

Chapter III: Urban Governance

Governance, Institutional Framework and Reforms

Pace of urbanisation throws many a problem in the management of the city and makes the governance of cities more complex. This requires an efficient and effective governance framework. Urban governance refers to the management of civic affairs by institutions to improve the quality of life in an inclusive, transparent and accountable manner. The '*good urban governance*' is characterized by equity, efficiency, transparency, accountability, civic engagement and security of people and environment. Good urban governance enhances city's competitiveness and contributes to sustainability. A number of institutions are involved in governing a city. They include the state government departments, local bodies and parastatals. While the departments are part of government, the local bodies and parastatals are created through Acts of legislature or government orders.

3.1 Legal Framework

Vijayawada Urban Agglomeration consists of the Vijayawada Municipal Corporation, Mangalagiri municipality, four-gram panchayats and a few outgrowths. A number of institutions are involved in the governance of Vijayawada city and the surrounding peri-urban areas that constitute the Vijayawada Urban Agglomeration. Some of them were established through Acts of legislature and others are part of state's governance framework. The institutions established by law are given in table below.

Table 3.1: Governance Institutions

| Agency | Legislation |
|--|--|
| Vijayawada Municipal Corporation | Vijayawada Municipal Corporation Act, 1981 Vijayawada Municipal Corporation Act, 1955 |
| Mangalgiri Municipality | AP Municipalities Act, 1965 |
| Gram Panchayats | Andhra Pradesh Village Panchayats Act, 1994 |
| Vijayawada, Guntur, Tenali and Mangalagiri Urban Development Authority (VGTMUDA) | Andhra Pradesh Urban (Dev.) Act 1975 |
| Andhra Pradesh Pollution Control Board | Water (Protection and Control of Pollution) Act, 1974 |

Vijayawada Municipal Corporation is governed by two important legislations viz., Vijayawada Municipal Corporation Act 1955 and Vijayawada Municipal Corporation Act, 1981. The former Act extends to all the 14 municipal corporations in the state. The Andhra Pradesh Municipalities Act 1965 governs, all the municipalities in the state. Similarly, the Andhra Pradesh Village Panchayats Act, 1994 applicable to all the gram panchayats in the state. The Acts specify the governance framework, the spatial jurisdiction and the functional domain of the local bodies.

3.2 Functional Domain

The functional domain of local bodies in the state is derived from respective legislations. The Municipal Acts list the functions under two categories, namely, "obligatory functions" and "discretionary functions". The functional domain was expanded in 1994 as per the 12th Schedule of the 74th Constitution Amendment Act. In Andhra Pradesh, the Municipalities and Corporation Acts provide for a majority of the functions listed in the 12th Schedule of the constitution. They include:

- Urban Planning including Town Planning
- Regulation of land use and construction of buildings
- Roads and bridges
- Water supply for domestic, industrial and commercial purposes
- Public health, sanitation, conservancy and solid waste management
- Slum improvement and upgradation

Provision of urban amenities and facilities such as parks, gardens, play grounds
Burials and burial ground; cremations, cremation grounds and electric crematoriums
Cattle ponds; prevention of cruelty to animals
Vital statistics including registration of births and death
Public amenities including street lighting, parking lots, bus stops and public conveniences.
Regulation of slaughter houses and tanneries

In 2003, the Government, after a review of functions of urban local bodies, transferred five more functions to the urban local bodies through government orders. They are:

Planning for economic and social development
Urban forestry, protection of the environment and promotion of ecological aspects
Urban Poverty alleviation
Safeguarding the interest of weaker sections including the handicapped and mentally retarded
Promotion of cultural and aesthetic aspects.

The Government decided that the remaining function i.e. Fire Services should remain with the state government and will be transferred after a review later. Though the five functions were transferred, they have no statutory basis.

There are several issues in the transfer of functions of state agencies to the local bodies. Transfer of functions need follow up legislation, institutional capacity of the local bodies, financial resources, etc., which come in the way of transfer of these functions to the urban local bodies. It is also expected that the transfer of functions will be followed by transfer of officials as well as resources. However, transfer has not happened in the state thereby leaving the transferred functions only on paper.

3.3 Institutional Framework

At the helm of the VMC there is the corporation council democratically elected by the civic community as per the 74th CAA. The present council was elected in 2005 and has a five-year tenure. As per the 74th CAA, five wards committees have been constituted and they are endowed with the functions of maintenance of sanitation, water supply and drainage, street lighting, roads, markets, parks and playgrounds and school buildings. They also review the revenue collection, prepare draft annual budget, and send it to the council for incorporation in the city's annual budget.

The Commissioner, who is always drawn from IAS, heads the Vijayawada Municipal Corporation. He is assisted by Additional Commissioner and he assists the Commissioner in all his activities. The city administration is decentralized at zonal and circle levels. The city is divided into four zones and they are further divided into seven circles for administrative convenience (see organogram).

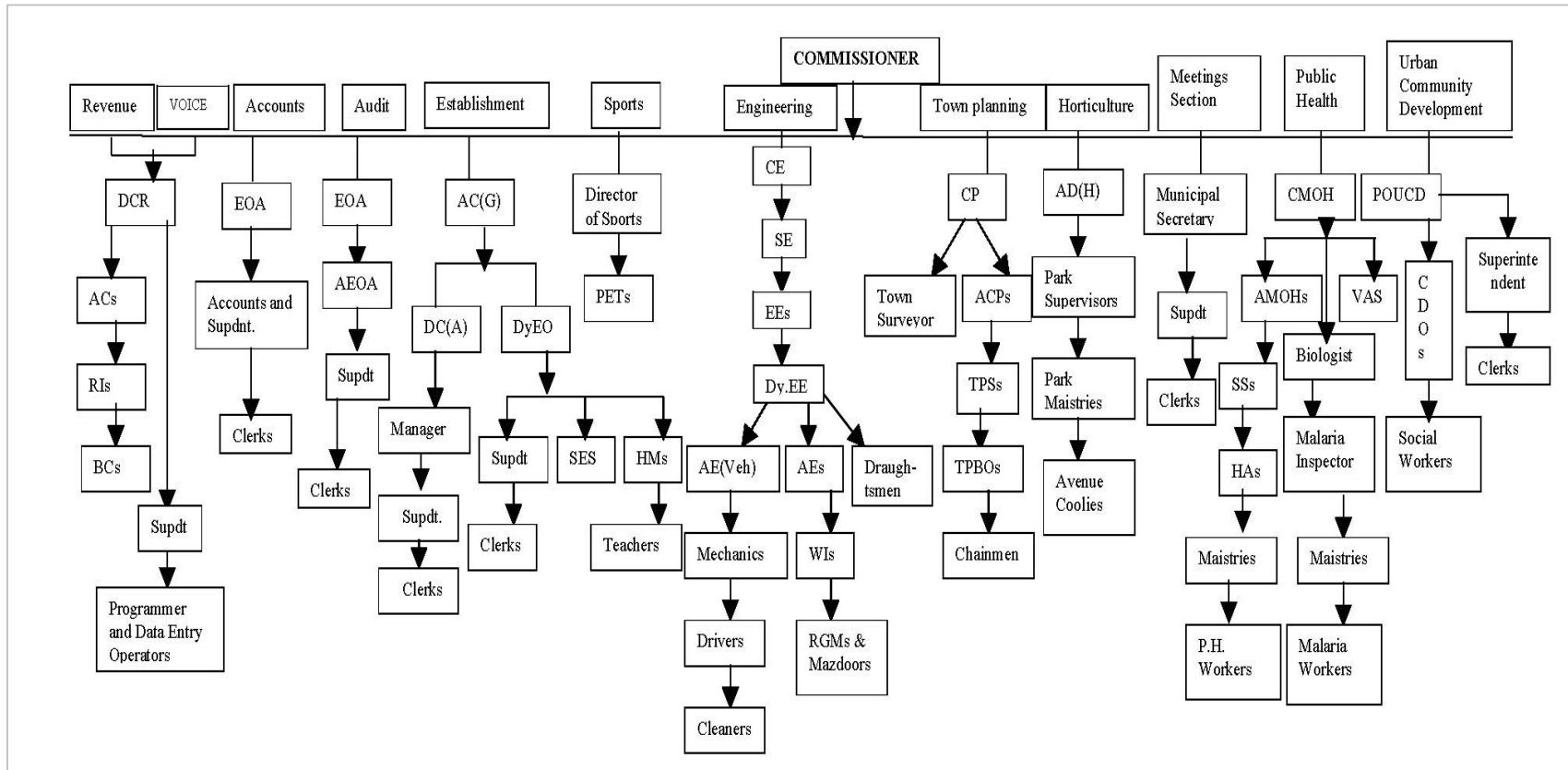
The organization of Mangalagiri municipality is more or less similar, though on a smaller scale. The civic administration is headed by the Commissioner belonging to the cadre of state municipal commissioners. He is assisted by a group of officials in the areas of town planning, health, public health, engineering, poverty, etc. In administration, he is assisted by a Manager. The Organogram of VMC (*figure 3.1*) gives the details.

Apart from the local bodies, a number of government institutions are associated with the governance of the VUA. They include:

State Government Agencies:

Municipal Administration and Urban Development Department
Directorate of Municipal Administration (DMA)
Directorate of Town and Country Planning (DTCP)
Public Health Engineering Department (PHED)
Revenue Department
Medical and Health Department
Social Welfare Department
R&B Department
Home Department
Parastatals:
Vijayawada, Guntur, Tenali and Mangalagiri Urban Development Authority (VGTMUDA)
AP State Highways Authority
AP State Road Transport Corporation (APSRTC)
AP Transmission Corporation (AP Transco)
AP Housing Corporation (APHB)
AP Pollution Control Board (APPCB)
AP Industrial Infrastructure Corporation (APIIC)

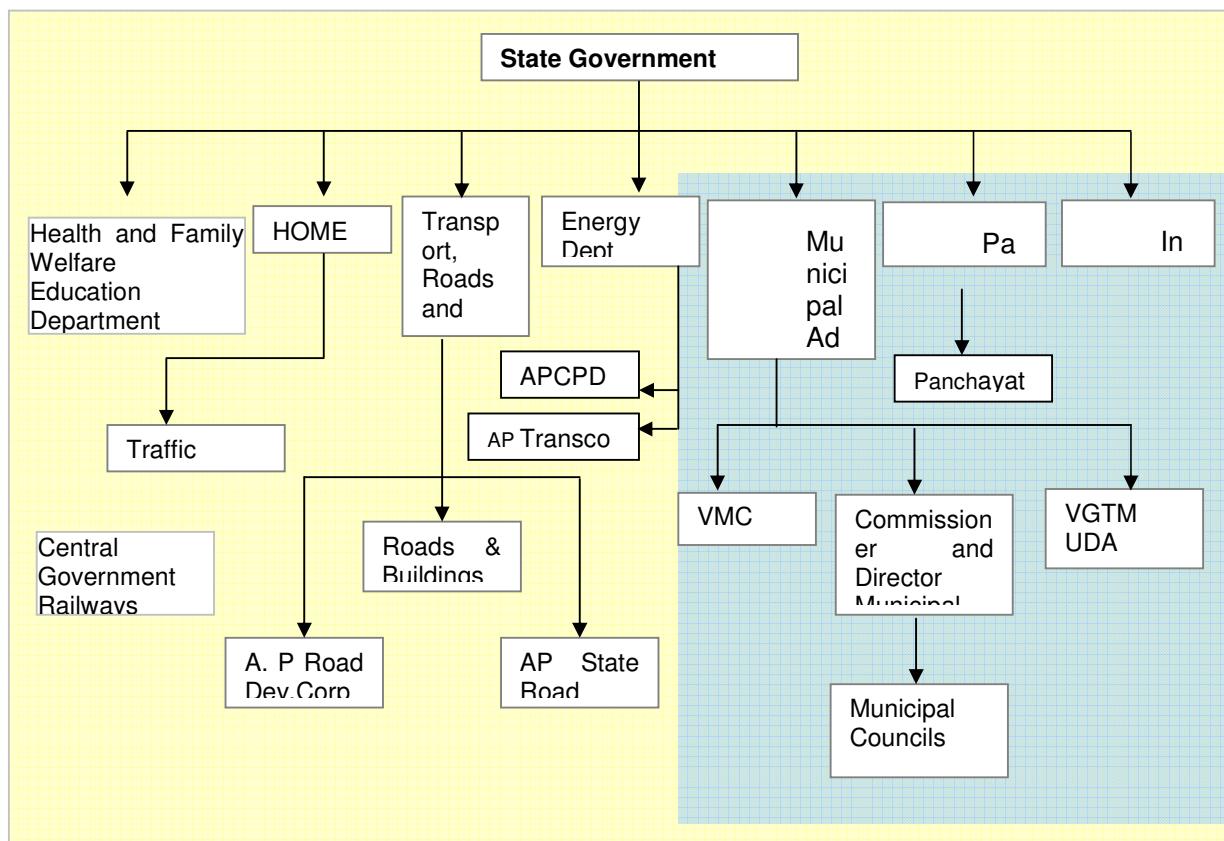
Figure 3.1 – Organogram of VMC



The figure 3.2 gives an overview of state level agencies operating in VMC. Each of the institutions listed above have specific functions and liaise with local government institutions in planning the provision of infrastructure and delivery of services. There are also central government institutions like railways, which are responsible for the provision of services in the city. The *Figure 3.3* gives an indicative list of governance institutions in the Vijayawada Urban Agglomeration area along with their functions and jurisdictions.

In the absence of a coordinating agency, there are several constraints in the integrated and comprehensive planning and delivery of services. Interdepartmental coordination is one of the prominent issues and conflict that are becoming difficult to address or resolve even at the level of heads of the service delivery agencies. It is observed that the citizen is often concerned with the quality of service rather than who is delivering the service. The service delivery often suffers because more than one agency is involved and there is no mechanism for ensuring inters agency coordination.

Figure 3.2 Organogram2: State Level Agencies



To illustrate, there are a number of agencies dealing with road infrastructure - both construction and maintenance, and there is no clear distinction of scope. This is clear from the *Figure 3.4*. Road management is a key co-ordination issue and it can be built and maintained but the multiplicity of agencies involved make the task difficult. Road infrastructure

development could suffer due to lack of co-ordination between agencies. As a consequence, the traffic and transportation in the city faces uphill tasks with increased travel time, traffic congestion, accidents, etc.

Figure 3.3: Roles and responsibilities - inter relationship of various departments

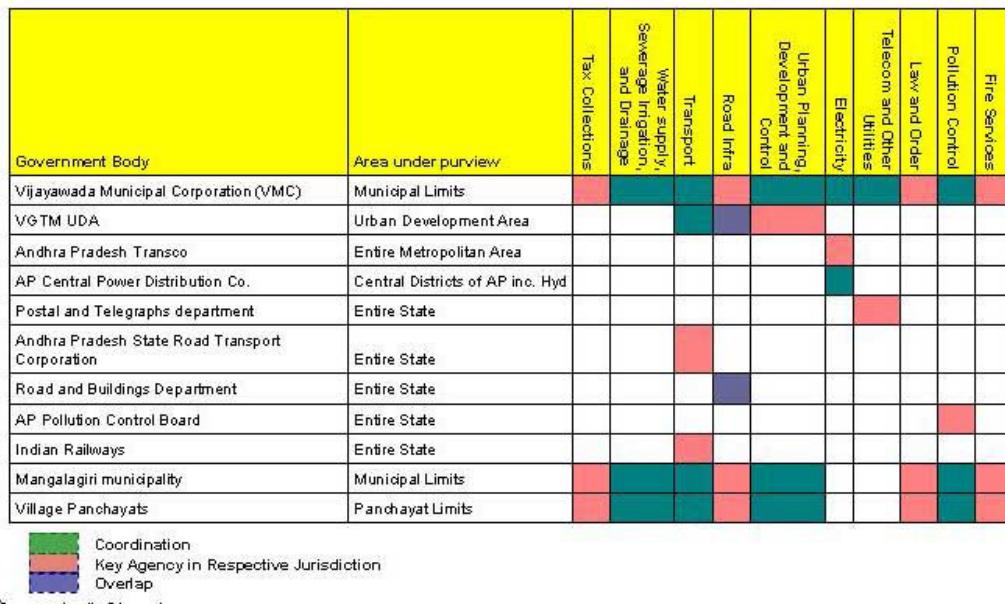


Figure 3.4: Functional Overlaps & Co-ordination Requirements

| Agency | Construction of Roads | | | Maintenance of Roads | |
|-------------------|---|------------------|---|--|--|
| | City Roads | Connecting Roads | Highways | Regular Maintenance | Road Cutting |
| VMC | Responsible for road and side walk construction | | | Maintenance of city roads, flyovers and connecting roads | Responsible for road cutting permissions but lacks enforcement powers for quality and time for restoration |
| VGTMUDA | Takes on construction of flyovers on specific projects. Also constructs roads in area where it develops and sells residential plots | | | Road maintenance | |
| Road & Building | | | Takes on construction of connecting roads, highways | Responsible for road maintenance connecting roads and highways | Responsible for road cutting permissions for highways |
| APCPDC | | | | | APCPDCL, and telecom players often need to dig up roads for maintenance of their own infrastructure |
| Telecom operators | No role | | | | |

3.4 Key Issues in Governance

The governance of the city is characterized by multiplicity of agencies. This results in lack of inter department coordination which is a serious roadblock plaguing local bodies. The agencies have their own priorities, procedures, lines of accountability, financing patterns, which often may not be in conformity with those of the MCH and the ULBs. The critical issues that emerge from the existence of multiple agencies include:

Spatial and functional fragmentation

Overlapping functions

Multiple accountability lines

High service delivery gaps, and

Increasing urban poverty

These and other key challenges are discussed below.

3.4.1 Lack of Clarity in Local Functions

The Constitution (74th Amendment) Act, 1992 envisages that the functions listed in the 12th schedule be entrusted to elected local bodies. This is with a view to minimise ambiguities and overlapping of functions between local bodies and other authorities. However, in practice, several agencies are responsible for the functions and in some cases, local bodies have no role.

3.4.2 Lack of Inter-Departmental Co-ordination

Any city's governance depends upon effective organizational structure and adequate financial inflows. Although the city of Vijayawada has been in the forefront of implementing reforms and good governance practices for the past three to four years, these reform initiatives did not really achieve the desired results.

The reforms primarily belonged to the areas of e – governance and better citizen interface through VOICE etc. What is necessary is for these kind of reforms is a two pronged approach, the first creating a front end, the next strengthening the back end to effectively cater to the front end. What has happened in the case of Vijayawada is that front end systems have been created but the back end systems have not been effectively upgraded/ geared up to meet the influx of the kind of information/ complaints that came through the same. The result is improper functioning of the system as a whole.

The functioning of the VMC reflects a wide gap between the demand and supply. Among the several reasons focus has to be given to proper delegation of powers to the urban functionaries and orienting the organization towards the principles of good governance. Organizational structure of the VMC has to be examined and adequate steps are to be initiated to strengthen the same.

3.4.3 Inter Institutional Co-ordination

One of the prominent issues in the area of urban governance was inter departmental coordination and conflict issues that are becoming difficult to address or resolve even at the level of heads of the service delivery agencies. It was observed that the citizen is often concerned with the quality of service rather than who is delivering the service. The service delivery often suffers because more than one agency is involved and there is no mechanism for ensuring inter - agency coordination. Lack of institutional coordination across the service delivery agencies is identified as

3.4.4 Functional and Spatial Fragmentation in Metropolitan Area

The Vijayawada, Guntur, Tenali and Mangalagiri Metropolitan Area consists the areas under the Municipal Corporation of Vijayawada and Guntur and other municipalities viz. Tenali and Mangalagiri and several other gram panchayats and villages. It is governed/ administered by Vijayawada Guntur Tenali Mangalagiri Urban Development Authority (VGTM UDA). Presently the development in the Metropolitan Area is occurring in a haphazard and uncoordinated manner. The CDS programme has a united focus on the VMC area. Unless there is a mechanism for comprehensive planning and implementation of development activities in the

entire metropolitan area, it may be difficult to achieve the objectives of CDS. The municipal systems in the surrounding municipalities are also weak and require strengthening. The district of Krishna primarily is agrarian based; hence a lot of importance has to be given to the spatial integration of all the areas through better infrastructure facilities and networks.

3.4.5 Municipal-Parastatal Coordination

There is a lack of coordination between urban local bodies and parastatals in areas such as inter-municipal, inter-district and inter-state roads, inter-municipal storm drainage and sewerage, common amenities like wholesale markets, truck terminals, bus stations, garbage dumping yards, landfill sites etc. The VGTM Urban Development Authority takes care of a part of coordinated planning. It prepared a master plan for the entire area. The plan provides for common infrastructure systems and amenities, which transcend municipal boundaries. However, the real problem is noticed in plan implementation. There is no clearly defined institutional mechanism to ensure that all roads, which pass through more than one area, are developed as per a common road development framework. Similarly there is no mechanism to ensure that storm water drains for the metropolitan area is developed in an integrated manner taking into account geographical factors and the existing and proposed built up patterns. There is also no mechanism to project and ensure infrastructure provision based on built up analysis from time to time. This results in conflict between local bodies and VGTM UDA. The Metropolitan Planning Committee envisaged under the 74th Amendment Act, 1992 has not yet been constituted for Vijayawada.

The basic services like traffic, public transport, fire etc are with parastatals. But since Vijayawada is a small City, there is adequate co-ordination between the VMC and the parastatals. The State Government is already attempting to formulate an Agency for Hyderabad which would encompass all the basic services. The same model can be extended to the other cities like Vijayawada, over the course of time.

3.4.6 Jurisdictional Issues

While subsidiarity is a desirable principle that can be adopted as a guide to draw boundaries for various agglomeration functions, it is not possible to arrive at a common boundary for all services. The geographical area required to internalise the costs and benefits of a service like urban planning may not be the same for another service like urban transport or water supply or storm drainage. However, a large enough an area would be in a position to internalise most of the dimensions of key local services. The whole idea is to contain the spillover externalities so that the benefit districts match the revenue districts. If such matching is not ensured there will be perennial problems of service revenues falling short of service costs, mounting inter-institutional conflicts, increased cost of public administration, lack of integrated development and imposition of high social costs on the public. Thus, it is important that jurisdictional issues are sorted out carefully. While keeping the costs of metropolitan administration low, exploitation of the development potential of the metro area and its contribution to national wealth and income should be the primary consideration for metropolitan spatial organisation.

3.4.7 Grievance Redressal

The city has introduced grievance redressal system. Lack of awareness and information is affecting the citizens' access to grievance redressal. Though citizen interfaces were established for the service providing agencies, majority of the public is not aware of the same and the redressal mechanisms at present need to be strengthened.

3.4.8 Transparency and Accountability

There is a need to have greater transparency and accountability in the functioning of the service providing agencies. The VMC web site has a number of features, which enables transparency in the functioning of the organization though there is scope for improvement since the web site is only over one year old. There is also a need to explore the possibility of involving the citizen in making budgetary allocations at the ward level.

It is necessary to understand the strengths and weaknesses of different spatial and sectoral areas within the city for location of economic activities. This has implication with regard to availability of land, transportation and infrastructure facilities. Both demand side and supply side factors determine the competitive advantage of the city. There is a need to identify these factors by conducting a SWOT analysis of the city's economy. To get a comprehensive

overview of the city a SWOT analysis was undertaken at two levels, first at the city level and the second of the Municipal Corporation.

3.4.9 Impact of development

The rapid urban development is leading to increasing land use changes and the measurement and monitoring of these land use changes are crucial to understand land use /land cover dynamics. The city is stretching horizontally and vertically at rapid speed so many residential colonies; commercial establishments, medium and small-scale industries are coming up in the city. This is in turn adding to the pressure on the infrastructure and available space. The town-planning department is responsible for enforcing planned development in the city, while the horticulture department is responsible for maintaining the parks and greenery.

Vijayawada Municipal Corporation covers an area of 58.16 sq.kms of which about 55 percent is developed. Of the undeveloped area, vacant land constitutes around 15% and the land under agriculture is about 58%, adding the developable area to be about 88% of the total VMC. The agricultural land referred to is a mainly green cultivation fields and in the recent years they can be seen barrier and put vacant for escalation of price. The rest 12% constitute hills, river, canals and water bodies. However, during the latest decades due to rapid population growth, the pressure on developable land has been enormous and hence residential development has also taken place on hills as well as low lying areas.

3.4.10 Grievance Redressal

The grievance redressal mechanisms in the city are weak and the people are made to run from pillar to post for grievance redressal. There is also no proper platform to provide information to the citizen on all services. Lack of awareness and information is affecting the citizen's access to grievance redressal. Though citizen charters were established for the service providing agencies, majority of the public is not aware of the duties and rights under the same.

There is a need to address these institutional and other challenges to provide good governance to the city. Unless the roadblocks are removed, economic development is hampered and efficient service delivery becomes difficult. This adversely impacts the community - particularly the poor. There is need, therefore, to restructure the governance framework, remove the roadblocks and streamline the lines of accountability. The governance reforms become all the more critical in the context of Vijayawada becoming more competitive. The city should offer high quality services and promote inclusiveness and citizen friendly governance institutions. Only where it is environment friendly and is well governed the vision of the city can be realised. The institutional strategies required include:

Spatial integration of VMC and surrounding rural areas for better planning and delivery of services;

Establishing clear lines of accountability of all service delivery agencies;

Within this overall framework institutional and implementation mechanisms need to be worked out. They include:

Strengthening local government capacities by outsourcing the project management and M&E functions;

Establishing appraisal systems and processes;

The institutional and governance reform strategies include;

Strengthening decentralisation – 74th CAA

Evolving inclusive governance mechanisms

Evolving partnerships for service delivery

Establishing coordination mechanisms to overcome spatial and functional fragmentation

3.4.11 Public Disclosure Norms

The State Government is coming up with a Public Disclosure Law, which is likely to come up in the next three months. The VMC is already implementing the Right to Information Act. All the information related to taxation, building permission, engineering works etc is already available in the web-site.

3.5 Reforms

3.5.1 Analysis of state and city

Reforms and change are critical elements in development process; they become more significant in urban development in the context of growth of cities and consequent pressure on infrastructure services, growth of poverty, etc. this is compounded by institutional constraints like in capacity, fragmented structures, functional overlaps and dated processes and procedures. In addition, there has been a paradigm shift in governance from the traditional top-down model. As a result governance reforms have become imperative for efficient delivery of services, provision and maintenance of infrastructure and to provide efficient and responsive governance to the people. Recognizing the significance of reforms to provide efficient and effective governance, government of Andhra Pradesh has initiated and implementing several urban sector reforms during the last few years. Similarly the urban local bodies particularly the municipal corporations have initiated city specific reforms to improve governance.

3.5.2 State Level Reforms

The reforms initiated at the state level fall under three categories namely 74th CAA, Governance and Pro-poor. They are discussed below:

74th CAA

Reforms related to 74th Constitution Amendment Act (CAA)

Development State Urban Development & Poverty Reduction Strategy

Governance

Establishment of Strategy Performance and Innovation Unit (SPIU)

Citizen charters

E-Governance initiatives

Outsourcing of services

Developing partnerships in service delivery

Rationalization of municipal staffing

Preparation of common municipal act for corporation and municipalities

Simplification of planning regulations

Framework for solid waste management

Rationalization of stamp duty

Preparation of municipal actions plans for poverty reduction by ULBs

Affordable water supply connection to BPL families

New citizen friendly street vendor policy

Pro-poor

Notification of slums

Tap connection to the poor at Rs 1200.

Spending 40 percent of the net corporation revenues on poor and slums.

3.5.3 City Level Reforms – VMC (See also the Reform Agenda)

The Vijayawada Municipal Corporation initiated several reforms to improve service delivery and strengthen municipal performance in the city. Some of these reforms are part of 74th Constitution Amendment Act. The reforms include:

74th CAA :

Ward committees for effective administration through decentralization

Initiated computerization in the year 1999. The data of various departments has been upgraded and is available online via the website of www.ourvmc.org and this information can be accessed by the citizens of Vijayawada from any part of the world. This service was launched in October 2002.

To bridge the digital divide and take governance to the doorsteps of the citizens “Siti e-governance” project in collaboration with Siti cable is launched.

A 24-hour call center is established to receive the complaints of citizens and customers by allotting a unique telephone number 103. Citizens can register the complaints and track the progress on website/TV/Telephone.

streamlining and decentralising tax collection system to facilitate easy access to the citizens

Agreement with e-seva of the state government for payment of bills in 10 centers.

Agreement with Andhra Bank to accept tax payment in 13 branches.

Establishment of online tax collection centers by Corporation at 15 centers in important places including slums

Establishment of two mobile tax collection centers

Internet centers owners authorized to collect municipal taxes by executing bank guarantee to the Corporation.

A citizen charter is established with the following mandate:

Approval of building plans for residential houses within 24 hours and for commercial complexes within 7 days

Redressal of simple grievances within 24 hours

Tap connection within one week

The CDP contains Sector Strategy and Strategy Implementation Road Map (Chapter 6 and in Annexures), which clearly focuses on reforms and improved maintenance of existing assets. The Council of the VMC has already committed itself to implement an elaborate reform agenda. This elaborated in the Reform Agenda. For example, in water supply, the priority is on areas like reducing NRW, O & M of Water and Sewerage system, rationalization of network etc. For each of these activities, the estimates with year-wise break-up is indicated later in the CDP.

3.5.4 Reforms in Mangalagiri Municipality

The Mangalagiri municipality is implementing all reforms initiated by the state government. They include- introduction of citizen charters, preparation of municipal action plan through consultative process, E-Governance initiatives through E-Seva centres, provision of water connections to the poor at Rs.1200, spending 40 percent of the net revenues on provision of services to the poor and the in the slum areas.

3.5.5 E - Governance

Application of Information and Communication Technologies or e-Governance is identified as key mechanism for ensuring inter-institutional coordination. The role of Integrated Citizen Service Centers of the e-Seva Department, which provides a number of citizen services cutting across a number of agencies under one umbrella is well appreciated by the public. Hence it is suggested that there should be an integrated approach to grievance redressal through e-Seva centers. In this context, it was noted that there is already a proposal to establish the Call Centers at e-Seva centers that can effectively collect the citizen grievances covering a number of agencies at one place and channelize them to concerned agencies for redressal. However, it was observed that Call Centers would be effective only if there are

proper internal mechanisms within the departments for grievance redressal. It was suggested to have proper monitoring mechanisms to track the status on the complaints.

3.6 Implementation Framework

It is proposed to set up a Project Monitoring Unit (PMU) within VMC to design, monitor, implement, and evaluate (DIME) the JNNURM Projects. The VMC has already appointed separate consultants to study water, UGD and transportation sectors to streamline and rationalize systems and prepare sectoral Master Plans. The ToR of the Consultants, among other things, also includes preparation of DPRs, and monitoring the implementation of the Projects. All the Projects would be tendered out to contractors and the Consultant would assist the VMC engineers in monitoring the progress of NURM Projects. The PMU is proposed to be staffed with experts in technical, legal, and financial matters relating to the Projects and reforms being implemented by the VMC as part of JNNURM.