



Monitoring Urban Water Supply and Sanitation in Maharashtra - A Paper

CEPT University

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**MONITORING URBAN WATER SUPPLY
AND SANITATION IN MAHARASHTRA
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MONITORING ARRANGEMENTS FOR URBAN WATER SUPPLY AND SANITATION IN MAHARASHTRA

Introduction

A high influx of urban sector development funds in India has turned the spotlight on the institutional mechanisms which determine the efficiency with which these funds are disbursed to and utilised by urban local bodies (ULBs). Of special relevance in this context is the urban sector monitoring system. An efficient built-in monitoring system can enable all levels of government to determine how well the funds disbursed to ULBs are being utilised in meeting sector goals, and identify and address issues upfront. In this context, the urban monitoring system in Maharashtra has several positives. The state has a decentralised ULB monitoring and mandatory third party audit system – a feature not commonly found in other Indian states and is only now being replicated by other states. Though Maharashtra has set up elaborate monitoring systems, their effectiveness is undermined by a few systemic issues. For one, there are numerous programmes being implemented, funds for which are channelled through several departments and their agencies. Most programmes have unique conditions of fund access, and their monitoring and reporting systems tend to differ – all of which puts a significant amount of pressure on the ULBs. Second, though a monitoring system is in place, use of standardised performance based monitoring is not widely followed. And third, information collected for monitoring is not consolidated in a way to render it useful for making important decisions pertaining to the use of these funds. Addressing these and other monitoring issues are critical to the overall urban sector development efforts in the state.

Urban Sector Monitoring

When used in a holistic manner, monitoring can be an effective tool to serve multiple purposes including assessing progress on project implementation, determining extent of success in achieving national and state government goals, and also helping in strategic decision making for setting sector goals and budgeting.

In Maharashtra, the urban water supply and sanitation (UWSS) sector monitoring is largely managed by the Directorate of Municipal Administration (DMA) of the Urban Development Department (UDD), and the Maharashtra Jeevan Pradhikaran (MJP) of the Water Supply and Sanitation Department (WSSD). Additionally, central housing schemes for the poor are monitored by the Basic Services for Urban Poor (BSUP) cell of the Maharashtra Housing and Area Development Authority (MHADA). Differences exist between the monitoring and reporting processes followed by these agencies.

Monitoring by UDD

The UDD manages its monitoring activities through its agencies which report on utilisation of Central Finance Commission (CFC) grants and state programme grants (Plan funds). Direct reporting to the UDD is also done by municipal corporations for funds directly allocated to the latter. Based on the 13th Finance Commission condition to access performance based grants, the UDD currently plans to set up a more

comprehensive monitoring system. Once set up, non-Plan state funds will also be monitored by the UDD.

Monitoring by DMA

Monitoring and reporting activities carried out by the DMA are undertaken at four levels: state, division, district and ULB.

The administrative structure of the DMA facilitates a decentralised and multi-tiered

reporting system. State and regional level authority rests with the Director and Regional Directors, respectively. At the district level, District Collectors (DCs), Assistant and Deputy Collectors are authorised to exercise all powers of the DMA. Information is collected on a quarterly basis by the District Collector's office, consolidated at Division Level, and forwarded to the DMA and further to the UDD and the centre, as required.

Table 1: Government of Maharashtra's decentralised urban monitoring process

Tier	Activities/process	Outcomes
State level (State Headquarters of DMA)	<ul style="list-style-type: none"> - Conducts routine monitoring of 12 municipal councils annually on a rotational basis. - Holds review meetings of ULBs and assesses reports prepared by divisional offices. - Uses an Inspect Report (standard set of 72 formats per ULB) to undertake the assessment. - 	<ul style="list-style-type: none"> - Identifies weak/underperforming ULBs. - Advices/counsels identified ULBs. - Prepares reports on ULB functioning and issues, for the Finance Commission to capture grievance redressal measures taken in response to ULB issues/complaints.
Division level (Divisional Commissioner)	<ul style="list-style-type: none"> - Monitors scheme-wise progress. - Reviews quarterly meetings conducted by District Collector or Assistant Regional Director, or by DMA representative. - Consolidates and forwards, to DMA, MIS reports prepared by District Project officers. - Direct monitoring of large ULBs except for schemes with different reporting structure. 	<ul style="list-style-type: none"> - Investigates monitoring issues reported by DMA. - For the Sant Gadgebaba Nagari Swachhata Abhiyan undertakes ULB inspections and ranks three best performing ULBs.
District level (District Collector)	<ul style="list-style-type: none"> - Monitors ULB administration and schemes. - Provides administrative sanction for specific urban/UWSS sector schemes. - Writes confidential reports of ULBs' 	<ul style="list-style-type: none"> - Submission of Utilisation certificate for state's Maharashtra Swarna Jayanti Nagarothan Maha Abhiyan, and Dalit Basti schemes. - Can recommend mid-course

Tier	Activities/process	Outcomes
	chief officer. - Monthly inspection of works and review meetings of ULBs. - Review of the 'Twenty Point Programme' MIS proforma reports submitted every quarter by ULBs. - Review of ULBs not covered through DMA's annual inspection.	correction to ULBs. - Mould ULB decisions related to expenditures on specific items. - Monitor staff/ULB performance. - Compilation of the MIS reports covering several aspects including UWSS sector progress. - Submit reports regarding illegal activities in ULB to Regional Director, Director and state government.

A review of the reporting activities undertaken by ULBs reveals several variations. Inconsistency in reporting patterns largely arises due to different staff skills. While some ULB reports are computerised, others are often in hard copy format.

Besides the multi-tiered monitoring undertaken by the DMA, a few additional agencies are also involved in this task. One of them is the Mumbai Metropolitan Regional Development Authority (MMRDA). The MMRDA, which is Maharashtra's State Level Nodal Agency (SLNA) for the JNNURM, monitors the physical and financial progress of all projects under this scheme. The other agency is the Town and Country Planning Organisation (TCPO) which is under the UDD. The TCPO manages the technical sanction and monitors progress of the state's Dalit Basti Sudharna Yojana. ULB officials share progress reports with the district level Town Planning which is forwarded to its division office, and finally to the UDD.

Besides state level agencies, the Government of India's (GoI) Comptroller and Auditor General (CAG) also audits the accounts of ULBs. The CAG undertakes audits for

municipal corporations; for other class of municipal councils, a third party auditor needs to be arranged to make assessments at specified intervals.

These audits serve to highlight any irregularities in the municipal accounts. Every report so prepared by the CAG requires to be presented to the state legislature. The DMA also conducts regular audits of state funds disbursed.

Monitoring by WSSD/MJP

Monitoring procedures carried out by the WSSD/MJP differ from those followed by the DMA.

Fund flow is from State Planning and Finance Department to WSSD, to MJP, and to ULBs. A reverse process is followed for flow of monitoring information. The administrative set-up within the WSSD and MJP comprises a few cells (Table 2) The MJP undertakes a direct monthly routine monitoring of water supply and sanitation sectors of 25 ULBs. Information on water source; quantity supplied; tariff; recovery; operation and maintenance (O&M), for example, chemical utilised, electricity consumed, O&M cost; deficit/surplus; number

of properties versus number of connections; illegal connections;

Table 2: Monitoring and reporting by WSSD and MJP

WSSD	MJP
Urban Reforms Sector Unit - Monitors ULB reforms and receives reports in a specified format.	Central Planning, Design and Monitoring Cell - Prepares action plans, and monitors and reviews data.
District level committee - Approves and monitors the Dalit Basti Water Supply scheme on a quarterly basis.	Change Management Unit - Provides technical and managerial support. - MIS cell monitors WSSD's scheme for provision of water supply and toilet connections to SCs and <i>Nav Boudhas</i> .
Supervisor, Integrated Low Cost Sanitation Scheme - MJP reports physical and financial progress of ILCS scheme to the supervisor of ILCS at WSSD.	
State/District/Division level administration - Physical verification of applications submitted by ULBs for the GoM's award scheme.	

NRW; energy bills; replacements undertaken; new purchases; billing and recovery; etc, is collected. Standardised formats available on the database are used to collect this information.

For ULBs which are not covered directly by the MJP, it is required that they prepare reports in a prescribed format and forward them to the MJP. Information so collected is used by the MJP to issue warnings/appreciation letters to ULBs based on their performance. Through its online reporting system, this information is available on the Internet. Study and discussions reveal that since ULBs also report to UDD/DMA, the MJP does not wield enough authority over them to ensure compliance for timely and successful state-wide reporting/monitoring.

Routine monitoring of water supply and sanitation status in ULBs is undertaken by the WSSD in regional meetings held once in five or six months.

Monitoring by Housing Department/MHADA

The Housing Department transfers programme funds to ULBs through its agency, MHADA. Funds flow from the Housing Department to MHADA to Regional Level Boards, which transfer them to ULBs in the region. Though fund flow is decentralised (undertaken through regional offices of MHADA), monitoring is centralised and is undertaken directly by the central office of MHADA, to which ULBs report directly.

Programme monitoring

Different water supply and sanitation schemes implemented in the state have different reporting and monitoring structures. Typically, the WSSD receives state and central programme funds from the Government of Maharashtra's (GoM) finance department. The WSSD disburses these funds to ULBs through the MJP.

Directives on purpose and timing of fund release are also provided by the WSSD to the MJP.

Maharashtra Sujal Nirmal Abhiyan (MSNA) is the largest water supply and sanitation scheme administered by the WSSD. A high-powered state-level committee of the MJP manages approval and monitoring of this scheme. MSNA funds can be accessed by the ULBs only on the fulfilment of the following conditions:

- a. Accepting the reform programme.
- b. Passing a General Body resolution.
- c. Signing a Memorandum of Agreement or Memorandum of Understanding with the GoM.
- d. ULB depositing share of funds into a separate account for MSNA.

Release of grant funds to ULBs is contingent upon their adherence to, and meeting, the reform agenda.

The MSJNMA is administered by the UDD. The UWSS component of the scheme is managed by the WSSD. Schemes for the poor are also monitored by the WSSD in different ways. The Dalit Basti Scheme is monitored by the district administration, progress on the toilet with water connection scheme for people belonging to Scheduled Castes and reporting on Nav Boudhas is done by ULBs to WSSD.

Performance monitoring

Recently launched schemes such as the MSNA and the MSJNMA monitor reforms and programme outcomes. Incentives and awards are also attached to the Sant Gadgebaba Nagari Swachhata Abhiyan. However, despite several monitoring and reporting systems, it appears

that urban sector monitoring in Maharashtra does not follow a systematic process.

The 13th Finance Commission recommends each state and ULB to notify service standards that will be achieved by them for water supply, wastewater, solid waste management and storm water drainage. From 2011 onwards, each state government is expected to collect, analyse and publish information related to target service performance for all ULBs. Key performance indicators in the list include intermediate and final outcomes for the four UWSS sub-sectors. It is imperative that proper measurement and monitoring of these is undertaken.

For systematic performance monitoring, it is necessary to work out clear links with the state budget process. Performance monitoring would not only be able to provide a sector-wide perspective for urban/UWSS sector, it would also enable establishing clear links between inputs, outputs, outcomes and sector performance.¹

Need to further its good practices

On the whole, urban sector monitoring in Maharashtra has several strengths. It is among the few states in India where decentralised monitoring of ULBs has been institutionalised. It also has systems such as mandatory third party audit of schemes and physical verification of works undertaken, which are only now being introduced in other Indian states. However, there are a few issues which also need due consideration:

- a. Fragmentation of programmes and finance flows across several departments and their agencies.

¹ For example, see Government of Uganda, Water and Sanitation Sector Performance Reports (2005) (2006) and (2007) for annual WSS sector performance monitoring for Uganda.

- b. Lack of clear performance monitoring for the UWSS sector despite attempts to introduce the same through MSNA and SGBA type programs.
- c. Lack of consolidated information on municipal finance, sector finance and monitoring, preventing a consolidated overview of the sector.
- d. Limited use of IT systems for tracking of sector/program implementation

Dissemination of Sector Information by GoM and ULBs

Civil society movements and legislations in the recent past have resulted in increased awareness and attention on the need for information dissemination to citizens by all public authorities. Several initiatives are under way in this regard, both as a response to the Right to Information Act (RTI), 2005, and to public disclosure requirements under the JNNURM reform commitments both at state and ULB levels.

Extensive RTI related dissemination efforts

Much before the central government's passing of the RTI Act, the GoM in 2002 had introduced the legislation in the state. The state's RTI Act stipulated a quicker response time of 15 days to any information request as against the 30-day norm of the central government. Detailed information on procedures to follow, formats for applying for information, etc, have been made available under the RTI Rules passed by the GoM in 2005. In addition, the UDD department has shared information on its various departments, contact details of key officials, some information on Swarna Jayanti Shahari Rozgar Yojana, the latest Government Resolutions, a few reports such as the Report of

the Fact Finding Committee on Mumbai Floods, a Report on Alternatives to Octroi, etc. Web pages related to citizen charter and performance budget are being planned by the UDD.

Similar information sharing is done by the WSSD and the MJP through their websites. In addition to contact details of key officials, these websites also provide programme guidelines, status updates of regional water supply schemes, and links to relevant websites of the GoI and GoM. The MJP's Online Reporting System(ORS) posts ULB-level data including city profiles and end-to-end data on water supply and sewerage infrastructure including source of water supply, length of pumping and transmission mains, plant treatment and storage reservoir capacity, seasonal water supply levels, number of consumers, year-wise billing and recovery, among others. Performance indicators (other than lpcd) are not reported through the ORS. Similar information sharing is also expected of ULBs. However, a vast variation exists in extent and type of information shared by them.

Public disclosure requirements under JNNURM reforms

A pointed effort by the central government to institute transparency and accountability in the functioning of municipalities is the enactment of a Public Disclosure Law (PDL) under the state-level mandatory reforms of the JNNURM. The law necessitates all beneficiary ULBs to publish and share quarterly information on key performance indicators with all key stakeholders. The enactment of the law requires the state government to make appropriate provisions in their municipal statute(s) to ensure that these disclosures are mandatory".²

² NIUA (2010), p 28.

In response, the GoM introduced the Maharashtra Municipal Corporations and Municipalities (Second Amendment) Act, 2007. This amendment made it mandatory for ULBs to disclose information pertaining to the organisational structure of the ULB, contact details of the officers and employees, audited financial statements, particulars of master plans, city development plans and other plans, details of major services provided, details of all plans including proposed/actual expenditure, details on subsidy programs, etc.

ULB websites

While ULB websites are a key medium of information dissemination, assessment indicates wide variations in the extent of information sharing by various ULBs. Only 49 (20 per cent) ULBs in the state have functional websites, 33 (13 per cent) have non-working websites and the remaining 66 per cent do not have websites

While participation in the JNNURM/UIDSSMT appears to have had a positive impact on municipal corporations, in terms of operational websites, a similar impact is not seen in the case of smaller ULBs. Information available on water and sanitation services in a majority of ULB websites is limited to consumer outreach, either for new water and sewerage connections or registration of complaints/grievance redressal.³

Management Systems and Institutionalisation for Monitoring

³ This is possibly influenced by the state's policy emphasis (GR No. Comp 2005/05/29 dated 11 Nov 2005) on introduction of Citizen Facilitation Centres, with the aim of replicating the Kalyan Dombivli Municipal Corporation's successful effort in setting up a Citizen Facilitation Centres across ULBs in the state.

For an urban monitoring system to function effectively, it would have to be supported by management information systems that appropriately link and connect various databases to provide useful results for decision making at both state and local levels.

Routine reporting

While there are robust reporting systems to assess status of water supply and sewerage services and schemes, limited efforts have been made to consolidate ULB level information which would be insightful for improved monitoring mechanism. Between the agencies, that is, the WSSD, MJP and DMA, reporting practices vary significantly. While some follow an annual reporting cycle, others have a quarterly or monthly system. Some such as the MJP have standard formats, while the DMA has a 72-set format for data collection. The WSSD collects, on a monthly basis, end-to-end water supply systems information ranging from data on quantity of water supplied, NRW levels, consumer details, electricity bills, etc.

In most cases, ULBs share the data in hard copy formats, which have to be then computerised by one of the agency offices. For the data collected to be useful, it is important that consolidating them is streamlined.

Programme reporting

Maharashtra, like most other Indian states, is caught in the web of a slew of state and central government funded urban sector programmes. The varied reporting practices and focuses, all call for a robust mechanism that best captures information on the water supply sector and use it for all decision making activities and interventions.

In this regard, the current multi-tiered decentralised UDD/DMA monitoring system is

a step in the right direction, since it has identified for each level the respective reporting, reviewing, monitoring and/or decision making activity. Review activities undertaken at the district/regional level reduce the monitoring workload at the state level and time factor involved in decision making or course correction at local level.

A good sector monitoring system for UWSS in Maharashtra would need to capitalise on the inherent strengths of the existing monitoring systems in place. It should be able to integrate the monitoring/decision-support information needs of each concerned department (including Housing Department) and, at each level, enable comprehensive and systematic UWSS monitoring for planning and decision making.

Measures to Strengthen UWSS Sector Monitoring

The following key measures to strengthen UWSS sector monitoring have been identified.

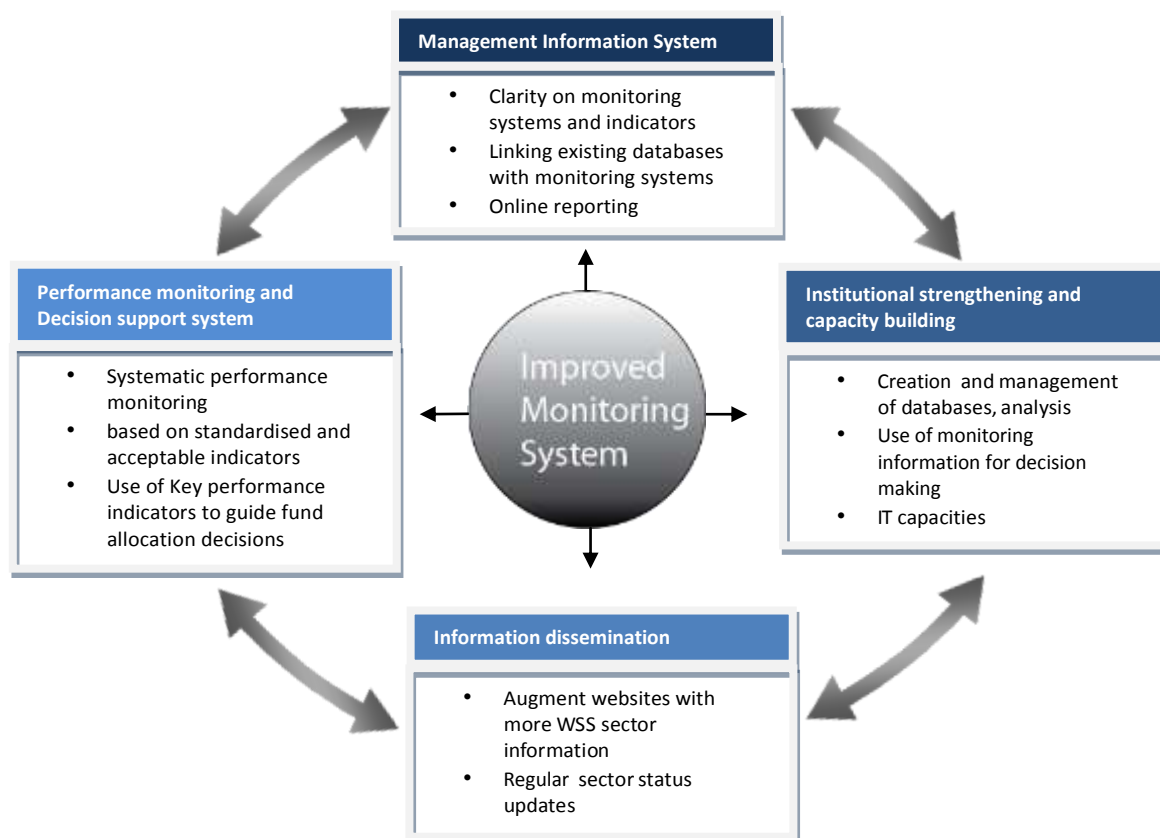
Develop a comprehensive management information system

While the UDD has acknowledged the need to develop a comprehensive management information system (MIS) system for the state's urban sector, it is important that it does so with a clear view on the nature and types of monitoring systems and relevant indicators that should form part of this system. It is important that the current databases be identified and linked with the monitoring systems. For all practical purposes, it is recommended that an efficient online reporting system be adopted for all types of databases. These online reporting systems should be regularly updated with good quality information.

Need for a systematic performance monitoring and decision-support system

The state lacks systematic reporting and performance evaluation which is either online or otherwise. A good monitoring system built on good quality databases and indicators would help develop a decision-support system as well.

Figure 1: Improved monitoring systems



A systematic performance system would have to be supported by standardised performance indicators which would help gauge the quality of service delivery or programme implementation of ULBs. The Service Level Benchmarks (SLB) developed by the central government provides a nationally agreed set of indicators for urban water supply, wastewater and sanitation, and solid waste management. In addition, under the ongoing PAS Project, additional indicators for equity and non-sewered cities have also been developed.

These indicators can become an integral part of the state's monitoring system. An improved decision making system can assist in making informed decisions about financial allocations. Appropriate decision support system tools, when developed for use by district administrations, divisional offices and ULBs with varying levels of complexity, would ultimately enable city-wide planning and decision making.

Improve dissemination through state/ULB websites

A cursory review of dissemination efforts suggests that while the state government does provide considerable information on its activities in general through its website, specific information on urban water supply and sanitation is limited. There is wide variation in the nature and extent of information shared through ULB websites. Until FY 2007–08, Economic Survey reports carried consolidated municipal statistics. However, this practice has been discontinued.

The MJJ's online reporting system is, however, a good attempt at information dissemination for the water supply sector. This system can be augmented with more details on government goals for the sector, the status of water supply systems and also about the government's initiatives and achievements. However, more steps need to be taken to improve information

dissemination through state, district and ULB websites. While the state is attempting to address these issues through implementation of information technology systems on the lines of KDMC – as a “standardised and seamless” system as announced through its e-governance policy statement dated January 13, 2011 – the complexities involved coupled with the need for enhanced staff capacities point to the need for a simplified approach that gradually builds up over time.

Strengthen institutions and build their capacities to facilitate improved monitoring

As can be observed, Maharashtra’s urban sector institutional funding and monitoring arrangements are complex. On one hand, UDD/DMA relies on district/divisional administration for monitoring, whereas on the other hand parastatal agencies use their own monitoring cells/desks for the various funds and or programmes. Much of the DMA’s monitoring stops at the district level. Within ULBs, monitoring is perceived more as reporting upwards to various district/division/state agencies rather than for internal use to improve performance.

Capacity building efforts are required at all levels for monitoring (state, district, division and ULB) for creation and management of databases, data analysis and report generation and for use of information generated, by decision makers at all levels. Capacity building efforts need also to be targeted at improving hardware and software capacities.

The Performance Assessment System (PAS) Project

The Performance Assessment System (PAS) Project supports development of appropriate tools and methods to measure, monitor and improve delivery of urban water and sanitation services in the states of Gujarat and Maharashtra. The PAS Project includes three major components of performance measurement, performance monitoring and performance improvement. It covers all the 400+ urban local governments in Gujarat and Maharashtra.

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PAS Project

CEPT University
Kasturbhai Lalbhai Campus, University Road, Navrangpura, Ahmedabad - 380 009
Gujarat, India

Tel: +91-79-26302470
Fax: +91-79-26302075
www.pas.org.in