

Helping Indian Cities Move into the Future

By GIRIRAJ AGARWAL

Indore finds new ways to deliver better service to its citizens.

More than half of the Indian economy depends on cities, which are home to about 300 million people. It is estimated that half of India will be living in cities by 2030, putting even more pressure on civic infrastructure.

To help find solutions to these problems, the U.S. Agency for International Development (USAID) is offering to help Indian cities learn new methods of civic services management. USAID's urban management project has provided training and technical support to local bodies to increase revenues through better management and provide better civic facilities for citizens.

USAID's Financial Institutions Reform and Expansion-Debt initiative in Indore, Madhya Pradesh, is an example of how such efforts can improve a city. A decade ago, the Indore Municipal Corporation, the agency responsible for maintaining and expanding the city's civic facilities, had meager resources. "Roads were deteriorating and there was no money available to augment the existing water supply and sanitation services. The situation was hopeless," says Chetan Vaidya, principal urban adviser for the USAID project.

Then, in 2000, the leaders of the corporation took the initiative to improve the city and prepared a vision document. "The officials thought about ways to increase revenue and how citizens could be made partners in the development schemes. They also thought about ways to improve the corporation's image to help it raise money from the market for the development projects," says Vaidya. This

commitment to transformation helped the corporation find a partner in USAID for the urban management project, which started in 2003.

In 1997, the Indore Municipal Corporation had been collecting only about Rs. 160 million in annual revenue. But in the most recent fiscal year, this figure has risen to Rs. 920 million. "Better management was the key to multiplying resources. The training under the USAID project...changed the mindset of urban managers. They became interested in... better management formulas, which helped the corporation increase its resources," says Aashish Agarwal, coordinator of the Madhya Pradesh City Managers Association, which was established with the help of the urban management project.

The people of Indore have benefited because of the corporation's improved financial health. Senior citizens aged 60 to 80 have been provided medical insurance of Rs. 20,000. Under another program, the city's residents have been given accident disability insurance of Rs. 10,000. All girls studying in government schools are covered under an insurance plan which will give them about Rs. 87,000 to complete their studies and get a start in life, if one of their parents dies accidentally.

The corporation has also been able to build new infrastructure. Mayor Uma Shashi Sharma says, "We are implementing a water supply project at a cost of Rs. 6.4 billion that will provide more water to the city by March 2009." The city has purchased buses that are easier for the

disabled to board, and can be tracked by satellite in case of accidents. Roads along the city bus routes are being improved as part of a Rs. 8.64 billion project. The corporation is also building houses for slum dwellers.

All these projects are backed by 50 percent grants from the central government's Jawaharlal Nehru National Urban Renewal Mission, which seeks to encourage reforms and development of cities. The Madhya Pradesh government provides 20 percent of the money, while the remaining 30 percent is generated by the corporation itself. "If the USAID project had not improved the financial health of the corporation, it could not have gone for such big projects," says Vaidya.

The Indore corporation also introduced better accounting methods to block corruption, while computerizing and decentralizing tax-paying and water bill systems. "With the help of new software it became easier for the public to deposit their taxes and water bill payments," says J.C. Galar, secretary of the Indore Municipal Corporation. The software helps people check details of their current and past bills with just a few clicks and also get answers to most of their queries immediately. Citizens can check their records from any one of 11 zonal offices, obtain various licenses, birth and death certificates without going to the head office. To promote transparency, the corporation also put its revenue and expenditure details on the Internet.

"The success of any urban reform initiative...depends on the willingness of, and



Photographs by VIVEK PALERIA



Top: Young trees donated by residents flourish at the Mountain of the Departed in Indore, Madhya Pradesh.

Center left: Indore saved 39 percent on electricity by switching to energy-efficient street lights.

Center right: Citizens paying their water bills and property taxes at a computerized zonal office of the Indore Municipal Corporation.

Above: One of Indore's new, technologically advanced buses.

says N. Bhattacharjee, urban team leader and USAID program manager.

Under the USAID program, the Indore Municipal Corporation has also involved citizens in the development process. Around 150 kilometers of concrete roads have been built in the city and part of the expenditure was provided by the citizens through voluntary contributions.

The corporation developed more than 150 gardens and asked resident welfare associations to maintain them. "A barren hill was converted into a green forest with the help of citizens," says Mayor Sharma. Under another program, citizens

donated Rs. 251 each to plant a sapling in memory of a family member or friend on that hill, now called *Pitra Parvat*, or "Mountain of the Departed."

"More than 15,000 plants have been planted there and almost all of them have survived. The corporation could do this without spending much from its pocket," says the mayor.

USAID also helped Indore by linking it to Garland, Texas, as part of the Resource City and Citylinks Project, which paid for teams from the two cities to visit each other between 2002 and 2004.

"Indore experts learnt about the effective techniques of budgeting and (implementing a) tax system, whereas the Garland team took keen interest in the decentralization process, as well as in the strategy to tackle inadequate infrastructure in Indore," says Vaidya, who visited Garland in March 2003.

USAID also helped Indore with an energy audit of its street lights. The study found that the city could save 39 percent on electricity if it switched to energy-efficient tubelights. A private company, Asian Electronics Limited, took the responsibility of changing the high-energy consuming lights. "The company did not ask for any direct money from the corporation. Instead it received 80 percent of the amount saved on street lights continuously for 27 months," explains corporation secretary Galar.

The main objective of the urban management project, which will end in 2008, is to strengthen local urban bodies to tackle the challenge of rapid urbanization. "Key indicators of this program have been included in the Indian government's Jawaharlal Nehru National Urban Renewal Mission agenda," says Lee E. Baker who heads the institutional reform project.

Over the next seven years, Rs. 500 billion will be allocated by the Indian government for ambitious urban projects under the Renewal Mission program. Only those Indian urban local bodies which have already adopted reforms and are financially healthy will benefit from this opportunity and Indore has already shown the way.



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cordial relationship between the elected representatives and the executive. Indore represents an excellent case in this regard,"