

## 4. Fulfilling the Vision

### 4.1 Strategic Actions

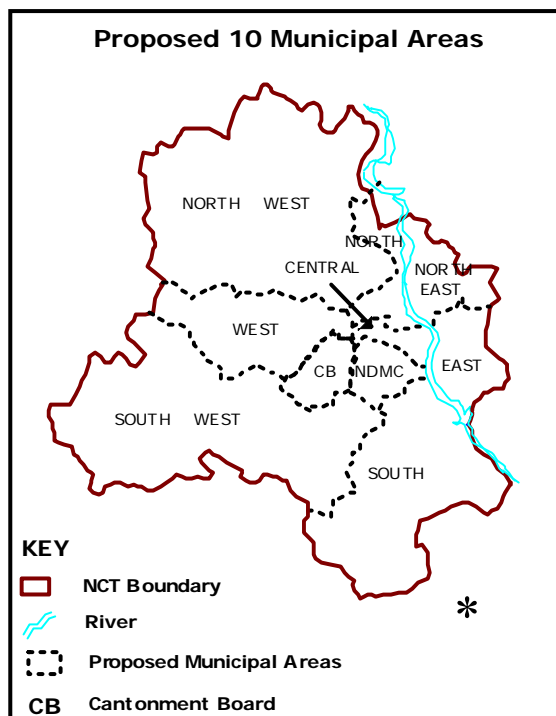
It is in this context that following strategic actions are required to be taken up

- Institutional restructuring to make it responsive to change
- Better urban development and land management
- Resource mobilisation and cost recovery of services
- Provision of infrastructure, utility services and corridors of movement;
- Efficient and sustained operation and maintenance.

### 4.2 Institutional Restructuring and Making it Responsive

#### 4.2.1 Recommendations for Re-structured Institutions

- MCD and DDA, the two most important agencies impacting on the environment of Delhi, be brought under the administrative control of the GNCTD;
  - It is generally accepted that the MCD has to be split and the GNCTD has set up a committee on September 8, 2000, with wide Terms of Reference to make specific recommendations on the subject. Earliest implementation of the findings of this committee would greatly help in the success of Delhi 21;
  - DDA re-structured with the transfer of the development unit to an autonomous joint sector Development Corporation and the planning unit to serve as a servicing body to the proposed *Metropolitan Planning Committee (MPC)* required under the 74<sup>th</sup> Constitutional Amendment Act;
  - Strengthening of the *planning, programming and coordination* capabilities of the Urban Development Department, GNCTD;
  - Strengthening of the overall *economic, financial, planning, programming and budgeting* capability in GNCTD to effectively cope with the responsibilities of
- serving a city of 22 million people in 2021;
  - Ensuring planning, coordination and administrative control linkages between the Metropolitan Planning Committee and operating agencies like DPCC, DJB, DVB, DTC, etc.;
  - Establish *environment cells* in all relevant agencies providing and managing industrial and urban development and infrastructure services, by training existing staff with required skills. These cells should activate internal actions in respective agencies on the basis of environment management policy that will be adopted. They should also be responsible to educate all concerned staff in the agencies for taking actions and basing their decisions on environmental considerations;
  - Provide a *Public Participation Window (PPW)* in DoE/DPCC; and
  - Create and Finance a Delhi Environment Fund Facility (*DEFF*).
  - Set up an *Environmental Health Mission* constituting of major sector officers from the Department of Health, GNCTD, and staff from MCD and Center for Environmental Health.



- (k) Until the Delhi Urban Metropolitan Transport Authority (DUMTA) is established, set up a *Unifying Metropolitan Transport Mechanism* with supportive teams for –
- (i) Policy and Planning
  - (ii) Public Transport
  - (iii) Traffic Management
  - (iv) Infrastructure and Development
  - (v) Enforcement.

It is acknowledged that these fundamental changes are political in nature and their acceptability and implementation will take some time to process. In the mean time it is necessary to commence the process of change by instituting a number of interim measures which are outlined below and detailed in Section V, City Governance.

#### 4.2.2 Understanding the rhythm and interests of politics

This is self-explanatory. Political interests can be used to assist development.

#### 4.3 Improving Urban Development and Land Management

Urban development offers tremendous opportunities and financial gains to landowners and developers. *In a situation where the public sector enjoys large land holdings there is a chance to make profits which can be made available to finance services to the weaker sections of society.* This is possible in the situation in Delhi.

Agencies whose remit is to address growth need to be capable of:

- planning ahead (Social, physical and financial);
- preparing design briefs for physical off-site and social infrastructure;
- harnessing the energies and drive of the private sector by: entering into partnership agreements with land owners, private sector developers and other interests and letting developers take the lead;
- providing an enabling environment in which plot owners can erect their

shelters and structures, with or without developers' assistance;

- handing over completed infrastructure to the O & M agencies, (designed and built to good appropriate standards);
- working with citizen groups and representatives of the people throughout the whole process;
- making profits from land development and land management and using for social benefits; especially the urban poor; and
- developing an open and transparent active land and property market.

#### 4.4 Resource Development: Financial and Personnel

Buoyancy in the financial revenues available to the key agencies is retarded by an inability to improve on what can be done within the existing financial structures and current arrangements.

Principal financial statistics for the fiscal year 1999-2000 of the GNCTD and the two local bodies are summarised in the following table:

(Rs. Million)

Items	GNCTD	MCD	NDMC
Revenue Receipts	46,036	14,701	5,908
(of which tax revenue)	(36,832)	(8,200)	(707)
Capital Receipts	15,353	Not Available	246
<b>Total Receipts</b>	<b>61,389</b>	<b>14,701</b>	<b>6,154</b>
Revenue Expenditure	38,172	16,701	5,570
Capital Expenditure	27,238	Not Available	557
<b>Total Expenditure</b>	<b>65,410</b>	<b>16,701</b>	<b>6,127</b>
Net Surplus / (Deficit)	(4,021)	(2,000)	27

(Source: Revised Estimates for 1999-2000 of GNCTD, MCD, NDMC)

##### 4.4.1 Observations:

- Despite consistent surpluses in its revenue account, the GNCTD has not

been able to capitalise on the growth of economic activities. A falling ratio of tax buoyancy in certain taxes is a matter of concern.

- MCD did not service its debt. Following the recommendation of the DFC, GNCTD consolidated the past loans as of April 1996 of Rs.5.16 billion (including accumulated interest) into a single loan, which is now recovered out of the yearly assigned share of taxes over a 20 year period.
- NDMC's main source of income is profit from electricity. With any reallocation of electricity supply responsibility in its area, NDMC would find it difficult to finance its other responsibilities. Despite surpluses NDMC has stopped servicing GNCTD debt from the financial year since 1997-98.

#### 4.4.2 Financial Status of other key Public Sector Agencies in Delhi

*Delhi Transport Corporation, Delhi Vidyut Board and Delhi Jal Board:* The revenue and capital account of all the three organisations are in a dismal state. As per the Delhi Fiscal Study carried out by NIPFP their combined losses in 1996-97 amounted to Rs. 27 billion.

DJB's tariffs are low; costs appear to be unduly inflated to support a huge labour force; carry huge debts; resulting in consistent deficits over the year.

MCD has a total employment of 1,08,000 out of which 44,000 are sweepers. Out of the total monthly wage bill of Rs. 830 million, 500 million are spent on these sweepers.

*Delhi Pollution Control Committee (DPCC):* Assessment and collection of water cess are both erratic and low. Based on the cess rates set nationally in 1992, the cess assessed in 1999-2000 was Rs. 13.6 million as against Rs. 45.2 million in the previous year.

*Delhi Development Authority (DDA) :* The total (provisional) receipts under all heads in 1998-99 were Rs. 39.9 billion. The major utilisation out of this was on the development of land (32.8%) followed by the cost of administration (32.1%) and

construction of houses and shops (20.1%). Annual accounts have been audited only up to the year 1996-97.

Despite the foregoing Delhi is regarded as a relatively rich city. To the extent that there are barriers to mobilising financial resources, they are mainly of an institutional and policy nature, rather than economic.

Clearly there is need of reform. None of the agencies are realising their resource potential though all are capable of generating more revenue and reducing costs. The need for managerial and policy change is well known.

This report recommends that a Task Force be set up to produce and suggest implementation arrangements for Revenue Improvement Action Plans (RIAP) within the existing financial structures and current arrangements.

#### 4.4.3 Personnel and Staffing Resources

Rationalisation and redeployment of staff matching with the existing and new tasks will have to be carried out to ensure better productivity, responsibility and accountability. This may imply downsizing and restructuring for which suitable plans will have to be prepared and decisively implemented. Selected tasks and functions should also be contracted out for private sector participation (PSP) where possible.

#### 4.5 Provision of Infrastructure Services and Transport Corridors

It is important for the officers working on the Perspective Plan, Structure Plans and Local Plans to review and iterate their proposals on a regular basis with their counterparts in the water supply, drainage, solid waste management, transport and other utility sectors. Ideally these sectors should have a representative in the planning offices.

In this way it should be possible to *plan, finance and construct trunk infrastructure and develop transportation corridors, in*

*parallel with the secondary and territory infrastructure, which is required for the new area development and upgradation programs.*

#### **4.6 Operation and Maintenance (O & M)**

At the present time many agencies involved in the operation and maintenance of municipal services appear to be *overstaffed and also have poor middle management and cumbersome procedures, operating with unbalanced and inefficient labour/equipment ratios. The street sweeping and solid waste collection and disposal systems in particular need urgent review and overhaul, as difficulties in this sector impact adversely on the drainage and sewerage systems.*

The agencies involved in O & M, with MCD and DJB in particular, will need to:

- down-size, over a period of time, the numbers directly employed;
- prepare design briefs, set targets and enter into partnership agreements with the private sector, in order to increase efficiency;
- adopt modern business management approaches and commercial accounting systems;
- be provided with adequate financial resource and trained personnel;
- improve personnel management and general management systems.
- reduce leakages impacting efficiency and financial resources.