Decentralization Community

Environment

Water & Environmental Sanitation Network (WES-Net India)

The Decentralization Community and Solution Exchange for WES-Net India Consolidated Reply

Query: Public Private Partnership in Delivery of Urban Services, from Planning Commission, New Delhi (Experience, Examples).

Compiled by Alok Srivastava and Jyotsna Bapat, Resource Persons; additional research provided by Happy Pant, Research Officer and Ramya Gopalan, Research Associate
8 June 2006

Original Query: A.N.P. Sinha, Planning Commission, New Delhi
Posted: 12 May 2006

The Government of India has set up the Jawaharlal Nehru Urban Renewal Mission (JNURM) to deal with very pressing urban management and related problems. It is our experience that most of the problems of urban areas which the public are concerned about deal with service delivery. Public Private Partnership (PPP) has been successfully tried out as a mode of delivery of critical urban services. The Planning Commission is required to develop policy framework and standard models of Public Private Partnership for implementation and operation of different urban services projects/schemes laying down areas of participation, bidding/selection procedure, viability gap funding, user charges, etc.

In many states, basic services like drainage, water supply, solid waste management, operation of street lights, construction and maintenance of roads etc. are either being outsourced or given to the local community in an effort to improve the quality of service delivery, reduce costs, and bring better accountability.

Could members share their experience with PPP in various aspects of urban services including housing, transport services, slum improvement and also furnish a brief write up and models, if developed already.

Responses received with thanks from:

1. **Chetan Vaidya**, **Indo-US FIRE Project, New Delhi**
2. **Kris Dev**, **Transparency and Accountability Network, Chennai**
3. **Vikas Kanungo**, **The Society for Promotion of e-Governance, New Delhi**
4. **Ramit Basu**, **National Social Watch Coalition, New Delhi**
5. **Vinod Vyasulu**, **CBPS, Bangalore**
6. **Ajit Seshadri**, **The Vigyan Vijay Foundation, New Delhi**
7. **Ashok Kumar**, **School of Planning and Architecture, New Delhi**
8. **Rakhal Gaitonde**, **Foundation for Research in Community Health, Pune**
9. **Jyotsna Bapat**, **UNDP, New Delhi**
10. **S. Janakarajan**, **Madras Institute of Development Studies (MIDS), Chennai**
11. **Dasari Rayanna**, **Andhra Pradesh School Health Association, Hyderabad**
12. **Pankaj Anand**, **CENCORED, Patna**
13. **Subodh Kumar**, **Udyog Bharati, Ghaziabad**
14. **Anonymous Contributor**
15. **Nupur Bose**, **Department of Environment and Water Management, A.N. College, Patna**
16. **Prabhjot Sodhi**, **UNDP GEF SGP, New Delhi**
17. **Gurpreet Singh**, **Municipal Corporation of Delhi, New Delhi**
18. **Rajeshwar Mishra**, **Center for the Development of Human Initiatives, West Bengal**
19. **Sudesh Prasad**, **Cyber Media, New Delhi**
20. **Rahul Banerjee**, **Aarohini Trust, Indore**
21. **Paula Quigley**, **EC-supported Health and Family Welfare Sector Programme (India), New Delhi**

Further contributions are welcome!

Summary of Responses

The query on Public Private Partnerships (PPP) elicited in-depth and varied responses, with members addressing various aspects of service delivery in urban areas and highlighting underlying features of these partnership arrangements.

Members reiterated the view that using PPP to provide urban service has many advantages. Public private partnerships, members argued allow for responsibility sharing and create a sense of ownership and accountability among different players in the community. They felt that PPP help the public sector realize its full potential and ensure all stakeholders receive services in an equitable manner. Respondents advocated building awareness within communities by educating them about government programs and empowering them to articulate their specific needs. This awareness will help establish linkages between the recipients of services and those providing services. Members noted that through PPP, the place civil society organizations and local communities occupy becomes more prominent, particularly in addressing the issue of ownership of services. They also mentioned the important role scientists, academicians, and international bi-lateral agencies could play in conducting pilot studies, preparing feasibility reports, and sharing experiences on the effectiveness and appropriateness of PPP.

Respondents recommended PPP as a good option for delivering basic urban services like water, sewerage, power, and infrastructure development. They discussed several successfully implemented PPP projects from across the country and the types of arrangements used to deliver services. The three general types of partnerships discussed were contract, joint sector and community based partnerships.

- **Contracts**

Members shared several different examples of contracts between the public and private sector. The experiences offered included an 'Operation and Management' (O&M) service contract for sewage and water supply systems in **Chennai**, using performance based labor contracts to administer municipal services in **Mumbai, and** employing a management contract to ensure civic services are delivered in **Jamshedpur, Jharkhand**. In addition, they mentioned utilizing construction and 'Build Operate and Transfer' (BOT) contracts to improve the water supply system and build sewage treatment plants **Alandur, Tamil Nadu** and contracting a private hospital to supply medical services in low-income municipal wards in **Assam**.

- **Joint Sector Initiatives**

A second type of PPP, discussed by members was the creation of joint sector initiatives to deliver services. Respondents gave a couple of examples of PPP, a public limited company created to supply water in **Tiruppur,** a special purpose company established to deliver bulk water in **Andhra Pradesh**, and a joint initiative between the **Municipal Corporation** and The Rotary Club of Tiruppur to build and operate a modern cremation facility for the community.

- **Community Based Partnerships**

Additionally, members mentioned partnerships involving communities. A project in **Bihar** is using community empowerment to implementation schemes, women's groups in **Chennai slums** are working on water harvesting, and in **Patna**, a project is implementing a sustainable solid waste disposal system through community involvement. Moreover, in **Jharkhand** there is a project where the community is managing a solid waste program and another case in which a community **near Chennai** formed an association to acquire basic amenities.

Members noted two unique types of PPP. One involved using a private consultant on a performance based-contract to carry out water supply improvements in **Karnataka** and the other in **Ahmedabad**, where the Municipal Corporation issued bonds to fund a water and sewage project.

Respondents also suggested possibly transiting from the PPP model to 'Multi-Stakeholder Partnerships' (MSP). A MSP would involve the private sector, local community and academic institutions/international bodies, and the government. This type of relationship, members felt will help ensure greater social inclusion, the sharing of lessons learned and increased efficiency. In addition, members suggested that affluent communities cross-subsidize services for poor localities in cities through taxation; further that communities be encouraged to cooperate in the process of providing services in a decentralized manner.

Members agreed that it is important to support and promote the PPP model in order to enhance the quantum and quality of urban services, but also sounded a cautionary note on the risks involved in privatization of common property resources. They urged more study and thought on the topic to ensure that this model will actually allow the poorest and most marginalized groups to reap the intended benefits. Finally, members stressed that PPP must balance both economic and social concerns to combine sectoral growth with the overall development of the community.

Comparative Experiences

From *Chetan Vaidya, Indo-US FIRE-D Project, New Delhi*

Tamil Nadu

Using O&M Service Contracts
The Chennai Metropolitan Water Supply and Sewerage Board uses a PPP structure to manage the city's water supply and sewerage systems. The Board entered into operation and maintenance (O&M) service contracts with private companies. Of the 119 sewerage-pumping stations, private contractors operate

and maintain 70 of them. The system is working well - the Board extended the existing contracts and added service contracts for the O&M of two sewage treatment plants. Read more

Creating a Joint Sector Company
The Tiruppur Exporters Association designed the Tiruppur Water Supply Project to improve the water supply. State and local governments support the project. The resulting partnership created a public limited company with private sector participation- the New Tiruppur Area Development Corporation. When operational, the water project will supply 185 million liters of water per day and serve nearly 1,000 textile units and residents. For details

Utilizing Construction and BOT Contracts
For its sewage project, the Alandur local governing body used a construction contact to develop the 120 km sewage collection system and a BOT contract to build the 24 million liters of water per day (MLD) treatment plant. The total cost of the project is Rs. 34 crores. A combination of a sewerage tax, sewerage charge, connection charge, general revenues and state government support will allow the local body to recover costs. For details

Forming a Community Association *(from Kris Dev, Transparency and Accountability Network, Chennai)*
The residents of Bharathiyar Nagar did not have access to basic amenities. To address the problem, residents formed an association with the NGO Exnora to acquire basic facilities. The community and Chennai Metro Water Supply and Sewerage Board laid pipelines for water and sewage disposal services. Later, after some initial difficulties, the association and the Municipal Transport Corporation arranged transport facilities for the community. See Exnora

Promoting Active Community Led Participation *(from Prabhjot Sodhi, UNDP GEF SGP, New Delhi)*
A project, implemented and monitored in six slum areas of Chennai by local women's groups, sought to demonstrate the effectiveness of rainwater harvesting through active participation. The women set up a Water Management Committee to manage issues related to water usage. They set up eco-clubs in schools and created local women's institutions, as vehicles to assist in implementing the project activities. See CWDR

Development of Electric Crematorium with the help of CBOs *(from Happy Pant, Research Officer)*
The Rotary Club in partnership with the Municipal Corporation of Tirupur (MCT) built a modern cremation facility for the citizens of the town. The Municipal Corporation provided the land and the Club covered the cost of construction. The two partners share the revenue from the crematorium on a 50-50 basis. The MCT supplies electricity and water to this environment friendly crematorium, which neither produces smoke nor uses wood.

From Chetan Vaidya, Indo-US FIRE Project, New Delhi

Maharashtra

Employing Performance-Based Service Contracts
The private sector is managing the Navi Mumbai Municipal Corporation's municipal services through labor contracts. Of the 42 operational contracts, 19 are performance-based service (PBS) contracts for the water distribution system and one is a PBS contract for the transmission system. They are for three years with annual performance reviews. The contract's scope of work includes system operations; water and energy audits; repairs & maintenance; & expert advice. For details

Karnataka

Using a Private Consultant
The World Bank funded Karnataka Urban Water Supply Improvement Project, identified demonstration zones (Belgaum, Gulbarga, and Hubli-Dharwad) and gave a private consultant a performance-based contract to carrying out water supply improvements in the zones. The prime objective of the project is to demonstrate how to provide water 24/7. The contract's scope includes detailed technical investigations, investment plans, operations and customer service.

Jharkhand

Administering Services through a Management Contract
In 2003, to provide and maintain urban services in Jamshedpur, the Jamshedpur Utilities and Services Company (JUSCO) (a wholly owned subsidary of the Tata Steels) was established. This private company provides very good urban services including power to Jamshedpur's seven lakhs population. JUSCO entered into a management contract with Velia, a French Company to handle the O&M of its water supply and sewerage services. Read more

Community Based Management *(from Rajeshwar Mishra, Center for the Development of Human Initiatives, West Bengal)*
The Clean Jharkhand Project (CJP), supported by India Canada Environment Facility is a community based solid waste management program to improve the scenario of solid waste management in the State though policy advocacy and field demonstrations. Project activities include facilitating and preparing for policy adoption, dissemination workshops and follow-up visits to other municipalities to replicate the intervention and policy framework. See [CJP](CJP)

From Chetan Vaidya, Indo-US FIRE Project, New Delhi

Andhra Pradesh

Bulk Water Supply Agreement
The state of Andhra Pradesh signed the concession agreement with a special purpose company, "Visakhapatnam Industrial Water Supply Company Limited" (VIWSCo), using the public private partnership format. VIWSCo aims to supply about 520 MLD to develop Vishakapatnam including the industrial areas around it. Delivery of water began on December 25, 2004; Phase 1 of the project is complete.

Gujarat

Issuing Municipal Bonds
The Ahmedabad Municipal Corporation (AMC) issued bonds worth Rs. 100 Crore to finance partially a Rs. 450 Crore water supplies and sewerage project without a state guarantee, representing a fully market-based system of local government financing. In order to issue the bonds, AMC initiated significant fiscal and management reforms, laying the necessary groundwork for successful issuing of the bonds. For details

Bihar

Community Participation *(from Prabhjot Sodhi, UNDP GEF SGP, New Delhi)*
Chakachak Patna is an initiative taken up by Patna Municipal Corporation for solid waste disposal with the NGO NIDAAN as the nodal agency. Adopting a new strategy with technical and financial help from UNDP-Small Grants Program, the project aimed to demonstrate a sustainable system for solid waste

disposal through community participation. The project results include credit access, social security, and establishment of an enterprise for *Safai Mitras*. See NIDAN

Empowering the Community *(from Dasari Rayanna, Andhra Pradesh School Health Association, Hyderabad)*
The Swarna Jayanti Swarozgar Yojana (SJSRY) project is composed of two sub schemes- The Urban Self-Employment Programme and the Urban Wage Employment Programme. SJSRY rests on the premise of community empowerment. The Community Development Society (CDS) structure provides the delivery system for the schemes and its functions include identifying beneficiaries, selection of micro-projects, monitoring, and implementation. The Municipality contributes subject to availability of resources. See SJSRY

Assam

Contracting a Private Hospital *(from Paula Quigley, EC-supported Health and Family Welfare Sector Programme (India), New Delhi*
The city of Guwahati contracted Marwari Maternity Hospital (MMH), to provide health services in eight low-income municipal wards. The state government pays MMH for providing outreach and referral services, in identified areas. The Assam Government renewed the contract for two years, after MMH successfully completed initial one-year contract. Read more.

Uttaranchal

PPP in Collection and Disposal of Solid Waste *(from Happy Pant, Research Officer)*
Facing problems in managing its solid waste, the Rudrapur Municipality gave contracts to private companies for 11 sectors in the city. The companies are responsible for sweeping the streets, cleaning drains and collecting/transporting garbage. The ward members, community, tax collectors, and safai nayak monitor the contracts. The Executive Officer verifies the work and if the sector is not clean the contractor is penalized.

Related Resources

Recommended Documentation

Public-Private Partnerships in Urban Water Supply and Sewerage in India *(from Chetan Vaidya, Indo-US FIRE-D Project, New Delhi)*
http://www.solutionexchange-un.net.in/decn/cr/res29050601.doc (Size: 48 KB)
> Report gives examples for improving operational efficiency of existing systems through controlling unaccounted for water, improving billing and collection, energy savings

Decentralized Approach for Urban Services (DAFUS) *(from Ajit Seshadri, The Vigyan Vijay Foundation, New Delhi)*
http://www.solutionexchange-un.net.in/decn/cr/res29050602.doc (Size: 25 KB)
> Reviews the results in local context of the decentralized versions of rainwater harvesting, wastewater recycling and re use, and bio composting of waste, etc.

Urban Governance Issues and the Sacred Canopy *(from Jyotsna Bapat, UNDP, New Delhi)*
By Dr. Jyotsna Bapat and Dr. Suchi Pande; Institute of Social Studies Trust
http://www.solutionexchange-un.net.in/decn/cr/res29050603.doc (Size: 101 KB)

Paper argues that local 'Sacred Canopies' in slums have a legitimacy needed to demand accountability from municipal employees for service delivery, without being politicized

Concept Paper for Technical Workshop at IIT- January 14, 2006 *(from Subodh Kumar, Udyog Bharati, Ghaziabad)*
http://www.solutionexchange-un.net.in/decn/cr/res29050605.doc (Size: 45 KB)
Brief by the Mussoorie Dehradun Development Authority (MDDA), in which stakeholders discuss a wide range of strategy options for design and delivery of urban sanitation

Fund Flow in PPP Flow Chart *(from Anonymous Contributor)*
http://www.solutionexchange-un.net.in/decn/cr/res29050604.doc (Size: 27 KB)
A flowchart describing movement of funds in a public private partnership

Thirst for Profit *(from Rakhal Gaitonde, Foundation for Research in Community Health, Pune)*
Frontline; Vol. 23, No.07; April 8 - 21, 2006
Complete magazine available at:
http://pay.hindu.com/ebook%20-%20ebfl20060421part1.pdf (Size: 1.24 MB)
Section wise downloads available at:
http://thehindu.com/ebooks/ebfl20060421_download.htm
A special issue highlighting various issues and case studies across India related to privatization of water

Swarna Jayanti Shahari Rozagar Yojana (SJSRY) *(from Dasari Rayanna, Andhra Pradesh School Health Association, Hyderabad)*
http://www.kudumbashree.org/Guideliness/sjsryguid1.htm
Document describes a program experience where slum communities were involved in the process of planning and implementation.

Clean Jharkhand Project (CJP) *(from Rajeshwar Mishra, Center for the Development of Human Initiatives, West Bengal)*
http://www.nbjk.org/CJP.htm
Community based solid waste management program supported by ICEF seeking to improve state level scenario though policy advocacy and field demonstrations.

From Paula Quigley, EC-supported Health and Family Welfare Sector Programme (India), New Delhi

Public Private Partnership for Delivery of Reproductive Child Health Services to the Slum Population of Guwahati City, Assam
Policy Reform Options Database (PROD); PROD ref. 51
http://www.prod-india.com/retopt2.asp?SD=11&SI=3&ROT=1
Example of a PPP aimed at providing access to facility based Reproductive and Child Health (RCH) services

Empowering NGOs to Run Emergency Transport Services, Tamil Nadu
Policy Reform Options Database (PROD); PROD ref. 74
http://www.prod-india.com/retopt2.asp?SD=11&SI=6&ROT=1
Example of a PPP aimed at providing access to emergency transport services

Establishing a PPP Policy, West Bengal
Policy Reform Options Database (PROD); PROD ref. 87
http://www.prod-india.com/retopt2.asp?SD=11&SI=8&ROT=1

Example of a PPP encouraged by the Government of West Bengal's policy within the health sector where PPP's are cost-effective and beneficial to all

Using a Private Partner to Provide Round the Clock Laboratory Tests at a Government Hospital, Uttar Pradesh
Policy Reform Options Database (PROD); PROD ref. 117
http://www.prod-india.com/retopt2.asp?SD=11&SI=10&ROT=6
Aimed at improving health services this program under Lucknow's Urban RCH project provides round the clock facilities in conjunction with a private partner

Model District RCH Services Project, Pune, Maharashtra
Policy Reform Options Database (PROD); PROD ref. 95
http://www.prod-india.com/retopt2.asp?SD=11&SI=11&ROT=4
Explains this model, implemented by the KEM hospitals and 11 partner NGOs to improve the coverage and quality of RCH services in Pune District

Good Governance India *(from Happy Pant, Research Officer)*
Vol. 1, No.3 March – April 2004 (paid publication), subscription details available at
http://fairfest.com/ggi/subscriptionformmg.htm
A bi-monthly communication forum between service providers, procurement decision makers and other stakeholders on Public Services, Development and Administration

Guidelines for the Projects on Basic Services to the Urban Poor (BSUP), To Be Taken Up Under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) *(from Ramya Gopalan, Research Associate, Environment Communities)*
Ministry of Urban Employment and Poverty Alleviation
http://muepa.nic.in/programs/bsup.pdf (Size: 128 KB)
Details the mission statement, strategy, objectives, and key components that require consideration in projects aimed at providing services for the urban poor under JNNURM

Recommended Contacts

Arbind Singh, NIDAAN
Sudama Bhawan, Boring Road, Patna 800 001 Bihar; nidanpat@hotmail.com
Recommended as the contact person for NIDAAN for inputs on establishing the system of Solid Waste Management in the city of Patna

Recommended Organizations

From Kris Dev, Transparency and Accountability Network, Chennai

Chennai Environment Services (CES) Onyx
6, Raja Mannar Street, T-Nagar, Chennai 600017 Tamil Nadu; Tel: 044 28159202; Fax: 28159222
CES is a French firm from Singapore, operating in Chennai, through a PPP- it is responsible for cleaning the streets in large areas of the city

Exnora International
42 Giriappa Road T. Nagar Chennai 600017 Tamil Nadu; Tel: 91-44-28283366/77; Fax: 91-44-2824/1688; exnora@vsnl.com; http://www.exnora.org/ce-models.html
EXnora is a social, not-for-profit organization, which developed a successful model that encourages forming local associations in urban areas to keep local street clean

Centre for Women's Development and Research (CWDR) *(from Prabhjot Sodhi, UNDP GEF SGP, New Delhi)*
5/359, Annai Indira Nagar, Okkiyampettal, Thuraipakkam, Chennai 600096 Tamil Nadu; Tel: 044-24963621 or 24482821; balar@eth.net; http://www.solutionexchange-un.net.in/decn/cr/res29050608.doc (Size: 38 KB)
> *Recommended for its work on the issues related to water harvesting in slums*

NIDAAN *(from Prabhjot Sodhi, UNDP GEF SGP, New Delhi and Rajeshwar Mishra, Center for the Development of Human Initiatives, West Bengal)*
Sudama Bhawan, Boring Road, Patna 800 001 Bihar; nidanpat@hotmail.com
http://www.solutionexchange-un.net.in/decn/cr/res29050607.doc (Size: 31 KB)
> *NIDAAN recommended for its effective implementation of Solid Waste Management systems in Patna*

Recommended Websites

UNDP GEF Small Grant Projects in India *(from Prabhjot Sodhi, UNDP GEF SGP, New Delhi)*
http://www.sgpindia.org/
> *Seeks to support initiatives, demonstrate community-based innovative, gender sensitive, participatory approaches and lessons learned from other development projects*

Policy Reforms Option Database (PROD)
http://www.prod-india.com/
> *Database containing details of health sector reforms, especially PPP models across the country, click on link "index by subject area" for PPP options*

Related Past Consolidated Replies

State and Non-State Actors in WSS Service Delivery from Padmaja Nair, Independent Consultant, Lucknow, 13 May 2006
http://www.solutionexchange-un.net.in/environment/cr/cr-se-wes-13050601.htm
Download PDF (Size: 181 KB)
> *Discusses forms of organizational relationships or partnerships, the nature of formal and informal partnership arrangements and the factors that promote such collaborations*

Responses in Full

Chetan Vaidya, Indo-US FIRE Project, New Delhi

PPP in Urban Water Supply and Sewerage Projects in India

The initial focus of new investments in WSS sector has been on provision of bulk water supply. However, BOT projects often do not address problems of existing water supply and sanitation systems such as high unaccounted for water, high expenditure on energy and low cost recovery. There is a need to shift the focus from bulk water supply to improved management of existing systems. A PPP approach can first help to improve operational efficiency of existing systems through controlling unaccounted for water, improving billing and collection, and energy savings. Moreover, improvements in the existing systems, as opposed to the implementation of large bulk water projects, can be initiated with small investments and have a big pay off. For details

Kris Dev, Transparency and Accountability Network, Chennai

Mr. Sinha's observations on PPP are very relevant, if the Urban Services are to be improved in cities.

I am aware in Chennai, major parts of the city streets are now cleaned by Onyx, a French firm from Singapore, under the PPP model. They are doing an excellent job. There were some reports of mal practices, which are bound to be there. Exnora, a social organization, not-for-profit, encourages forming local associations and providing a tricycle and collects nominal fee to maintain the streets of their locality clean. This model is also successful.

On the infrastructure, the setting up of IT parks is now on a PPP model, with various investors coming in to set up IT parks, for making available valuable service and to make money out of it. MNCs would rather prefer to be housed in IT parks run by international organizations.

With proper checks and balances and transparency and accountability, PPP would be a very good model to follow, in the delivery of any service anywhere. By this the direct involvement of Govt. in delivery of services, which is proverbially known as poor, due to lethargy and bureaucracy and lack of ownership and stakeholdership, can be overcome by the PPP model.

Vikas Kanungo, The Society for Promotion of e-Governance, New Delhi

Please accept my congratulations on initiating a discussion on Public Private Partnerships for the Urban Renewal Mission. However, the Public Private Partnership models in themselves are not sufficient in success of the projects; I would like to suggest that the planning commission evolves the MSP (Multistakeholder Partnership Model) for the urban renewal mission in India. This will ensure the matching of the policy with stakeholders' needs and a socially inclusive service model.

While government set the policies, much of the invitation falls on the private sector and rightly has an important place in the PPP model. In my opinion, the mission will have to balance both the economic and social concerns to combine sectoral growth with the development of the society. While the private sector drives progress in the economic area and implementation technologies, civil society organizations and local communities must assume prominence for reflecting the community needs and generating awareness regarding the government programmes.

Academic institutions world over have been engaged by the government agencies to play a role in helping design and evaluate government projects that may involve lots of research involving technology, demand- supply gap, public value impact of the government projects. We should follow this practice in our region as well which will provide stability to the projects and enhance the success rate.

Regional and international multilateral agencies have lots of knowledge of implementing the similar projects in various parts of the world and have access to excellent monitoring and evaluation tools. As parts of the partnership, they can be of immense value in sharing of learning practices with practitioners on a global basis.

In view of the points mentioned above, I would like to suggest that most of the projects should transition from a regime of PPP to MSP; hence ensuring the social inclusion in the services offered and higher success rate.

[Ramit Basu](#), National Social Watch Coalition, New Delhi

Thanks for raising such a pertinent query at a time when it is a big debate on how much of Public-Private partnership should be allowed in our country.

Although I strongly support the participation of private players not only in urban but also in creating in rural infrastructure, I think we need to exercise some amount of caution at the same time.

Experiences from other developing countries have shown that ambitious private sector intervention in service delivery without any state control has resulted in more damage than good with ultimately the state / public taking over the project as usual. Even in Delhi, the experience of handing over power distribution to BSES hasn't been very good of an experience w.r.t. efficiency of distribution.

One of the important reasons why the private sector should be involved in delivery of services will be to create a sense of ownership and responsibility amongst them towards the society and that it is not the sole prerogative of the Government to ensure delivery of services. But this needs to be done with caution.

What I believe is that the Government should in consultation with citizens' groups (RWAs) identify which are the areas where private participation is actually required. Once that is outlined a detailed TOR need to be developed as per which the private players would involve in delivery of services. This (the TOR) again should be made public and only after a majority appraisal by the public, should be finalized.

Secondly, the state should have the flexibility of terminating the services of private players if it feels the TOR being violated and encouraging others so that competitiveness exist and most importantly the convenience of the people is respected. Without this, any amount of PP partnership would result in chaos and overlapping of responsibilities, be it in any sector.

I would still emphasize that delivery of services can be improved if only the state machinery becomes a bit more responsive, transparent and participative which has a far larger potential to cater to the needs of the common man than the private sector.

[Vinod Vyasulu](#), CBPS, Bangalore

There is a need for a clarification of the meaning of terms being used in the query. What does 'public' mean in this PPP context? It seems to be a euphemism for government. But the question is: which government? The JNNURM is a union government initiative. The issues it deals with are the concerns of the state governments. The services under consideration are at the level of local government-- municipality, which for most people is a local body, not a government—the question also speaks of passing it on to local communities in a way that suggests that local communities (which are represented by local bodies) are not considered by governments. If that be so, are they not private? Is not giving the responsibility to them a form of privatization in this PPP model?

If the term 'public' is defined to include all levels of government, then should not the role of municipalities mean 'public' in our debates?

[Ajit Seshadri](#), The Vigyan Vijay Foundation, New Delhi

We are an NGO working on the following sectors:

1. NFE for JJC children and arrange admission in MCD schools with foster-care etc.
2. Computer S/W & H/W training for EWS community and under CISCO Network Academy.
3. Environmental up-gradation of NCR and other developmental projects

In response to the query, we have noted that a city dweller has started to rely more on decentralized efforts and we enclose a note on DAFUS-Decentralized Approach for Urban Services.

PPP is unavoidable, and indeed cost-effective when needed

Ashok Kumar, School of Planning and architecture, New Delhi

Public private partnerships for the delivery of urban environmental services have been increasingly practiced since the early 1990s. Some of the notable programmes include Urban Basic Services Programme launched in 1985 with all India coverage, and Slum Networking in the cities of Ahmedabad and Indore. Both these programmes were innovative but could not be sustained due to lack of funding commitments from state governments. Ahmedabad experiment has been successful but falters on security of land tenure to slum dwellers after the initial ten years. In Delhi the UBSP has been largely wound up and the staff has been merged with other departments of Delhi Administration.

An award winning Bhagidari programme in Delhi is conceptually very good but does not go far enough to tackle the issue of power sharing between local government like MCD and RWA on one hand, RWAs and the general public on other hand.

There are other experiments particularly in the sanitation sector in Pune and Delhi whereby partnership as an institutional mechanism between local government and civil society has played a major part in making these programmes successful.

I have been writing on public private partnerships in the area of urban environmental services since the last several years. Some of my publications are listed below. Since I do not have soft copy of these, members may wish to avail these from journal publishers.

1. KUMAR, A. (1991)
Delivery and Management of Basic Services to the Urban Poor:
The Role of the Urban Basic Services Program, Delhi,
Community Development Journal (Oxford University Press),
Vol. 26, No. 1, 50-60.

2. KUMAR, A. (1997)
Approaches to Provide Basic Services to the Urban Poor,
Journal of the ITPI, Vol. 15, No. 3-4 (169 and 170), pp. 47 - 52.

3. KUMAR, A. (2004)
Partnerships for Urban Infrastructure Development in India,
Global Business Review, **(A Sage Journal),**
Vol.5, No.1, pp.73-96.

4. KUMAR, A. (2000)
Some Problems in the Co-ordination of Planning: Managing Interdependencies in the Planning of Delhi, India,

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[Rakhal Gaitonde](#), Foundation for Research in Community Health, Pune

While there has been a lot of talk about the theoretical basis for PPP and why it should succeed and why it is the way forward, I think that we need to look at the hard facts of the performance of various projects already on the ground. A recent FRONTLINE issue dated April 21, 2006 brings notice to numerous issues of the experience with privatization of water. This merely brings to ones notice that a lot needs to be thought about, if the poorest and the marginalized have to benefit. PPP is not an automatic solution, and is not the default that many make it out to be.

While it is easy to say that the government is perceived as inefficient and bureaucratic etc. Are there any studies that have shown that privatization has improved the efficiency - especially in the sense of benefiting those that require the services the most? Atleast in the field of health care I feel that on balance there is no evidence.

The government has collected taxes for the past 58 years - and these were given on the premise that the government will take care of basic services - Have any of the premises changed? While talking of User fees - people ask quite rightly - "we are already paying taxes, and a private doctor is part of our entitlement. So to pay in addition would in effect mean we are paying double."

I would urge the Planning Commission to look also at other alternatives - (The CSE has documented a number of these for e.g. specifically for water) which abound in India and all over the world, and not be constrained by dominant jargon-of-the-day of the International Financial Institutions. The government needs to take the people more seriously, see people not as beneficiaries but as subjects, with histories, with wisdom, with experience.... and with problems... This is romantic one may say, but the hunger and squalor and sheer destitution in which citizens of India live forces one to be that way.

[Jyotsna Bapat](#), UNDP, New Delhi

The main issue is the credibility of the local community of slum dwellers in urban areas is, though they form more than 40% of the urban population in any given town they are not seen as 'legitimate claimants of the local municipal government services. Therefore, making the local Municipal sweepers accountable for cleaning up their open drainages and their garbage is a big challenge for this community. One slum in east Delhi has found a solution by paying the privately employed sweeper from their pockets. The municipal officials also have their own reasons for not serving them, the principal one being 'they do not pay property taxes.' Against this Parivartan an NGO has a campaign to counter this claim. Given this background any person representing the slum dwellers demanding accountability for the service is seen as having a 'political agenda.'

The [paper](#) I am sending herewith argues that the local 'Sacred Canopies' in each of these slums have a legitimacy needed to demand accountability for service delivery by the municipal employees without being politicized. The 'sacred committee' formed for specific purpose of religious celebrations, is seen both by the slum dwellers and the municipal employees as involved in the social welfare of the community as a whole. Therefore they can ask for accountability from the service providers without being vulnerable to the charge of being politicized. In the long run these institutions/ committees can be legitimized for doing this by the local municipal government.

Rather innovative suggestion but worth considering.

S. Janakarajan, **Madras Institute of Development Studies (MIDS), Chennai**

In most of the urban context what we encounter three basic challenges:

    a.   Demographic pressure – rural – urban migration

    b.   Rapid industrial growth

    c.   Vast urban expansion

Consequences or emerging problems are,

- Scarcity of land for urban use
- Drinking water scarcity - Inadequate, inequitable and irregular supply
- Transport / traffic congestion and bad roads
- Lack of adequate drinking water and sanitation
- Water stagnation and lack of adequate storm water drains
- Degradation of coastal ecology and seawater intrusion
- Lack of land for housing

Mushrooming of slums - Unsanitary living conditions in slums, open drainage systems and lack of access to toilets

- Unhealthy solid waste management – including bio-medical wastes
- Unhealthy wastewater management

        →   Resulting in Pollution of air, water and land

In most of the situations, with a view to reducing stress, metropolitan cities eat into resources available in peri-urban areas

- Dumping solid wastes
- Dumping urban sewage
- Transporting groundwater
- Encroaching upon lands
- Encroaching upon surface water bodies such as tanks

        →   Resulting in severe environmental and health implications

This builds up enormous pressure and often results in conflicting interests between urban and peri-urban areas

What does all this convey? The key issues are,

A bad urban planning can be disastrous to ecology and environment, which eventually puts enormous pressure on the present as well as future generations

Dasari Rayanna, **Andhra Pradesh School Health Association, Hyderabad**

I would like to share some of the experiences where the communities were involved in planning, implementation (the other two maintenance and monitoring the missing elements) of the infrastructure facilities at slum level under the SJSRY and NSDP programmes of the Government of India.

In many states this was implemented in Municipalities. The SJSRY initiated community structures - Resident Community Volunteers (RCV) at the Lane level, Neighborhood Committees (NHC) at Slum level and Community Development Societies (CDS) at Town level.

Under the NSDP (National Slum Development Programme) some of simple construction activities like the roads and drains were taken up by the CDS. Certain number of works within the slums was identified by the Municipality and the task was assigned for the CDS for construction. The basic idea was that the community will feel the ownership and maintain good quality works. Guidelines were provided to the CDS and agreements made with them. Actually communities i.e. CDS were given community contracts. Usually the Municipal Engineer and his team supervised their works. 15% of the costs of works given as advances to the CDS.

The experiences are that some of them really did good work in Andhra Pradesh and even in other states.

The Andhra Pradesh Urban Services for the Poor supported by DFID project reviewed these experiences and made certain modifications for improvement.

a)   Communities were involved in planning at lane level and which is incorporated at the Slum level to cover all the infrastructure deficiencies (Roads, drains, water supply and street lights). These were done by the local people with visual mapping. Technical guidance provided by the Municipal engineering-town planning teams. Thus required works were identified which local community (the Neighborhood Committee can cope with) could manage.
b)   Once these were approved by the project, contracts were issued to the local community (Neighborhood Committees) with simple guidelines and 15% as advances to take up the works.
c)   The NHC to maintain the Bank account, and minutes book and cash book with vouchers. NHC could claim bills at regular intervals and speedy payment by the Municipalities.
d)   Training for micro planning and undertaking community contracts were organized the members, including the maintenance of boos and records.
e)   The process was improved version of the SJSRY scheme.
f)   Community contracts were given to the local slum community i.e. the Neighborhood Committee NHC) and CDS only to provide guidance so as to make more local participation and ownership and improvement of quality.

By the above experiences we found local participation increased.

The municipalities need to support capacity building on regular basis for not only for planning, construction but also for maintenance of simple things at their level.
These experiences need to be taken into account for the better involvement of local communities and instill in them the feeling of ownership.

If any one particularly interested in the Community Contracts developed by APUSP projects in 2001-2004, I can send you a copy which you may modify and use in your areas for better implementation.

Pankaj Anand, CENCORED, Patna

A number of interesting and insightful points have been made. However, let me clarify one point in relation to a point made in connection with ULBs. A municipality is a local body. However, as 74th CAA (or PartIXA of the constitution of India) envisages, these local bodies are institutions of local self governance. These are neither purported to be private bodies or on another extreme appendages of state governments. These are, in effect, government in themselves. Therefore, for all practical purposes, ULBs are public institutions.

Subodh Kumar, Udyog Bharati, Ghaziabad

The PPP concept is indeed a very modern and laudable strategy. I have been involved in such activities in Uttaranchal and based on my experience would submit that at one level not all in the 'Govt' i.e. Public part which are local bodies, various authorities and boards are adequately sensitized to the appropriateness inevitability of PPP approach in the future. This will come about grudgingly and gradually. Secondly the local knowledge community and by this I mean our educational institutions from schools to colleges and particularly technical engineering colleges have to get involved in this community service. In the post Abid Hussein strategies every research body in Govt expects to get paid or funded to do any research work or participate in these community efforts. I am not surprised that since we are perennially short on funds our researchers have hardly any research of relevance to carry out. The local problems need local knowledge and technical intervention for solution. No single strategy or method can be replicated in the entire country. This we learned to our great surprise that even SULABH two pit leaching strategy could not be implemented in Uttaranchal universally because the soil conditions there are different. Thirdly there are larger and more sophisticated technical issues. Some idea of the dimensions can be seen from the attached paper which I had prepared as a concept note for a workshop at IITR on this issue.

Anonymous Contributor

This is further to the query on Public Private Partnership. Please find enclosed fund movement in PPP for consideration and correction so that public will receive the information.

Nupur Bose, Dept. of Environment & Water Mgmt., A.N.College, Patna

In Patna, PPP in solid waste disposal has been introduced in a central location on an experimental basis. It has yielded encouraging results, more so because the sense of citizens' responsibility in looking after their cities is slowly being realized. It has also spelt prompt harnessing of the hitherto unemployed weaker sections. It is felt that existing infrastructure can be effectively improved in haphazard urban mushrooms [like Patna] through PPP, especially in maintenance of drainage network and constructing new drainage lines, treatment of sewage water, creation and maintenance of green belts, and maintenance of drinking water supply lines. What is required is building up a linkage with the public is such matters by educating them and creating awareness.

In this, scientists and academicians can help in conducting pilot studies and preparing feasibility reports. While conducting Field work and Surveys, it has been experienced that teachers, researchers and student study groups find better responses and acceptance of their ideas among urban masses here. It

implies taking positive advantage of the ethos of the local population towards education sector in general, in order to motivate them to participate in community -based activities for bettering their living standards. This will aid in the success of PPP undertakings.

Prabhjot Sodhi, UNDP GEF SGP, New Delhi

I really appreciate the points raised by you and I am responding late, as I was stuck into the issues.

Please find one of our partner's details, CWDR, taking up the issues around water harvesting in slums and another one is NIDAAN which has dealt very effectively in laying the systems on the Solid Waste Management in the city of Patna. The issues that they have addressed are manifolds, some mentioned as

- Different ways of outsourcing: garbage weight vs. total sanitation - Experiences from the program.
- Waste management versus livelihood of rag pickers (Safaii Mitras) and sweepers
- Private and corporate players versus NGOs and civil society role
- Role of residents
- Waste management vs. waste relocation at dumping site
- Different methods of waste management-composting, energy conversion
- Bio-medical waste management

The name of the person is Arbind Singh, the address is as follows:
NIDAN
Sudama Bhawan, Boring Road, Patna – 800 001
Ph: 0612 – 2570705, 2577589
Email: nidanpat@hotmail.com

Please do refer the SGP website for other details

Gurpreet Singh, Municipal Corporation of Delhi, New Delhi

In Delhi we are providing primary health services to some of the most vulnerable population living in slums (Jhuggi Jhompri Clusters). As part of this we have a partnership with one NGO (for provision of services), whereby we have handed over one health centre along with some equipment to the NGO. The NGO has engaged their own staff, have supplemented resources and are paying salaries and also all the utility bills. The NGO is allowed to charge reiteration fee through which they recover about 20% of their operational costs. For remaining expenses they depend on their own networking resources. The output has been evaluated and found to be most satisfactory both for the government side as well as NGO. The community has also appreciated the quality of services. The NGO was engaged through MOU based on specific Terms of reference. We are trying to extend such partnerships to other areas.

Rajeshwar Mishra, Center for the Development of Human Initiatives, West Bengal

Nidan and a group of five six NGOs have taken up the urban waste management in Patna which is showing its impact in the city. Every morning one could see the well attired sweepers doing the job which one can really enjoy seeing.

Another initiative under Clean Jharkhand Project, Nava Bharat Jagriti Kendra, has taken up a very successful initiative in waste management. Community's involvement is great in case of Jharkhand. The project, supported by ICEF is moving toward sustainability as the fee structure is being designed to have the program moving on its own.

Sudesh Prasad, Cyber Media, New Delhi

While it is heartening to note the MCD initiatives for JJ Slums in partnership with NGO, but I wonder why that experiment of PPP did not work in Dwarka (West Delhi), touted as a sub city of 21st century where I stay. We have not seen any sweeping of roads in Dwarka for the past 5 months now. I wrote about this on the Delhi Gov Website but to no avail. Then I wrote to a very high official of Govt. of NCT Delhi. I received a reply. Despite this intervention, MCD has not started the process of sweeping of roads leading to accumulation of dust, filth and garbage on the road, blocking the outlet to the drain and creating unhealthy atmosphere. When MCD started the PPP initiative we were pretty excited seeing the enthusiasm of the workers who were cleaning the roads. The cleanliness was amazing. I don't know the details of what went wrong. But that was a good partnership which should have continued.

When we have PPP in sanitation it would be good if housing societies are treated at par with government colonies in matters like provision of waste bins etc. This will reinforce peoples' confidence in the fairplay of municipal bodies and also send a good signal to the private partner to treat them at par.

Rahul Banerjee, Aarohini Trust, Indore

The principal hurdle to effective waste management in urban areas in this country is that it is nobody's baby. The municipal corporations do not have the funds to do it properly. The people neither want to pay adequate property taxes that can bolster up the corporation's resources nor do they want to take on the responsibility in a decentralised manner. I live in an unauthorised colony in Indore city. That is it is a residential colony that has been developed in an area which has a different land use specified for it in the old town plan. The new town plan has been pending for the last decade because there are hundred such unauthorised colonies like ours and so there is political lobbying going on to regularise these colonies. In fact the situation now is that i pay the property tax to the municipal corporation despite the colony being unauthorised. Since it is unauthorised the municipal corporation does not take care of the drainage in our colony. So the residents' welfare association has to pay to get a tanker to come and clean out the septic tank at intervals. There are many unauthorised colonies nearby and all of them follow this practice.

The net result is that all this sewage from hundreds of colonies in the city is being dumped in dumping grounds without treatment. I had proposed to my fellow residents of our colony that we pool in resources to treat the sewage into compost in covered pits in the substantial garden area in the colony. But there are no takers. They say it is the corporation's responsibility despite the fact that very few of them are paying the property taxes. So now I have delinked myself from the colony sewage system and begun treating all my sewage and wastewater myself in my own garden. I have also put in systems to recharge all the rain water into the ground.

So the crux of the matter is that urban communities must be made to cooperate to dispose of their, storm water, waste water and sewage locally in a decentralised manner. Those colonies that can foot the bill should be compulsorily be made to do so. And those communities living in poorer areas or in

slums that cannot do so should be provided with funds to do so by taxing those communities that are rich and so use more of the cities facilities.

[Paula Quigley](), EC-supported Health and Family Welfare Sector Programme (India), New Delhi

Here are some relevant PROD links on urban PPPs

PROD ref. 51: PPP for delivery of RCH services to the slum population of Guwahati city, Assam
http://www.prod-india.com/retopt2.asp?SD=11&SI=3&ROT=1

PROD ref. 74: Empowering NGOs to run emergency transport services, Tamil Nadu
http://www.prod-india.com/retopt2.asp?SD=11&SI=6&ROT=1

PROD ref. 87: Establishing a PPP policy, West Bengal
http://www.prod-india.com/retopt2.asp?SD=11&SI=8&ROT=1

PROD ref. 117: Using a private partner to provide round the clock laboratory tests at a government hospital, UP
http://www.prod-india.com/retopt2.asp?SD=11&SI=10&ROT=6

PROD ref. 95: Model district RCH services project, Pune, Maharashtra
http://www.prod-india.com/retopt2.asp?SD=11&SI=11&ROT=4

Hope this is helpful for the group. If any of the links do not work, you can use the PROD reference no. to find the entry under "list of options"

Many thanks to all who contributed to this query!

If you have further information to share on this topic, please send it to Solution Exchange for WES-Net at se-decn_se-wes@solutionexchange-un.net.in with the subject heading "Re: [se-decn][se-wes] Query: Public Private Partnership in Delivery of Urban Services, from Planning Commission, New Delhi (Experience, Examples). Additional Response."

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