

Chapter – 21 : Institutional Reforms



CHAPTER - 21

INSTITUTIONAL REFORMS

21.1 INTRODUCTION

Delhi is a mega city with a projected population of 23 million in 2021. In addition, it is anticipated that another 2 million will commute to the city each day. From the analysis of the present administrative and political set-up in the NCT, it is clear that for meeting the future requirements of citizens for urban infrastructure, and a clean living environment; as well as to ensure shelter and facilities for the urban poor, much will need to be done. Re-organisation of institutions, improvements and capacity building programs are needed to meet the needs of managing Delhi 2021. This chapter discusses the agenda for institutional reforms in city governance and urban poor. It also reviews the institutional reform initiatives already undertaken at the ULB level and State Government level to successfully implement and operate the JnNURM projects.

21.2 REVIEW OF ISSUES IN GOVERNANCE

Delhi is a city state and most of its geographical area is included within the Municipal Corporation of Delhi (MCD). A small area is covered by New Delhi Municipal Committee (NDMC), a body under the Central Government; and an equal area is under the Cantonment Board. The city is divided into 9 districts for administrative purposes, as well as for the regulation of law and order (by Delhi Police). The Municipal Corporation of Delhi has demarcated the area under its jurisdiction into twelve zones for the purposes of service delivery.

The present relationship between the MCD and the Delhi Government is rather nebulous. The DMC Act, 1957 was enacted without provision for a Legislative Assembly in Delhi, which was constituted only in 1992-93. The State Government, however, has not been given powers with respect to issues concerning land and law and order, which continue to be retained by the Central Government (acting through the Lt. Governor). The main planning authority for the city - Delhi Development Authority - also reports to the Central Government. This constrains the ability of the Delhi Government to respond to identified needs in the city. Further more, in several areas, the functions of Delhi Government often overlap with those of MCD, since the geographical boundaries of the city and the state are, in effect, co-terminus. In principal, parastatal organizations for transportation and water supply report to the Delhi Government, while solid waste management, sewerage, street lighting remain the responsibility of MCD. In practice, there are many areas of conflicting and fragmented jurisdictions.

The following table traces the evolution of governance in the city since independence in 1947.

Period	Governing Institutions
1947-1952	Government of India
1952-1956	Self Governing State with the Legislative Assembly of 48 members
1956	Delhi Legislative Assembly abolished
1956-1966	Directly Administered Union Territory and the Birth of the

	Delhi Administration
1957	Delhi Municipal Corporation & Delhi Development Authority created
1966	Metropolitan Council set up under the Delhi Administration Act
1980 - 83	No Metropolitan Council as it was dissolved by the Central Government
1990	Central Government dissolved Metropolitan Council
1992 onwards	Elected Government of the National Capital Territory of Delhi with a Council of Ministers led by the Chief Minister

Key issues in governance in Delhi stem from the role that the city plays as the National Capital, alongside the expectations of citizens for an effective local government. While it is in the National interest that the Central government should continue to retain a certain degree of control in the Capital city, the demands of the citizens for a local government that incorporates participation effectively cannot be ignored. With the current arrangement in the city, this latter aspiration is difficult to fulfill. This aspect and other key issues are enumerated below:

- Four tiers of governance are represented in the city: Center, State, City and Ward level.
- The city, also being a state with the same boundary, has two elected representatives as head; as well as two executive heads, with overlapping functions
- Poor coordination between the primary agency for city planning, and local, or State Government
- Planning Boundaries in the City (DDA - 15) do not coincide with Zonal boundaries (MCD - 12); and both have no relation to the District boundaries, or functional subdivisions followed by Delhi Police (9)
- The Metropolitan Planning Committee, mandated for Metro cities by the 74th CAA, has not been instituted in Delhi

21.3 MEASURES ALREADY INITIATED FOR GOOD GOVERNANCE

The Government of NCT of Delhi through its Department of Administrative Reforms has been taking measures that cut across departments of the Government of NCTD; agencies and institutions to monitor the progress made by them. The means used to achieve improvements include : (i) promotion of the role of civil society, people's participation & decentralization. This has sought to be achieved through the introduction of the Bhagidari Scheme (ii) Institution of preventive vigilance through introduction of E-governance for the citizens of Delhi; (iii) setting up of a dynamic website leading to e-governance for departments/agencies; (iv) Instituting the Right of the citizen to information; (v) Instituting of a mechanism to redress public grievances, of which establishment of the Public Grievances Commission is the main element; (vi) Civil and procedural reforms; synergy and Coordination and (vii) empowerment of the weak.

To promote the role of civil society, people’s participation & decentralization in governance, the Bhagidari Scheme has been introduced within government departments and its agencies including those under the Union Government (Refer Box 21.1).

Box 21.1: Bhagidari-The Citizen’s Partnership in Governance

In line with the ideological concept of involving the common man in governance, in December 1998 the Government of NCTD outlined a philosophy for governance - responsive to and in partnership with the citizen - known as Bhagidari. This has specifically stemmed from the belief that Government must work in partnership with the people and that the Citizens must feel that successful and meaningful governance cannot be achieved without their involvement and their role.

To evolve a mechanism for putting the concept of Bhagidari into practice, wide consultations were initiated with various citizen groups - Resident Welfare Associations (RWAs), Market and Traders Associations (MTAs) and other NGOs. Discussions were also held with MCD, DDA, NDMC, Delhi Vidyut Board, DJB, Delhi Police and the Department of Environment and Forest. These departments subsequently became the participating Departments in the Bhagidari Programme. Launched in January 2000, Bhagidari, the Citizen’s Partnership in Governance is conceived to be a means for facilitating citywide changes in Delhi; utilising processes and principles of multi-stakeholders (citizen groups, NGOs, the Government) collaboration; applying the method of Large Group Interactive Events; developing ‘joint ownership’ by the citizens and government of the change process, and facilitating people’s participation in governance. The programme has become popular leading to major initiatives under it since January, 2002:-

- Water Conservation and Water Harvesting by Delhi Jal Board & Urban Development Department
- Anti Plastic and Anti-littering campaign by Environment and Forest Department
- Programmes for the welfare of Senior Citizens
- Reforms in Hospital Management & Quality Control by Health & Family Welfare Department. ‘Janhit Society’ in each major hospital has been set up with representation from RWAs of the area and other citizen groups.
- Students Welfare Committee for Government
- In addition to the above programmes, Bhagidari has taken Industry Associations in conforming areas of the city in it’s span. In Conforming Industrial Areas of Delhi have been made Bhagidars through their Industrial Associations. A High power Apex level Committee of senior officers and representatives of industry is to prepare the policy frame work for growth and development of Industries in Delhi.

21.3.1 E-Governance

In pursuance of the objective of improving governance, bringing openness and transparency and providing citizen-friendly services the Government of NCT of Delhi has initiated E-governance, with emphasis on "preventive vigilance". It is anticipated that provision of information electronically, rather than over the counter would reduce citizen’s visits to offices and their interaction with officials. A dynamic web-site, linked to various departments / agencies of the government provides on-line services, including e-applications. Also incorporated is a system of making on line complaints; checking the status of the complaint, sending a reminder and suggestions.

It is expected that adoption of such measures would, in the long run, help in curbing the menace of corruption and minimize it to a large extent.

21.4 AGENDA AND OBJECTIVE OF INSTITUTIONAL REFORMS

The agenda for further institutional reforms must be guided by the following broad objectives:

- To clearly institute a political and administrative nodal agency, which could provide effective governance to the NCT;
- To ensure that the function and powers of this agency and its constituents, match their responsibilities and make them fully accountable.
- To enable clarity of jurisdiction of various agencies coming into contact with the people and entrusted with various responsibilities
- To structure administration such that it reaches the people and vice versa, to solve their problems
- To evolve an effective system of metropolitan planning, keeping in view the needs of planning in the context of NCR ;
- To strengthen and build capacity within the GNCTD, its constituents and other agencies entrusted with relevant tasks, so that improvements can be brought about, even while further institutional changes are being considered;
- To make the primary focus of the system and its constituents the functional requirements of management of Delhi 21;

21.5 TOWARDS AN APPROPRIATE PLANNING AND MANAGEMENT SET-UP FOR DELHI

The setting up of the GNCTD in 1993 with a chief Minister and council of Ministers responsible to the legislative assembly could be considered to be a landmark in the chequered political and administrative history of Delhi. The full potential of this change can be realized if the strategies outlined below are developed further for application in the city:

21.5.1 Safeguarding of Capital City Functions

Since Delhi is the National Capital, the role of the Central Government in the city is inevitable. However, the requirements of the role of capital city can be geographically contained within a defined area, freeing up the rest of the city for local governance.

21.5.2 Land Management (in areas outside the Capital City Area)

As per the final recommendations of the Balakrishanan Report “GNCTD cannot tackle problems related to slums/JJ clusters and unauthorized constructions in Delhi, so long as the responsibility for land management is not given to them fully”.

Responsibility for land management outside the area designated as the capital city would have to be clearly assigned in a manner that involves the State Government more fully

21.5.3 Streamlining structure and role of State and City level elected representatives

Already the MCD controls a far larger area than any corporation in the country, and is stretched to manage its functions. It is clear that one Municipal Corporation for 23 million people by 2021 is unwieldy. As per the 74th CAA, no ward should have more than 30,000 persons. This would mean 766 councilors or 1,64,000 persons per ward with no increase in number of councilors.

The area outside the capital city area be could thus be sub-divided into zones (not necessarily matching the current zonal demarcations) to form Zonal Councils. (as is the case in Greater Tokyo, Greater Cairo, Metro Manila etc). This should be done keeping in view their financial & operational viability.

Each zone would thus elect ward councilors to a council. The council may be headed by a Deputy Mayor. Deputy Mayors of all Zonal Councils would report directly to the Chief Minister of the State (eliminating the duality in elected heads that currently exists).

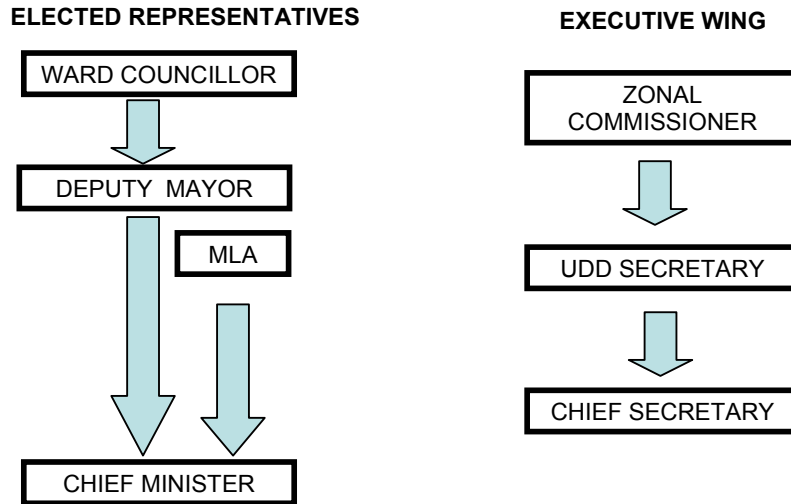
The GNCTD, through legislation by the parliament, should thus be delegated powers and functions relating to municipal management. While this may seem to be undermining the urban local body, the actual impact will be to strengthen or streamline local representation.

21.5.4 Role of Zonal Councils/Corporations (ZC)

The Zonal Council will be responsible for all municipal functions (relating to the provision of services, operation and management of resources) within its boundaries. In addition, it will undertake the preparation of zonal level plans within each zone; and the local area plan within each ward. Planning staff may be transferred from DDA for this purpose. Capacity building measures for the Zonal Councils would broadly include:

- Creation of a data base and MIS for property tax:
- Creation of a similar system for monitoring of civic services:
- Preparation of bye laws for regulation of various activities
- Training in the modalities involved in working with the private sector and raising of resources from the market.

This recommended structure for governance is depicted graphically in the figure below:



21.5.5 Rationalization of Planning Boundaries

There are huge citizen unfriendly overlaps within the geographic boundaries of NCTD which need to be rationalized. The worst of all the overlaps is that of the Mater Plan Zones by DDA (15 no) and MCD zones (12 no. NDMC + CPB). As most of the citizen interactions involve these two authorities, this needs to be reviewed.

21.5.6 Metropolitan Planning Committee

Article 243 (1) of the constitution states , "There shall be constituted in every Metropolitan Area a Metropolitan Planning Committee to prepare a Draft Development Plan for the metropolitan area as a whole" Delhi being a Metropolitan Area, such a committee is required to fill the gap which exists today in the vital area of planning. This committee will be responsible for coordinating the zonal level plans prepared by the zonal councils, keeping overall priorities in mind, and preparing a Draft Development Plan for the city as a whole. This Draft Development Plan will be updated on a continuous basis. The Constitution has provided for the broad set up of the committee (which is to be chaired by the CM) and the functions to be performed, and left it to the state legislature to fill up the gaps.

21.5.7 Role of Delhi Development Authority

The DDA can be incorporated into the MPC, to perform the following functions: (a) Perspective Planning; (b) making available serviced land (land connected to city level networks) in development areas; (c) monitoring development. In effect, it's officials will perform planning and regulatory functions for all types of development. The auctions policy for land disposal should be abandoned in favour of market price allocation, and no land or built space is to be held back for long from development.

Actual execution of development (construction) should be entrusted to the private sector - including individuals, co-operatives as well as private developers - and be regulated and monitored by a cell within the MPC.

Experience over the past 40 years has shown that the private sector is far better equipped to respond to various segments of demand, than a public sector agency. It will be critical to ensure, however, that land is released for all segments and uses in proportion to the registered / estimated demand. In this respect, it may be necessary for an agency of the MPC to carry out a limited programme of housing specifically targeted at the lower income groups (if the private sector cannot be attracted into this activity through concessions) Decisions relating to the development and release of land for specific uses will vest with the State Government (acting on the recommendations of the MPC), and be vetted by the Lt. Governor.

21.5.8 Constitution of an Urban Renewal Corporation (URC)

As mentioned previously, Delhi has a unique opportunity in that there are large tracts of land in the heart of the city that are developed at low densities, and are currently occupied by inefficient uses. These public housing estates lie both within the NDMC limits, as well in the MCD area. Urban land is a key resource, and its management is critical to the efficiency and success of any urban area. This is keenly realized in cities that face constraints in the availability of land, such as Singapore¹, but is equally important in cities, where a rural belt is available for expansion. London, for example, is currently undertaking the wholesale development of derelict tracts in east London, to make space for the additional 8,00,000 or so people anticipated in the capital city by 2016. Similarly, by some estimates, Manhattan was re-built in 8-10 phases during the last 100 years.

The redeployment of inefficiently used land to meet changing requirements must thus be an on-going process, if cities are to remain at the forefront of economic growth. It is thus proposed to

- Establish an Urban Renewal Commission, that will actively plan and initiate the renewal / redevelopment of entire blocks in the city;
- Develop a process for renewal that benefits all stakeholders - the owners, the tenants, developers and the municipality;
- Create a special cell within the URC that will be responsible for the renewal of the Walled City. Since requirements and constraints are different in this area, this cell must be empowered with special instruments to promote redevelopment within a special (heritage) framework. Eg. Extra FSI could be granted as incentive to redevelop buildings in accordance to specific guidelines.

The Urban Renewal Commission will serve as an intermediary between various stakeholders, suggest a structure for redevelopment, manage the process in a transparent manner; and arbitrate disputes

21.5.9 Water Management

Management of water supply and sewerage is among the most important aspects for improving the environment and public health in Delhi. The newly

¹ Urban Planning in Singapore is under the charge of an Urban Redevelopment Authority, that redeploys it's limited land resources to meet changing needs on a continuous basis.

set up DJB has to gear itself up to discharge these functions. Autonomy and professional management of the DJB has become critical in view of the likely scarcity of raw water in the not too distant future. The following specific measure need to be taken in this regard:

- Rationalisation of staffing pattern
- Use of commercial meters and other equipment to monitor water supply and prevent leakage of water;
- Promotion of participation of private sector in various managements functions of the board;
- Creation of a GIS database of the entire distribution network and other key assets
- Continuous Research and Development
- Practical implementation of waste water recycling technologies

It is further proposed that responsibilities and functions related to storm water drainage, surface water, ground water and rain water harvesting be vested with a single authority, specially created for the purpose.

21.6 INSTITUTIONAL & IMPLEMENTATION FRAMEWORK FOR SLUMS/JJ CLUSTERS

21.6.1 Institutional Structure - Slum Housing Corporation (SHC)

Delhi along with other metropolitan towns in the country faces the acute problem of the proliferation of slums and squatter settlements. The problem of slums in city is two pronged (i) **Legislative:** There is no Slum Act supporting the draft policy; (ii) **Institutional:** Slum Department is mainly performing the role of slum clearances in accordance to the requirements of the land owning agency. It lacks adequate resources to perform a pro-active role in the management of shelter for the poor

It is recommended that the current institutional framework be reorganized in order that one organization is made fully responsible for policy formulation, project development, financing, implementation and evaluation. Recommendations include

- Formation of Slum Housing Corporation (SHC), through a Slum Act, operating under the Urban Development Department (UDD) to undertake the task of provision of housing for slum dwellers. The SHC will be headed by a senior IAS Officer, specially nominated to the post, who will report directly to the Chief Secretary. He will be vested with autonomous powers as may be necessary to carry out his tasks, and ensure a lean and efficient organization.
- The SHC will be supported through funds from the UDD for a period of five years. It will, however, operate on a commercial format
- The SHC will be responsible for in-situ rehabilitation, relocation, as well as development of special facilities to house the urban poor (transit camps, night shelters, hostels...etc). It will be supported by zonal and city level infrastructure providing agencies

- The SHC will work through and with NGO's, trusts, private operators, as well as cooperative groups within slum communities. It will incorporate a strong community development unit, skilled in community mobilization.
- It will be supported by a fully computerized integrated information system on JJ clusters, existing basic services and JJ households for planning implementation and monitoring of all slum improvement programmes.
- The SHC will incorporate a housing micro-finance facility solely dedicated to financing shelter for the poor (using the title to land, or license to housing as security)

21.6.2 Funding Mechanisms

The SHC will operate in commercial format to undertake slum development activities under a Slum Development and Improvement Act. The approach for funding of the improvement schemes proposed will involve an element of cross subsidization between new high-value uses on the site and the provision of infrastructure and services on the remaining land for the poor. In the proposed approach, affordability problems will be minimized by the flow of funds from high value uses to serve the needs of the poor. It will be critical to

- Prepare alternatives for in-situ development and area development on relocation sites, in consultation with beneficiaries and their representatives;
- Determine the appropriate amount of land to be released to high value uses for purpose of establishing affordability of the scheme to the beneficiaries and private developer/government.
- Keep subsidies to a minimum - a mechanism for capturing beneficiary contributions would need to be developed, and varied to suit ability to pay of as many of the target group as possible.
- The implementing agency for the scheme would contribute a pre determined share of total scheme costs to be funded by government.

All schemes (including those that are not viable for development in a commercial format) will be facilitated through housing micro-finance schemes, administered by the SHC. These will carry reasonable interest rates, and will be repayable over the long term (15 years or more). Assuming an interest rate of about 8 percent, the EMI on hire purchase amount of Rs 50,000 would be less than Rs 400 per month.

In order to initiate the SHC, and ensure it's operations in the long term, it is proposed that

- all lands currently under JJ clusters (ex. railway and roads dept.) to be transferred to SHC
- On on-going basis, 25 % of all land proposed for development to be handed over to SHC (as proposed by the JNNURM, in order to ensure an on-going supply of shelter for the poor)

While the SHC will have the independence to use the land assets at its disposal at its discretion (after this has been vetted by the CS), the exclusive focus of its operations will be to meet the shelter requirements of the poor in the city in a manner that is appropriate and affordable to them. It will be responsible for the management of its assets & liabilities, the generation and deployment of funds towards this end.

21.7 CONCLUSION

The institutional reforms to be undertaken by the State Government and progress on these have been presented in Annex 21-1. These institutional reforms will provide basis to the state government to implement the projects identified under JNNURM in more effective and sustainable manner.