

# City Development Strategy and Comprehensive Municipal Reforms: The Approach of Hyderabad City

## Introduction

Hyderabad is the capital of the State of Andhra Pradesh in South–Central India. It comprises of two sub-cities, i.e., Hyderabad and Secunderabad, which are together known as the Twin Cities. In the process of transition to a modern metropolis, Hyderabad is fast emerging as a vibrant commercial, educational and information technology centre – a “knowledge” city. The fifth largest city in India at the 1991 Census with a population of 29,14,464, Hyderabad is one of the fastest growing cities in the country. The city’s estimated population in 2000 was 5 million. The Municipal Corporation of Hyderabad (MCH), constituted under the Hyderabad Municipal Corporation Act, 1955 is the statutory civic body entrusted with civic affairs in the Twin Cities.

During the last five years, Hyderabad City has undertaken a series of strategic reforms with the objective of improving civic governance and effective provision of infrastructure and basic amenities to the people. The State Government has prepared **Andhra Pradesh: Vision 2020**, a vision document that outlines a Mission to make Andhra Pradesh the foremost State in the country in terms of growth, equity and quality of life. The document enumerates the potential and resources of Andhra Pradesh and recognises the opportunities thrown open by the liberalization and globalization processes and the information revolution. It also identifies select growth engines to ‘leverage’ the strengths and advantages in various sectors and regions. Drawing upon the best practices within and outside the country, the document outlines the profile of development of the State in the first two decades of the 21<sup>st</sup> Century based on a strategy of leapfrogging growth with equity and sustainable improvements in the living standards of all sections of the people. The following is the Mission of the State of Andhra Pradesh:

- Eradicate poverty and take care of the old, infirm and genuinely needy;
- Enable people to learn, earn and lead healthful and productive lives;
- Promote small families for a healthy and wealthy society;
- Give children a happy childhood and every opportunity to achieve their full potential;
- Empower and support women and girls to fulfil their roles as equal partners with men;
- Create resources the people need, such as capital and infrastructure, to transform their own future;
- Enable farmers, entrepreneurs and professionals to make agriculture flourish and build thriving industries and services business;
- Embrace innovation and the latest know-how to grow crops, produce goods and provide high quality services;
- Safeguard environment and make cities and villages clean, green and safe to live in;
- Make government simple, transparent, accountable and responsive;
- Ensure that people continue to have strong voice and role in governance.

**Andhra Pradesh: Vision 2020** emphasises the need for the Government of Andhra Pradesh to transform itself and quickly adopt a new role from being primarily a controller of the economy to a facilitator and catalyst of growth. The document identifies growth engines based on an evaluation of the potential to build on accumulated strength, to make significant impacts, and to exploit opportunities created by global trends as follows:

Sector	Growth Engines
Agriculture	Rice, Dairy, Poultry, Horticulture, Fisheries and Agro-industry;
Industry	Infrastructure, Construction, Garments, Leather Products & other Export-oriented Industries, Mining, Pharmaceuticals and Small-scale Industries;
Services	Information Technology, Knowledge-based Services, Tourism, Logistics, Small-scale Services, Healthcare and education.

While growth engines will be developed mainly by private investment, it is envisioned that the Government will play a growth-oriented, people-oriented and catalysing role by (a) providing specialised infrastructure; (b) deregulating or creating regulation that fosters investment and facilitates business; (c) accelerating the development of skills; and (d) conducting focused and effective promotion to market the opportunities the State offers to investors. People-oriented and growth-oriented governance will include:

1. Refocusing Government priorities and shifting spending from unproductive areas towards achieving high priority developmental goals;
2. Decentralising governance and making it participatory with the involvement of the people;
3. Introducing ‘electronic government,’ i.e., using IT-based services to demystify procedures and improving Citizen-Government interface;
4. Becoming a SMART (Simple, Moral, Accountable, Responsive and Transparent) Government by improving transparency and accountability at all levels and ensuring effective and responsive services;
5. Building the administration’s capabilities, strengthening policy-making and improving performance; and
6. Taking a lead role in persuading the Central Government and initiating regulatory and other reforms.

### **Urban Vision 2020**

**Andhra Pradesh: Vision 2020** envisages that by 2020, the State will have well-planned, economically productive, socially just, environmentally sustainable, culturally vibrant, friendly and safe cities and towns. It is stipulated that the State will play a pivotal role to:

- Ensure balanced urban development by promoting alternative urban centres as counter magnets;
- Anticipate and provide for urban infrastructure requirements through comprehensive, integrated planning;

- Operate municipal services on a competitive basis to provide adequate, high quality services at affordable costs;
- Develop urban services and infrastructure by involving the private sector and fostering public-private partnerships;
- Ensure that local services are run through local management and control;
- Mitigate urban problems by providing shelter and basic services for all;

A major component of the Vision is to ensure affordable *pucca* (durable) housing, both ownership and rental, and basic services for all people in the State.

**Vision 2020** calls for effective management of urban growth so as to have clean, green, comfortable, safe and livable cities. The State will focus on infrastructure development, environmental management and high quality services such as water supply, sanitation, waste management, street lighting, housing and public transport to all. Civic Governments will be participatory, responsive and people-oriented. The targets outlined in **Vision 2020** are to be achieved through an integrated approach that blends urban development and infrastructure planning with sound fiscal policy and systems to manage and deliver urban services effectively.

The Vision for Hyderabad City is to make it a productive knowledge-rich city, a planned, clean and green city, a garden city, a cultured and caring society with concern for equity. It is envisaged that the City will emerge as the medical and health, education and information technology capital of the country. Hyderabad is also expected to be a well-managed and responsive city with effective delivery of civic services to all residents including the poor. In consonance with the vision of the City, the Municipal Corporation of Hyderabad has initiated several measures including operation of municipal services on a competitive basis. The private sector is being involved in the provision of services. The Corporation has already acted in this direction in sanitation, which has also enabled Hyderabad to get the prestigious Clean City Award from the Housing & Urban Development Corporation, Government of India for three successive years as the cleanest city in India. The development of public transportation system, especially Suburban Railway System is considered a priority in the near future. It is envisaged to have total public participation in all civic programmes including greening of city, sanitation, housing, slum upgradation and employment generation.

### **Hyderabad Development Strategy**

The Hyderabad: Vision 2020 will be achieved through an aggressive metropolitan development strategy. The strategy, which will adopt the City Development Strategy (CDS) framework, will be designed to promote:

- Livability to ensure that all citizens including the poor have a healthful and dignified living standard;
- Competitiveness to ensure buoyant, broad-based growth of employment, incomes and investment;
- Good governance based on inclusion and representation of all stakeholder groups in the urban society, as well as accountability, integrity, and transparency of local government; and
- Bankability to ensure the financial soundness of local authorities.

Metropolitan development framework recognises that large cities in developing countries are engines of national economic growth and reservoirs of skill and agglomeration economies. They are multi-governmental and involve multiple actor partnerships for their development. Metropolitan coordination is the key to successful formulation and implementation of metropolitan development strategy and effective management of metropolitan areas. Components of metropolitan development strategy include: integrated carrying capacity-based regional planning, provision of ‘leading’ infrastructure, operation of services and resource mobilisation on sound economic principles, effective management of the environment within and beyond the city area, poverty alleviation under a community development approach and people-oriented civic governance. Private sector participation is to be solicited in developing city level infrastructure, creation of job opportunities and public participation will be ensured in the implementation of all civic programs. Hyderabad’s development strategy will take explicit account of the role of Hyderabad as an engine of growth not only for the region and state, but also for the country; the potential and resources of the city, especially human capital; the opportunities made available by globalisation and the socio-economic and developmental constraints.

The concept of metropolitan development strategy under formulation in Hyderabad with a view to attaining **Vision 2020** goals takes into account the new paradigm of development planning suggested by the historic Constitution (74th Amendment) Act, 1992. The Act regards ‘urban planning including town planning’ and ‘planning for economic and social development’ as legitimate municipal functions. It envisages the preparation of Metropolitan Development Plan that is mandatorily required to take into account:

- The plans prepared by the urban and rural local bodies in the metropolitan area;
- Matters of common interest between the urban and rural local bodies including co-ordinated spatial planning of the area, sharing of water and other physical and natural resources, the integrated development of infrastructure, and environmental conservation;
- The overall objectives and priorities set by the Government of India and the Government of the State concerned; and
- The extent and nature of investments likely to be made in the metropolitan area by the agencies of the Central and State Governments, and other available resources whether financial or otherwise.

The Metropolitan Development Plan is expected to integrate urban and rural development plans of all local bodies within the metropolitan region and spatial and economic development plans with emphasis on infrastructure, environmental conservation and recognition of the financial and non-financial constraints to plan implementation. Identification and exploitation of beneficial spatial and non-spatial linkages arising out of agglomeration economies within the metropolitan region and between the region and the global economy and minimisation of the external diseconomies due to clustering such as congestion and pollution are key areas that the City is addressing at present.

Keeping the Constitutional mandate in view, the City of Hyderabad has decided to adopt a three-tier approach to metropolitan development planning. This involves:

1. Long-term Perspective Plan (20-25 years) indicating goals, policies and strategies of spatio-economic development and the broad configurations of land use, transportation and other infrastructure networks. This is to be in the form of a Structural Plan;
2. Medium-term Development Plan (5 years) to be conceived within the framework of the approved Perspective Plan, providing comprehensive proposals for spatio-economic development and resource mobilisation strategy. This Plan is to be synchronised with State and National Five Year Plans;
3. Annual Action Plan to be conceived within the framework of Development Plan, containing details of the new and on-going projects to be implemented along with financing plan/capital budget.

Hyderabad metropolitan development strategy will take into account integration of spatial and economic development plans of all local bodies in the metropolitan area – the Municipal Corporation of Hyderabad, 9 peripheral Municipalities and a number of village Panchayats. It will also address the issues of resource-sharing, environmental conservation, growth management and resource mobilization. The spatial and functional linkages between the mother city and surrounding Municipalities and Panchayats and preservation and enhancement of environmental resources such as lakes/water bodies and city forests have been identified. The development strategy will provide utmost importance to the creation of effective linkages within and between metropolitan areas. This will cover roads, rail, fiber optic cables, water, sewer, drainage, etc. The strategy will also address integrated provision of infrastructure, management of growth in existing areas as well as new locations and redevelopment of old and dilapidated areas. Two critical developments will have important implications for the city: information technology hub called Cyberabad emerging in the outskirts of Hyderabad and International Airport at Shamsabad. These new cities will be complementary to Hyderabad. Transportation and water supply will be given top priority so as to “lead” development into the new cities. In order to maintain Hyderabad as a 100% Clean City, the strategy envisaged is to have competition between private sector and the local body by privatisation of sanitation services. It is also proposed to involve Self-Help Women’s Groups on large scale in slum upgradation in order to have more accountability and transparency and community ownership. It is envisaged that the community in poor localities/slums in the form of Community Development Society will act as a mini-municipality to meet the minimum civic needs of the people in an effective manner at the grassroots level. Resident Welfare Associations will be involved in all city development activities. Greening of the city will be taken with a mission approach – to plant 200,000 trees in the city per year over the next 5 years.

### **City Consultation Process**

In order to finalise the overall development strategy and sectoral strategies to achieve **Vision 2020** goals, the city administration in Hyderabad has initiated the civic consultation process. It was decided that separate consultations shall be held for separate aspects of city development such as poverty alleviation, infrastructure development, housing, environmental protection, heritage conservation, municipal management, resource mobilisation, transparency and accountability in governance, etc. The city level consultation process on poverty alleviation strategy of Hyderabad has commenced, involving all sections of the society: officials, non-officials, researchers, NGOs, CBOs, slum-dwellers, etc. The Urban Management Program (UMP) of the UNCHS, the UNDP-World Bank Water & Sanitation Program, DFID (UK), and several

agencies have facilitated the consultation process. Two consultations at the city level have taken place on April 25, 1999 and August 6, 1999 and one brain-storming session/review involving representatives from UMP and other agencies on October 25, 1999. Two research studies have been completed: *A Review of Past Slum Improvement Projects in Hyderabad* prepared by Regional Centre for Urban & Environmental Studies, Osmania University, Hyderabad and *Institutional Arrangement and Capacity for Providing Services to the Poor in Hyderabad* prepared by the Administrative Staff College of India, Hyderabad. These studies were supported by UNDP-World Bank Water and Sanitation Program – South Asia (WSP-SA).

Based on the city level consultation process a consensus has been arrived at for the City's strategy for poverty alleviation as follows:

- Development of a strategic framework for poverty alleviation with policy guidelines at the State and municipal level;
- Institutionalisation of the process by assigning clear roles and responsibilities to various agencies and service providers; and developing suitable mechanisms for coordination amongst themselves as well as with primary stakeholders;
- Adoption of the functions of Urban Poverty Alleviation and Slum Improvement and Upgradation as municipal functions as suggested by the Constitution (74<sup>th</sup> Amendment) Act, 1992;
- Providing for an institutional mechanism at the municipal level to ensure sustained flow of resources for UPA programs even in the absence of external intervention, to ensure availability of adequate finance for maintenance of civic infrastructure, including that in the post-project phase so as to avoid deterioration in the quality of services to the residents in slums;
- Making service provision for the poor/slum-dwellers a part of regular service delivery system of the local government as envisaged in the Constitution of India rather than resorting to ad hocism and perennially looking to national or state government or international agencies for funds;
- Linking of civic infrastructure/amenities in slums to city-wide infrastructure systems so as to address slum problems as an integrated function of the local government or infrastructure agency rather than in isolation;
- Adopting a holistic approach to urban poverty alleviation covering physical and social amenities, employment and income generation, thrift and credit and community empowerment, with focus on women and children;
- Strengthening existing community structures and empowering the communities for planning, execution of projects, operation and maintenance of community assets and implementation of social sector programs like Health for All, Education for All, etc.;
- Building the capacity of the Municipal Corporation of Hyderabad, Community Self-help Groups, NGOs and other agencies to formulate plans, implement and monitor urban poverty alleviation programs;
- Developing partnerships with donors, non-governmental stakeholders, community and the private sector, and institutionalizing coordination and convergence with a consensus-building approach;
- Fostering stakeholder ownership of the program through adoption of appropriate consultative process at all stages.

Taking the various strategic considerations into account, Hyderabad City has formulated the Hyderabad Sustainable Community Development Program (HSCDP) based on the following key principles:

- Strategic programme approach with focus on consultation, prioritisation, partnership, continuity, and convergence;
- Core services package and service delivery in response to demand to all slums and all poor people irrespective of their place of residence;
- Linkages between city level and slum infrastructure and services;
- Convergence of sectoral policies and programs with the Municipal Corporation playing the nodal role;
- Community at the centre, human development as the ultimate goal and role of Municipal Corporation as facilitator;
- Cost recovery focus - services to be provided with cost recovery, however small the same may be, and efforts be made for incremental improvements over a period of time;
- Application of best practices from within and outside the country with the goal of achieving sustainability;
- Focus on community structures, community mobilisation and community empowerment with the involvement of women at all levels – Neighborhood Group, Neighborhood Committee and Community Development Society.

Following the consultation recommendations, the Municipal Corporation has constituted a Urban Community Development and Services Cell as the nodal agency to coordinate all urban poverty alleviation programmes in the city, being implemented by the civic body and other agencies. A dedicated cadre of Urban Community and Services functionaries with retraining of existing staff and involvement of NGOs is being constituted. A critical resolution has been passed by the Corporation to constitute an Urban Community Development and Services Fund. It is decided that 10% of the Property Tax collected by the Municipal Corporation will be earmarked for community-based poverty alleviation programs. Hyderabad is the first city in the country to adopt such a resolution to ensure sustained funding of poverty alleviation and to avoid collapse of programs after externally-funded projects disappear.

In addition to Community Development and Services strategy, the Municipal Corporation is in the midst of city level consultation process for the preparation of strategies for Infrastructure Development: Roads, Storm-water Drainage, Street Lighting, Parks, Playgrounds, City Forests, Water Bodies, etc.; Environmental Conservation; Resource Mobilisation; and Good Governance. Simultaneously, efforts are being made for preparation of Long-term Perspective and Medium-term Development and Annual Action Plans and Capital Budget, and Municipal Reforms Agenda including Managerial and Financial Reforms. The City is making all-out efforts to reduce monopoly in the provision of civic services, enhance competitiveness, simplify procedures including budgeting, accounting, and auditing, and make civic information freely available to the public. The City will witness unprecedented municipal reforms and local government transformation in the near future.

### **Comprehensive Municipal Reforms**

The City Development Strategy framework provides some key directions for municipal reforms in developing countries: adoption of key economic principles and best practices

wherever feasible, integrated development planning, effective plan implementation, reduction of monopoly elements in civic affairs, public accountability and information transparency. The bottom-line appears to be good civic governance, that is, growth-oriented and people-oriented. Accordingly, the Municipal Corporation of Hyderabad has initiated a Comprehensive Municipal Reform Agenda based on the following principles:

1. Functions and job charts of functionaries must be clear and without overlap or ambiguity;
2. Finances must be clear and commensurate with the functions;
3. Functionaries must be responsible, responsive and accountable;
4. Administration must be participatory, people-centered, simple, principled and professional.

Preparation of City Development Strategy and Development Plans require considerable time. Moreover, they have to be dynamic and need to be modified as situations change. However, certain basic reforms need to be pursued with consistency and over a long horizon whatever be the strategy or plan. Accordingly, pending the finalisation of City Development Strategy, the City of Hyderabad has initiated many programmes of municipal reforms with the simple test they are in the proper direction. The assumption is that if the directions are correct, all reform measures will converge and lead to the desired results envisaged by the Strategy.

The key reforms initiated by Hyderabad City include: rationalisation of municipal functions, preparation of clear job charts for functionaries, development of performance indicators and management information systems, all-out use of information technology to foster e-governance, simplification of budgeting, adoption of commercial (modified accrual-based) accounting, creation of geographical and functional cost centres, prioritisation of developmental and regulatory measures based on impact studies, integrated infrastructure planning and capital budgeting; regular enforcement of basic town planning, public health and environmental regulations, adoption of the principles of local public finance--‘users pay’, ‘beneficiaries pay’ and ‘polluters pay’ to strengthen resource mobilisation efforts, community-based environmental management and slum development programmes, free availability of information, transparency at all level, etc.

A participatory, responsive and responsible civic government will be in a position to provide leadership and seek support from the private sector. Recognising this, the State of Andhra Pradesh is promoting a people-centered approach to development under the Janmabhoomi Program. Under this approach:

- People are to identify their felt needs;
- People must share cost of community works through material or labour or cash or a combination of any of them;
- People are to execute community works through self-help groups;
- People are to review and audit their own expenditures;
- People will own community assets created and manage their own institutions.

The Hyderabad civic administration is committed to the Janmabhoomi philosophy to improve the delivery of civic services, especially in the slums and poor neighborhoods.



### Some Municipal Innovations

Some of the key innovations introduced by the Municipal Corporation of Hyderabad in the recent past are described in the following paragraphs.

#### Privatisation of Sanitation Services

The Municipal Corporation of Hyderabad is the first Corporation in the country to have a unique system of privatisation called the “Unit System”. Under this system, the entire area of Hyderabad is divided into uniform units for sweeping and garbage lifting purposes. Each uniform unit has a sweepable road length of 7-9 km and garbage generation to a tune of 7-8 metric tonnes. The cost of sweeping the entire area in the unit and lifting the entire garbage are calculated by MCH based on engineering schedule of rates and the Unit Cost is thus determined. The units are allotted to different contractors on the same cost. As on today, about 60% of garbage sweeping/lifting is privatised. The details of the units existing in Hyderabad at present are as follows:

	Sweeping	Lifting
Municipal Corporation	125	125
Private – Day	132	98
Private – Night	56	22
Afternoon Works – Private	8	-
Women Self-Help Groups	14	11

The Unit System has proved very advantageous as compared to the conventional tender system. The following are some of the distinct advantages of the system:

- The possibility of some tenderers quoting very less rates, consequently bagging the contract and later not performing well is eliminated;
- A healthy competition is generated amongst different contractors since the units are uniform and the contractual amounts are equal;
- The monitoring becomes easy with heavy fines being imposed for non-performance based on objective considerations.

Very strict monitoring parameters and involvement of local resident representative groups for supervision ensure satisfactory performance of the private contractors.

The MCH has taken up a massive exercise of modernising its sanitation operations. There are computerised weighing bridges at landfill sites and Transfer Stations for transferring garbage from smaller vehicles to bigger vehicles. The Corporation also has the most modernised fleet of refuse carriers including Dumper Placer vehicles and Compactors.

#### From Waste to Energy

Recently, one garbage processing plant has been commissioned by a private company, namely M/s. SELCO International at the Gandamguda landfill site of the Municipal Corporation to generate fuel pellets. It is designed to process 700 MT of MSW every day and generate 10 MW of electric power. It is one of its kinds in the country to utilise garbage for power generation. The Corporation is encouraging entrepreneurs to set up of MSW to power generation plants. Recently, an MOU was signed with M/s. RDF Power Projects for establishing one more power-generating plant from MSW at Auto Nagar landfill site. When operational, it is estimated that this plant will generate 11

MW of power, using 700 MT of garbage per day. Further, several entrepreneurs are in the queue, offering to set up similar plants. Their offers are under examination.

### **Voluntary Garbage Collection Scheme**

The Municipal Corporation of Hyderabad encourages the public to take up door-to-door collection of garbage in their area by appointing their own sanitation workers. MCH provides a tricycle, costing Rs.4500, free of cost to a colony/group of 100-150 houses, which engages a rag picker for collecting the garbage from their doorsteps every day and pays him @ Rs.10 per household. By adopting this scheme, the people get a garbage-free locality and a poor rag picker gets gainful employment. This scheme is called Voluntary Garbage Collection (VGC) scheme. The garbage bins in VGC colonies are removed and the collected garbage is deposited at one convenient spot by the rag picker on the tricycle. Prompt and timely lifting of this garbage by MCH vehicles is ensured every day. During the year 1999–2000, 131 new VGCs were sanctioned. Currently 435 Resident Welfare Associations (RWAs) are using this scheme and are operating 671 tricycles. Provision for free replacement of old/damaged tricycles with new ones has been introduced by the Corporation recently which is based on conditions of good record of past scheme implementation for more than three years and prompt property tax payment through Self Assessment Scheme.

### **Community Contracting: Women Groups**

Community Contracting is a novel scheme implemented by the Municipal Corporation of Hyderabad (MCH). The Corporation has recently allotted 14 sanitation units to DWCUA (Development of Women and Children in Urban Areas) Groups of women on the same terms and conditions for sweeping and garbage lifting as applicable to private contractors and the scheme is running very successfully. The women groups are the direct contractors to the Corporation and they no longer operate through middlemen. They are working with zeal and dedication. As stipulated by the scheme, the women organise themselves into a thrift and credit group, which decides on the monthly amount to be saved per family. Group savings are used to mobilise credits from banks for members to take up income generation activities and meet family exigencies.

### **Clean Slum Initiative**

Hyderabad has 811 notified slums. In spite of several schemes/projects implemented in the past, basic civic amenities still are inadequate in a number of slums. During 1999–2000, an extensive survey of the status of civic infrastructure and utility services in the slums was conducted by the staff of Urban Community Development Department of the Corporation. Consultation and feedback sessions with slum organisations/groups and link volunteers of slums were held. The Corporation has launched the Clean Slum Initiative with the objective of bringing a definite number of slums to fully developed status within a period of two years. The Medical Officers of Urban Health Posts have been designated as nodal officers for the initiative. Each Medical Officer has been put in charge of one or two slums. 53 slums have been identified and in each of the slums a Clean Slum Committee with female members of the slum are constituted. One NGO has been identified for each slum to mobilise slum-dwellers, train them and act as interface between the community and the Municipal Corporation. Groups of slum women will undertake the job of supervision of sanitation for which the Corporation will pay them supervision charges duly removing the regular supervisors from the area. They will be provided free tricycle rickshaws. With the supervision amount and community

contribution the women groups can hire tricycle rickshaw-pullers, who would take up door to door garbage collection.

In the Clean Slum Initiative, each slum will eventually become a “Mini Municipality,” with the community discharging some basic civic functions such as sanitation, pre-school education, adult education, preventive health care, immunisation, pre-natal and ante natal care, thrift and credit, income generation, taking care of the old, infirm and the genuinely needy, etc. The community will be enabled to maintain assets created. It is proposed to have Resident Tax Collectors in the slum areas, who could collect property taxes and user charges from the well-to-do residents in slums and make the funds available for local development. The Corporation will provide matching grants. This will make the Corporation save cost of tax collection and ensure better spending in slums.

### **Improving Cost Recovery in Sanitation**

Traditionally the Municipal Corporation of Hyderabad has been recovering sanitation costs through the levy of conservancy tax as a component of the property tax. However, the recovery has been inadequately low due to the fact that small and large generators of trash have been treated alike under the property tax net. Following the ‘polluters pay’ principle and in order to make the public aware about health and hygiene issues, MCH has introduced Bulk Garbage Collection Charges from the bulk generators of garbage such as commercial complexes, markets, hotels, function halls and cottage industries. During 1999–2000, the following establishments have been identified to be brought under coverage:

Private markets	15
Commercial complexes	1220
Hotels & Restaurants	1900
Tea stalls and tiffin centres	2100
Function halls	280
Cinema Theatres	140
Cottage industries	82

The Corporation has also introduced the collection of Administrative Charges from the people committing sanitation offences like littering, spitting, etc. During the year 1999–2000, a sum of Rs.950,000 as administrative charges (penalty amounts) was collected. Enforcement and Nuisance Detection Squads of the Corporation are made to set out on enforcement operations and education campaigns every day. The rates of administration charges levied are as follows:

	Rupees
Littering	20 – 100
Debris dumping	100 – 400
Garbage throwing	100 – 200
Eating in the public	50 – 100
Defacing of public walls	200
Roadside tethering	200 – 400
Roadside dung depositing	200

In the present financial year, an amount of Rs.420,000 has so far been collected by MCH through these enforcement measures.

### **NGOs in Health Care Service Delivery**

Under the World Bank-supported IPP VIII Project, 19 NGOs have been participating in community development activities in Hyderabad in an integrated manner. Unlike many development projects in which NGOs are engaged in isolated tasks, such as managing a health centre or vocational training program, in IPP VIII Hyderabad, NGOs are involved in all community-based activities: health, education, women's empowerment and slum development. Recently a study by the World Bank has observed that the experience of IPP VIII Project in Hyderabad is exceptional because it has succeeded in gaining an unusually high extent of both NGO and Community participation and has shown strong health-related results. In addition to mobilising the community and motivating volunteers, the contributions of NGOs have been significant in the areas of immunisation, ante natal and pre-natal care, family welfare, counselling for adolescent girls regarding vocational training, continuing education, disadvantages of early marriage, family planning, safe motherhood, prevention of atrocities against women, income generation, thrift and credit, etc.

Although the Municipal Corporation of Hyderabad provides each NGO a meagre sum per month to support their activities, most of the NGOs have shown considerable interest and commitment. They are driven by the desire to establish a base in the slum and among poor communities for participating in other governmental programmes in a bigger way. They have established a network of communication through which all messages relating to health, education, sanitation, etc., are passed on to the community without ambiguity. The slum-dwellers are in turn enabled to establish close linkages with the Municipal Corporation of Hyderabad and Government Departments. 7800 women slum-dwellers have chosen to work as Link Volunteers in 662 slums to assist their community in accessing better health and other services. Each Link Volunteer is in charge of 20 households. These volunteers are not paid any remuneration or given any special benefits. The recognition of the community and the Municipal Corporation are the forces driving them apart from the desire to render social service.

The responsibilities of NGOs under IPP VIII Project include the following:

- Oversee maternal and child health and family planning activities in 20 or more slum communities;
- Identify, train and manage Link Volunteers;
- Organise and manage women's health groups – Mahila Arogya Sanghams;
- Maintain a regular dialogue with community members and health staff through monthly meetings at the Urban Health Post for NGOs, health staff, and IPP VIII Women's Development Officers, monthly meetings in the slum for Link Volunteers, NGOs, and women from the community, monthly meetings in the IPP VIII Project Office for NGOs and Project officials, quarterly meetings in the IPP VIII Project Office for NGOs and Medical Officers and annual meetings of all the Link Volunteers in the city;
- Raise awareness on health, environment and family planning issues by organizing health camps, competitions for Link Volunteers and adolescent girls in the slums, special programs such as World Health Day and Pulse Polio Campaigns;
- Register vital events in slums;

- Manage IPP VIII community-based health and development activities such as revolving funds for women's groups, nursery schools, schools for former drop-outs, adolescent girls' workshops, first-time mothers' workshops, pollution prevention campaigns, etc.
- Establish additional community development activities in accordance with community needs, such as legal literacy programs and income generation schemes.

The NGOs have been instrumental in establishing networks of Link Volunteers in Hyderabad to expand the outreach of IPP VIII Project. These networks are assisting the Municipal Corporation of Hyderabad in:

- Reporting on salient statistics/well-being of the residents in slums, including births, deaths, occupation, marriages, school dropouts, contraceptive use, handicapped children, and widows;
- Assisting Auxiliary Nurse-Midwives with outreach activities in slums;
- Communicating important messages about mother and child health, family planning, gender issues, legal literacy, women's status, thrift schemes, and special health programs;
- Acting as depot holders for oral rehydration salts, contraceptive pills, and condoms;
- Helping organisation of IPP VIII community development activities such as revolving funds and nursery schools; and
- Exercising vigilance over the implementation of municipal programmes and works.

### **Unit Rate System of Public Work**

The Municipal Corporation of Hyderabad has introduced the Unit Rate Contract System with a view to improving the quality of public works by private contractors. The Corporation has about 1500 registered contractors, who are eligible for tendering for municipal works. Earlier, certain groups within the contractors used to form cartels, bid low rates for as many works as possible, get works allotted to them based on lowest tender norm, create a monopoly, and resort to the malpractices of delay, pressure building and litigation. This resulted in poor quality of work and prolonged court cases. To address the problem, the Municipal Corporation has introduced the Unit Rate system. For different types of works, open tenders are called for constituent work components. The rates quoted by contractors for different components are compared and unit rate for the same are arrived at. Contractors are allocated works in turn by lottery basis. Thus, no single contractor is in a position to monopolise as his turn comes only after all the registered contractors get a chance. Contractors who had executed below quality work are blacklisted.

The Corporation follows the Unit Rate system for the vast number of small local works. For the small number of major works, the procedure of National Competitive Bidding is chosen. The Unit Rate system has given a death blow to the monopoly and blackmailing practice of local contractors. It has also contributed to improvements in quality of work.

### **Coordinated Metropolitan Development**

Metropolitan cities are multi-governmental. Several levels of government, government undertakings and institutions operate in the metropolitan cities. The size and

complexities of these cities result in several day-to-day problems of coordination, especially in the delivery of civic services. To facilitate coordination and collaboration on regular basis, the Government of Andhra Pradesh issued an order constituting a City Level Coordination Committee, with the Commissioner of Municipal Corporation of Hyderabad acting as the nodal officer/coordinator. The other members in the Committee include senior-most city officers from Police Department, State Electricity Board, Urban Development Authority, Revenue Department, Metropolitan Water Supply & Sewerage Board, State Transport Corporation, Traffic Police, Telecom and other Departments. The Committee undertakes city level inspections and meets once every week to sort out various coordination problems including those in connection with widening of roads, shifting of services, road cutting to lay service lines, restoration of roads cut, undertaking development and maintenance works, etc. The Committee has been functioning successfully and has been able to solve many vexing problems.

The City Level Coordination Committee in Hyderabad, apart from sorting out day-to-day city problems, has taken steps for the coordinated preparation of development plans covering aspects such as metropolitan transport, parking, heritage conservation, lakes, parks and playgrounds, city forests, road widening, light rail transit, etc.

#### **Face to Face with Public**

Every Wednesday all senior city level officials and two city Ministers attend 'Face to Face with Public' in a direct Television broadcast programme watched by the public. Any citizen watching or not watching the show can ask any question over the telephone to the officers and Ministers regarding civic problems such as water supply, road conditions, street lighting, public bus operations, traffic, law and order, land matters, encroachment, unauthorised construction, conduct of public officials, etc. Assurances are given by the concerned officials and the actions taken are informed to the complainants in writing. This has the effect of continuous vigilance by the public over the conduct of civic affairs and increased responsiveness on the part of officials.

#### **Resource Mobilisation**

The Municipal Corporation has been making significant efforts for improving its resources effectively and recovering costs. The steps include property tax reforms, including introduction of the scheme of self-assessment of property-tax, re-vamping of advertisement tax, trade license fee system, etc. with emphasis on self-declaration and self-filing of returns, use of land as a resource and adoption of polluters pay principle. The Corporation is making all-out effort to identify direct and indirect users of services/beneficiaries and levy user charges and benefit taxes. Polluters are also being identified and made to pay for pollution mitigation and prevention measures. The following general principles of local public finance are followed:

- Where benefits and beneficiaries are identifiable, charge them;
- If benefits cannot be measured, but beneficiaries are identifiable, levy benefit taxes;
- If neither benefits nor beneficiaries are identifiable, levy general taxes;
- For long gestation capital projects whose benefits spread over a long time, borrowing is appropriate;
- Subsidies to the poor need to be targeted and fully transparent rather than being distortionary.

Municipal revenues have gone up considerably due to various reform measures initiated by the Corporation. Property tax increased by more than 70 % during 1999-2000. The period 1998-2000 witnessed a hike in advertisement fee collection by more 230%. Trade licensing fee went up by 63% during 1999-2000. Town planning related charges registered more than 100% growth during 199-2000

### **Self-Assessment of Property Tax**

General revision of property tax as contemplated under law was not done in Hyderabad for the past few decades. In the absence of this, property owners continued to pay taxes as levied decades ago, causing heavy financial loss to the Municipal Corporation. The total number of assessments in the Twin Cities was only about 410,000 in 1998-99 with total current demand of about Rs.490 million. Attempts to rationalise and improve the property tax base made earlier were caught in legal problems. Keeping the above background in mind, Self-assessment of Property Tax scheme was introduced during the year 1999-2000. This was done taking advantage of provisions under Section 213 of the Hyderabad Municipal Corporation Act under which the Commissioner is empowered to call for information pertaining to properties located in the Twin Cities from owners/occupiers and it is mandatory on part of the latter to furnish the same. In response to the scheme, about 130,000 filed self-assessment returns within 4 months of the introduction of the same. This led to almost 50% increase in the property tax. The scheme is now under operation and more impressive results will be forthcoming in the near future.

### **External Betterment Charges**

The Hyderabad Municipal Corporation Act, 1955 originally provided for the levy of betterment charges to meet the costs of internal infrastructure and services in the case of development projects. Recently, the Government of Andhra Pradesh has amended the Act to enhance the scope of such levy to include external betterment. Under this concept, the municipal authority is empowered to collect external betterment charges at the time of according approval to layouts or sub-divisions of plot or issue of building permit for the laying of trunk water lines, development of freeways/major roads, regional parks, etc. The amendment stipulates that the external betterment charges should not exceed 30% of the regular betterment charges, which were already being collected.

### **Use of FSI as a Resource**

The Government of Andhra Pradesh, with a view to having a transparent policy of according planning permissions and keeping in view the need for road widening and civic development, has permitted the Municipal Corporation of Hyderabad (MCH) to undertake widening of roads by using Floor Space Index (FSI) as a resource. The Commissioner is authorised to grant building permissions for additional construction area over and above that permitted by the Zoning/Building Regulations. Land surrendered horizontally is compensated by additional construction vertically. The Corporation rebuilds the demolished compound walls/other constructions, pays a token compensation to landowners for handing over land to MCH and grants permission to go vertically. The extent to which vertical construction is to be permitted depends on the extent of land surrendered by parties and the prevailing FSI in the area. If there is no scope for going vertical, the land owner can avail Transferable Development Rights for using the same elsewhere.

In some cases, even the construction of buildings for non-residential use (commercial/institutional) is permitted to induce landowners to part with valuable land for road widening. The Government of Andhra Pradesh has delegated its powers to the Commissioner, Municipal Corporation of Hyderabad to permit construction of commercial use buildings along selected roads subject to the following conditions:

- Commercial/Institutional use is permissible to the extent of property surrendered irrespective of usage assigned in Zonal Development Plan/Master Plan abutting the road with single or multiple title deeds, so as to encourage bigger complexes;
- No row type shops shall be allowed on roads being widened.

### **Impact Fees**

The Government of Andhra Pradesh has recently permitted Hyderabad Municipal Corporation to levy Impact Fees to mitigate the impacts of construction of commercial buildings which lead to increase in traffic and necessitates decongestion measures. Distinction is made between on-site and off-site (local area) development cost and city-wide impact. The Impact Fees are meant to address city-wide problems emanating from high density commercial development. These (presently @ Rs.150 per square foot) are to be collected and deposited in a separate account of the Municipal Corporation of Hyderabad. The amount so collected shall be utilised for the Capital Improvement and Decongestion Plan, i.e., for the works such as road widening, link roads, slip roads, parallel roads, junction improvements including traffic signals, flyovers, rail over-bridges, rail under-bridges, modern lighting on major Roads, development of major stormwater drains, river-front and parks and for Geographic Information System (GIS) applications. Under no circumstances shall the amount be credited to general revenues and be spent for salaries and maintenance works, etc. Recently the Hyderabad Municipal Corporation established a City Development Fund with the proceeds from Impact Fees and some other dedicated taxes/charges.

### **Open Space Contribution**

Open spaces are dwindling in cities due to conversions of lands to buildings and lack of civic effort to augment open spaces. Inadequate resources with Urban Local Bodies make acquisition of lands and development of parks/city forests difficult. To augment resources for enhancing lung space in the city, the Municipal Corporation of Hyderabad has recently introduced Open Space Contribution to be collected from persons applying for development permission. This is required only in the case of lands belonging to layouts, which have not provided 40% statutory open space (for roads and parks). The contributions are pooled into a Green Hyderabad Fund to take up avenue/parks/woodlot/green-belt plantations.

### **Building Regularisation Scheme**

The Municipal Corporation of Hyderabad undertakes daily enforcement operations to ensure that zoning and building regulations are followed. Lack of adequate checks in the past had resulted in several unauthorised constructions in the Twin Cities and it was realised that demolition of all the structures was an impossible task. Accordingly, the Government introduced the Building Regularisation Scheme under which, subject to public interest and public safety considerations, a one-time chance was given to those who violated building/zoning regulations to regularise their structures by paying penalty and town planning-related charges. The scheme has been able to generate Rs.320 million during 1999-2000, almost 40% of the total property tax collection. An equal



amount is likely to be collected during the current year. Those whose buildings do not pass the test of regularisation rules are being demolished.

The Corporation has introduced Demolition Charges, which are to be paid by the violators of building rules under the ‘polluters pay’ principle. Today, persons resorting to unauthorised construction face demolition and also are made to pay for demolition of their own buildings.

### **Conclusion**

Hyderabad is a city of change – a city determined to transform local government practices to build a better, more livable, healthy and productive city. It has bagged the Clean City Award at the national level for three consecutive years. Encouraged by this, Hyderabad has introduced an unprecedented municipal reform programme which will have far-reaching implications for the development of the city. Several city level consultations are being organised to develop sector specific strategies to take the city to new heights. While the strategy building process is going on, the City is implementing basic governance reforms encompassing the areas of functions, finances and functionaries. Specific reform areas are: rationalisation of functions, reforms in municipal finances, budgeting, accounting and auditing, 100% computerisation, professional municipal management and all-out effort to enhance accountability and transparency. The reforms assume that well-governed, financially sound and transparent municipal governments can provide the required leadership to steer their cities.

As a part of the municipal reform program, Hyderabad is the only city in India to earmark 10% of the property tax collections for implementation of community-based urban poverty alleviation programmes. In the past the city has had many externally-assisted slum development projects. But once the projects were over, the Corporation did neither continue the funding level nor take care of the maintenance of assets. This kind of situation has to be avoided through sustainable financial and managerial arrangements. Accordingly, the City has constituted the Community Development & Services Fund. This will provide funds for community projects on a partnership basis.

Large cities in developing countries suffer from the syndrome of ‘rich cities, poor city government’. This unfortunate situation needs to be avoided. Cities abound in external agglomeration of agglomeration. Thus, if the principles of ‘beneficiaries pay’, ‘users pay’ and ‘polluters pay’ are applied in the form of suitably-designed fiscal instruments, there may perhaps be no difficulty in mobilising adequate resources for civic infrastructure and amenities. It should also be possible to cross-subsidise the poor wherever necessary. In this regard sound urban management and resource mobilisation strategies hold the best promises.

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## **HYDERABAD: CITY PROFILE**

### **The City**

Hyderabad, the capital of the State of Andhra Pradesh in South India was founded in the year 1591 by Mohammed Quli Qutub Shah, the fifth Sultan of Qutub Shah Dynasty. The city, famous for the Charminar, Salarjung Museum and Golconda Forts and for its lakes, is endowed with a rich multi-ethnic cultural and historical tradition spanning over 400 years. In the process of transition to a modern metropolis, Hyderabad is fast emerging as a vibrant educational, commercial and information technology centre in the country. The fifth largest city in India at the 1991 Census with a population of 29,14,464, Hyderabad is one of the fastest growing cities in the country, with an estimated population of the order of 5 million in 2000. Hyderabad comprises of two sub-cities, i.e. Hyderabad and Secunderabad. Together they constitute the Twin Cities. The famous Hussain Sagar Lake having an area of about 13 square kilometres demarcates boundaries between the two.

Located in the Deccan Plateau, Hyderabad is the headquarters of South Central Railways and is well-connected by rail and highways with all parts of the country. It has a modern airport with a large number of domestic and currently limited international flights. The city is at an elevation of about 1500-2000 ft. above sea level. Because of the undulating terrain, some parts of the city have winding roads and natural elevations and depressions. These factors make the city one of the most beautiful cities in India. They also account for difficulties in the provision of civic amenities such as roads, storm-water drainage and sewerage. The State of Andhra Pradesh has three geographical regions: Andhra, Rayalaseema and Telangana. Hyderabad city is the only major city in the Telangana Region, a region which is predominantly rural. As a result, the city is experiencing massive migration not only from rural Telangana but also from other parts of the State and the country. It is faced with all the problems experienced by rapidly developing cities such as density, congestion and housing and civic service shortages. However, Hyderabad is a city with tremendously rich human capital—a city of reputed educational and research institutions, sophisticated hospitals and information technology parks. It is a city of risk-taking and innovating entrepreneurs and is fast emerging as a “knowledge hub” in the continent.

Until 1869, the Kotwal-e-Balda, the City Police Commissioner used to look after the Hyderabad city’s municipal administration. In the year 1869, Sir Salar Jung-I, the then Nizam constituted the Department of Municipal & Road Maintenance and a Municipal Commissioner was appointed for the city. In the year 1933 a Corporation was constituted for Hyderabad as the statutory agency for civic government. In 1950, two separate Corporations were created - one for Hyderabad and another for Secunderabad city. These two Corporations were merged into a single Corporation by the Hyderabad Municipal Corporation Act, 1955. Today, Hyderabad Municipal Corporation is the single civic body for the Twin Cities of Hyderabad and Secunderabad.

### **Salient Statistical Data:**

Area of the City	..	168 sq.kms.
Average Altitude of the City	..	526 Metres from MSL
Normal Rainfall	..	78.7 Cms.
Average Temperature	..	35 Degree Celsius
Population (1991)	..	29,14,464
Population (2000)	..	50,00,000
Population Growth rate during 1981-91	..	41.57%
Population Density (persons per Sq.Km)	..	18015 (as per 1991 Census) 30000 (estimated in 2000)
Literacy Rate (1991)	..	72%
Total Built-up area (% of total city area)	..	73.14%(as in 1992)
Length of Roads	..	2000 kms approximately.
Number of Motor Vehicles	..	8,69,643 (as in 1997)
Road Over-bridges	..	9
Bridges	..	6
Sub-ways	..	2
Street lights	..	112,000
Major Parks	..	7
Minor Parks	..	334
Play grounds	..	480
Stadium	..	9
Electric Crematoria	..	2
Swimming Pools	..	2
Schools	..	1400
Junior & Degree Colleges	..	300
Government Hospitals	..	28
Urban Health Posts	..	60
Industries: Large	..	29
Medium & Small	..	10500
Garbage Removed per day (metric tons)	..	1950
No of Slums	..	811

### Potential & Constraints of Development

Geologically Hyderabad stands on hard strata comprising of pink and grey granite which are suitable for building construction. Hyderabad is located strategically in the centre of the country. It has got good air, rail and road network connectivity with all major cities in India and abroad and has got a tremendous potential for emerging as one of the most important transportation hubs of the continent. During the last 8 years, there has been tremendous emphasis on Information Technology and Hyderabad is making all-out effort to emerge as the information capital of the country. The city has recently established the Hitech City software technology park, The city has got abundant supply of skilled and unskilled manpower. A large number of Medical and Research Institutions have come up. The city is trying to become the Medical & Health capital of the country. Hyderabad City is also a place of many tourist attractions - Charminar, Salarjung Museum, Mecca Masjid, Laad Bazar Golconda Fort, Quli Qutub Shahi Tombs, Nehru Zoological Park, Shilparamam Craft Village, etc. Hyderabad is the capital

of one of the most dynamic States of India, with a dynamic and visionary Chief Minister and a strong political will for governance reforms and people-centered administration. Hyderabad is a transforming city, a city which has experienced a sea-change during the last few years, a city of promises, a city with determination to reform and improve the quality of life of residents. The city has received Clean City Award at the national level as the cleanest city in the country for last two years.

Among the constraints Hyderabad faces, the foremost is the non-availability of perennial surface water source. About 130 MGD of drinking water is supplied in the city as against the requirement of 180 MGD. Attempts are being made to augment the supply. But due to lack of any large nearby river source, the cost of new water supply including power cost to pump water is going to be enormous. Hyderabad has a limited intra-city road network, especially in the old city area. A massive road widening programme is being implemented by the Municipal Corporation of Hyderabad over the last several years. Hyderabad has inadequate sub-urban railway system and it also lacks port facilities. It is the fastest growing city in India facing a steep increase in the population growth (from 32.83% in 1981 to 39.22% in 1991), which in turn has a threat of decreasing the quality of life. The city has also got a sizeable population below poverty line with inadequate housing and civic amenities.

The priority issues facing the city of Hyderabad are provision of infrastructure, civic services and housing to the growing mass of urban population, especially the poor slum dwellers. Water supply and transportation are key areas that need substantial intervention. There is an immediate necessity for a rail-based mass transport system. Congestion and pollution are rising and environmental conservation is an area that requires undivided attention. The city had many water bodies in the past. They are fast disappearing due to the onslaught of development. Protection the water bodies is adopted as a key development agenda by the Municipal Corporation of Hyderabad under its environmental conservation programme. Slum population needs to be provided minimum basic civic amenities. Although considerable efforts have been made to improve the conditions of slums in the past, action is due to upgrade amenities in new slums and extended areas. The Corporation has taken upon itself the gigantic task of municipal reforms: personnel management, planning, public works, finance, budgeting, accounting, etc. Adoption of a transparent and people-centered governance agenda is being developed. Resource mobilisation adopting the known principles of local public finance: “users pay”, “beneficiaries pay” and “polluters pay” is currently receiving the top-most attention of the Corporation officials. Property tax reforms in the form of Self-Assessment of Property Tax have been introduced and yielded impressive results. Sectoral development strategies and capital budgets are under preparation.

#### Vision for the Future

The Andhra Pradesh Government has envisaged its vision for the State by 2020 and has brought out Vision 2020 document. One of the goals set up in the vision is to have a cleaner, comfortable, safer and enjoyable City. By 2020, Hyderabad City is expected to emerge as a planned, economically productive,

socially just, environmentally sustainable, culturally vibrant and friendly city. It is also envisaged in the Vision 2020 document that counter-magnets will be developed for Hyderabad City in order to contain its expansion and reduce pressure of population. The vision for the City is to make it a Clean, Green and Garden City, a Knowledge City and an Equitable and Caring City, a City of Pride.

The Municipal Corporation of Hyderabad has a vision to operate its municipal services on a competitive basis so as to provide adequate high quality service to its citizens at affordable costs. The private sector is being involved in developing urban services and infrastructure. The Corporation has already acted in this direction in sanitation, which has also enabled Hyderabad to get the prestigious Clean City Award from Housing & Urban Development Corporation, Government of India for two successive years. The development of public transportation system, especially Sub-urban Railway System is a priority in the near future. It is envisaged to have total public participation in all civic programmes including Greening of City, Sanitation, Slum Upgradation and Employment Generation Programmes. To tackle the urban problems, a comprehensive integrated planning approach with perspective (long-term – 20 years), development (medium-term – 5 years) and annual action plan is being adopted.

### **Development Strategy**

The vision envisaged for Hyderabad will be achieved through an aggressive development strategy which include private sector participation in developing the city level infrastructure, housing, job opportunities and public participation in the implementation of all civic programmes. To decongest Hyderabad and optimise its development potential, two new peripheral cities: Cyberabad to house information technology magnets and research and development institutions and Shamshabad to house International Airport and commercial centres are being planned. Transportation and water supply will be given top priority so as to “lead” development. In order to keep Hyderabad City a 100% Clean City, the strategy is to have competition between private sector and the Local Body by privatisation of sanitation services. It is also proposed to involve Self-help Women Groups on large scale in slum upgradation in order to have more accountability and transparency. It is envisaged that the community in poor localities/slums in the form of Community Development Society will act as mini-municipality to serve the bare/basic civic needs of the people in an effective manner. Resident Welfare Associations will be involved in all city developmental activities. Greening of the city will be taken with a mission approach. A participatory, responsive and responsible civic government will provide leadership and seek support from the private sector in all aspects including infrastructure development, environmental conservation, etc. The civic body will take unprecedented steps to gear up itself to steer the city to achieve its Vision by adopting a well-designed package of municipal/urban sector reforms. Managerial and financial reforms will be the key elements. Professionalism will be promoted at all levels.

The State of Andhra Pradesh is promoting a people-centered approach to development in a significant manner under the Janmabhoomi Programme. Under this approach:

- People are to identify their felt needs;

- People must share cost of community works through material or labour or cash or a combination of any of them;
- People are to execute community works through self-help groups;
- People are to review and audit their own expenditures;
- People will own community assets created and manage their own institutions.

The Hyderabad civic administration is committed to the Janmabhoomi approach to improve the delivery of civic services, especially in the slums and poor neighbourhoods.

### **City Consultation Process**

The city administration in Hyderabad has stated a civic consultation process involving all section of the society to finalise its overall development strategy and sectoral strategies to achieve Vision 2020 goals: officials, non-officials, researchers, NGOs, CBOs, slum-dwellers, etc. The Urban Management Programme (UNCHS) of the UNCHS and World Bank, the UNDP-World Bank Water & Sanitation Programme, DFID (UK) and several agencies have facilitated the consultation process. Two consultations at the city level have taken place on 25<sup>th</sup> April 1999 and 6<sup>th</sup> August 1999 and one brain-storming session/review involving representatives from UMP and other agencies on 25<sup>th</sup> October 1999. All the three meetings were facilitated by the Co-ordinator for the Urban Management Programme for South Asia. Two meetings have also been held at the Ministry of Urban Affairs and Employment under the chairmanship of Minister of State for Urban Affairs & Employment to discuss the Hyderabad strategy. The last meeting was on 12<sup>th</sup> November 1999. Two research studies have been completed: (1) A Review of Past Slum Improvement Projects in Hyderabad, prepared by Regional Centre for Urban & Environmental Studies, Osmania University, Hyderabad and (2) Institutional Arrangement and Capacity for Providing Services to the Poor in Hyderabad, prepared by the Administrative Staff College of India, Hyderabad supported by UNDP-World Bank Water and Sanitation Program – South Asia (WSP-SA).

Based on the city level consultation process a consensus has been arrived at for the following:

- Development of a strategic framework for poverty alleviation with policy guidelines at the State and Municipal level;
- Institutionalization of the process by assigning clear roles and responsibilities to various agencies and service providers; and developing suitable mechanisms for coordination amongst themselves as well as with primary stakeholders;
- Assigning the nodal role to the Municipalities in Urban Poverty Alleviation and Slum Improvement and Upgradation as envisaged in the Constitution (74<sup>th</sup> Amendment) Act, 1992;
- Providing for an institutional mechanism at the Municipal level to ensure sustained flow of resources for UPA programmes even in the absence of external intervention - to ensure availability of adequate finance for maintenance of



civic infrastructure, including that in the post-project phase so as to avoid deterioration in the quality of services to the residents in slums;

- Making service provision for the poor/slum-dwellers a part of regular service delivery system of the local government as envisaged in the Constitution of India rather than resorting to ad hocism and perennially looking to national or state government or international agencies for funds;
- Linking of civic infrastructure/amenities in slums to city-wide infrastructure systems so as to address slum problems as an integrated function of the local government or infrastructure agency rather than in isolation;
- Adopting a holistic approach to urban poverty alleviation covering physical and social amenities, employment and income generation, thrift and credit and community empowerment, with focus on women and children;
- Strengthening existing community structures and empowering the communities for planning, execution of projects, operation and maintenance of community assets and implementation of social sector programmes like health for all, education for all, etc.;
- Building the capacity of the Municipal Corporation of Hyderabad, Community Self-help Groups and other agencies to formulate plans, implement and monitor UPA programmes;
- Developing partnerships with donors, non-governmental stakeholders, community and the private sector, and institutionalise coordination and convergence;
- Fostering stakeholder ownership of the programme through adoption of appropriate consultative process at all stages.

The Hyderabad City has formulated the Hyderabad Sustainable Community Development Programme (HSCDP) - draft based on the following key principles:

- Strategic programme approach with a focus on consultation, prioritisation, partnership, continuity, and convergence;
- Core services package and service delivery in response to demand to all slums and all poor people irrespective of their place of residence;
- Linkages between city level and slum infrastructure and services;
- Convergence of sectoral policies and programmes;
- Community at the centre, human development as the ultimate goal and role of Municipality as facilitator;
- Cost recovery focus - services to be provided with cost recovery, however small the same may be and efforts be made for incremental improvements over a period of time;

- Application of best practices from within and outside the country with the goal of achieving sustainability;
- Focus on community structures, community mobilisation and community empowerment.

Based on the consultation recommendations, the Municipal Corporation has constituted a Urban Community Development and Services Cell as the nodal agency to co-ordinate all urban poverty alleviation programmes in the city being implemented by the civic body and other agencies. A critical resolution has been passed by the Corporation to constitute a Urban Community Development and Services Fund. It is decided that 10 per cent of the Property Tax collected by the Municipal Corporation will be earmarked for community-based poverty alleviation programmes.

Currently the Municipal Corporation is in the midst of preparation of strategies for Infrastructure Development: Roads, Storm-water Drainage, Parks, Playgrounds, City Forests, Water Bodies, etc., Preparation of Capital Budgets; Resource Mobilisation; Community Empowerment, etc. The city will see an unprecedented municipal reforms program in the near future.

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