therein, shifting industrial/commercial establishments to conforming areas, etc.



**II. Basic Services to the Urban Poor under Ministry of Urban Employment and Poverty Alleviation** – cover programmes like slum improvement / rehabilitation, environmental improvement, night shelters, community toilets and housing at affordable prices for EWS and LIG categories.

### *Sub Mission Objectives*

1. Focused attention to integrated development of Basic Services to the urban poor in the cities covered under the Mission.
2. Provision of Basic Services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery through convergence of other already existing universal services of the Government for education, health and social security.
3. Secure effective linkages between asset creation and asset management so that the Basic Services to the urban poor created in the cities, are not only maintained efficiently but also become self – sustaining over time.
4. Ensure adequate investment of funds to fulfill deficiencies in the Basic Services to the urban poor.
5. Scale up delivery of civic amenities and provision of utilities with emphasis on universal access to urban poor.

### *Admissible Components*

The Mission on Basic Services to the Urban poor will cover the following components :

- Integrated development of slums , i.e. Housing & Development of Provision of shelter including up gradation & construction of new houses.
- Projects involving development /improvement/maintenance of basic services to the urban poor
- Slum improvement and rehabilitation projects.
- Projects on water supply/sewerage/drainage, community toilets/ baths, etc.
- Houses at affordable costs for slum dwellers /urban poor/EWS/LIG categories
- Construction and improvement of drains/storm water drains
- Environmental improvement of slums and solid waste management
- Street lighting
- Civic amenities like community halls, child care centres etc.
- Operation and maintenance of assets created under this component
- Convergence of health, education and social security schemes for the urban poor.

### *Projects under JNNURM in Madhya Pradesh*

Out of the 4 cities where the Water for Asian Cities Programme is being implemented, 3 e.i., Bhopal, Indore and Jabalpur are eligible for financial support under JNNURM. Under the UIG Sub-Mission, some projects related to sewerage and water supply schemes and under BSUP Sub mission projects related to rehabilitation /provision of basic services for the slum areas for these cities have been approved. Some of the projects under both the Sub Missions are under various stages of preparation, which are likely to be considered for funding in the current/forth coming financial years. List of approved projects of the three cities under UIG and BSUP are presented in Table 22 &23.



**Table 22: List of approved projects for Bhopal, Indore and Jabalpur cities under UIG Sub- Missions of JNNURM during 2005-07**

(Rs. in Lakhs)

S.No.	City	Project	Approved Cost	Gol share
1.	Bhopal	Channelisation of Nallah (Storm water drain)	3057.0	1528.5
2.		Water Supply to gas affected areas	1418.0	709.0
3.		Renewal of upgradation of basic infrastructure in M.P. Nagar Bhopal	1894.0	947.0
4.		Renewal of basic infrastructure in categorised scrap mart in Bhopal	811	405.50
5.	Indore	Bus Rapid Transport System – Pilot Project	9526.0	4763.0
6.		Indore Sewerage Project	30717.0	15358.5
7.		Yashwant Sagar Water Supply system augmentation scheme	2375.0	1187.50
8.	Jabalpur	Sewerage and Sewage Treatment Project – Phase 1	7801	3900.50
9.		Sewerage and Sewage Treatment Project – Phase 2	7081	3540.5

The project proposals on water supply and sanitation works under consideration of Government of India under UIG Sub –Mission of JNNURM are as follows:

(Rs. in Crore)

S.No.	City	Project	Approved Cost	Gol Contribution
1.	Bhopal	Narmada Water Supply augmentation scheme	240.22	120.11
2.	Jabalpur	Storm water drain	46.96	23.48

**Table 23: List of approved projects for Bhopal and Jabalpur cities under BSUP Sub-Mission of JNNURM during 2005-07**

(Rs in Lakhs)

S.No.	City	Project	Approved Cost	Gol share
1	Bhopal	Rehabilitation of slum areas	7504.0	3752
2		Slum & Poor locality integrated area development scheme, Phase –1	4027.0	2014.0
3		Slum & Poor locality integrated area development scheme, Phase –2	4191.0	2096.0
4	Jabalpur	Houses with basic infrastructure facility	4786.0	2393.0
5		Rehabilitation & resettlement of Basod Mohalla, Choudhary Mohalla and Baldukori ki Dafai	2543.0	1272.0
6		Rehabilitation & resettlement of Chui Khadan, Media and area behind Born Co.	1424.0	712.0

## 2.6.2 Integrated Housing & Slum Development Programme (IHSDP)

IHSDP is an attempt at merging two ongoing schemes of the GOI for housing and slum upgrading (VAMBAY and NSDP) in non-JNNURM towns. The aim of IHSDP is to “promote holistic slum development with a healthy and enabling slum environment by providing adequate shelter and basic infrastructure facilities to slum dwellers of the identified urban areas.” The term *identified* suggests that the scope of the programme is restrictive and maintains status quo. However, the projects taken up under the on-going schemes under VAMBAY during the last five years beginning from 2001-2002 will continue to be funded as per the existing guidelines of VAMBAY Scheme till completion of those projects. NSDP scheme has been discontinued from 01.04.2005, now merged with IHSDP.

### Coverage

- The Scheme will apply to all cities/towns, excepting cities/ towns covered under JNNURM. Thus Gwalior city in Madhya Pradesh is included under this programme.
- The target group under the Scheme is slum dwellers from all sections of the community through a cluster approach (including BPL & APL Population).

### Duration of the scheme

Seven years commencing from 2005-06. Evaluation of the scheme to be taken up before it enters Eleventh Five year Plan.

### Funding Pattern

Central Government : State Government 80:20

For special category States, it will be in the ratio of 90:10.

State's share could be raised by the nodal/implementing agencies from the financial institutions/beneficiary contribution/MPLAD/MLALAD funds.

## 2.6.3 Potential for Mobilisation of Additional Resources for Water Supply and Sanitation works in the 4 project Cities

It is evident that under the JNNURM ,projects on water supply and sanitation having large investments to supplement the on going Urban Water Supply and Environmental Improvement projects in the project cities will be taken up. In a period of 5 years, at least Rs 42.75 crores for Bhopal, Rs 300.92 crores for Indore and Rs 148.82 crores for Jabalpur will be available for water supply and sanitation works . So far ,the share of these projects out of the total sanction under UIG sub mission for Bhopal , Indore and Jabalpur stands at 62.2, 77.6 and 100 % , respectively (Table 24).

**Table 24: Share of Water Supply and Sanitation works to the total sanction under UIG Sub mission of JNNURM during 2005-2007**

S.No.	City	Cost of projects sanctioned (Rs in Crores)	Cost of projects on water supply & sanitation works (Rs in Crores)	Availability of fund per annum for water supply & sanitation works (Rs in Crores)	Share of Water & sanitation works in the total project cost (%)
1	Bhopal	71.88	44.75	8.95	62.2
2	Indore	426.18	330.92	66.18	77.6
3	Jabalpur	148.82	148.82	29.76	100.0

Under BUSP sub-mission, so far Rs 157.22 crores for Bhopal and Rs 87.53 crores for Jabalpur have been sanctioned. Besides these, in Bhopal, Indore and Jabalpur under BSUP Sub-Mission and in Gwalior under IHSDP houses with water and sanitation facilities for the urban poor will be constructed. The State Government has given targets to the project cities for providing houses to the urban poor in a period of 2 years (Table 25). The average cost of each housing unit under the housing projects to be sanctioned under BSUP Sub-Mission / IHSDP by the Government of India is Rs.1,20,000. This includes development of in-house as well as community water and sanitation facilities and constitute about 6 % of the housing project cost. On consideration of the above provisions, it is assumed that if the housing targets are met, a cumulative sum of Rs 102.2 crores, @ Rs 18 .0 Crores per annum for Bhopal and Indore , Rs 11.85 crores per annum for Jabalpur and Rs 3.25 crores per annum for Gwalior could be available for the water & sanitation sectors for the urban poor under the BSUP and IHSDP projects (Table 25).

**Table 25: Estimated fund for Water Supply and Sanitation works under BSUP Sub mission (JNNURM) /IHSDP in the project cities of Madhya Pradesh**

S.No.	Scheme	City	Housing target (No.)	Housing Project Cost including area development (A)	Fund for water supply & sanitary works (6% of A) (Rs in Crores)	Fund for water supply & sanitary works per annum (Rs in Crores)
1	<b>BSUP</b>	Bhopal	50000	@Rs 1,20,000 per HH	36.0	18.0
2		Indore	50000		36.0	18.0
3		Jabalpur	33000		23.7	11.85
4	<b>IHSDP</b>	Gwalior	9000		6.5	3.25
				<b>Total</b>	<b>102.2</b>	

**FINANCIAL RESOURCE MAPPING**  
**FOR**  
**UNTIED RESOURCES AVAILABLE**  
**AT CITY LEVEL**

**PART – II**



**UN-HABITAT**

**Water for Asian Cities, India Programme**  
**United Nations Human Settlements Programme (UN-HABITAT)**



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## Abbreviations

AILSG	: All India Institute of Local Self Government
ADB	: Asian Development Bank
BNS	: Bal Niketan Sangh
BGMS	: Bharatiya Grameen Mahila Sangh
BMC	: Bhopal Municipal Corporation
CECOEDECON	: Centre for Development Economics and Development Consultants Society
CCF	: Christian Children's Fund
CBO	: Community Based Organization
DUDA	: District Urban Development Agency
EHP	: Environmental Health Project
EPCO	: Environmental Planning & Coordination Organisation
GMC	: Gwalior Municipal Corporation
IDSSS	: Indore Diocese Social Services Society
IMC	: Indore Municipal Corporation
IHSDP	: Integrated Housing & Slum Development Programme
JMC	: Jabalpur Municipal Corporation
JNNURM	: Jawaharlal Nehru National Urban Renewal Mission
IMC	: Indore Municipal Corporation
MLA	: Member of Legislative
MLALADS	: Member of Legislative Assembly Local Area Development Scheme
MP	: Member of Parliament
MPLADS	: Member of Parliament Local Area Development Scheme
NEAC	: National Environmental Awareness Campaign
NSDP	: National Slum Development Programme
NGO	: Non-Government Organisation
PHED	: Public Health Engineering Department
SOS	: SOS Children's Villages International
SUDA	: State Urban Development Agency
UN-HABITAT	: United Nations Human Settlements Programme
UNICEF	: United Nations Children's Fund
USAID	: United States Agency for International Development
UADD	: Urban Administration and Development Department
UPRP	: Urban Poverty Reduction Programme
UHRC	: Urban Health Resource Centre
ULBs	: Urban Local Bodies
UWSEIPMP	: Urban Water Supply and Environment improvement Project
VAMBAY	: Valmiki Ambedkar Awas Yojana
WAC	: Water for Asian Cities
WHO	: World Health Organisation
WSSD	: World Summit on Sustainable Development

## 1. Introduction

Contrary to popular concepts of a predominantly rural India, an increasingly larger percentage of Indian population lives in the urban areas. Today, India's urban population is second largest in the world after China, and is higher than the total urban population of all countries put together barring China, USA and Russia. Over the last fifty years, while the country's population has grown 2.5 times, in the urban areas it has grown five times.

Perhaps most of the commercial activity other than agriculture and village merchandise takes place in urban areas. Therefore, to a large extent, urban India is the engine of productivity and growth in the country. This is manifested in the increasing contribution of urban sector to the national income. This is indicated below:

Year	Percentage of Urban to total population	Estimated contribution to national income
1951	17.3	29
1981	23.3	47
1991	25.7	55
2001	30.5	60

However, in spite of its prominent role in the Indian economy, urban India faces serious problems due to population pressure, deterioration in the physical environment and quality of life. According to an estimate, nearly one third of the urban India lives below poverty line. About 15 percent of the urbanites do not have access to safe drinking water and about 50 percent are not covered by sanitary facilities.

India's rapidly expanding urban centers are facing serious water management problems. In addition to inadequate supplies of source water, leaking distribution systems, aging infrastructure, and serious deficiencies in wastewater collection and treatment, tariffs do not recover the utilities' economic and financial costs. In many urban water systems, the cost of energy to pump and deliver water to customers is 60-70% of the total operations and maintenance expenditure of already cash-strapped water utilities. Levels of system losses through "unaccounted-for water" or "non-revenue water" are often as high as 50% in Indian cities and represent large financial and environmental losses to cities and their economies.

Sanitation and wastewater treatment are also significant energy users and are likely to become even more so as service is extended to a greater number of consumers. Deficiencies in sanitation combined with water shortages and chronic depressurization of the drinking water pipelines seriously compromise the potability of every municipal drinking water system. This is especially alarming in a country where water-borne diseases already take an enormous toll and are a leading cause of death among children. Women and girls may suffer disproportionately due to their larger role in providing for household energy and water needs. For example, as water becomes scarce, women and girls spend more time hauling water. As water quality declines, women and girls spend more time caring for sick family members affected by poor sanitary conditions, which in turn contributes to reduced school attendance among girls and an overall reduction in the productive potential in the family.

There is a huge and widening gap between demand and supply of essential services and infrastructure. Urban poor in India are forced to live under unhygienic conditions in slums, lacking in basic amenities. Slums have grown in almost all major cities due to inability of major chunks of population to afford accommodation in planned areas of the cities. The Central Public Health Engineering Organisation



(CPHEEO) has estimated the requirement of funds for 100 percent coverage of the urban population under safe water supply and sanitation services by the year 2021 at Rs172,905 crores (US \$ 41.16 billion). The situation in the cities of Madhya Pradesh is no better; in fact in some cases the conditions are alarming, needing proper attention to address the problems. The growth of slums in the 4 major cities of Madhya Pradesh is as under:

City	Total Population (2001 Census) (in thousand)	Recognized Slums (No.)	Estimated Slum Population (As per MCs) (in thousand)	Slum Population to total Population Percentage	Illegal colonies (No.)
<b>Bhopal</b>	1433.88	487	432	30.1	131
<b>Gwalior</b>	826.92	149	478	57.8	265
<b>Indore</b>	1597.44	406	260	16.3	349
<b>Jabalpur</b>	951.47	331	400	42.0	47

There is need for proper urban reforms to streamline infrastructure facilities to improve living conditions in the expanding cities matching their growth. However, for doing so there is need for mobilization of adequate financial resources.

In volume I of this report, an attempt was made to assess the flow of funds from the Central Government schemes pertaining to urban development with emphasis on poverty alleviation and infrastructure development in slum areas. In the Volume I schemes such as National Slum Development Programme (NSDP) and Valmiki Ambedkar Awas Yojana (VAMBAY) and their uptake in the 4 project cities were discussed in depth. Possibilities of mobilisation of funds for infrastructure and slum area development from the new schemes of Government of India under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Integrated Housing & Slum Development Programme (IHSDP) were also discussed.

In this volume an attempt has been made to discuss the untied locally available central and state government funds not necessarily pertaining to the urban administration department, funds available with the local bodies and non governmental sources. Special emphasis are the MPLAD and MLALAD schemes, public contribution schemes, funds available with the ULBs and international and non government organisations funding.

## 2. Member of Parliament Local Area Development Scheme (MPLADS)

### 2.1 Background

The need for the scheme was felt when Member of Parliaments (MP) in 1993 raised the point that areas represented by opposition MPs remained backward in development and said that all MPs should be given resources to undertake development projects in their areas. The MPs also pointed out that the central planning authority, because of the huge size of the country, could not provide a regional perspective for planning development, so the people's representatives should be given the power to recommend development works in their areas. Accordingly, this scheme was introduced in December, 1993 to enable the MPs to identify and get implemented small works of capital nature based on locally felt needs with emphasis on creation of durable assets in their respective constituencies.

This scheme was perhaps, conceived in the light of the experience of two similar schemes operating in Maharashtra. During the seventies each councilor of Mumbai Municipal Corporation had control over a fund of Rs.15000 per year to be spent on development of roads, parks and other civic amenities in their constituencies. In 1978 a similar scheme was introduced in Maharashtra with a fund of Rs.25 lakhs per year per member of the state legislature. The experience of proper functioning of these schemes appears to have prompted the proposal for such a scheme for the members of parliament at the centre

## **2.2 Objectives of the Scheme**

The main objective of the scheme is to enable the Members of Parliament to recommend and get executed small works of capital nature in their constituencies. Works that can be taken up under the scheme should be developmental in nature and based on locally felt needs, with emphasis on creation of durable assets.

## **2.3 Administration of the Scheme**

Initially, the Ministry for Rural Development was the monitoring agency, but since 1994 the Ministry of Statistics and Programme Implementation has become the administrative ministry for MPLADS at the centre. There are strict guidelines about what works can be undertaken. The works should be as per the "locally felt needs" and necessarily be "durable capital assets".

At the level of states each state and union territory designates one nodal department for effective implementation of the works taken up under this scheme and for coordination with the Ministry at the centre. The head of the district, where the MP recommends works, is directly responsible for implementation of the scheme at the ground level. The authority and power to receive the funds under MPLADS from the centre, to sanction the works recommended by MPs after scrutinizing its conformity to the guidelines, to sanction the expenditure involved, to get the work executed and ensure maintenance of the assets created under this scheme are vested in him.

## **2.4 Choice of Area**

Under this scheme each elected member of the Lower House of the Parliament can suggest developmental works to be executed out of MPLADS fund in his/her constituency. The elected members of the Upper House of the Parliament can choose one or more districts for this purpose from the state from where he has been elected. The nominated members of Lower House and Upper House can select one or more districts from any one state of their choice and suggest developmental works. When the scheme was launched each MP could choose only one district for suggesting developmental works. This has been revised in February 1997. According to the revised guidelines, the MPs of Upper House of Parliament can now select more than one district for this purpose.

## **2.5 Financial Allocation**

At the time of introduction of the scheme, a token amount of Rs.5 lakhs per MP was set aside, which was increased to Rs.1 crore in 1994, and further raised to Rs.2 crores from December 1998.

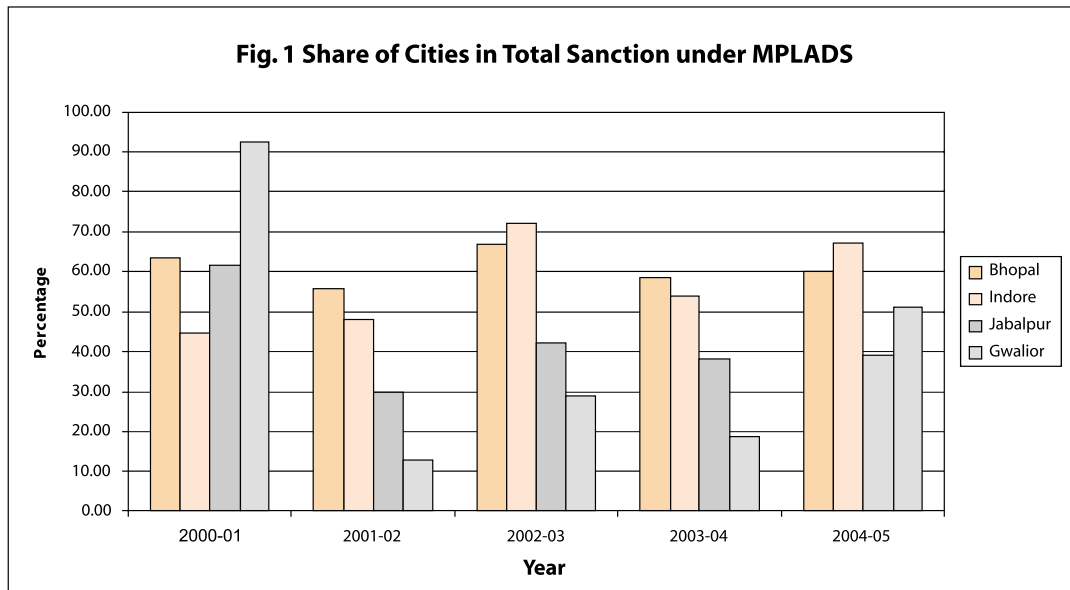
## **2.6 Recommendation of Works**

Each MP can recommend to the District Collector developmental works, expenditure on each work generally not exceeding Rs.25 lakhs ,up to a total expenditure of Rs. 2 crores every year (enhanced from Rs 1.0 crore to 2.0 crores since 1998-99). The works recommended by the MP should be developmental in nature, based on locally felt needs with emphasis on creation of durable assets.

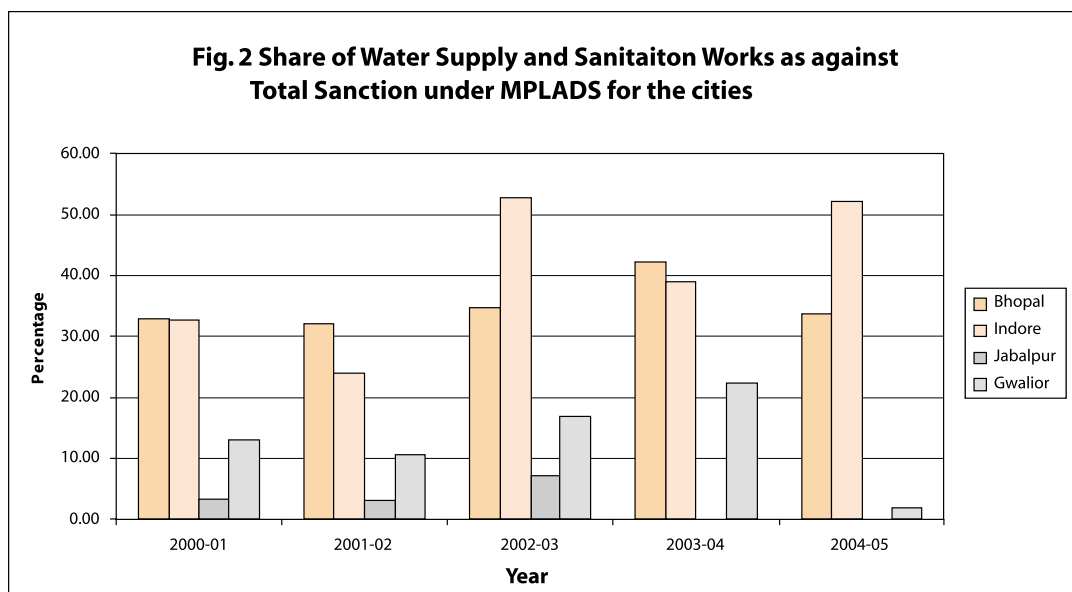
## 2.7 Allocation of fund for the Project cities

Each of the 4 project cities are represented by one MP of Lower House of Parliament. Thus at least Rs 2.0 crores from MPLADS is allocated for the development works in these cities. Besides these, there are 11 MPs of Upper House of the Parliament from Madhya Pradesh. Thus some funds could also be allocated from MPLADS under disposal of MPs of Upper House of the Parliament for these cities.

In the project cities, the annual sanctions were not uniform across financial years and there was a lot of variation in the sanction of funds. The share of cities out of the total sanction is presented in Fig.1.



There was no definite trend for sanctioning water supply and sanitation works for the cities (Fig 2). Among the 4 cities, save few exceptions, the share of sanction for water supply and sanitation schemes was less than 50 % (Fig. 2).



The district wise pooled resources under MPLADS, amount sanctioned for the city as well as that sanctioned for creation of assets for water supply and sanitation for the period 2000-1 to 2004-05 are discussed city wise as below:

### Bhopal

The sanction of fund for Bhopal city declined from Rs 360.7 lakhs in 2000-01 to Rs 168.03 Lakhs in 2004-05, which corresponds to 63.3 % and 60 % of total fund sanctioned for the district in the year (Table 1). The average annual sanction for the city was Rs 286.26 Lakhs which as a share of total sanction for the district averages at about 61%, which is quite high.

The sanction for water and sanitation works ranged from 56.59 Lakhs to 118.76 Lakhs, which as share of fund for the city ranged from 32.1 to 42.4 % , averaging 35 %.

**Table 1: Sanction of fund under MP LADS for Water supply and Sanitation projects in Bhopal city across the years**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05
Sanction of fund for the district (Rs. In Lakhs)	569.83	604.97	497.6	397.67	280.06
Sanction of fund for the city (Rs. In Lakhs)	360.7	336.96	333.4	232.23	168.03
Share of city as against total sanction for the district(%)	63.3	55.7	67.0	58.4	60.0
Sanction of fund for water & sanitation works in the city (Rs. In Lakhs)	118.76	108.34	116.21	98.66	56.59
Share of city water & sanitation works as against total sanction for the city (%)	32.9	32.1	34.8	42.4	33.6

By maintaining the total sanction for city at the present level efforts can be made for increasing the funds for the water and sanitation works to 50 % of the total sanction for the city.

### Indore

The sanction of fund for Indore city increased over the years from Rs 93.61 lakhs in 2000-01 to Rs. 264.35 Lakhs in 2004-05, which corresponds to 44.5 % and 76.3 % of total fund sanctioned for the district in the year (Table 2). The average annual sanction for the city was Rs 173.4 Lakhs, which as a share of total sanction for the district averages at about 57 % of the total sanction, which is quite high.

The total sanction for water and sanitation services works ranged from 23.33 Lakhs to 137.82 Lakhs, which as share of fund for the city ranged from 24.1 to 52.7 % , averaging 40 %.

**Table 2: Sanction of fund under MP LADS for Water Supply and Sanitation projects in Indore city across the years**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05
Sanction of fund for the district (Rs. in Lakhs)	210.44	200.66	340.23	309.16	392.75
Sanction of fund for the city (Rs. in Lakhs)	93.61	96.51	245.78	166.79	264.35
Share of city as against total sanction for the district(%)	44.5	48.1	72.2	53.9	67.3
Sanction of fund for water & sanitation works in the city (Rs. In Lakhs)	30.67	23.33	129.68	65.29	137.82
Share of city water & sanitation works as against total sanction for the city (%)	32.7	24.1	52.7	39.1	52.10

The present level of fund sanction for the city seems reasonable, but the sanction of fund for the water and sanitation works for the city is lower than desired. By maintaining the total sanction for city at the present level efforts can be made for increasing the funds for the water and sanitation works to 50 % level.

### Jabalpur

The sanction of fund for Jabalpur city declined from Rs 92.90 lakhs in 2000-01 to Rs.46.65 Lakhs in 2004-05, which corresponds to 61.5 % and 38.9 % of total fund sanctioned for the district in the year (Table 3). In general, the sanction of fund for the city also declined more or less in proportion to the sanction for the district. The average annual sanction for the city was Rs 66.40 Lakhs which as a share of total sanction for the district averages 42 %, which one can attempt to be increase to 50% level.

**Table : 3 Sanction of fund under MP LADS for Water Supply and Sanitation projects in Jabalpur city across the years**

Particulars	2000 -01	2001 -02	2002-03	2003-04	2004-05
Sanction of fund for the district (Rs. In Lakhs)	150.97	192.28	161.44	174.29	119.81
Sanction of fund for the city (Rs. In Lakhs)	92.9	57.62	68.33	66.5	46.65
Share of city as against total sanction for the district (%)	61.5	29.9	42.3	38.1	38.9
Sanction of fund for water & sanitation works in the city (Rs. In Lakhs)	2.8	1.8	4.88	0	0
Share of city water & sanitation works as against total sanction for the city (%)	3.20	3.10	7.10	0.00	0.00

The sanction for the water and sanitation works was negligible, ranging from 0 to 7.1%, averaging 2.7%. Therefore, efforts can be made for increasing the funds for the water and sanitation works to at least 50 % of the sanction for the city.

## Gwalior

The sanction of fund for Gwalior city increased from Rs 19.17 lakhs in 2001-02 to Rs 149.58 Lakhs in 2004-05 which corresponds to 12.9% to 92.3 % of total fund sanctioned for the district in the year (Table 4). The average annual sanction for the city was Rs 66.4 Lakhs which as a share of total sanction for the district averages at 40.7 %.

The amount sanctioned for the water and sanitation works ranged from Rs 2.05 to 20.65 Lakhs, which as a share of fund for the city ranged from 1.9% to 22.4% averaging 13%.

**Table 4: Sanction of fund under MP LADS for Water Supply and Sanitation projects in Gwalior city across the years**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05
Sanction of fund for the district (Rs. In Lakhs)	79.11	148.25	214.4	491.91	293.21
Sanction of fund for the city (Rs. In Lakhs)	73.07	19.17	61.65	92.26	149.58
Share of city as against total sanction for the district (%)	92.3	12.9	28.7	18.7	51.0
Sanction of fund for water & sanitation works in the city (Rs. In Lakhs)	9.42	2.05	10.52	20.65	2.99
Share of city water & sanitation works as against total sanction for the city (%)	13.1	10.6	17.0	22.4	1.9

Therefore, efforts can be made to increase the total sanction for city to at least 50 % of the total sanction for the district and out of that 50 % can be kept aside for water and sanitation works in the city.

## Possibilities for Mobilisation of Additional Resources

On analysis of the sanction of the fund for the water and sanitation works as well as total sanction for development works in the urban areas under MPLADS over the years, it is evident that the average fund allocation for the urban areas, except for Bhopal and Indore is not satisfactory. The sanctions of fund for all the 4 cities for the water and sanitation works are below the desired levels. Thus, the city wise potential for mobilisation of additional fund per annum is presented below:

City	Average sanction for the district (Rs. in Lakhs)	Present average sanction for the city (Rs in Lakhs)	Present average sanction for city W/S and sanitation works (Rs. in Lakhs)	Targeted sanction (at least 50% of total district sanction) for the city (Rs. in Lakhs)	Targeted sanction (at least 50% of total city sanction) for city W/S and sanitation works (Rs. in Lakhs)	Potential for mobilisation of additional funds for city W/S and sanitation works (Rs. in Lakhs)
Bhopal	470.03	286.26	99.71	286.26*	143.13	43.42
Indore	290.65	173.4	77.35	173.40*	86.70	9.35
Jabalpur	159.76	66.4	1.89	79.04	39.52	37.63
Gwalior	245.38	79.14	9.26	98.93	49.47	40.21

\* The current level is more than 50%, which needs no revision.

### **3. Member of Legislative Assembly Area Development Scheme (MLALADS)**

#### **3.1 Background**

In 1978 Maharashtra Government had introduced a scheme which placed a fund of Rs.25 Lakhs per year under the disposal of each member of the state legislature to facilitate development works in their constituencies. This scheme became the foundation for the Member of Legislative Assembly Area Development Scheme (MLALADS) in other states.

#### **3.2 Objectives of the Scheme**

Operational since 1994, this scheme allows for a fixed amount to be placed at the discretion of the Member of Legislative Assembly (MLA) for development of his or her constituency. The justification for the scheme is that while the process of election of representatives is heralded with fanfare, there is little that the representative can promise in terms of concrete development works for the electorate. This scheme provides MLAs with exclusive autonomy in the control of at least some development funds and therefore a more direct link between the voter and the handouts of the state. From one point of view it is a direct empowerment of elected representatives.

#### **3.3 Administration of the Scheme**

Unlike the scheme for MPs, which is financed by the central government, the State government funds the MLALADS. The MLA area development funds constitute almost ten percent of the total district plan budget of an average non-priority district and are therefore a significant source of finance in local politics and development. The allocation of fund under the MLALADS has increased over the years, which now stands at Rs. 60 Lakhs per constituency.

The MLA has almost complete control over the approval of proposals, in accordance with the guidelines, which provide a list of acceptable works, a financial limit per work and the process of assessment. Construction of offices, donations and religious works have been prohibited. The financial limit for a single work is Rs. 10 Lakhs, beyond which permission is required from the assembly. While the funds are at the MLA's discretion, they are placed with the District Collector, who functions as the watch-dog.

To access the funds, the MLA must send a recommendation letter to the District Collector proposing the works. The letter mentions the activity, the funds to be approved for the activity and the proposed implementing agency. The collector checks whether the recommendation agrees with the guidelines and forwards it to the appropriate line department for technical approval.

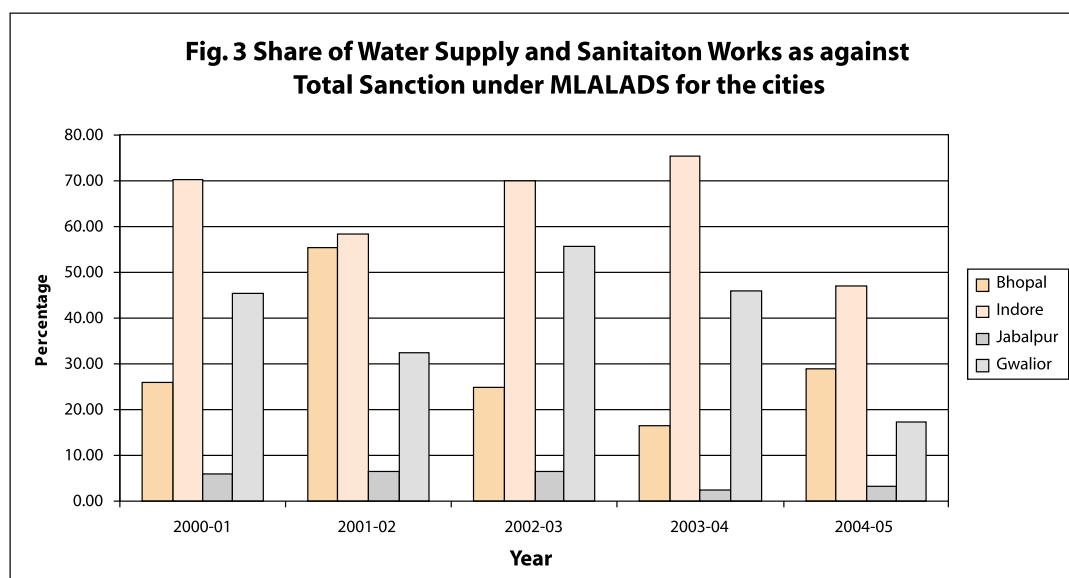
#### **3.4 Availability of fund**

In Bhopal funds from mainly three MLAs are available for development in urban areas. Likewise funds from 5 MLAs in Indore, 4 in Jabalpur and 4 in Gwalior are available for development works in urban areas. The amount available for the cities is presented at table 5.

The above allocation are not being fully sanctioned for the cities. From financial year 2005-06, the allocation has been increased by 50 %. The share of funds for water supply and sanitation works as against the actual total sanction for the cities during 2000-05 is presented in Fig. 3.

City wise actual total sanction and sanction for the water and sanitation works are discussed below:

City	(Rs. In Lakhs)					
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Bhopal	60.00	60.00	120.0	120.00	120.00	180.00
Indore	100.00	100.00	200.00	200.00	200.00	300.00
Jabalpur	80.00	80.00	160.00	160.00	160.00	240.00
Gwalior	80.00	80.00	160.00	160.00	160.00	240.00



### Bhopal

The sanction of fund for the city increased from Rs. 60 Lakhs in 2000-01 to Rs. 120 Lakhs in 2004-05, averaging Rs 96 Lakhs .

The sanction for water and sanitation works in the city ranged from Rs.12 to Rs.30 lakhs, which as share of fund for the city ranged from 16.6 to 55.5 %, averaging 30.4 % (Table 6). The sanctions for these works are quite low.

**Table 6: Sanction of fund under MLALADS for Water Supply and Sanitation projects in Bhopal city across the years**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Sanction of fund for the city (Rs. in Lakhs)	60	60	120	120	120	96.00
Total sanction for water & sanitation works (Rs. in Lakhs)	12	25	30	20	25.01	22.40
Share of water & sanitation works as against total sanction for the city (%)	26.1	55.5	25	16.6	28.9	30.42



Efforts need to be made for increasing the funds for the water and sanitation works to 50 % of the total sanction for the city.

### Indore

The sanction of fund for the city increased from Rs.89.63 lakhs in 2000-01 to Rs.186.89 lakhs in 2004-05, averaging Rs 169.73 Lakhs .

The sanction for water and sanitation works in the city ranged from Rs.63 to Rs.136.3 lakhs, which as share of fund for the city ranged from 47.3 to 75.4%, averaging 64.2% (Table 7), which is quite high.

**Table 7: Sanction of fund under MLALADS for Water Supply and Sanitation projects in Indore city across the years**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Sanction of fund for the city (Rs. In Lakhs)	89.63	196.53	194.82	180.76	186.89	169.73
Total sanction for water & sanitation works (Rs. in Lakhs)	63	114.74	136.3	100.36	88.36	100.55
Share of water & sanitation works as against total sanction for the city (%)	70.3	58.4	69.9	75.4	47.3	64.26

It would be prudent to maintain the present level of share for the water and sanitation works out of total sanction for city.

### Jabalpur

The sanction of fund for the city increased from Rs.77.53 lakhs in 2000-01 to Rs.120.14 lakhs in 2004-05, averaging Rs 109.80 Lakhs .

The sanction for water and sanitation works in the city ranged from Rs.2.84 to Rs.11.11 lakhs, which as share of fund for the city ranged from 2.6 to 6.7%, averaging 5.08 % (Table 8), which is quite low.

**Table 8: Sanction of fund under MLALADS for Water Supply and Sanitation projects in Jabalpur city across the years**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Sanction of fund for the city (Rs. In Lakhs)	77.53	80.00	163.60	107.74	120.14	109.80
Total sanction for water & sanitation works (Rs. In Lakhs)	4.73	5.43	11.11	2.84	3.97	5.62
Share of water & sanitation works as against total sanction for the city (%)	6.10	6.70	6.70	2.60	3.30	5.08

It is evident that the funds allocated for the city are not being sanctioned fully in the last two years. Efforts can be made to sanction the entire allocated funds for the city and out of that share for the water and sanitation works need to be increased to 50 % level.

### Gwalior

The sanction of fund for the city increased from Rs. 82.97 lakhs in 2000-01 to Rs. 134.06 lakhs in 2004-05, averaging Rs 147.56 Lakhs.

The sanction for water and sanitation works in the city ranged from Rs. 23.43 to Rs. 96.63 lakhs, which as share of fund for the city ranged from 17.5 to 55.6 %, averaging 39.36 % (Table 9).

**Table 9: Sanction of MLALAD fund for Water Supply and Sanitation projects in Gwalior city across the years**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Sanction of fund for the city (Rs. In Lakhs)	82.97	173.64	173.83	173.31	134.06	147.56
Total sanction for water & sanitation works (Rs. In Lakhs)	37.57	56.56	96.63	79.42	23.43	58.72
Share of city water & sanitation works as against total sanction for the city (%)	45.3	32.6	55.6	45.8	17.5	39.36

It is evident that the sanction for the water and sanitation works is lower than that desired. Attempts need to be made to increase the fund allocation for the city to the full potential and sanction at least 50 % of this amount for the water and sanitation works for the city.

### Possibilities for Mobilisation of Additional Resources

On analysis of the sanction of the fund for the urban areas over the years and its utilization for the water and sanitary sectors, it is evident that the average fund allocation for the water and sanitation works except in Indore are much below the desired levels. Depending upon the city, sanction for these sectors have to be increased. The city wise potential for mobilisation of additional funds per annum is presented below:

City	Present average sanction for the city (Rs. in Lakhs)	Present average sanction for city W/S and sanitation works (Rs. in Lakhs)	Present allocation of fund for the city from 2005-06 (Rs. in Lakhs)	Targeted sanction (at least 50% of total city sanction for city W/S and sanitation works (Rs. in Lakhs)	Potential for mobilisation of additional funds for city W/S and Sanitation works (Rs. in Lakhs)
Bhopal	96.00	22.40	180	90.00	64.40
Indore	169.73	100.55	300	150.00	49.45
Jabalpur	109.80	5.62	240	120.00	114.38
Gwalior	147.56	58.72	240	120.00	61.28

## 4. Public Contribution Schemes

Development works with public participation is a concept to create a sense of belonging among the people for the work being executed for the benefit of the community. While Government agencies provide finance and technical know-how, the community participates in the development works through contribution in various forms, i.e. both money and in kind. Usual contribution is 50% of the total cost of the work. Subject to availability of funds, development works are sanctioned on the request of local agencies, who garner 50% of the amount of the estimated work.

District wise pooled resources for development works with public contribution, amount sanctioned for the city as well as that sanctioned for water and sanitation works for the period 2000-01 to 2004-05 are presented in Table 10 & 11.

**Table 10: Amount sanctioned for development works executed with public contribution in the district from 2000-01 to 2004-05**

(Amount Rs. in Lakhs)

District	2000-01	2001-02	2002-03	2003-04	2004-05
Bhopal	44.42	20.00	106.00	100.00	200.00
Indore	44.42	20.00	104.00	118.00	160.00
Jabalpur	26.19	8.3	178.2	152.60	162.50
Gwalior	NA	NA	NA	85.0	160.0

**Table 11: Development works executed with public contribution in 4 cities from 2000-01 to 2004-05**

(Amount Rs. in Lakhs)

City	Year	Road	Water	Sanitation	Others
Bhopal	2001-01	—	8.88	—	—
	2002-02	—	10.42	—	—
	2002-03	2.0	—	—	—
	2003-04	7.4	—	—	—
	2004-05	—	21.10	—	—
Indore	2001-01	—	8.88	—	—
	2002-02	—	5.00	—	—
	2002-03	10.84	6.40	—	4.00
	2003-04	6.00	—	—	—
	2004-05	21.00	9.66	—	57.08
Jabalpur	2001-01	—	—	—	—
	2002-02	—	—	—	—
	2002-03	—	—	—	—
	2003-04	—	—	—	23.80
	2004-05	—	—	—	37.00
Gwalior	2003-04	17.98	0.26	—	18.50
	2004-05	83.90	0.50	8.8	3.64

City-wise public contribution for water supply and sanitation works are discussed below.

### Bhopal

The public contribution under this scheme for Bhopal city increased from Rs 4.44 lakhs in 2000-01 to Rs 10.55 Lakhs in 2004-05, which corresponds to 19.9 % and 10.5% of total contribution for the district in the year (Table 12). The average annual public contribution in the city was Rs.4.98 Lakhs, which as share of total contribution in the district ranged from 1.9 to 52.2 %, averaging 18.4%, which is quite low.

The combined public contribution for water and sanitation works ranged from zero to Rs.10.55 Lakhs per annum, which as share of total contribution in the city ranged from zero to 100 %, averaging 60%. During 2002-04 no works for water and sanitation were executed with public contribution (Table 12). In the remaining years works were executed for water works only (Table 11).

**Table 12: Public contribution for Water Supply and Sanitation works in Bhopal city from 2000-1 to 2004-05**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Sanction for the District (Rs in Lakhs)	22.21	10.00	53.00	50.00	100.00	47.04
Sanction for the City (Rs in Lakhs)	4.44	5.21	1.00	3.70	10.55	4.98
Share of the city in sanction for the district (%)	19.99	52.10	1.89	7.40	10.55	18.39
Sanction for water and sanitation works for the city (Rs in Lakhs)	4.44	5.21	0.00	0.00	10.55	4.04
Share for city water & sanitation works in total sanction for the city (%)	100.00	100.00	0.00	0.00	100.00	60.00

### Indore

The public contribution under this scheme for Indore city increased from Rs 4.44 lakhs in 2000-01 to Rs 43.84 Lakhs in 2004-05, which corresponds to 19.9 % and 54.8 % of total contribution for the district in the year (Table 13). The average annual public contribution in the city was Rs.4.98 Lakhs, which as share of total contribution in the district ranged from 1.9 to 52.2 %, averaging 18.4%, which is quite low.

The combined public contribution for water and sanitation works in the city ranged from zero to Rs.4.83 Lakhs per annum, which as share of total contribution in the city ranged from zero to 100 %, averaging 48.18 %. In 2003-04, no works for water and sanitation were executed with public contribution in the city (Table 13). In the remaining years works were executed for water works only (Table 11).

**Table 13: Public contribution for Water Supply and Sanitation works in Indore city from 2000-1 to 2004-05**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Sanction for the District (Rs in Lakhs)	22.21	10.00	52.00	59.00	80.00	44.64
Sanction for the City (Rs in Lakhs)	4.44	2.50	10.70	3.00	43.84	12.90
Share of the city in sanction for the district (%)	19.99	25.00	20.58	5.08	54.80	25.09
Sanction for water and sanitation works for the city (Rs in Lakhs)	4.44	2.75	3.20	0.00	4.83	3.04
Share for city water & sanitation works in total sanction for the city (%)	100.00	100.00	29.90	0.00	11.00	48.18

### Jabalpur

The public contribution under this scheme for Jabalpur city increased from zero in 2000-01 to Rs 18.50 Lakhs in 2004-05, which corresponds to zero and 22.7 % of total contribution for the district in the year (Table 14). The average annual public contribution in the city was Rs.6.08 Lakhs, which as share of total contribution in the district ranged from zero to 22.7 %, averaging 7.6 %, which is quite low.

During the period under reference, no works on water and sanitation were executed with public contribution in Jabalpur (Table 11).

**Table 14: Public contribution for water supply and sanitation works in Jabalpur city from 2000-1 to 2004-05**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Sanction for the District (Rs in Lakhs)	13.10	4.15	89.10	76.30	81.25	52.78
Sanction for the City (Rs in Lakhs)	0.00	0.00	0.00	11.90	18.50	6.08
Share of the city in sanction for the district (%)	0.00	0.00	0.00	15.60	22.77	7.67
Sanction for water and sanitation works for the city (Rs in Lakhs)	0.00	0.00	0.00	0.00	0.00	0.00
Share for city water & sanitation works in total sanction for the city (%)	0.00	0.00	0.00	0.00	0.00	0.00

### Gwalior

The public contribution under this scheme for Gwalior city increased from zero in 2000-01 to Rs 48.42 Lakhs in 2004-05, which corresponds to zero and 60.5 % of total contribution for the district in

the year (Table 15). The annual 5 year average of public contribution in the city was Rs.11.78 Lakhs, which as share of total contribution in the district ranged from zero to 60.53 %, averaging 17.04 %, which is quite low.

The combined public contribution for water and sanitation works ranged from zero to Rs.4.61 Lakhs per annum , which as share of total contribution in the city ranged from zero to 9.5 %, averaging 2.1 % (Table 15). In fact, during 2000-03, no works for water and sanitation were executed with public contribution (Table 11).

**Table 15: Public contribution for water supply and sanitation works in Gwalior city from 2000-1 to 2004-05**

Particulars	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Sanction for the District (Rs in Lakhs)	0.00	0.00	0.00	42.50	80.00	24.50
Sanction for the City (Rs in Lakhs)	0.00	0.00	0.00	10.49	48.42	11.78
Share of the city in sanction for the district (%)	0.00	0.00	0.00	24.68	60.53	17.04
Sanction for water and sanitation works for the city (Rs in Lakhs)	0.00	0.00	0.00	0.13	4.61	0.95
Share for city water & sanitation works in total sanction for the city (%)	0.00	0.00	0.00	1.20	9.50	2.14

### Strategy for Mobilization of Additional Resources

It is evident that except in Indore and Gwalior in 2004-05, the sanction of the funds for the urban areas over the years are not satisfactory. The sanctions for the water and sanitation works in the cities are much below the desired levels. Therefore, attempts should be made to increase the government sanction for the city to at least 50% of the total sanction for the district, and out of that 50% can be sanctioned for the water and sanitation works.

The city wise potential for generating additional fund per annum is presented below:

City	Average sanction for the district (Rs.in Lakhs)	Present average sanction for the city (Rs.in Lakhs)	Present average sanction for city W /Sand sanitation works (Rs.in Lakhs)	Targeted sanction (at least 50% of total district sanction) for the city (Rs.in Lakhs)	Targeted sanction (at least 50% of total city sanction) for city W /Sand sanitation works (Rs.in Lakhs)	Additional fund potentially available for W /Sand sanitation works (Rs.in Lakhs)
Bhopal	47.04	4.98	4.04	23.52	11.76	7.72
Indore	44.64	12.90	3.04	22.32	11.16	8.12
Jabalpur	52.78	6.08	0.00	26.39	13.20	13.20
Gwalior	24.50	11.78	0.95	12.25	6.13	5.18

## 5. Ashray Nidhi (Shelter Fund)

Rule 10 of the Madhya Pradesh Nagar Palika (Registration of Coloniser , Terms and Conditions ) Rules, 1988 (amended in 2000) seeks to ensure the availability of Plots/ houses for the economically weaker sections (EWS) of the society. The provisions are as follows :

Sub Rule (1) : In every residential colony developed by private colonizers/developers, 15% of the total developed area having fully developed plots equal to the size of 32 to 40 sq.m. area shall be reserved for persons belonging to EWS.

Sub Rule (2) : The colonizer can construct houses of 20-24 sq.m. size in 25 % of the developed area instead of developed plots in the colony for the EWS.

Sub Rule (3) : The colonizers who don't want to opt either of the above two options have to deposit shelter fee in the Ashraya Nidhi (Shelter fund) for the total area of the colony at the following rates :

- i) For towns having population upto 3 lakhs: @ Rs 40 per sq.m.
- ii) For towns having population of 3,00,000 to 5,00,000 : @ Rs. 60/- per sq.m., and
- iii) For towns having population of more than 5,00,000 : @ Rs. 100/- per sq.m.

The shelter fee so collected can be used for the following purposes:

- As an interest free loan to Local bodies / Madhya Pradesh Housing Board / Madhya Pradesh Slum Clearance Board / Development Authority.
- As margin money to obtain loan from financial institutions for the construction of houses for EWS.
- For providing basic services like sewerage, drinking water, public toilets etc in the slum areas.

In the four project cities, the colonizers prefer using the third option of Shelter Fund and depositing shelter fee in a joint account of the Collector and the Project Officer, Urban District Development Agency. City wise details of receipt of shelter fee and sanction for water supply and sanitation works are given in the following section:

### Bhopal

The deposits under shelter fund increased from Rs.21.05 Lakhs in 2002-03 to Rs.250.23 Lakhs in 2004-05. However, only in 2004-05 a sum of Rs.221.86 Lakhs was sanctioned which included a sum of Rs.56.72 Lakhs (i.e. 25.5% of the total sanction) for water supply and sanitation works.

**Table 16: Sanction of Shelter fund for Water Supply and Sanitation works in Bhopal city during 2001-05**

(Rs. in Lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	Total
Fees deposited	–	21.05	50.00	250.00	321.28
Sanction of fund for the city	–	–	–	221.86	221.86
Sanction for water supply and sanitation schemes	–	–	–	56.72	56.72
Share of water supply and sanitation works as percentage of sanction for the city	–	–	–	25.50	25.50

## Indore

The deposits under shelter fund increased from Rs.27.68 Lakhs in 2001-02 to Rs.284.51 Lakhs in 2003-04. The annual average deposit for the city was Rs.174.16 Lakhs. The average sanction for water supply and sanitation works for the same period was Rs.38.81 Lakhs.

**Table 17: Sanction of Shelter fund for Water Supply and Sanitation works in Indore city during 2001-05**

(Rs. in Lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	Total
Fees deposited	27.68	209.56	284.51	174.89	669.64
Sanction of fund for the city	–	87.97	167.07	163.55	418.59
Sanction for water supply and sanitation schemes	–	50.00	18.95	47.49	116.44
Share of water supply and sanitation works as percentage of sanction for the city	–	62.5	11.3	29.0	27.8

## Jabalpur

The deposits under shelter fund increased from Rs.4.91 Lakhs in 2001-02 to Rs.45.43 Lakhs in 2004-05, averaging Rs.23.69 Lakhs per annum. Only in the year 2004-05 a sum of Rs.46.84 Lakhs was sanctioned for water supply and sanitation works.

**Table 18: Sanction of Shelter fund for Water Supply and Sanitation works in Jabalpur city during 2001-05**

(Rs. in Lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	Total
Fees deposited	4.91	12.91	31.53	45.43	94.78
Sanction of fund for the city	–	–	–	46.84	46.84
Sanction for water supply and sanitation schemes	–	–	–	46.84	46.84
Share of water supply and sanitation works as percentage of sanction for the city	–	–	–	100	100

## Gwalior

The deposits under shelter fund increased from Rs.8.62 Lakhs in 2002-03 to Rs.45.03 Lakhs in 2004-05, averaging Rs.23.98 Lakhs per annum. Only in the year 2003-04 a sum of Rs.1.56 Lakhs was sanctioned for water supply and sanitation works.



**Table 19: Sanction of Shelter fund for Water Supply and Sanitation works in Gwalior city during 2001-05**

(Rs. in Lakhs)

Particulars	2001-02	2002-03	2003-04	2004-05	Total
Fees deposited	–	8.62	14.83	45.03	71.94
Sanction of fund for the city	–	–	1.56	–	1.56
Sanction for water supply and sanitation schemes	–	–	1.56	–	1.56
Share of water supply and sanitation works as percentage of sanction for the city	–	–	100	–	100

### Strategy for Mobilization of Additional Resources

It is evident that except in Indore the sanction of fund for water supply and sanitation works is not encouraging though a substantial amount remains unutilized. The city wise potential for generating additional fund per annum for water supply and sanitation works in the slum areas is presented as under:

City	Average annual deposit (Rs. in Lakhs)	Potential mobilization of fund for water supply and sanitation works (atleast 50% of the average annual deposit) (Rs. in Lakhs)
Bhopal	107.09	53.54
Indore	167.41	83.70
Jabalpur	23.69	11.84
Gwalior	23.98	12.00

## 6. Municipal Corporations

The urban local bodies (ULBs) are mandated to provide urban basic services for the people. To meet out the expenses ULBs generate resources through levy of taxes as per Section 132 of Madhya Pradesh Municipal Corporations Act, 1956. The sources of revenues are Property Tax (as well as consolidated tax); Water Tax (for connection taken from the water pipeline); General Sanitation Surcharge / Tax; General Lighting Tax; General Fire Tax; and Other Local Bodies Tax, if approved by the State. Besides these as per Section 366 of the Municipal Corporation Act ULBs are empowered to levy and collect various fees. These are quasi-taxes in term of their imposition and include ground rent, building license fees, trade license fees, water connection fees and fees for market, bus stands etc. The rates are fixed by the ULBs, subject to the limits set by the state government. Other charges include those for private works, burial and cremation, birth and death certificates, sale of forms, auction and sale proceed of sludge, manure, produce of gardens and tree cutting etc. Other taxes, fees, rentals etc. levied by the Municipal corporations are:

- Taxes: Export tax on products e.g. liquor, electrical goods, iron, furniture, petroleum etc.; Colony/ City Development Cess; Advertisement Tax based on per square meter per year; Show tax.

- Rentals: Shops / buildings / Land; Premium on shops; Builders' Promoters' scheme; Auctions and transfer of property; Market fees.
- Fees: Licence fee on shops / hotels; Building construction fees; Colony development fees; Supervision charges; Cattle registration fees; Stray cattle fees; Slaughter house fees; ration card; Water tankers; Parking; Swimming pool charge.

A significant portion of the revenue expenses is met through devolution or transfers from government. These include compensation and assigned revenue (octroi compensation, stamp duty etc); grants from the State Finance Commission and the 11<sup>th</sup> Finance Commission; subsidy for maintenance of transferred water supply systems, etc. The summary of receipt and expenditure of the 4 municipal corporations is presented at Table 20.

**Table 20: Revenue and Expenditure of 4 Municipal Corporations for the period 2000-01 to 2004-05** (Rs. in Lakhs)

City	Particulars	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Bhopal</b>	Income from own resources	4063.82	4618.19	4644.08	6111.63	4386.61
	Total Income	8705.58	8487.28	9326.67	10176.02	12893.25
	Total Expenditure	7036.73	8420.77	9384.54	10149.82	16757.15
<b>Indore</b>	Income from own resources	3401.95	4894.63	5415.23	6305.77	6174.99
	Total Income	10402.99	11811.94	14809.91	17144.62	17432.91
	Total Expenditure	13381.31	14740.09	17628.59	20750.59	21487.56
	Revenue Surplus / Deficit	(-) 2978.32	(-)2928.15	(-) 2818.68	(-) 3605.97	(-)4054.65
<b>Jabalpur</b>	Income from own resources	2026.73	2042.19	2238.20	2330.66	2892.09
	Total Income	5109.66	4996.34	7131.78	5922.72	8499.24
	Total Expenditure	5352.15	5060.97	6844.45	6468.18	7664.18
	Revenue Surplus / Deficit	(-)242.49	(-) 64.63	287.33	(-)545.46	835.06
<b>Gwalior</b>	Income from own resources	1887.01	1471.82	1559.27	1297.79	2017.30
	Total Income	4359.05	4441.96	4830.75	4359.05	5682.57
	Total Expenditure	4786.03	5050.06	5201.22	4618.52	6189.54
	Revenue Surplus / Deficit	(-)426.98	(-)608.10	(-)370.47	(-)259.47	(-)506.97

## 6.1 Expenditure on urban basic services in cities

Maintaining water supply and providing sanitation services form the major components of urban basic services provided by the Municipal Corporations. Services for the urban poor are being provided under the slum are development programme also. The trend of expenses by the Municipal corporations of Bhopal, Indore, Jabalpur and Gwalior on these sectors during 2000-01 to 2004-05 are elaborated below:

## Bhopal

The expenditure on water supply increased from Rs 1939 Lakhs in 2000-01 to Rs 2904 Lakhs in 2004-05, averaging Rs.2428 Lakhs. (Table 21). The share of expenditure on water supply in the total expenditure ranged from 17.3 to 29.1%, averaging 24.7 %, which is high.

The expenditure on sanitation ranged from Rs.102 Lakhs to Rs.133 Lakhs, which as a share of total expenditure ranged from 0.8% to 1.46%, averaging 1.21 % and is quite low.

The expenditure on slum area development ranged from Rs.71 to Rs.310 Lakhs, which as a share of total expenditure ranged from 1% to 1.85%, averaging 1.64 % and is quite low.

**Table 21: Expenditure of Bhopal Municipal Corporation for Water Supply, Sanitation and Slum area Development for the period 2000-01 to 2004-05**

Head of Account	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Total Expenditure (Rs in Lakhs)	7036.73	8420.77	9384.54	10149.82	16757.15	10349.80
Expenditure on water supply (Rs in Lakhs)	1939.16	2377.86	2737.20	2184.79	2904.36	2428.67
Share of expenditure on water supply as against total expenditure (%)	27.56	28.24	29.17	21.53	17.33	24.76
Expenditure on sanitation (Rs in Lakhs)	102.71	120.23	123.97	105.39	133.27	117.11
Share of expenditure on sanitation as against total expenditure (%)	1.46	1.43	1.32	1.04	0.80	1.21
Expenditure on slum area development (Rs in Lakhs)	71.83	97.58	145.21	265.38	310.80	178.16
Share of expenditure on slum area development as against total expenditure (%)	1.02	1.16	1.55	2.61	1.85	1.64

The expenditure on water supply is quite high. It could be rationalised through implementation of a water demand management strategy, while efforts can be made to increase the allocation for sanitation and slum area development up to 5 % of the total annual expenditure of the corporation.

## Indore

The expenditure on water supply increased from Rs 630.71 Lakhs in 2000-01 to Rs 1699.72 Lakhs in 2004-05, averaging Rs. 1137.64 Lakhs. (Table 22). The share of expenditure on water supply in the total expenditure ranged from 3.85 to 9.72 %, averaging 6.5 %, which is quite low considering the population being served.

The expenditure on sanitation ranged from Rs.278.65 Lakhs to Rs.564.29 Lakhs, which as a share of total expenditure ranged from 1.7 to 4.2%, averaging 2.4 % and is quite low.

The expenditure on slum area development ranged from Rs. 42.1 to Rs.250.8 Lakhs, which as a share of total expenditure ranged from 0.2 to 1.2%, averaging 0.76% and is quite low.

**Table 22: Expenditure of Indore Municipal Corporation for Water Supply, Sanitation and Slum area Development for the period 2000-01 to 2004-05**

Head of Account	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Total Expenditure (Rs in Lakhs)	13381.31	14740.09	17628.59	20750.59	21487.56	17597.63
Expenditure on water supply (Rs in Lakhs)	630.71	1432.87	1126.18	798.70	1699.72	1137.64
Share of expenditure on water supply as against total expenditure (%)	4.71	9.72	6.39	3.85	7.91	6.52
Expenditure on sanitation (Rs in Lakhs)	564.29	278.65	414.11	356.66	421.89	407.12
Share of expenditure on sanitation as against total expenditure (%)	4.22	1.89	2.35	1.72	1.96	2.43
Expenditure on slum area development (Rs in Lakhs)	124.00	108.27	42.10	250.86	143.50	133.75
Share of expenditure on slum area development as against total expenditure (%)	0.93	0.73	0.24	1.21	0.67	0.76

The expenditure on water supply is quite low, reason being payment of electricity bills on water supply by the state government directly to the MP electricity Board from the monthly octroi compensation head. However, expenditure on water supply could be rationalised through implementation of a water demand management strategy. Efforts can also be made to increase the allocation for sanitation and slum area development up to 5 % of the total annual expenditure of the corporation.

### **Jabalpur**

The expenditure on water supply increased from Rs 454.23 Lakhs in 2000-01 to Rs 502.25 Lakhs in 2004-05, averaging Rs. 590.18 Lakhs. (Table 23). The share of expenditure on water supply in the total expenditure ranged from 5.2 to 18.9%, averaging 9.2 %, which is quite low.

The expenditure on sanitation ranged from Rs.142.42 Lakhs to Rs.263.60 Lakhs, which as a share of total expenditure ranged from 2.5 to 3.4%, averaging 2.8% and is quite low.

The expenditure on slum area development ranged from Rs.55.30 Lakhs to Rs.236.48 Lakhs, which as a share of total expenditure ranged from. 0.7% to 4.4%, averaging 2.2 % and is quite low.

**Table 23: Expenditure of Jabalpur Municipal Corporation for Water Supply, Sanitation and Slum area Development for the period 2000-01 to 2004-05**

Head of Account	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Total Expenditure (Rs in Lakhs)	5352.15	5060.97	6844.45	6468.18	7664.18	6277.99
Expenditure on water supply (Rs in Lakhs)	454.23	358.98	1294.60	340.86	502.25	590.18
Share of expenditure on water supply as against total expenditure (%)	8.49	7.09	18.91	5.27	6.55	9.26
Expenditure on sanitation (Rs in Lakhs)	144.20	142.42	176.56	170.94	263.60	179.54
Share of expenditure on sanitation as against total expenditure(%)	2.69	2.81	2.58	2.64	3.44	2.83
Expenditure on slum area development (Rs in Lakhs)	236.48	153.71	97.52	93.13	55.30	127.23
Share of expenditure on slum area development as against total expenditure (%)	4.42	3.04	1.42	1.44	0.72	2.21

The expenditure on water supply is quite low, reason being payment of electricity bills on water supply by the state government directly to the MP electricity Board from the monthly octroi compensation head. However, expenditure on water supply could be rationalised through implementation of a water demand management strategy. Efforts can also be made to increase the allocation for sanitation and slum area development up to 5 % of the total annual expenditure of the corporation.

### Gwalior

The expenditure on water supply increased from Rs 195.24 Lakhs in 2000-01 to Rs 1205.99 Lakhs in 2004-05, averaging Rs. 880.10 Lakhs. (Table 24). The share of expenditure on water supply in the total expenditure ranged from 4.0% to 24.2%, averaging 16.6 %, which is lower than that desired.

The expenditure on sanitation ranged from Rs.95.30 Lakhs to Rs.181.76 Lakhs, which as a share of total expenditure ranged from 1.9 to 2.9% averaging 2.3 % and is quite low.

The expenditure on slum area development ranged from Rs.23.2 Lakhs to Rs.103.91 Lakhs, which as a share of total expenditure ranged from. 0.5% to 2%, averaging 1.18% and is quite low.

**Table 24: Expenditure of Gwalior Municipal Corporation for Water Supply, Sanitation and Slum area Development for the period 2000-01 to 2004-05**

Head of Account	2000-01	2001-02	2002-03	2003-04	2004-05	Average
Total Expenditure (Rs in Lakhs)	4786.03	5050.06	5201.22	4618.52	6189.54	5169.07
Expenditure on water supply (Rs in Lakhs)	195.24	1223.55	1067.88	707.85	1205.99	880.10
Share of expenditure on water supply as against total expenditure (%)	4.08	24.23	20.53	15.33	19.48	16.73
Expenditure on sanitation (Rs in Lakhs)	95.30	118.42	101.37	103.09	181.76	119.99
Share of expenditure on sanitation as against total expenditure(%)	1.99	2.34	1.95	2.23	2.94	2.29
Expenditure on slum area development (Rs in Lakhs)	42.60	23.20	103.91	86.97	40.65	59.47
Share of expenditure on slum area development as against total expenditure (%)	0.89	0.46	2.00	1.88	0.66	1.18

The expenditure on water supply is quite low, reason being payment of electricity bills on water supply by the state government directly to the MP electricity Board from the monthly octroi compensation head. However, expenditure on water supply could be rationalised through implementation of a water demand management strategy. Efforts can also be made to increase the allocation for sanitation and slum area development up to 5 % of the total annual expenditure of the corporation.

### Possibilities for Mobilisation of Additional Resources

At the present level, all the municipal corporations have a deficit budget. The administrative and water supply expenses form the major component of municipal expenditure. The expenditure on sanitation and development in slum areas are quite low. Expenditure on development in slum areas is also less than 2 % of the total expenditure, which clearly indicate the lack of initiative for the improvement of sanitary conditions in the unprivileged part of the community. The slum population in 4 cities alone averaged at 36 % , whereas the allocation for the slum area development is less than 2 % . In order to facilitate environmentally sustainable development of the cities, it is imperative that through judicious financial planning and allocation of additional resources the urban basic services of the Municipal Corporations are improved.

Efforts can be made to increase allocation for sanitation and slum area development to at least 5 % of the total expenditure of the Municipal Corporations. The computation of additional allocation for sanitation (Table 25) and slum area development (Table 26 ) are presented below.

**Table 25: Potential for mobilisation of additional resources for Sanitation**

Municipal Corporations (MC)	Average total expenditure of (MC) (Rs. in Lakhs)	Present average expenditure for sanitation (Rs. in Lakhs)	Targeted expenditure on sanitation (5% of total expenditure) (Rs. in Lakhs)	Additional allocation for sanitation (Rs. in Lakhs)
Bhopal	10349.80	117.11	517.49	400.38
Indore	17597.63	407.12	879.88	472.76
Jabalpur	6277.99	179.54	313.90	134.36
Gwalior	5169.07	119.99	258.45	138.46

**Table 26: Potential for mobilisation of additional resources for Slum Area Development (SAD)**

Municipal Corporations (MC)	Average total expenditure of (MC) (Rs. in Lakhs)	Present average expenditure for SAD (Rs. in Lakhs)	Targeted expenditure on SAD (5% of total expenditure) (Rs. in Lakhs)	Additional allocation for SAD (Rs. in Lakhs)
Bhopal	10349.80	178.16	517.49	339.33
Indore	17597.63	133.75	879.88	746.13
Jabalpur	6277.99	127.23	313.90	186.67
Gwalior	5169.07	59.47	258.45	198.98

Thus, the possibility of allocation of additional resources by the Municipal Corporations for improving urban basic services is as follows:

Municipal Corporations (MC)	Additional allocation (Rs. in Lakhs)		
	Sanitation	Slum area development	Total
Bhopal	400.38	339.33	739.71
Indore	472.76	746.13	1218.89
Jabalpur	134.36	186.67	311.03
Gwalior	138.46	198.98	337.44

### Measures Recommended for Generating Additional Resources

1. Rationalizing and improving the municipal financial management system of augmenting resources and its judicious expenditure vis-à-vis minimizing the cost of administration becomes pertinent to finance the activities.
2. Correct assessment of property tax and improvement in collection all taxes, building fees, rental charges, etc.: It is reported that due to fault in property tax assessment system, Municipal corporations lose a considerable sum every year. Proper assessment and collection of property tax of the commercial establishments alone could meet out 10-20 % of this additional expenditure. Improving collection of taxes of other property would generate additional resources.

3. Implementation of water demand management strategy: It has been observed that during water supply, considerable quantities are lost through leakage and about 40% of the water charges are not being collected in cities, which cause considerable financial loss to the Municipal Corporations. Implementation of water demand management strategy and improving collection of water charges would facilitate improving the water supply services.
4. Mandatory use of grants received from State Finance Commission and 11th Finance Commission.: All Municipal Corporations receive grants as per the recommendation of the State Finance Commission and 11th Finance Commission. The grants received by the Municipal Corporations during the last three years is summarized in Table 27. Mandatory allocation of 50% of the present average grants received from both the commissions by the Municipal Corporations would facilitate them in meeting out a considerable portion of the additional expenditure (20.5 % for BMC, 8.8 % for IMC, 43.1 % for JMC and 46.8 % for GMC) required for improving sanitation services and development in slum areas in the cities (Table 28).

**Table 27: Grants to Municipal Corporations as per recommendations of the State Finance Commission and 11<sup>th</sup> Finance Commission and possibility of allocation of these funds for sanitation and slum area development in the cities**

Municipal Corporation	Year wise sanction of Grants by the State Finance Commission (Rs. in Lakhs)			Average (Rs. in Lakhs)	Target allocation (50% of the average annual grant) (Rs. in Lakhs)
	2002-03	2003-04	2004-05		
Bhopal	100.00	396.81	227.56	241.46	120.73
Indore	154.50	171.39	199.94	175.28	87.64
Jabalpur	228.99	0.00	91.49	106.83	53.42
Gwalior	76.88	217.36	179.82	158.02	79.00
Municipal Corporation	Year wise sanction of Grants by the 11 <sup>th</sup> Finance Commission (Rs. in Lakhs)			Average (Rs. in Lakhs)	Target allocation (50% of the average annual grant) (Rs. in Lakhs)
	2002-03	2003-04	2004-05		
Bhopal	0.00	0.00	184.21	61.40	30.70
Indore	120.34	0.00	0.00	40.11	20.05
Jabalpur	258.78	118.91	105.94	161.21	80.60
Gwalior	76.88	217.36	79.82	158.02	79.00



**Table 28: Possibilities of meeting additional fund requirement for sanitation and slum area development by mandatory allocation of grants (average of the period 2003-05) to Municipal Corporations as per recommendations of the State Finance Commission and 11<sup>th</sup> Finance Commission**

Municipal Corporation	Potential additional allocation for sanitation & slum area development (Rs. in Lakhs)	Targeted allocation out of grants from State Finance Commission and 11 <sup>th</sup> Finance Commission (Rs. in Lakhs)	Share of grants from State Finance Commission and 11 <sup>th</sup> Finance Commission to the potential additional allocation (%)
Bhopal	739.71	151.43	20.5
Indore	1218.89	107.69	8.8
Jabalpur	311.03	134.02	43.1
Gwalior	337.44	158.00	46.8

## 7. Non Government Resources

There is some International as well as national agencies which are providing financial support for the development in the slum areas. Some of the important ones are mentioned below:

### 7.1 USAID

The Environmental Health Project (EHP), India is a project under the Office of Health, Infectious Diseases and Nutrition in USAID's Bureau for Global Health. It currently implements an Urban Child Health Program in 75 slums of Indore (approximately 1.3 Lakh people) through five Non Government Organization–Community Based Organization (NGO-CBO) consortia since April 2003. The five NGOs are Bal Niketan Sangh (BNS), Pushpkunj Family Helper Project, Bharatiya Grameen Mahila Sangh (BGMS), Centre for Development Economics and Development Consultants Society (CECOEDECON) and Indore Diocese Social Services Society (IDSS). They have been implementing the program in collaboration with nine lead CBOs and 87 *basti* (slum) CBOs.

The principal objective of the project is to reduce mortality and morbidity in children under five, by improving environmental conditions and/or reducing exposure to disease agents associated with infectious diseases of major public health importance, through an integrated approach that combines access to hardware, hygiene promotion and enabling environments. The first year of the program focused on conducting a situational analysis, vulnerability assessment and the development of partnerships an NGO-CBO consortium of five organizations for the implementation of child health interventions.

An innovative Ward Model has also been developed to facilitate mechanisms among the stakeholders for delivery and utilization of public and private sector health services through better coordination and community linkages. The aim of the model is to map urban health resources and stakeholders at the ward level, then identify gaps and areas for strengthening services locally and finally to select a particular ward for conducting a pilot. The pilot aims to develop a coordination mechanism among local stakeholders for monitoring systems for effective delivery of health services at the ward level. The ward model, formed two years ago, has been active in carrying out monthly immunisation drives.

The EHP initiative in Indore has been successful in creating platforms and avenues for community involvement wherein the role of CBOs gets institutionalised in the development of their communities.

CBO capacity is strengthened in order to facilitate negotiation of NGOs and CBOs with service providers and to ensure access to quality services and also to take up broader community development activities.

## **7.2 USAID and JBIC Collaboration**

USAID and JBIC are now working together on improving access to water and sanitation services in the Bangalore metropolitan area, comprising Bangalore city and eight surrounding municipalities in the State of Karnataka, located in south India. JBIC committed funding to the “Bangalore Water Supply and Sewerage Project” in March 2005. This project is designed to increase water supply and improve sanitation in the Bangalore metropolitan area. Under the “Greater Bangalore Water Supply and Sewerage Project” in 2004, USAID guaranteed bonds issued by the Karnataka Urban Infrastructure Development and Finance Corporation to raise funds for water distribution systems in eight municipalities, which will use water transferred through the Bangalore water supply system financed by JBIC. Moreover, to ensure the efficient and effective implementation for water and sanitation services for the slum households in Bangalore metropolitan area, JBIC collaborates with the Cities Alliance through the USAID-supported Community Water and Sanitation Facility for the survey of social and physical conditions, community awareness-raising activities, and communication with beneficiaries and stakeholder institutions. JBIC and USAID are exploring further possibilities of collaboration with other cities in India. This opens up possibility for mobilization of resources for the cities of Madhya Pradesh.

## **7.3 Clean Water for People Initiative**

In September 2002, the United States and Japan launched the Clean Water for People Initiative at the World Summit on Sustainable Development (WSSD) in Johannesburg committing to provide \$970 million USD over a period of three years beginning in fiscal year 2003, for water-related projects developed through bilateral assistance programs.

This partnership is designed to provide safe water and sanitation to the world’s poor, improve watershed management and increase the productivity of water. The partnership will expand and accelerate international efforts to achieve the goals contained in the Millennium Declaration and implement the Johannesburg Plan of Implementation including halving, by 2015, “the proportion of people who are unable to reach or afford safe drinking water” and “the proportion of people without access to basic sanitation.”

The Clean Water for People partnership is intended to promote collaboration through the use of existing U.S. and Japanese development assistance mechanisms. USAID technical assistance provides support in project identification, preparation, and implementation, and in developing long term financially viable operation and maintenance systems. An important component is ensuring inclusion of the poor and slum dwellers in water and sanitation service delivery, and ensuring sustainable finance and management. USAID provides guarantees to support private financial institutions in making loans for projects across a range of development areas, including water and sanitation infrastructure. Japan supports the Clean Water for People partnership through grant and loan aid programs as well as technical cooperation with local municipalities, non-governmental organizations and the business sector.

## **7.4 JBIC**

JBIC is one of the major financiers of development projects in Madhya Pradesh. It has provided loan assistance to the tune of 7055 Million Yen to the Government of Madhya Pradesh for the implementation of Lake Bhopal Conservation and Management Project in Bhopal during 1994-

2004. The major objectives of this integrated water resources conservation project was to facilitate availability of water for the city in an increased quantity and of improved quality.

### 7.5 DFID

DFID through its Urban Poverty Reduction Programme (UPRP) planned for implementation during 2004-07 supporting the Urban Water Supply and Environment improvement Project (UWSEIPMP) being implemented by the Government of Madhya Pradesh with financial assistance from ADB. The support activities include complementary governance and finance reforms, cost recovery on the delivery of water supply through setting up a Water Regulatory Authority, preparation of Municipal Action Plans for poverty Reduction (MAPP) in the 4 MCs and Capacity Building at the state level, ULB and community level. UWSEIPMP and DFID will jointly contribute to an Area Improvement Fund to enhance investment in slums linking to primary infrastructure investment. The assistance includes technical cooperation of £ 3.75 million to support capacity building at state, ULB and community levels and financial Aid of £ 36.0 million in slum infrastructure, Community Initiative Fund and reform and capacity building for UADD, 4 MCs, selected ULBs and MAPP prioritised communities.

### 7.6 WaterAid

Water Aid India has recently opened an office in Madhya Pradesh with plans to work in Bhopal and Gwalior through local NGOs. NGO partners identified include Self Employed Women's Association (SEWA), Energy, Environment and Development Society in Bhopal, Bal Mahila Vikas Samiti and Sambhav Social Service Organisation in Gwalior in the areas of safe drinking water, sanitation and hygiene. SEWA is a prominent NGO in the field of socio-economic development of women and children, and works in three slum colonies in Bhopal - Roshanpura, Banganga and Rajeev Nagar.

The main thrust of WaterAid's current efforts in MP is hygiene education, implemented through newly formed women Self Help Groups in Rajeev Nagar. Construction of sewage line and chambers have started, with the intention of connecting 250 households to the main sewage line. The cost of laying sewage lines is being borne by WaterAid.

### 7.7 World Vision

It is a Christian Relief and development organization dedicated to helping children and their communities worldwide to reach their full potential by tackling the causes of poverty. First started in India in Calcutta (now Kolkata) in 1965, it has implemented more than 300 projects in India. In Madhya Pradesh World Vision has operations base in Indore and Jabalpur. In Indore, they are operating since the last 15 years and have provided technical and financial help in the construction of roads, individual houses and toilets and piped water supply in the slum areas. There works are summarised below:-

S.No.	Description of work	No. of slums	No. of works	Rate (Rs.)	Amount (Rs. In Lakhs)
1.	Individual housing (Roofing)	25	1500	5000	75.00
2.	Construction of toilets	45	300	7000	21.00
3.	Piped water supply	4	4	-	10.00
4.	Road construction	5	5	-	150.00

### 7.8 Sulabh International

The Sulabh International Social Service Organisation founded in 1970, is one of the largest nationally and internationally recognised organisations working to promote human rights, environmental

sanitation, health and hygiene, non-conventional sources of energy, waste management and social reforms through education, training and awareness campaigns. According to Sulabh, its model Sulabh Sauchalaya is a pioneering concept – providing for a scavenger-free two-pit pour-flush toilet with safe and hygienic on-site human waste disposal technology. Sulabh has also been instrumental in popularising the concept of Pay & Use public toilets across India. These Sulabh Complexes are sanitation blocks with bath, laundry and urinal facilities. Sulabh's work in Madhya Pradesh has focussed mainly on construction and maintenance of toilet complexes. Contribution of Sulabh international in the 4 cities has been provided in Table 29. The sources of fund for executing these works are diverse, major ones being the WHO, and the Urban Local Bodies.

**Table 29: Sulabh in Project Cities of Madhya Pradesh**

City	Slum population	Existing Complexes	Proposed complexes	Proposed individual (with super structure)
Bhopal	468606	57	75	8000
Indore	750000	78	100	10000
Jabalpur	644117	28	60	8000
Gwalior	510000	17	50	5000

## 7.9 Contribution of NGOs in the Development/improvement in slum areas

There are a number of NGOs working on various thematic areas in all the four project cities. However, involvement of NGOs in development works in the water and sanitation sector is few. These NGOs deliver their services with the help of fund received from a variety of sources. Some of these NGOs are working in more than one city. The city wise contributions of NGOs in water and sanitary sectors are summarised below:

### 7.9.1 Bhopal

There are several NGOs providing services on various fields. The services provided by NGOs in the slum areas during last 5 years are summarised in Table 30.

Sulabh International is implementing their projects themselves with financial assistance from WHO and BMC, whereas AARAMBH and other NGOs provide their services with the help of fund received from Government, Local bodies as well as international organizations like UNICEF. The investment of Sulabh international in Bhopal for the last five years is around Rs. 58 Lakhs, whereas AARAMBH has executed works in the water and sanitation sector including awareness programme of merely Rs. 5 Lakhs. The development work in slum areas include construction of drainage system, construction of individual /community toilets, laying of water pipelines, installation of hand pumps etc. In the current year, WaterAid has provided them Rs. 17.0 Lakhs for the development of infrastructure like community toilets, installation of hand pumps, laying of pipelines, construction of drainage system, etc.

As per an estimate, during the last 5 years, a sum of Rs 91 Lakhs (@Rs 18.2 Lakhs/annum) have been mobilised by the NGOs for creating awareness and creating assets for water supply and sanitation in the slum areas of the city.

### 7.9.2 Indore

Here NGOs are relatively more dynamic, and some of them are actively contributing towards development of slum areas. The contribution of NGOs who are more active have been summarised in Table 31. Contribution of Bhartiya Gramin Mahila Sangh (BGMS), CECOEDECON and Pushpa Kunj

Family Helper Project Trust in providing services in the improvement of living conditions of urban poor are worth mentioning.

During the last five years BGMS has executed works in urban area worth Rs 42.0 Lakhs provided by CCF/USAID. Their work includes facilitation of slum area development through technical and financial help for construction of individual toilets, construction of drainage system, installation of hand pumps and roofing of houses.

CECOEDECON has executed works worth Rs 269 Lakhs provided by the GOMP/IMC/ USAID. They were associated among other things with implementation of Indore Development Programme and community managed solid waste management programmes in two slums of Indore. World Vision has contributed Rs 122 lakhs during the last 5 years for infrastructure development in slum areas in Indore.

Pushpakunj Family Helper Project Trust has mainly worked in the Jeetnagar slum area, providing technical and financial support for the construction of individual toilets, development of water supply system and cleaning of slums through community participation.

As per an estimate, during the last 5 years, a sum of Rs 423.8 Lakhs (@Rs 84.75 Lakhs/ annum) have been mobilised by the NGOs for creating awareness and creating assets for water supply and sanitation in the slum areas of the city.

### 7.9.3. Jabalpur

The NGOs associated with the improvement of slum areas are summarized in Table 32. Only few NGOs are active. Mission for Welfare for Tribal Child and Women (MWCTW) is mainly active in the area of vocational training. They have also undertaken research, monitoring, and evaluation studies, capacity building programme for community, field executives of NGOs and development agencies. MWCTW has implemented projects related to drinking water supply and construction of pit latrines. They have organizational abilities for formation of SHGs. During the last 5 years they have managed to bring in fund to the tune of Rs 13.4 Lakhs from ACT,SCAN,AWS & the PHED of Government of Madhya Pradesh. Area Development Programme (ADP) and Social Environment Development & Research Centre (SEDARC) are also working for the improvement in hygienic conditions in the slum areas through facilitation of construction of toilets with funds provided by the World Vision India and other donor agencies.

As per an estimate, during the last 5 years, a sum of Rs 34.7 Lakhs (@Rs 6.9 Lakhs/annum) have been mobilised by the NGOs for creating awareness and creating assets for water supply and sanitation in the slum areas of the city.

### 7.9.4. Gwalior

Though there are a number of NGOs, only a few are actually working in the field to support development works in the slum areas. The NGOs of Gwalior has been summarised in Table 33.

Sambhav Social Services Organisation is facilitating water and sanitary services in the slum areas of Gwalior. During the last 5 years they have mobilised about Rs 24 lakhs from various sources, including Water Aid for construction of toilets and drainage and sanitary education. Aadarsh Samaj Sewa is also involved in improving hygienic conditions in slums. During the last 3 years they could mobilise Rs 2.0 Lakhs for construction of toilets in slum areas.

As per an estimate, during the last 3 years, a sum of Rs 40.3 Lakhs (@Rs 13.43 Lakhs/annum) have been mobilised by the NGOs for creating awareness and creating assets for water supply and sanitation in the slum areas of the city.

**Table 30: Financial support from various agencies for slum area development in Bhopal**

S.No.	Agency/NGO	Area of work	Project implementation	Year	Expenditure (Rs. In Lakhs)	Funding agency
1.	Sulabh International	Improvement of sanitary condition in urban areas with emphasis on slums through prevention of open defecation.	<ul style="list-style-type: none"> <li>Construction of toilet complexes (12 No.) at Hamidia Hospital, Arjun Nagar, Indranagar, Annanagar, Bapunagar, Gandhinagar, Jehangirabad Jadda, Jherneswar Complex, JP Nagar, Kotra Sultanabad, Sanjay Nagar</li> </ul>	2001-05	22.00	WHO/ BMC
			<ul style="list-style-type: none"> <li>Construction of High-Tech Toilet (6 seater) 2Nos</li> </ul>	2005-06	28.00	BMC
			<ul style="list-style-type: none"> <li>Mobile Toilets</li> </ul>	2005-06	8.00	WHO
2.	Swapnil Education Society	Advocacy/ awareness creation regarding health and hygiene.	<ul style="list-style-type: none"> <li>Awareness programme for health &amp; hygiene of woman and children</li> </ul>	2004-05	0.60	UNICEF
3.	Society for communication and social research	Advocacy/ awareness creation for better environment	<ul style="list-style-type: none"> <li>Awareness on health and hygiene and income generation programme in five slums</li> </ul>	2003-05	4.50	DUDA
			<ul style="list-style-type: none"> <li>Awareness programme on health and hygiene in slums</li> </ul>	2004-05	0.80	EPCO
4.	Swami Vivekanand Siksha Samiti	Advocacy/ awareness creation for better environment	<ul style="list-style-type: none"> <li>Sample survey for infrastructure development of slum areas.</li> </ul>	2003-04	0.10	Dhan Foundation
			<ul style="list-style-type: none"> <li>Awareness programme on sanitation</li> </ul>	2004-05	0.08	EPCO
			<ul style="list-style-type: none"> <li>Training of woman in slum areas</li> </ul>	Since 2001	0.40 every year	Woman and child development department
			<ul style="list-style-type: none"> <li>Micro finance need assessment for slum infrastructure development</li> </ul>	2003	0.09	Dhan Foundation

S.No.	Agency/NGO	Area of work	Project implementation	Year	Expenditure (Rs. In Lakhs)	Funding agency
		<ul style="list-style-type: none"> <li>• Advocacy for child and women rights</li> <li>• Providing shelter home for street / working children</li> <li>• Development of physical infrastructure in water and sanitary sector.</li> <li>• Facilitate community participation in community development.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of drainage system, laying of water pipeline, construction of individual toilets and social mobilization to improve sanitary condition in two slums under Bhopal Slum Networking Project.</li> <li>• Formation of forum for man and woman in two slums for monitoring and creation of awareness regarding hygiene and sanitation.</li> <li>• Development of infrastructure like community toilets, installation of hand pumps, laying of pipelines, construction of drainage system and formation of SHGs for project monitoring in six slums.</li> </ul>	<p>2001-02</p> <p>2002-03</p> <p>2005-06 (ongoing)</p>	<p>2.50</p> <p>2.50</p> <p>17.00</p>	<p>Government of M.P., BMC &amp; People Participation</p> <p>UNICEF</p> <p>WaterAid</p>
		<ul style="list-style-type: none"> <li>• Environmental awareness</li> <li>• Advocacy for children's rights &amp; women's empowerment</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Awareness slum areas of Bhopal</li> <li>• Awareness programme for children's right and protection of health of women &amp; children in Bhim nagar slums</li> <li>• Awareness towards women's empowerment in slums</li> <li>• Enrolment of children of slums in schools for improvement of education</li> </ul>	<p>2000-01</p> <p>2001-02</p> <p>2002-03</p> <p>2003-04</p> <p>2004-05</p>	<p>0.76</p> <p>0.56</p> <p>0.25</p> <p>0.36</p> <p>0.58</p>	<p>NEAC-EPCO/ UNICEF/ other mixed sources</p>



**Table 31: Financial support from various agencies for slum area development in Indore**

S.No.	NGO	Area of work	Project implementation	Year	Expenditure (Rs. In Lakhs)	Funding agency
1.	Bhartiya Gramin Mahila Sangh	<ul style="list-style-type: none"> <li>• Providing services for all-round development of the community with a special emphasis on women and child development in 70 villages and Sanjaynagar Slum of Indore.</li> <li>• Integrated rural development</li> <li>• Income generation through capacity building and formation of SHGs.</li> </ul>	1. Facilitated following projects in Sanajynagar slum. <ul style="list-style-type: none"> <li>• Co nstruction of individual toilets (98 No.) through technical and financial help (@Rs.4000/- per toilet)</li> </ul>		3.92	Christian Children Fund (CCF)
			a. Roofing of houses in slums (75 No.) with financial assistance @Rs.14000/- per house.		10.50	
			b. Providing drainage system		0.85	
			c. Installation of hand pumps and maintenance to facilitate water supply 2hr/day.		NA	
			2. Under environmental health programme, immunization and creation of mass awareness in 15 slums	2002-03	0.18	UHRC/ USAID
				2004-05	7.44	
2.	AARAMBH (Advocacy for alternate resources action mobilization and brotherhood)	<ul style="list-style-type: none"> <li>• Advocacy for child and women rights</li> <li>• Providing shelter home for street / working children</li> <li>• Development of physical infrastructure</li> <li>• in water and sanitary sector.</li> <li>• Facilitate community participation in community development.</li> </ul>	<ul style="list-style-type: none"> <li>• Providing vocational training support/ bridge course for children in four slums (New Ekta Nagar, Indranagar, Palda, Himmat Nagar, Shanti Nagar).</li> </ul>	2005-06 (ongoing)	3.00	SOS, New Delhi
				2000-06	3.00	Edukans Foundation, Netherlands



3.	CECOEDECON (Centre for community, economics and development)	A relief agency, evolved as a development and peoples sheltered advocacy organization. Major sector of intervention include natural resource management, institutional development, health, child development, gender and human rights.	<ul style="list-style-type: none"> <li>• Implementation of Indore Joint Development Programme.</li> <li>• Implementation of Urban Child Health Programme in 34 slums.</li> <li>• Promoted 27 community development organizations.</li> <li>• Training of community volunteers on health and sanitation programme (250 No).</li> <li>• Community managed solid waste management programme in two slums involving 700 households.</li> <li>• Awareness programme on safe drinking water.</li> </ul>	<p>Since 2001</p> <p>Since 2003</p> <p>2003 -05</p>	269.94	Indore Municipal Corporation /AIIILSG USAID Mixed sources
4.	Pushpa Kunj Family Helper Project Trust	Improvement of quality of life of poor in villages/urban areas	<ol style="list-style-type: none"> <li>1. Channelizing fund for housing for poor (@Rs.12000/house).</li> <li>2. Technical and financial support (@Rs.5000/household for construction of individual toilets) with 25% contribution by the beneficiary.</li> <li>3. Improvement of Jeetnagar Slum through renovation of toilets.</li> <li>4. Facilitation of water supply and cleaning operation with</li> </ol>	Till March 2005	3.00	CCF

5.	Bal Niketan Sangh	Devoted to promotion of overall development of women and child.	1. Implementation of ICDS project for better health of children and pregnant women. 2. Urban child health programme in six slums. 3. Formation of 78 SHGs	NA	NA	Own resources
6.	Water vision, India	Devoted to slum area development through providing technical and financial help to the community	<ol style="list-style-type: none"> <li>1. Wells, boreholes</li> <li>2. Toilets</li> <li>3. School Buildings</li> <li>4. Housing material provided to families/cooperative housing assistance</li> <li>5. Community Hall Repair etc.</li> <li>6. Roads</li> <li>7. Bridges, culverts, canals</li> <li>8. Water Pipeline</li> </ol>	<p>2003-04</p> <p>2002-05</p> <p>2003-05</p> <p>2000-05</p> <p>2001-05</p> <p>2002-05</p> <p>2002-05</p> <p>2003</p> <p>2000</p>	<p>0.336</p> <p>27.29</p> <p>4.34</p> <p>36.55</p> <p>2.76</p> <p>35.77</p> <p>6.72</p> <p>5.19</p> <p>3.0</p>	

Table 32: Financial support from various agencies for slum area development in Jabalpur

S. No.	NGO	Area of work	Project implementation	Year	Expenditure (Rs. In Lakhs)	Funding agency
1.	Mission for welfare of tribal, child and women (MWTCW)	Work for the betterment of the lot marginalized and the deprived groups such as women, children, SC/ST.	<ul style="list-style-type: none"> <li>• Drinking water supply, laying of pipelines for house water supply in Tendukheda, Jabalpur</li> </ul>	2000-01	NA	ACT
			<ul style="list-style-type: none"> <li>• Providing honeycomb type soak pit in 5 villages of Jabalpur.</li> <li>• Hand pump repairing training to SHGs of Barela.</li> <li>• Construction of soak pit latrines and technical support to local people.</li> </ul>	2004-06	1.00 0.20 2.00	PHED
			<ul style="list-style-type: none"> <li>• Awareness programme in cleanliness in slums</li> </ul>	2004-06	0.20	ARMY Welfare Society
			<ul style="list-style-type: none"> <li>• Sanitary &amp; special type toilet construction (500 soak pit latrines were constructed).</li> <li>• Designed water supply system &amp; toilets for CASA</li> </ul>		5.00 5.00	SCAN & ACT
2.	Area Development Programme, Jabalpur(ADP)	Training & awareness on sanitation in rural areas	<ul style="list-style-type: none"> <li>• Training &amp; Awareness on sanitation &amp; cleanliness in villages of Panagar block.</li> <li>• Construction of water sealed individual toilets (200 No.)</li> </ul>	2004-05	15.00	World Vision, India & others

S.No.	NGO	Area of work	Project implementation	Year	Expenditure (Rs. In	Funding agency
3.	Social Environment Development & Research Centre (SEDRC)	Creation of opportunities for self employment, Conservation of water, biodiversity & environment, sanitation and health education	<ul style="list-style-type: none"> <li>• Environmental conservation.</li> <li>• Provide vocational training and facilitate self employment in urban &amp; rural areas.</li> </ul>		1.25	Mixed source
			<ul style="list-style-type: none"> <li>• Awareness towards environmental sanitation.</li> <li>• Awareness towards environmental sanitation.</li> <li>• Construction of toilets, drain, bio-gas plant</li> </ul>		2.00	World Vision, India & others
4.	Organization for social help & Research Evolution (SHARE)	Import vocational training and create awareness on environmental conservation.	<ul style="list-style-type: none"> <li>• Awareness programme on environments &amp; health in urban &amp; rural.</li> </ul>	2001-01 2001-02	1.50 1.50	Mixed source

Table 33: Financial support from various agencies for slum area development in Gwalior

S. No.	Name of NGOs	Area of work	Project Implementation	Year	Amount of work (Rs.Lakhs)	Funding Agency
1.	Aadarsh Samaj Sewa	• Pubic awareness & providing sanitary services in the slum areas	• Construction of individual toilets (100 No.) in slums	2003-05	1.50	CAPART
			• Awareness programme on health and hygiene		0.50	Self
2.	Madhvi Mahilla Samaj Sewa	• Pubic awareness & facilitating water supply mainly in the rural areas	• Installation of hand pump (Rural)	2003-05	12.00	–
			• Awareness programme		0.50	–
3.	Harihar Samaj Sewa	• Facilitating sanitation services in the rural areas	• Construction of toilets (Rural)	2003-05	1.00	–
4.	Sambhav Social Service Organisation	• Public awareness regarding health and hygiene, facilitating water & sanitary services	• Awareness/Capacity building programme	2003-05	1.35	Mixed sources
			• Formation of Community organisation	2003-05	1.62	Mixed sources
			• Sanitary education /Health camps	2003-05	0.41	Mixed sources
			• Construction of toilets / Drainage in slum areas	2003-05	1.41	Mixed sources
			• Construction of toilets / Drainage in slum areas	2005-07 (budgeted)	20.00	WaterAid

## 8. Mechanism for convergence & sanction of untied resources at the city level for improving water supply and sanitation services

The Government of India initiated the urban basic services programme (UBSP) during the 7<sup>th</sup> Five year Plan period for urban poverty alleviation (UPA). Establishing linkages between community and city level planning and management structures through a systematic devolution of resources and responsibilities to match with community needs, capacities and efforts at resource mobilization is one of its major objectives. Its strategic principles emphasize on convergence of programmes and schemes of national, state, district and municipal governments in urban poor neighbourhoods to ensure such areas are targeted and the population fully covered towards achieving the set national goals.

1. For effective implementation of the programme, the state government has constituted the State Urban Development Agency (SUDA) at the state level under the chairmanship of Minister of Urban Administration and Development Department and District Urban Development Agencies (DUDA) at the district level under the Chairmanship of the Collector.
2. District level officers of the development Agencies like Housing Board, Special Area Development Authority , Urban Development Authorities, Commissioner, Municipal Corporations/ CMO, Municipalities , Representatives of the Banks, NGOs , Women Social workers , etc are the members of the DUDA.
3. At the district level, District level UPA Co-ordination Committee with District Collector as the chairman and District Project Director/ District Project Officer , DUDA as Convenor ensures the convergence of programme taken up by various specialist departments as Health, Education, Women and Child Development, Social Welfare, District Housing Corporation , SC/ST Financial Corporations

Thus the DUDA is the obvious choice as a nodal agency for the convergence of entire untied resources.

## 9. Conclusion

9.1 In the foregoing sections the potential for mobilisation of additional resources from various sources for infrastructure development in the urban areas in general as well as that for development in urban areas have been discussed. It is evident that the resource allocations for development in slum areas out of various development funds, which are untied in nature, are small. Even expenditure for slum area development by the Municipal corporations is not significant. The Government of India has launched two major schemes "Basic Services to the Urban Poor" under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and the Integrated Housing & Slum Development Programme (IHSDP) in the year 2005 to be implemented in mission mode for urban renewal as well as up gradation of slum areas. Besides these schemes of the government of India, there are potential for mobilization of other untied sources for augmentation of the water supply and improvement of sanitary conditions in urban areas. The possibility of generation of funds from various untied resources as elaborated in the preceding sections is summarized below:

*MP Local Area Development Scheme:* As per the Ministry of Statistics & Programme Implementation, Government of India, the utilization of fund of MPLDA scheme in Madhya Pradesh is only 60-80%. This is true for Jabalpur City where the entire amount of the sitting Member of Parliament of Lower House was not utilized for the study period. In other cities sanction for urban areas were less than 70%. In all the 4 cities majority of funds were utilized for road construction. Sanction for water supply scheme in 2004-05 for Indore was 50.0%, for Bhopal 20.2% and for Gwalior merely 1.9 %. There was no sanction of fund for sanitation works in Bhopal, Jabalpur and Gwalior and merely 1.7 % of the total urban sanction in 2004-05 was made available for Indore. The 5 year average annual sanction for the

4 cities combined is little over Rs. 600 Lakhs as against minimum provision of Rs. 800 Lakhs, not counting the contribution from the fund under control of the . There is possibility of getting at least a sum of Rs. 40 Lakhs per annum per city out of fund of Member of Parliament of Upper House. However, this amount can be increased further if the unsanctioned funds of Member of Parliament of Upper House are also added. If the sanction for the city is maintained at least to the 50% level and out of that 50 % is sanctioned exclusively for water and sanitation works, the additional fund availability per annum would be Rs 43.42 Lakhs for Bhopal, Rs 9.35 Lakhs for Indore, Rs 37.63 Lakhs for Jabalpur and Rs 40.21 Lakhs for Gwalior.

**MLA Local Area Development Scheme:** It is evident that except in Bhopal, entire allocated fund under this scheme is not being sanctioned. During 2003-05, about 90 to 93 % in Indore, 54 to 60 % in Jabalpur and 67 to 87 % in Gwalior were not sanctioned. On analysis, it become evident that out of entire allocated amount, at least 50 % can be exclusively kept aside for water and sanitation works. Thus, additional funds can be generated to the extent of 64.40 Lakhs for Bhopal, Rs 49.45 Lakhs for Indore , Rs 114.38 Lakhs for Jabalpur and Rs 61.28 Lakhs for Gwalior.

**Public Contribution Scheme:** At present very small amount is being sanctioned under this scheme for water supply and sanitation works. If the sanction for the these works in the cities are increased to the level of 50% of the present average total sanction, an additional sum of Rs 7.72 Lakhs for Bhopal, Rs 8.12 Lakhs for Indore, Rs 13.2 Lakhs for Jabalpur and Rs 5.18 Lakhs for Gwalior could be generated.

**Shelter Fund (Ashray Nidhi):** At present a considerable amount is available under this fund. However, the level of sanction is quite low. Out of total fund of Rs.321.28 Lakhs available for Bhopal, only 56.72 Lakhs have been sanctioned. In Indore, out of Rs.669.64 Lakhs only Rs.116.44 Lakhs, in Jabalpur out of Rs.94.78 Lakhs Rs.46.84 Lakhs and in Gwalior out of Rs.71.94 Lakhs only Rs.1.56 Lakhs have been sanctioned for water supply and sanitation works. If the sanction for water supply and sanitation works in these cities are increased to the level of 50% of the average fee deposited per annum, an additional sum of Rs.53.54 Lakhs for Bhopal, Rs.83.70 Lakhs for Indore, Rs.11.84 Lakhs for Jabalpur and Rs.12.00 Lakhs for Gwalior city could be generated annually.

**Municipal Corporations:** Though expenditure on water supply forms a major component of total expenditure of Municipal Corporations, the expenditure on sanitation and slum area development is quite low. It seems possible to generate additional resources, if the targeted expenditure on sanitation and slum area development is pegged at 5 % each. Thus additional fund mobilisation could be Rs 739.71 Lakhs in BMC, Rs 1218.89 Lakhs in IMC. Rs 311.03 Lakhs in JMC and Rs 337.44 Lakhs in GMC.

To facilitate such allocation, state government may consider deciding on allocation of at least 50% of the grants from the State Finance Commission and 11<sup>th</sup> Finance Commission to the Municipal Corporations exclusively for strengthening the urban basic services in the urban areas.

**International Funding Agencies:** International funding agencies like WHO, USAID, WaterAid, provide funds to a limited extent for development works in the slum areas. Most of these funds, however, are routed through a number of NGOs.

**NGOs:** They are an important conduit for channeling the fund from donor agencies and facilitator for development in the slum areas. Per annum the average fund mobilization for the 4 cities is, however, small, i.e. Rs 18.20 Lakhs for Bhopal, Rs 84.75 for Indore, Rs 6.93 Lakhs for Jabalpur and Rs 13.43 Lakhs for Gwalior.

The cumulative fund that could be mobilized from various untied sources for water and sanitation works in the cities is presented at Table 34 .

**Table 34: Possibility of generation of funds per annum from various untied resources at the city level**

(Amount Rs. in Lakhs)

Source of fund	City			
	Bhopal	Indore	Jabalpur	Gwalior
MPLAD Scheme	43.42	9.35	37.63	40.21
MLALAD Scheme	64.40	49.45	114.38	61.28
Scheme for development with peoples participation	7.72	8.12	13.2	5.18
Shelter fund	53.54	83.70	11.84	12.00
Municipal Corporations	739.71	1218.89	311.03	337.44
NGOs	18.20	84.75	6.90	13.43
<b>Total</b>	<b>926.99</b>	<b>1454.26</b>	<b>494.98</b>	<b>469.54</b>

## 9.2 Mechanism for convergence of untied resources at the city level

The state government has constituted District Urban Development Agencies (DUDA) at the district level for effective implementation of development works. The existing system can facilitate the convergence of the untied resources at the city level and thus the DUDA is the obvious choice as a nodal agency.



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