CHAPTER – I
Chapter 1
Introduction

1.1 Background

Urban Local Bodies by virtue of their acts are entrusted with certain basic functions of providing services and to recover the cost of providing such civic services. Urban local bodies (ULBs) struggle while planning for investment on various services and infrastructure. Municipalities at present are not in a position to invest in capital works from their own source of revenues, as their tax base is very less and not commensurate with the investment requirements. Municipalities are grappled with acute financial crisis on the one hand and citizens are disillusioned with the coverage and quality of services. At the same time, the ULBs lack required capacities to effectively formulate and implement the projects. As a matter of fact, there are multiple agencies in the state who are formulating and implementing the urban infrastructure projects namely water supply & sewerage board, slum board, UDAs etc. Once the projects are implemented, maintenance of these projects are handed over to the municipalities. In these circumstances, municipalities will not be aware of the project parameters as they were not involved in the project preparation and implementation. It is apparent from the above facts that the formulation and implementation of urban infrastructure projects seem to be limited to the extent of reaching physical progress without much emphasis on the accomplishment of development objectives of these projects in particular and of the town as a whole.

1.2 The Statement of Problem

A rapid appraisal of a few urban centres during my visits to conduct on-the-job courses for the municipal officials and elected representatives in Karnataka both in the northern and southern part of Karnataka has revealed many facts and questions on the status of urban basic services in these towns. This study is therefore conceived based on
the findings of the previous evaluation study conducted by the candidate and findings of the Literature Review.

Since the process of formulation of infrastructure projects has unavoidable linkages with the existing status of the ULBs, it is pertinent to study the issues such as professional competence/capacities of ULBs, existing levels of services, resource mobilization and financial status, reforms amenable to urban infrastructure and then deal with the process of formulation. Keeping this approach in mind, the study takes into account the following facts and questions, which constitute the basic problem statements for the study.

i. There is increasing gap between the required and existing levels of basic urban services such as water, sewerage & drainage, refuse collection and disposal, roads and street lighting etc.

ii. ULBs are not able to provide adequate services due to poor internal resource mobilization and insufficient finances

iii. Municipal reforms as per the 74th Constitutional Amendment Act are yet to be fully implemented

iv. In this context, how are the urban local bodies/urban sector agencies placed themselves in terms of raising own and external sources of revenues or capital for not only to bridge the service gaps but also to launch the new infrastructure projects

v. Is there an effective system of formulation and implementation of infrastructure projects in ULBs?

vi. What is the status of basic urban infrastructure projects in the urban centres. How these projects were formulated and implemented and to analyse whether the projects were able to meet the desired objectives, performance and output from the angles of social, economic, financial, technical and other parameters and resulting benefits to the society, cities and concerned municipalities.

vii. What are the lacunae and gaps in Project Formulation and how they can be rectified. what are the possible options for improved project output.
viii. Will it be necessary to prepare a few innovative project proposals based on the data obtained.

1.3 **Objectives of Study**

The objective of the study is defined based on the above field level facts and questions.

1. To study the urbanization and levels urban infrastructure services in Karnataka State.
2. To study the municipal reforms initiated and their impact on urban infrastructure situation.
3. To analyse the key issues pertaining to internal finances and mobilization of resources to initiate urban infrastructure projects and provision of urban services by the urban local bodies.
4. To study and appraise the pre-project scenario of the selected urban centres and examine the urban infrastructure service levels, gaps, needs and demands for urban services and related projects.
5. To study and assess the urban projects namely solid waste management, sewage treatment, integrated development of small and medium towns and other similar projects funded by the financial institutions.
6. To formulate innovative Urban Infrastructure Project proposal if needed for a city and identify innovative options/solutions for formulation and implementation of urban infrastructure projects.
1.4 Study Area

Three urban centres in southern Karnataka region have been chosen, where large infrastructure projects are being implemented. The urban centres were chosen keeping in view the regional context as well as coverage of urban infrastructure projects in these towns by the Government, ULB, and other public/private/foreign aided agencies. Another factor considered while selecting the urban centres was the population pressure and the requirements of urban services where a few projects have been already initiated by the municipality/other urban sector agencies. Therefore, it was proposed to cover the areas of City Corporation and a few City Municipal Councils. The following urban centres have been selected based on the rapid survey done by the researcher while conducting on-the-job training for the elected and executive functionaries of these municipalities. Other considerations were economic, political and regional context.

1. Davanagere - District Head Quarters and a Business Centre, once known for cotton industries
2. Tumkur - City being nearer to Bangalore is acting as magnetic urban centre to Bangalore City
3. Mysore - Cultural and Tourist Centre and known as Cultural capital of Karnataka State

The study covered the projects on solid waste management, integrated urban infrastructure, sewage treatment and drainage, up-gradation of services etc., These projects were at various stages of project cycle. Some were yet to start, a few were under implementation and others completed a few years ago.

1.5 Research Methodology

As a first step, a scientific evaluation model is developed based on the review of best and failure cases. In addition to detailed study of the projects, each project was assessed as per the evaluation model and all relevant project parameters were evaluated. A framework/road map for the research was developed based on the experiences and review of the literature. The evaluation parameters as defined in the evaluation model were the criteria and form the basis for evaluation of the individual projects.
There is almost no documentation of data on the projects after their implementation by the concerned urban local bodies and implementing agencies. It is also learnt that evaluation of earlier projects was not carried out to assess the impact of the projects. The researcher has to start collecting information at various levels starting from the implementing authorities to end-users. The absence of data in the municipalities/concerned urban development agencies has further necessitated the researcher to unearth the facts and information through the checklist/questionnaire at various levels of functionaries comprising both the elected representatives and executives.

The data on urban services available through the Government in the Department of Urban Development, Directorate of Municipal Administration and Karnataka Urban Infrastructure Development and Finance Corporation, Karnataka Slum Clearance Board, Karnataka Urban Water Supply and Drainage Board, Urban Development Authorities etc., has been collected through the reports of each of these agencies. Since the present study involved the micro-level data even from the end users of the project benefits, the primary information was collected through participatory methods such as structured community level discussions in groups, resource mapping at the settlement level were used. Some amount of secondary data was available through various sources namely Census-2001, State and Central Finance Commission and various reports prepared by the Government Bodies.

Data was obtained at the Individual Project Level, Urban Local Body, Urban Development Authority, Slum Clearance Board, Water Supply and Drainage Board, KUID and FC, Reactions of Elected Representatives and Community Level.

Although, the checklists/questionnaire formats were used during discussions, many intricate issues emerged during informal and open discussions with the elected representatives, executives and community. The following questionnaire formats were used.
1. Checklist/Questionnaire on Profile of the City and Urban Amenities to assess the urban growth, demand and gap in basic services
2. Checklist/Questionnaire on the Profile of Finances and Resource Mobilization Status of ULBs.
3. Checklist/Questionnaire for MSW Management Project (Annexure 1)
4. Checklist/Questionnaire for Integrated Development of Small and Medium Project (Annexure 2)
5. Checklist/Questionnaire for Sewage Treatment Plant Project (Annexure 3)
6. Checklist for HUDCO financed Infrastructure Improvement Project (the data was obtained through HUDCO and concerned municipal officials and others who were involved in the project such as KUWS and DB)

In each study centre, a large sample size of 40 of the elected representatives in the present council including the past councilors, and a sample size of 35 for the staff members of the urban local body, Officers of the Slum Clearance Board, Officers of the Water Supply and Drainage Board, Officers of the Urban Development Authority. A sample size of 40 beneficiaries or end users of the projects/services were interviewed. On higher level, the officers and project functionaries of KUID & FC, DMA, UDD, KSCB, KUWS & DB, some NGOs etc., were interviewed.

Analysis of Data

The data was tabulated and charts, histograms were drawn as required. Wherever needed, the researcher used the data collected to prepare the project proposals by applying technical parameters. In some projects, the data was used for economic/financial/social appraisal/analysis. In some cases the data collected was straight away used to draw inferences. At the community/slum level, a few participatory methods such as resource mapping at the settlement level, Ven diagram, seasonality etc., were used to elicit the reactions of the poor community at the neighbourhood level. In the present research, these are the main tools/methods.
1.7 Scope of the Study

The field realities pressed the researcher to go into the related issues in addition to the main area of project formulation. As the urban growth, issues and projects launched in many cities and towns in Karnataka are more or less synonymous with the selected study centres, the experiences, applications and options obtained out of this study could be extended to similar urban centres in Karnataka. The findings of this study can provide benchmark for undertaking further research in this field. The study will serve as a guide to the project functionaries and those responsible for formulation and implementation of urban infrastructure projects.

1.8 Limitations

Since the research on formulation and implementation of urban infrastructure projects had linkages with relevant issues such as service levels, resource mobilization, reforms, capacity building and training, the researcher had to carry out detailed study on these aspects as well. The research topic though pointed more towards the formulation process, it had almost become unworkable to carry on the study without going into the nitty-gritty of basic issues such as status, reforms, service levels, capacities etc. This resulted in widening of the scope of the research. Another constraint was non-availability of adequate data on projects, urban services, pre and post project scenario from the municipalities which posed a problem.

In the selected study centers, some projects were in the nascent stage of implementation and a few projects were abandoned due to technical and administrative issues. It is also seen that some projects were implemented 20 years ago. The end users of the projects were frequently changed. The original implementers of the projects were not available for discussions. Therefore, the researcher found it difficult to trace the original implementers of the projects to discuss the difficulties faced during the project implementation. Some of them were transferred and were working at different places.
Beneficiaries of the projects were also changed from time to time. However, the researcher could trace and find adequate samples to come to appropriate conclusions.

1.9 Organization of the Report

The study has been blended into two parts. Part I comprises of 5 chapters mainly dealing with introduction, literature review, urbanization trend and growth, service levels and gaps, status of finances and sources of revenues including assessment of municipal reforms in Karnataka.

Part II comprises chapters on the study of formulation and implementation of urban infrastructure projects mainly covering the cities of Davanagere, Mysore and Tumkur. Based on the field conditions and existence of projects in the respective towns, the projects on Solid Waste Management in Davanagere and Mysore, Sewage Treatment Project in Mysore, Integrated Development of Small and Medium Projects in Tumkur, Urban Infrastructure Improvement Projects funded by HUDCO in Tumkur District were given importance for the purpose of this research study.

Part I

Chapter 1 deals with general introduction, statement of problem, objectives, research methodology, scope and limitations.

Chapter 2 deals with a detailed literature review and findings of the literature review. The researcher reviewed the national and international publications, journals, research reports and internet websites of UNCHS, UNDP, ADB and World Bank and other urban research institutes and Universities. It is seen from the literature reviews that although some efforts have been made to manage the urban infrastructure services by various agencies including ULBs, the ULBs and other concerned agencies are finding a difficult situation to keep pace with the rapid urban development and demand for the urban services. The review of some of the
projects in ULBs reveals fact that the formulation of projects by various agencies and urban local bodies is viewed more in terms of “as and when required basis”. The Urban Local Bodies need to develop a full-fledged system for project formulation in the ULBs. Based on the review, innovative aspects, drawbacks were derived. The road map for the research study is evolved based on the lessons. Finally a scientific evaluation model for the study is developed which formed a base for the research study of the individual projects in the cities.

Chapter 3 deals with analysis of urbanization, urban growth, urban local bodies and service levels in Karnataka state.

Chapter 4 deals with the study of finances and sources of revenues for the urban local bodies. This chapter makes an analysis of the internal finances and resource mobilization status of municipalities for undertaking infrastructure projects and maintenance. The resource mobilization status of three cities is assessed. The researcher obtained the data on revenues and expenditure from the Revenue and Accounts Officials of ULBs, Opinions of Elected Representatives and also the reactions of people on willingness to pay the taxes and other charges and fees to municipalities. Based on the analysis, internal and external flaws in management of resource mobilization in ULBs are deduced. Various factors causing deficiencies in the provision of infrastructure services and operation and maintenance of the services are identified. The management issues such as financial planning, internal defects in administration are analyzed. The study identified the areas where restructuring is needed and interventions required to improve the management in ULBs.

Chapter 5 deals with municipal reforms in Karnataka. A case study of Mysore City Corporation is done to assess the status of reforms. The study assesses the reforms in the ULBs after 74th CA and the influence of 74th CAA as an enabling environment to undertake the provision, formulation and implementation of
Urban Infrastructure.
The study is supported by Mysore City case study.

Part II

Chapter 6 Davanagere City
Chapter 6 deals with the assessment of existing infrastructure in Davanagere City. An innovative project for the Solid Waste Management for Davanagere city is prepared as part of the study. The study assesses the infrastructure services and existing system for formulation and implementation of urban infrastructure projects. The weaknesses in system are analysed. This is followed by a detailed study of existing solid waste management system in Davanagere. Based on the analysis and data, an innovative project proposal for solid waste management is prepared. The proposal is evaluated as per the parameters of the evaluation model.

Chapter 7 Mysore City

This chapter deals with the study of following two projects which have been already implemented in Mysore city.

1 Formulation, Implementation and Maintenance of Solid Waste Management Project in Mysore City
2 Formulation and Implementation of Urban Sewage Treatment Projects

The study analysed the project components and brought out important findings. The existing drawbacks and improvements needed in the projects at different levels are worked out. The study is limited to the evaluation of the existing two projects which were implemented. The assessment was made with reference to parameters of the evaluation model.

Chapter 8 Tumkur City

The chapter deals with the assessment of formulation and implementation of projects under the scheme of integrated development of small and medium towns.
The study assessed the impact of the project in the field. Based on the impact analysis, some innovative options have been evolved. The project is evaluated as per the parameters of evaluation model. The focus of study relates particularly to the Integrated Scheme and Projects in Tumkur town and wherever necessary stretched to the broader policy issues with regard to the integrated development of urban areas.

**Chapter 9** The chapter deals with assessment of projects taken up under a Package Programme titled ‘Improvements to Infrastructure in Urban Local Bodies in Karnataka’ with HUDCO loan assistance of Rs. 100 Crores. Specific projects implemented in Tumkur District were taken up for the study. The study however dealt with the overall formulation and implementation of the entire project. The evaluation model is tested and assessed.

**Chapter 10** deals with the project experiences of three towns. Some innovative options have been evolved. A common framework and a comprehensive checklist for formulation and implementation of urban infrastructure projects has been worked out. Flow charts indicating the existing practice and the innovative approach are derived for the each individual projects.

**Chapter 11** deals with the summary of findings, conclusions and recommendations of all the chapters. An overall conclusion followed by scope for further research has been laid down.