STATE OF GOVERNANCE

Delhi Citizen Handbook 2003

Centre for Civil Society

Delhi Citizen Handbook 2003
Top Ten Findings

1. The Prevention of Food Adulteration Department has 28 inspectors to oversee 1.50 lac (registered) food establishments. At one outlet per inspector per day, an outlet would be inspected once in 17 years. The number of inspectors has not changed since 1960.
2. A study conducted by Social Jurist found that more than 80% of the children who pass class V from MCD schools do not know how to read or write their names.
3. The Delhi Transport Corporation employs 12 people per bus and incurs a monthly loss of Rs 25 crore, where as private operators employ 6 persons per bus and make profit.
4. Farmers pay 7-15% of sales to commission agents at the wholesale markets that are the monopoly of Delhi Agriculture Marketing Board.
5. Delhi has 36 safai karamcharis per 10,000 persons while all other metros have about 18-20.
6. Over Rs 4 crore of taxpayers' money has been wasted in the Old Age Pension Scheme as 37.5% of the beneficiaries were ineligible. In 168 cases, the beneficiaries had died but the Department of Social Welfare continued to send them pension despite being informed by local post offices.
7. At the Holiday Homes for Industrial Workers run by the Labour Department, the subsidy per visitor was Rs 1545 (at Mussoorie) and Rs 2612 (at Haridwar) in 2000-01.
8. The Drug Control Department has 29 drug inspectors for over 5,000 drug retailers. The fake drug market is estimated to be Rs 4,000 crore per year.
9. The Comptroller and Auditor General concluded that the Delhi Financial Corporation has overstated profits by at least Rs 171.25 lac and the Reserves and Surplus by Rs 78.99 lac for 2002-03.
10. Only 3.6% of the MLA Local Area Development Scheme funds were spent during 1999-2000; it rose to 52.2% in 2002-03.

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New Delhi • India

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Schemes and Programmes

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If only the value of a publication was judged by the number of people who participated in its production!

Overview

An informed citizenry is vital for maintaining a vibrant and dynamic liberal democracy. Studying, understanding and reforming the institutions of democracy are essential for its survival and growth. This requires constant and concerted efforts on the part of citizens, civil society organisations, and governments.

State of Governance: Delhi Citizen Handbook 2003 is a compilation of our studies of 25 agencies, boards, corporations, and departments (ABCDs) of the government of Delhi. It hopes to further citizens' understanding of the workings of the government. The *Handbook* also makes constructive and bold recommendations for improving the quality and effectiveness of governance. The young researchers who made it possible refute the charge that the nation's youth have become apathetic and cynical. Instead of *morchas* and *dharnas*, in this information age they toiled to generate knowledge and understanding so that we may have informed debates and decisions. They have truely braved a new path.

The Philosophy of Governance

'Taxation is the price we pay for civilisation,' declares one philosophy of governance. It means that we cannot promote general welfare or take care of those in need unless we use the coercive powers of government to collect enough taxes. Social progress, in this state-centred view, is defined by how much *government* spends for the 'good' of the people. The more the government spends, the more progressive the society seems.

But it is precisely the opposite: 'Taxation is the price we pay for the *lack of* civilisation.' If we took better care of ourselves, our families and communities, and those in need around us, we would need less of government. Every time the government passes a law or regulation, raises taxes, or announces more welfare schemes, we are admitting failure of individuals and communities to govern themselves.

Persuasion and not force epitomises civil society. Genuine social progress occurs when people solve their problem without resort to politicians, public servants, or the police.

At the same time it must be remembered that there has been no civilisation without government. We do need the government to do what only it can do. What should it do? How should it do those tasks?

New Public Management

The emergent field of New Public Management (NPM)—an amalgamation of public administration and business management—provides practical answers to these fundamental questions. The principle of subsidiarity suggests that government should undertake only those tasks that people cannot accomplish themselves. Within the government, the first responsibility should be of local governments. The functions that local governments cannot perform should be given to state governments. And only the remaining areas devolve to the union government.

Since most immediate tasks of governence are performed by local governments, they should have the primary power to collect revenues. The local governments would pass on proportionate revenues to state governments, which would offer resources to the union government. The principle of subsidiarity indicates that the union government should be subsidiary to state governments and the state to local governments in functions as well as in finances.

The management of the city—the local government—is of paramount importance for the welfare of citizens. A quick understanding of the principles of NPM would guide us towards better city administration.

1. *First, do not obstruct*

The rule of doctors, 'First, do no harm,' applies to city managers: 'First, do not obstruct.' The license-permit raj that we abolished in the industry exists in most other areas. To open a school in a slum or a barber shop or a *dhaba*, to sell ice cream, or water, or fruits and vegetables, licenses are necessary. Since licenses are limited, people trade without them. This results in regular harassment and extortions at the hands of officials.

On the one hand the government pours money into *rozgar yojnas* and subsidy schemes, and on the other hand it prevents people from earning an honest living.[1] The money for such schemes ironically comes from the poor since indirect taxes contribute more to the exchequer than the direct taxes. Instead of taking money from the poor in the name of their employment and welfare, the government should first let them earn their living themselves. First, do no harm. Do not obstruct.

Give the Livelihood Freedom Test to all existing rules and regulations and to the new ones. Does any law of the city restrict opportunities of any person to earn an honest living, particularly the one with little capital or skills? If so, then Review, Revise, or Remove. Delicensing and deregulation should take priority in the agenda of the government.

2. *Separate provision from production*

The government provides or finances but actual production is left to the private sector. The government steers, the private sector rows, and together they move the boat forward. Instead of attending to inputs into the department, the official focuses on the output. This separation allows the government to provide the service without having to manage production facilities. If the government wants to provide free textbooks to students, it does not need to run a whole publishing house, but purchase them from private producers, or better, give money to students so that they can directly purchase the books they prefer.[2]

Many of our cities are already using this idea of separating provision from production for garbage management, street cleaning, and biomedical waste disposal. In the *Handbook* we apply this idea to the provision of primary education, food support, city transport, and to water and power subsidy for the poor. 'Education Voucher' is given to each poor child who uses it to get education in any school of her choice. The school cashes the voucher from the government. The government thus finances education for those who cannot afford it but it does not run schools. The Education Secretary would then have time to check whether students get good education. She would not have to worry about tenders and evaluation of bids for blackboards, chalks, chairs, tables, construction of classes and schools, or about personnel appointments and transfers, disciplinary proceedings—areas where she spends all her time today.

Instead of managing more than 3,000 Fair Price Shops and combating daily shortages, corruption and crises, a 'Food Voucher' would allow the person to purchase food at any shop in the market, or at one of the many govenment designated shops. The argument that the poor would use the voucher to purchase non-food items does not recognise the fact that today the ration can also be sold in the market for money.

3. ***Finance services through user fees instead of taxes***

Only those who actually use the service should pay for it. Currently general tax revenue, and not water charges, largely pays for water supply. Those lucky enough to have water connection benefit more than what they pay, but those without connection or water supply also have to pay taxes.

For many of the government services, the middle class, who has the access, is subsidised by the poor class, who does not have the access. You would not water your lawn three times a day in summer if you had to pay for the water. But many do today since they pay only a small fixed charge for all the water they consume. Several studies show that the poor, unlike the rich, already pay the full price of government utilities. User charges are not only efficient but also ethical. Those who cannot afford to pay for the services can be given a direct and clean subsidy (explained later).

4. ***Expand choice and competition***

Depending on the product or service, there are many ways to separate provision from production, charge user fees, or provide subsidies. Choose the method that increases competition among suppliers and expand the range of choices for consumers.

The Kerala government gives scholarships and transport subsidy to the highest number of students compared to any other state government. Both scholarships (which are similar to education vouchers) and transport subsidy expand the range of schools from which students can choose. It also increases competition among schools to attract and retain these students who are more demanding as well as more mobile. This choice and competition improves education quality not just for these students but for all students. Choice and competition are really at the heart of what is called the Kerala model of education.

5. ***Focus on the core function and contract out the rest***

A hospital must focus on delivering best quality health services. It should contract out services where it has less of a comparative advantage: cleaning, security, managing a pharmacy or a staff canteen.

6. ***Give clean subsidies***

   Subsidies should reach the target group directly, without affecting the prices, and without distorting the incentives to economise on the use. The electricity subsidy to farmers distorts the price of electricity and the incentives to economise on the use of water pumped out with electric motor. Excessive water use creates problems of water logging and salinity.

   The principles and ideas of New Public Management, which are used in countries as diverse as Botswana and New Zealand, underlie many of the reforms proposed in the *Handbook*. One or more principles has already been implemented in one or the other city in India: Banglore, Ahmedabad, Surat, Hyderabad.

The Making and Meaning of the *Handbook*

The young researchers in consultation with me selected the 25 ABCDs (agencies, boards, corporations, and departments) in the study. They sweated, literally in the summers of Delhi, to collect information from reluctant and suspicious officers to document objectives, budget allocations and expenditures, personnel employed, achievements, and failures of the ABCDs. The government's performance was evaluated on the basis of the budgetary and physical targets, reports of the Comptroller and Auditor General, evaluations by the Planning Department, and other government commissions and reports. Newspaper reports were considered when they had concrete information. Most important of all, the researchers talked with government officers of all ranks, as many as were willing, and with the people affected, positively or negatively, by the ABCDs.

Regular brainstorming over their investigations and findings generated many of the recommendations for change. I narrate a few that illustrate the innovative approach of the *Handbook*.

A Glimpse of Reform Ideas

1. ***Ward-Level New Public Management***

   The electricity market is already privatised in Delhi and probably water and sewage are not far behind. The privatisation of electricity however has simply replaced one government monopoly by two private monopolies. There is no competition among the suppliers and no choice for consumers. The more effective solution would be to divide the electricity market at the municipal ward or MLA constituency level and let the Power Users Associations there contract with any of the private suppliers of power. Depending on the location, consumption patterns, each ward/constituency would find the best match with one of the private companies.

Instead of the city level, the ward/constituency level privatisation creates competition and choice. A ward could threaten to cancel the contract of an errant supplier with the full confidence that it would find another one. A city with one or two suppliers would find it very difficult to punish them.

The same principle can be applied towater with Water Users Association (WUA) at each ward/constituency. Sewage is the other side of the water coin. Each WUA would have an interest in rooftop and storm water harvesting, since they would have to buy less water from private suppliers.

The ward/constituency level management genuinely empowers citizens to solve their own problems. For those who cannot afford to pay for the private supply, the government can design a direct and clean subsidy, which can be effectively implemented by the ward-level associations. Let me however reiterate that the poor already pay the full price now for government utilities.

2. ***Functional Reorganisation***

On the new website of the Delhi government, any citizen can find exactly what she is looking for with a couple of clicks of the mouse. This ease of access has been made possible because the website is organised not according to the existing ABCDs of the Delhi government but according to their functions. The functional organisation makes life in the digital world so much easier. Why cannot we achieve the same for the analog world?

On the basis of our detailed research, we make following recommendations for reorganisation of ABCDs that are included in the study. There are several others that perform similar functions but are not part of the study. The reader however should be able to assess the necessary revisions or removals once the logic of our recommendations is clearly understood.

Rearrangement of whole ABCDs or some of their schemes leads to three functional organisations: 1. Consumer Protection Department; 2. Cooperative Finance Department; and 3. Individual and Family Welfare Services.

1. *Consumer Protection Department*

   It will include Prevention of Food Adulteration Department (PFA), Drug Control Department (DCD), Department of Weights and Measures, and the Department of Food and Civil Supplies *without* the Public Distribution System (PDS). All these departments try to ensure that consumers get what they pay for, enforce the implicit contract between buyers and sellers, and help maintain the trust in the marketplace.

   However the public spirit or sense of duty of a government officer is unlikely to match up against the greed of a businessman. The best protection against the greed of one businessman is the greed of another. Free competition—where greedy businessmen freely compete against each other—is the consumer's best friend. In addition to free competition, effective consumer courts, strict liability laws and the tort system are necessary. The government's efforts to improve these areas are as much, if not more, important as to strengthen the new Consumer Protection Department. This Department will be able to absorb a large proportion of surplus staff created by the proposed reorganisations.

2. *Cooperative Finance Department*

   It will take over all the schemes that finance small or medium size enterprises and technical training, and that provide land or industrial shed as well as the schemes that give consumption loans. The new Department will administer all loan-related schemes irrespective of whether they are for production or consumption or open to all citizens or only to a particular caste or group. Moreover, Delhi has more than 5,000 cooperatives, almost every area of enterprise or self-help imaginable has at least one cooperative. The Department will manage the schemes not directly but through these cooperatives. It will provide the subsidy component but actual disbursal and collection will be handled by respective cooperatives. Continuation of the subsidy would depend on the performance of cooperatives, particularly their ability to keep the recovery rate and non-performing assests above the minimum threshold. The cooperatives that perform better can be given larger number of accounts or higher quantity of subsidy.

The proposed changes in the cooperatives law would take away the immense powers from the hands of the Registrar of Cooperative Societies. The more independent cooperative societies will be able to govern themselves for the benefits of their members without undue interference by government officials.

3. *Individual and Family Welfare Services*
It will include the Department of Social Welfare, the Public Distribution System of the Department of Food and Civil Supplies,[3] and schemes of individual grants by corporations like Delhi SC/ST/OBC/Minorities/ Handicapped Finance and Development Corporation.

Many of the welfare schemes today have very few beneficiaries since most people are unaware of the schemes, or only politically connected are able to participate in the schemes as the application forms are available only from the local MLA. Keeping all the schemes designed to provide succour to individuals and families in a single department, it would become easier for anyone to learn about all the schemes that they can benefit from and also for the government to keep track of total benefits given to particular individuals.

The suggested reorganisation tackles only some of the concerns about access, efficiency, and politicisation. Even the new Department will be able to address needs of a rather small proportion of the target population. Fifty thousand children live on the streets of Delhi; only about 3,000 get some support from the welfare agencies. The government is unlikely to have the resources to meet the demand anytime soon.

Moreover, the experience of the western countries that have an extensive safety net points to the downside of such well-intentioned programmes. Breakdown of families and of social fabric, temporary help turning into more permanent dependency (the safety net becoming an hammock), and mounting economic costs are acute in those countries.

We need to radically rethink the current approach and find some creative and effective solutions. Ultimately the welfare schemes are treating the symptoms of poverty and deprivation and not the cause of these problems. True that immediate symptomatic relief is necessary but that does not treat the disease. A painkiller may help in controlling the pain due to kidney stones, but it does not clear the stones. Sustained economic growth is the primary treatment for the problems of poverty. The Livelihood Freedom Test must always be applied diligently to all restrictive laws and regulations.

In our Liberty & Society Seminar for college students, we generally ask which of the following three ways of helping the poor they would prefer. 1. Pay taxes and let the government provide help; 2. Help yourself; and 3. Give donation to the Missionaries of Charities. When the issue is framed clearly, the most common preference is for the third way. We may continue with the first approach until we figure out how to implement the third way so that all those who need the help are most likely to get it from the people who dedicated to that purpose. We must figure it out soon.

Several other reform ideas apply to the whole of government and therefore are discussed here and not in individual chapters.

3. ***Sound Budget Management***

Budget making is still shrouded in secrecy even though the budget is the most important document for governance. Budget should be made in the day light with open public debates. The budget documents about the overall budget, as well as individual departments should be easily available in a user-friendly format. At the least, they should all be put up on the Delhi government's website. Making all information accessible is the simplest part of e-governance.

The Delhi Right to Information Act empowers citizens to gather necessary information. However it would be easier and economical if the government proactively followed the principle of Duty to Publish Information (all information except what is legally prohibited).

It is now widely accepted that zero-based budgeting with a performance orientation can improve transparency and efficiency of government expenditures. The accounting system should be on an accrual basis and not on cash basis. The fund-based accounting system (FBAS) is even better in evaluating per unit cost of services and in matching the costs with performance standards.

4. ***Efficient and Corruption-free Procurement System***

Two of the ways to achieve the goal of efficient and corruption-free system of procuring goods and services for the government are passing a False Claims and Whistleblower Protection Acts and making the procedures of tendering and bid selection completely transparent.

A False Claims Act, also know as *Quit Tam* Act, would allow anyone to bring a lawsuit or provide information on any supplier of goods or services to the government who makes 'false claims' about quality, quantity, or the price of the supplies. The private suppliers will hesitate to cheat the government since anyone, including their own employees, can furnish evidence to convict them and collect large monetary rewards in exchange. The False Claims Act coupled with a 'Whistleblower Protection Law' for private as well as government employees will mitigate corruption and fraud in government procurement and contracts.

The process of procurement can be made transparent by putting up the tender, all submitted bids, and the selected bid with all relevant details on the website of the Department and of the Delhi government. The 'Two Bid System' for selecting the tender bid is better and less prone to corruption.[4] In this system, the bidders submit separate financial and technical bids. The government officials first select the best technical bids and then open the financial bids of only those best technical bidders. The officials reviewing the two types of bids could be different to reduce the possibility of collusion.

5. ***Focus on Performance***

In the private sector, profit is the bottomline—profits of a company are a signal that the company is producing the service that people want to purchase and are willing to pay a price higher than the cost of producing the service. What's the bottomline for the services provided by the government? How do we evaluate the performance of ABCDs of the government?

For government services the bottomline must be the satisfaction of the users of the services. A Report Card System can regularly collect information from the users of various government services. The first such survey, say of the services at AIIMS, can establish the starting point. Then the managers of the hospital should set performance standards—by how much the satisfaction scores should increase in various areas of their services by next year. They should then design all their systems and train the personnel so as to achieve the performance standards.

The Citizen Charter can help define objectives, standards of service, and penalties for failure and provide overall performance benchmarks.

These are general principles that apply to all ABCDs of the government. Specific reform proposals are in the respective chapters.

I hope that the ideas and policies presented in the *Handbook* will become the seeds for a constructive debate about good governance in Delhi. Reform minded politicians, public servants, and citizens are sure to find the contents of the *Handbook* innovative, refreshing and bold. Let the discussions and debates begin!

10 October 2003 — Parth J Shah

Notes

1. The Prime Minister's Office in 2002 directed Delhi's Lieutenant Governor to scrap the licensing system for cycle rickshaw pullers and street vendors and implement simple registration system with zonal boundaries. Unfortunately nothing much has changed even after the PMO directive.
2. The Delhi government produces textbooks for government schools through a department: the Delhi Textbook Bureau. Would it be not cheaper and cleaner to buy textbooks in the market and sell them at a lower price? Citizens would know how much subsidy is given for textbooks. No one knows what it costs to run the Delhi Textbook Bureau. Yes, we have tried to find out.
3. In the Chapter, we propose a radical overhaul of PDS through food vouchers.
4. MCD Commissioner Rakesh Mehta has already endorsed the Two Bid System for MCD tenders.

Right To Information

The New Revolution

Right To Information

The New Revolution

Delhi passed the Right To Information (RTI) Act in 2001. Only seven states in India have such an Act. The Act makes it possible for people to approach the specified Competent Authority of a department with an application seeking information in a prescribed form.

Many think that the Act is for researchers and activists who want to dig out information on the government. But as I will discuss below, the Act is a very powerful tool in solving personal problems of ordinary citizens. The Appendix A lists the departments with their respective competent authorities. Appendix B gives all the forms related to the Right to Information Act.

Why should I read ahead and what do I stand to gain from it?

Because this Act is the single most law in recent times that *can* radically alter public governance and the way it affects your life. Your taxes pay the salaries and wages, multitude of perks and pension plans of government officials. And do you think that they respond satisfactorily to your concerns and complaints? If not, read on.

Most of our problems with government service delivery stem from a lack of access to information and lack of knowledge of decision-making processes—absence of transparency. It is important to distinguish between access to information—*real* information—and access to what is known colloquially as bumf— unlimited amounts of tedious government propaganda which showcases lots of activities, little results and reflects even less of your concerns. What you want access to is usually simple and practical information, e.g, which officer is accountable for the water supply in your area or when the stinking garbage in your neighbourhood would be cleaned. Complex and non-transparent government procedures and regulations do not allow us to know how our cases are being handled. Access to information is fundamentally about the quality of the information available from the state, not the quantity. In a practical sense, access to information means getting information, the government does *not* want you to have. That we depend on an act made by the government, to access information that they do not let us have without the help of this act, is a hint towards how useful the act will be.

The Delhi Assembly passed the Delhi Right to Information (RTI) Act in May 2001, and it became effective on 2 October 2001. 119 government departments in Delhi have been brought under the purview of this Act. Under this Act, any citizen can approach any department and seek information as well as make copies of any document.

The greatest benefit of the Act has been in allowing to seek effective redressal of grievances: personal or our community's problems with local governance. This can range from asking about the problems of your water connection to the per capita expenditure on a student studying in a government school. In fact, most of the applications received under the Act related to personal grievances while only a few were regarding broader issues and policies.

Right To Information Act has been recognised the world over as an important instrument for checking corruption and misuse of power. Sweden, where the incidence of corruption is almost negligible now, had a Right To Information law for more than two centuries—since 1776.

This looks interesting. Can you elaborate on it?

The Right to Information Act is your shortest road to a revolution in public governance, to a reinvented, effective and limited government.

Historically, citizens have had very limited access to public officials and information. Now, with the RTI Act, you can hold such officials accountable and demand answers and action from them. The Act binds them to provide the requested information within 15 days or a maximum of 30 days, failing which penalties can be imposed. Information sought could be on any of the following:

- Activities of the government like plans, programmes, schemes
- Spending of the government on each activity or achievement
- Micro-level work of the government/ urban development expenditures: repair of roads, street lighting, cleaning of drains, garbage and *malba*, laying of water and sewage connections, transport related problems of DTC, RTVs and auto rickshaws

• Redressal of long-standing individual complaints/ grievances related to government service delivery

In fact, this Act empowers the poor, the most. They usually face a number of problems in getting the right amount of ration at the right price under the Public Distribution System. The ration shops in their areas are rarely open and the material gets diverted to the blackmarket. The people may want to know the amount of ration material issued to the ration shop in their locality and the names and addresses of persons to whom, the ration shop claims to have sold the material. They would also like to know the price at which the ration should be given to them, and the timings of ration shops.

Poor people would also want to know the status of applications filed by them in the ration card office or in the SC/ ST certificate office. In a number of areas, the state of civic facilities provided to them is so pathetic that they would want to know the amounts spent by the government on providing civic amenities in their area and whether the work was actually carried out.

The Act also stipulates for suo-moto publication of information by

Table 1: Particulars of Information to be Published

Particulars of Information to be Published	*Interval*
Particulars of its organisation, functions and duties	Once in five years
Powers and duties of its officers and employees and the procedure followed by them in the decision making process	Once in two years
Norms set by the public authority for the discharge of its functions	Once in two years
Laws, bye-laws, rules, regulations, instructions, manuals and other categories of records under its control used by its employees for discharging its functions	Once in five years
Details of facilities available to citizens for obtaining information	Annually
Name, designation and other particulars of the Competent Authority	Annually

Source: Section (7) of the Delhi Right To Information Rule, 2001 the government departments: information to be provided more on duty-basis than on demand-basis. Please see Table 1 for details.

But what all can I not ask for?

The following clauses inform us about the restrictions on the kind of information sought. But these do not affect the simple purposes of getting departmental information on their accounts or the officials accountable for redressal of particular grievances.

An analysis of the decisions of the Public Grievances Commission on the appeals made to them tells us that information has been primarily denied on the basis of the following four clauses out of the stipulated eight in the Act.

Section 6 (b): The information relating to an individual or other information, the disclosure of which would constitute a clear and unwarranted invasion of personal privacy and has no relationship to any activity of the government or which will not sub-serve any public interest. This implies that you can not ask for the balance sheet of a private school.

Section 6(d): Trade and commercial secrets or any other information protected by law.

Section 6 (f): Information whose disclosure would endanger the life or physical safety of any person or identify the source of information or assistance given in confidence for law enforcement or security purposes or in public interest: Provided that the information, which cannot be denied to the Legislative Assembly of NCT Delhi, shall not be denied to any person. This implies that you cannot ask for information regarding the deployment of security personnel within a jail as was asked by a particular applicant.

Section 6 (g): Minutes or records of advice including legal advice, opinions or recommendations made by an officer of a public authority during the decision making process prior to the executive decision or policy formulation.

These provisions are not mandatory and the Competent Authority can exercise discretion regarding their enforcement on a case by case basis.

Has the Act really worked?

Yes. Discounting its low awareness among Delhites, the Act has succeeded in unnerving indifferent officials to respond to your demands. Here are some successful examples.

A garbage bin was repaired by MCD in Patparganj. The residents noted that only the floor of the bin was made and no other work was done. The residents sought the copy of contract of the work under the Right To Information Act. To their horror they found that according to the contract an iron door was to be put and the walls were supposed to be plastered but nothing had actually happened, though payment had been made. Within a week the repairs were done. The mere seeking of the copy of contract had done the job.

Prem Chand Jain is an industrialist whose factory was sealed under the orders of the Supreme Court when all the polluting units in Delhi were being sealed. However DVB kept sending him bills on minimum basis despite the fact that the factory was sealed. There is a clear office order in all such cases, no bill can be raised on the consumer. Jain kept making several rounds of DVB office but no one listened to him. Ultimately he filed an application under RTI asking for the person responsible for addressing his grievance. His bills were rectified within a fortnight.

A number of people in several parts of Delhi had applied for ration cards under below poverty line category about a year and a half ago in Delhi, but they have neither received any cards nor any information whether any such cards would be issued or not. Several visits to the ration office have yielded no replies from the concerned authorities. A list of such beneficiaries in Sundernagari and New Seemapuri was sought under the Right To Information Act. This list showed that there were several people whose cards had been made months ago and these cards were in possession of local shopkeepers, who were siphoning off the ration entitlements on these cards for all these months. Now with the intervention of the senior most officials of the Food Department, these cards have been returned to their respective owners.

That apart, it is Sundernagari in East Delhi that has afforded the most instructive laboratory for various applications of the RTI Act. In a *Jan Sunwai*/ Social Audit conducted there after obtaining government records of developmental expenditure of 64 works worth Rs 1.3 crore in the area and comparing with the completed work it was found that in these 64 works, the total amount in question found on account of missing items/ works was approximately Rs 70 lac. Items or works worth about Rs 70 lac, more than half of the recorded expenditure, *did not physically exist* at all in these 64 works—forget about issues related to the quality of the work like the quantity of cement used. Other startling facts that came to light during the *Jan Sunwai* were:

- Electric motors were supposed to be installed on 29 handpumps. Not even a single motor had been installed.
- The thickness of cement concrete layer in the construction of a cement concrete lane should be 10 cm. In 22 such cases examined, whereas payments were made for 10 cm thickness in all these cases, the thickness was physically found to be less than 5 cm in 16 cases and between 5 cm to 7.5 cm in 6 cases. This is the most expensive item in the construction of such lanes.
- Whenever a new street is made, the drains on both sides of the street are also supposed to be demolished and made afresh. In the 35 cases examined, payments have been made by MCD for construction of fresh drains. However fresh drains were not made even in a single case.
- In two cases it was found that payments had been made twice for the same work.

This social audit was done for works carried out by just one department of the MCD over a two-year period in a geographical area, which is smaller than one ward. Delhi has 134 wards. The embezzlement of Rs 70 lac thrown up by the social audit is therefore a very small fraction of the total amount of funds misappropriated in the name of 'development' in Delhi. The *Jan Sunwai* at Sundernagari has exposed the extent of embezzlement and that it is not the paucity of funds but leakages which are responsible for poor development.

Each one of us may not go about checking each contract or work, neither is it desirable. Nevertheless, the Act pressurises the officials to be transparent and not indulge in corruption because as long as there are enough citizens who demand information about civic works, the officials would be on their toes to ensure that they are not caught on the wrong foot. From ensuring transparency it is a short jump for citizens to demand that expenditures made for their wards/ constituencies reflect the concerns and priorities of the residents and not the will and wishes of a planner sitting faraway in the Naya

Sachivalaya. That is how the Act not only reduces corruption but also ensures better administration.

Can I use the Act to solve personal problems?

Yes. It is not just a tool for researchers and activists but also for individuals with personal problems concerning the government.

Every government department and semi-government organisation generally has a public relations officer (PRO) whose job is to provide routine and useful information to citizens across the counter. If there is no such PRO, it is the duty of the chief of the unit. Use your right under the Act to demand information that is not available in the normal course.

Use the Act to ask specific questions (and not opinions) regarding any kind of plans, schemes, programs, rules and other official decisions affecting you. For example, if you have a billing problem, ask

- When will the bill be rectified?
- What progress has been made since you first filed the complaint?
- Who are the officials responsible for this error?
- What action will be taken against these officials?
- By when will the action be taken?

Another example is that of a pipeline replaced in Pandav Nagar. The pipeline was leaking right from the beginning. The residents made several complaints but nothing happened. Ultimately the residents filed an application under RTI seeking following details:

- Status of grievances filed earlier and names of officials who should have attended to their complaints and have not done so
- Copy of contract of the pipeline laid
- Copy of completion certificate issued for the said pipeline and copy of the bill
- Names of officials who issued the said completion certificate

You may also like to monitor the progress of any work going on currently in one's area to see whether it is being carried out in accordance with the specifications. Ask for the facilities that should be provided in your ward. What steps have been taken and how much money has been allotted for each work? Which department has been given how much money? When are the works going to start? Who are the persons responsible for the incomplete works? Who is the person responsible for so-and-so work? His NDAC (Name, Designation, Address and Contact details). Please ask for copies of measurement book also.

You can also ask about the system of cleaning garbage in your locality. Who are the *safai karamcharis* in your area? What is their regularity of cleaning the garbage? What is the procedure of attendance-taking of the *safai karamcharis*? Please provide the attendance register of the *safai karamcharis* of the previous month.

Do not be bothered if you are demanding a detailed and rigorous answer. Questions of this kind elicit a better and accurate response. You can ask your questions without much introduction as long as they are clear on the requested specifications. Remember that in one form, you can ask questions related to one department only. Any number of questions can be asked but it is better to restrict to one issue only. For example you cannot ask about the water facilities and the road works from the same department.

What is the procedure?

The first stage is the filling up of Form-A which can be obtained free of cost from the designated officer in each department who is regarded as the Competent Authority for that particular department. See the Appendix for the list of departments and their competent authorities.

A fee of Rs 50 is charged for normal applications. For tenders and contracts the fee is Rs 500. In addition, Rs 5 a page is charged for copies of documents. Notice that the photocopying rate is five times the usual market rate! Along with the receipt of the fees you get a receiving slip on which the information will be given. You need not come every day to find out the status and come directly on the fixed day itself. Remember this should be within a 30-day working limit.

Helpful pointers

- Give the Form-A to the Competent Authority only.
- Do not forget to take the receipt of the Form-A submission.
- If the information asked is already in a published form then it is the job of the Competent Authority to inform the applicant and offer him the same at the prescribed rate.
- If the applicant does not know how to write or has difficulty writing/ framing questions then the Competent Authority is expected to provide necessary help.

- There is no need to type your questions. You can give them handwritten.
- Keep the language of your questions simple and write them neatly so that there is no excuse on part of the department to answer you incorrectly. In fact you can write all your questions on the back-side of the form as the space allotted for the information sought is expectably, insufficient. You may be asked to fill in a separate application form for each question. Do not be disheartened, the Act allows for sub-parts to a question.
- If the reply turns out to be a whole register, you do not have to pay the charges for photocopying the entire register; all you have to do is ask for an examination of the records in your application form. You can then look up the provided register and then photocopy only the pages that you need.

  No fees are to required to be paid in advance even if the amount of photocopying is voluminous. The proper course for the department is to receive the application on submission, compile the information sought, calculate the number of pages and fees based thereon and then to inform the applicant that the information could be collected on payment of the specified amount.
- You can ask the questions and for their replies in Hindi as well as in English.

The information supplied will be through Form-D. If the issue is beyond the jurisdiction of the Competent Authority, then you would get a Form-B in reply stating the same. If the request is denied, then the Competent Authority will give the reason for refusal and explain the appeal process in Form C. In case, if you fail to get a response within 30 days or are dissatisfied with the information provided, then you can go to the Public Grievances Commission, M Block, Vikas Bhavan, New Delhi–110 002 and appeal through Form-E stating your reasons for appeal.

If the information provided is false, the official supplying it is liable to pay a penalty of Rs 1,000 per application. If the information is not provided and the application is also not rejected, then the official is required to pay a penalty of Rs 50 per day up to a maximum of Rs 500 per application.

Another reminder. The Delhi Development Authority (DDA) and the police force are under the union government. The Delhi Right

To Information Act does not apply to them. So you need to wait until the Central Act comes into force.

See Appendix B for the forms.

This is great. But what are the weaknesses of the Act?

There is no provision of any independent appellate machinery. The Government assumes all the authorities of judge, jury and executioner here. So that leaves little scope for any effective pressure on the government to deliver apart from that of public opinion.

Surprisingly, an Act that is supposed to provide Right To Information does not provide any information on the initiation of disciplinary proceedings against the authorities, in case they do not follow the Public Grievances Commission's orders. In fact the Public Grievances Commission usually states in its decisions that *'The relevant authorities will I am sure, take necessary action as provided in Delhi Right To Information Act.'* It is nowhere prescribed in the Act:

- Who will initiate such disciplinary proceedings
- In how much time the disciplinary proceedings will be initiated
- When the disciplinary proceedings would be over and the fine determined
- Where the guilty officer would deposit the fine—would it be directly deducted from his salary or would he deposit it after receiving his pay

Given these shortcomings of the Act, authorities are already becoming slack after an initial burst of nervous activity. Applicants are being asked to file fresh applications if they are not satisfied with the previously provided information. Tedium—the ultimate tool of the bureaucracy for discouraging active citizenship is being employed with renewed vigour. Unsurprisingly, no penalties have been imposed on any of the errant officials in Delhi till date despite numerous complaints from the public.

Though the Act had scope for implementation of penalties, the explicit rules for it were not framed by the implementing authorities.

There are also contradictions within the Act. Section-9 of the Act provides for both fine and disciplinary proceedings where as Rule-6 provides for penalty in the form of fine alone. It also lacks the provision for providing information in 24 hours, where life and liberty of citizen are at stake.

The steep fee structure especially for tender and contract information will deter the poor in asking about developmental works. Remember the costs to the citizen include not only the fee spent for the application but also the time and effort spent in seeking the information. The Act is a recognition of the citizen's rights, not a means for revenue generation. If the government has to spend more money or hire more people to fulfill the right—including that of the poor citizen—then that money is *worth* spending. Remember that poor people constitute almost half of the population of Delhi. This means that this Act, in its present form, cannot be effectively used by half of the population.

The Municipal Corporation of Delhi (MCD) serving more than 95% of the population of Delhi has eight Competent Authorities with considerable overlapping in their jurisdictions due to the nature of the 'command structure' of MCD. For instance, the officials of Sanitation Department report to their Chief Engineer as well as to their Zonal Deputy Commissioner. Therefore, a particular zone falls under one Competent Authority but the Sanitation department falls under another. So, if an applicant wants to file an application related to sanitation issue in some part of Delhi, say Shahdara, the Competent Authority dealing with sanitation will send him to the Competent Authority dealing with Shahdara Zone and vice versa. The applicant keeps running around and is made to visit the MCD office several times with no solution in sight. Various recommendations made in this regard are yet to be implemented.

So what can be done to strengthen the Act?

- If the request for information is overly broad, then the Competent Authority should be required to help narrow the request so that it falls within the purview of the Act.
- An independent two-tier system of appeal should be set up and the appellate authority should have judicial powers to summon the records and officials of the government and also to impose penalty. Specifically, Rule 6, which deals with penalties, needs to be amended to allow penalties to be imposed not only on the Competent Authority but also on any other officers found in violation of the Act or contributing to its violation.
- The Act requires some information to be published by each department on duty-basis than on demand-basis. This required list (Table 1) can include money can include many other items related

to the budget, personnel, schemes and programs, salaries and wages, tenders and contracts. Instead of the Right To Information Act, there should be Duty To Publish Information Act. If the government published most of the information then it would not have to attend each request individually.

- Lower the application and photocopy fees. Consider the possibility of *Tatkal Sewa* at higher charges.
- Copies of all contract documents awarded by the MCD/ PWD and other administrative agencies should be kept in selected public libraries, in the nearest government school and also be given to the Residential Welfare Association of the area. The tenders and contracts should be put up on the website of the department with continual updates on the progress of the work. The information should also be provided in a digital format (on the floppy) to save paper and costs, particularly for large documents.

Nevertheless, the Delhi Right To Information Act even in its present form, is more effective than those passed in other states. Ironically, it is not listed in the major achievements of the state government and its revolutionary potential for application has been severely understated.

The onus is now on you to utilise it—to demand and to utilise the information to help bring better governance in Delhi.

—Prepared by Naveen Mandava

References

Full text of the Act and Rules are available at http://www.ar.delhigovt.nic.in/right1.html and http://www.ar.delhigovt.nic.in/right3.html

Education

Fund Students, Not Schools

MCD can construct *pucca* night shelters but not *pucca* schools for children.

Education

Fund Students, not Schools

At a Glance

Functions

Pre-primary and primary education is the main responsibility of the local bodies—the Municipal Corporation of Delhi (MCD), the New Delhi Municipal Council (NDMC) and the Delhi Cantonment Board (DCB). The secondary and higher education is mostly looked after by the Delhi government. Within the Delhi government, three directorates manage the education system: the Directorate of Education for the middle, secondary and senior secondary education; the Directorate of Higher Education for the financial assistance and regulation of higher education; and the Directorate of Training and Technical Education for imparting technical education at the undergraduate and postgraduate level.

Findings

- There are over 5 lac children living in 1,200 slums in the Capital who have no access to schooling. 1,000 new schools are required to meet their demand.
- As against a target of 230 new schools to be opened and 1.3 lac children to be enrolled during the Ninth Five Year Plan (1997-2002), the MCD opened only 92 schools and enrolled 0.91 lac children.
- The average teacher-student ratio of 1:45 in MCD seems fine but in some schools, one teacher teaches three to four classes simultaneously, about 200 students from different classes.
- In a study conducted by the Social Jurist it was found that more than 80% of the children who pass class V from MCD schools do not know how to read or write their names.
- The Directorate of Education spends more effort on regulating

private aided and unaided schools rather than managing the government schools.

- The efforts of the Directorate of Education in terms of extra coaching classes, preparation of question banks and monitoring pre-board exams, adopting schools by senior officers reflected itself in the improvement in results from 32% in 1997-98 to 46% in 2001-02 and in Senior Secondary Exam from 63% to 71%.
- Computer education has been introduced in 396 schools in senior secondary level at an allocation of Rs 23 crore. Steps have been taken to cover 748 remaining schools under this programme. Private agencies have been involved in providing adequate facilities.
- Indraprastha University is established to spread specialised professional education.

Reforms

- Provision of education vouchers (equivalent to the per capita expenditure of the government) should be given to poor students to enable them to attend the school of their choice.
- Poor performing schools should be subcontracted out to the teacher-management group/ NGOs and funds should be linked with performance.
- Entry regulations should be liberalised for entrepreneurs/ NGOs in setting up of schools.

Education

Fund Students, not Schools

There is little doubt and lot evidence that education is in a sorry state in the city. This is when education is on top of the agenda of the Delhi government and among the top three sectors if the government expenditure is analysed in terms of the purposes.[1] The school scenario across the NCT Delhi is provided in Table 1. It must however, be mentioned that the exact number of schools frequently differ across government documents. The amount that MCD had received and spent under the Ninth Five Year Plan[2] heads for education-related purposes is shown in Table 2.

Table 1: Number of Schools and Students in Delhi

Type of School	*Number of Schools*	*Number of Students*
Delhi government schools	1,011	8,75,122
Delhi government aided schools	217	1,55,000
Municipal Corporation of Delhi	1,826	9,06,000
New Delhi Municipal Council	80	30,000
Delhi Cantonment Board	6	3,500
Private unaided schools	995	7,70,000

Sources: Vats Committee Report, 2002 and www.delhigovernment.nic.in/dept/health/schoolhealth2.html

Table 2: Expenditure of MCD under Ninth Five Year Plan (Rs in crore)

Head	*Ninth Five Year Plan (1997–2002)*		
	Approved Outlay	*Expenditure*	*Amount Spent in excess (+) or leftover (-)*
General Education	300.00	364.51	-64.51
Sports & Youth Services	5.00	3.07	+1.93
Nutrition (primarily for the midday meal scheme[3])	90.00	61.00	+29.00

Source: Government of NCT Delhi. 2003. Annual Plan 2003-2004: Scheme-wise Plan Outlay Vol 3. Department of Planning

Against some of the Ninth Five Year Plan targets for new facilities to be provided by the MCD, their general performance as observed by the Comptroller and Auditor General of India in their Report for the year ended March 2002 are:

- As against a target of 230 new schools to be opened and 1.3 lac children to be enrolled during 1997-2002, the Corporation opened only 92 schools and enrolled 0.91 lac children, representing sho rtfalls of 60% and 30% respectively.
- Between 1997-98 and 2001-02, the Corporation failed to utilise funds totalling Rs 56.60 crore meant for expansion of primary schools and welfare schemes.
- Planning for the construction of classrooms was neither realistic nor systematic. As against the requirement of 3,908 new classrooms, construction of only 729 classrooms was completed up to March 2002. At the same time in 41 schools, 354 rooms were constructed in excess of requirement!
- One of the objectives of the Basic Minimum Services Scheme was to replace tented accommodation with *pucca* or semi-*pucca* accommodation. Despite sufficient funds, there was an increase in the number of schools/ classes functioning only in tents. The year 2001-02 saw 542 classes functioning entirely in tents and 988 classes conducted partially in tents.
- The Corporation failed to provide free textbooks to the students in time (i.e. after start of school term in April). The extent of delay ranged from 90 to 105 days in respect of more than 25% of the books.
- The Corporation also failed to provide uniforms to the students during 1998-99 and 2001-02. Owing to abnormal delays in finalising the tender for purchase of winter jerseys during the period from 1999-00 to 2001-02, the Corporation could issue winter jerseys to the students only at the end of the winter season!
- Out of a set target of 58,500 merit scholarships to be provided in the years 1997-2002, the achievement was a bare 52.3%. The Corporation attributed the shortfall in providing merit scholarships to the poor performance of the students in the examination conducted for the purpose. The reasons for their poor performance were, however, not analysed by the Corporation with a view to initiate corrective measures.

The CAG reports are replete of these irregularities and these are only purported to be the tip of the iceberg in light of the fact that only a fraction of the irregularities find their way into the public domain. In addition to the shortfall in physical targets, the quality of education is unbelievably poor. The Social Jurist[4] has noted that 80% of children passing Class V from MCD schools do not know how to read and write their names. The drop-out rate is quite high, at about 25% for MCD schools.

Let us see what the Directorate of Education[4] (which disburses funds to the local bodies) is doing in this regard. The Vats Committee Report of 2002 pointed out that the 'Directorate of Education is ill equipped to handle the management of the government schools…The Department[5] is too unwieldy to manage… Even basic data and information is not readily available with the Department…Right from the Director of Education to Education Officers, all remain busy through out the year either for administrative or litigation work and they can hardly spare enough time to look after the academic work…Those who join the Education Department start pursuing for their transfers to more lucrative departments and are not interested in working in the schools.' Incidentally, more than half the employees of the entire Delhi government work in the Directorate of Education.

A brief look at the finances and the schemes of the Delhi government for the education sector as shown in Table 3 would put the issue in a better perspective.

Table 3: Expenditure of the Directorates during Ninth Five Year Plan (Rs in crore)

Name of the Directorate	*Sector*	*Ninth Five Year Plan (1997-2002)*		
		Approved Outlay	*Expenditure*	*Amount in excess (+) leftover (-)*
Directorate of Education	General Education	504.00	428.24	–75.76
	Sports and Youth Services	60.00	22.41	–37.59
	Nutrition	8.50	0.48	–8.02
Directorate of Higher Education	General Education	50.75	120.70	+69.95
Directorate of Technical Education	Technical education	58.00	60.00	+2.00

Source: *Government of NCT Delhi. 2003. Annual Plan 2003-04. Vol 3. Department of Planning*

If you think this is the only sum of money they had at their disposal, take a look at the non-plan expenditures of these departments for the years 1997-2002 in Table 4. The non-plan expenditures wherein the revenue component is significant, as agreed by experts, is usually an indicator of poor fiscal management . Do pause to take a look at the unit! Wondering about the quality of expenditure? The Planning Department in its evaluation of some of the schemes commented thus:

Poor Performing Schemes[6]

- Opening of new middle schools
- Provision of additional schooling facilities in the age group 14-17 years
- Study camps/centres including study centre for students residing in rural areas/*Jhuggi Jhopri* colonies
- Introduction of computer course in government model composite schools

Table 4: Non Plan and Plan Expenditures from 1997-2002 (Rs in crore)

Department	*Years*	*Non-Plan*	*Plan*
Directorate of Education	1997-1998	642.6	21.0
	1998-1999	790.6	24.5
	1999-2000	831.2	32.5
	2000-2001	733.2	50.6
	2001-2002	738.9	156.6
	1997-2002	**3,736.5**	**285.2**
Directorate of Higher Education	1997-1998	7.4	6.5
	1998-1999	13.0	45.8
	1999-2000	15.8	33.9
	2000-2001	16.2	15.7
	2001-2002	17.0	11.0
	1997-2002	**69.4**	**112.9**
Directorate of Training & Technical Education	1997-1998	25.6	23.9
	1998-1999	31.5	24.5
	1999-2000	34.5	26.9
	2000-2001	36.4	23.1
	2001-2002	37.9	22.9
	1997-2002	**165.9**	**121.3**

Sources: *Government of NCT Delhi. Data abstracted from the Detailed Demands for Grants for the years of 1999-2000, 2000-01, 2001-02, 2002-03 and 2003-04*

Schemes not found feasible and dropped

- Education for All (Adult Literacy Programme)
- Specialised coaching facilities for talented students for entrance exams
- Coaching facilities to the students in rural areas

According to the National Institute of Urban Affairs,[7] there are over 5 lac children living in 1,200 slums in the Capital who have no access to schools. Their growing demand can be met only by setting up over 1,000 new schools, which is beyond the means of the Delhi government.

So we need more schools and better management of existing schools!

Reforms

The crux to the solution lies in the way we look at the nature of government spending and not judge it by how much it spends. The problem lies with the way education is delivered. We showcase a few solutions drawing lessons from tried and tested alternatives around the world. They bring in delivery mechanisms that are responsive to what parents and students require, meet the needs of all, including the most disadvantaged, and succeed in raising educational standards.

At the root of each reform is the key assumption that there is no reason why government and local-authority bodies should *deliver* education—even if it is assumed that the government should *fund* it. We have social benefits so that people can afford food and clothing, but the government does not run food and clothing stores; and indeed everyone benefits from having a large and diverse number of outlets providing these goods. It explains how, after years of state control and monopoly in education, the world is now turning instead to the empowerment of parents and diversity of provision. Since parents were denied choice, the service came to reflect the opinions of its producers rather than its customers. Better-off families could afford to move into costlier private unaided schools but those whom the system was intended to help the most, became those most failed by it.

Private Unaided Schools for the Poor

Studies[8] of urban Lucknow, Uttar Pradesh, showed that when controlled for a range of variables, including student cognitive ability, parental background, number of books in the home, and so on, students in private unaided schools scored up to 30 percent higher on standardised tests in mathematics than in other school types. Most significantly, when the cost per achievement point was computed, private unaided schools could achieve the same results for *less than half* the cost of the government schools. In fact the cost per student in a government school worked out to Rs 2,008; for a student in a private-aided school it was Rs 1,827 and for a student in a private-unaided school was Rs 999. The studies controlled for socio-economic factors and the possible bias that parents choose private education for their more motivated and able children. Numerous studies carried out across a wide range of developing countries have found that private schools not only are more effective educationally but they are also more efficient.

In fact the poor in India are already opting out of government schools and joining the private schools. The sixth All India Educational Survey shows that private unaided schools enrollment increased by 9.5 percent per annum as compared to 1.4 percent per annum for the government schools.

Studies[9] conducted in the Hyderabad District show that 61% of pupils are in private unaided schools. These private schools for the poor charged fees of about Rs 50 to Rs 150 per month, had an average student-teacher ratio of 29:1 and a majority of teachers who were graduates. Fathers were found to be largely daily-paid labourers and 30% of mothers were illiterate, but families were active in the school choice process, with over two thirds having investigated at least two schools in addition to the one finally selected. The schools did not meet all the regulations and so existed outside the law by making regular payments to the authorities.

Stifling Regulations

Existing laws and regulations are frequently a hindrance to the emergence of low-cost schooling.

The Delhi State Education Act and Rules (DSEAR) passed by Parliament in 1973 govern school education in Delhi. Many governments have come and gone since then but the DSEAR has not been touched even with a barge pole. It is this Act that has been stifling educational opportunities for the needy children in the Capital. The restrictions imposed on opening a private school are innumerable, making the entire process financially expensive and time consuming. To open a school in Delhi upto the VIII standard it would take you about 14 licenses and Rs 40 lac if research studies done on the procedures are to be believed.[10]

The Vats Committee points out that 'It (Delhi School Education Act) is obsolete now. It was enacted at a time when there were few schools. There seems to be a general neglect in both the Act and the Rules, of the government schools and *exclusive attention* has been paid to the regulation of aided and non-aided schools.'

It is this exclusive attention to the regulation of government-aided and non-aided schools that has hampered their functioning. Authorities in these schools frequently complain of the rigid rules that they have to adhere to with no flexibility to reward the good teachers and punish the errant ones. All decision-making is frequently routed through the Directorate with inevitable delays as often schools are located in far-flung areas and do not even have telephone connections.

Remember regulations are what keep the bureaucracy in business. Bureaucracies typically maximise budgets and megamise regulations. The Directorate of Education has more than 1,000 court cases in different courts and about 40 contempt petitions are pending in the different court cases. The laws, rules and regulations relating to setting up and running of schools must be simplified. We should deregulate the sector and allow easy entry and exit to service-providers.

There is also a vital provision in the Act which states that a school should be non-profit in nature. Only non-profit trusts and societies are allowed to operate schools and colleges. What harm would there be in recognising explicitly for-profit educational institutions? We know many schools make substantial profits or 'surplus.' The non-profit requirement creates corruption and illegality in our education system. Why then maintain the façade? Why not legally permit for-profit institutions?

A radical suggestion for improving education (schools/colleges) and to break the stranglehold of bureaucratic regulation would be to allow institutions to opt out of the regulatory system. The only requirement of the law would be that any institution choosing to opt out must display a large sign reading UNREGULATED and that any individual transacting with him is doing so at his own risk. By contrast, institutions that choose to remain within the regulatory system are free to display equally prominent signs like THIS INSTITUTION PROUDLY COMPLIES WITH ALL GOVERNMENT REGULATIONS.

This may not seem surprising in the wake of a study[11] of the unrecognised schools in Haryana that found 18.7% of the children attending unrecognised schools. The research team concluded that the distinction between a recognised and an unrecognised school is arbitrary and must be abolished at the earliest.

It is commonly argued that in terms of value for money, when you include all the bureaucratic costs, state education may actually be more expensive than private education. Why? Because too much of the education budget is wasted on inappropriate spending by distant officials.[12] The answer? Devolve the budget to front-line managers.[13]

Subcontract Schools and Issue Vouchers

Equality and educational standards would both rise if the government stopped running schools and paid others to do it instead. The government can subcontract[14] the managing of schools to private entities. This would involve doing away with the No-English–in-government schools. (Conduct a survey of where the children of politicians, bureaucrats and government teachers are studying and you will know why the poor are most affected by this decision.) The government need only give the funding that would otherwise be available for these schools, on a per capita basis. Teachers could be appointed by the private sector and the government makes a payment on the output basis. The Municipal Corporation of Delhi spends Rs 4797.46 per annum on each child which includes salary, construction on buildings, provision of basic amenities and midday meals according to information obtained by Parivartan under the Delhi Right To Information Act, 2001. The same amount of money would fetch greater returns to students and parents by allowing free competition among schools.

Also give parents an education voucher (EV) to cover the cost of their children's education. Let them choose the school they want and then the school can encash the voucher from the government. This may even involve providing bus passes to students to facilitate mobility to the school of their choice. Let schools strive to satisfy parents, as customers. And let them use the parents' education vouchers, however they want in running and developing their schools. In other words, let the funding for schools come bottom-up from parents, not top-down through layers of local government. The point of the EVs is not to just give parents enough money to send their children to a school but to give options to parents.

The government could then publish the performance of these sub-contracted schools, the parameters of which are based on objective and technically verifiable conditions (like attendance rates and performance levels).

Monopolies in the provision of education are harmful, so are they in the assessment of education. Competing sources of providers as well as assessors further the cause of good education. Independent certification and accreditation agencies should be encouraged to help monitor the quality of education. Again, instead of a monopoly or oligopoly of such agencies, freely competing agencies would provide more objective and accurate information to parents and students to enable them to make informed decisions. Newspapers and magazines can do surveys of best schools and colleges.

The government must focus on the output rather than the inputs into the education system. Rewarding performance providers would give the private party the incentives to try new models of service delivery. A good start would be to subcontract the sanitation facilities inside schools to agencies like Sulabh International! Measures like Bhagidari[15] management of schools are essentially performance-feedback mechanisms and not service-delivery mechanisms. Without devolution of finance, authority and accountability any measure to include civil society representatives on boards of schools would not deliver results.

We commend the Delhi Education Minister, Rajkumar Chauhan's noteworthy initiative to privatise non-performing government schools (about 30 of the worst run MCD schools) in Delhi to improve their standards. The poor would benefit immensely from this measure as the rich can always opt for better performing schools but the poor are trapped due to the lack of choice. However it seems the initiative was scuttled owing to mistaken notions of commercialisation of education. These measures have been even tried in Bangladesh and Chile with admirable and verifiable success and there is no reason why we should lag behind them or not lead the rest of the country.

Introduction of choice, competition and entrepreneurship to the sector of education does work. They are not extreme ideas, but a normal and successful part of the armoury of approaches to education adopted throughout the world. They are ideas whose time has come. Vested interests (read 'under-performing teachers and officials') may bicker at potential loss of jobs, but with students and parents being satisfied customers, the political leadership will have enough votes and support to make some hard choices and bring about beneficial change. The political advantages are evident with the politicians able to shift blame on a particular service-provider and disband him rather than put up with a bureaucracy which may not respond efficiently to the urgency of the pressure and needs of people.

Taking a cue from the booming private tuition industry and the high prevalence of unrecognised schools, we can also allow private teachers to teach students and then provide the teachers the allocated amount of money for the students, if they pass the public examination with a predetermined percentage of marks. Encouraging open schooling in the state through setting up a State Open School in Delhi can enable students to undergo schooling and yet apply for institutions which follow the CBSE/ICSE boards or which come under the purview of universities in Delhi. This would mitigate the problem of non-formal education system and drop-outs and hence ease admission problems. This would also mean bundling up the money allotted for the different schemes in the Tenth Five Year Plan such as:

- Free supply of textbooks: Rs 150 lac
- Strengthening of book bank: Rs 150 lac
- Improvement of school libraries: Rs 150 lac
- Subsidy for uniforms: Rs 600 lac
- Improvement and expansion of teaching of science at school stage: Rs 65 lac
- Educational tours: Rs 30 lac
- Educational and Vocational Guidance: Rs 20 lac and transfer the money to the Principals of the institutions. The service providers are most aware of the consumer requirements. There should be an absolute transparency in the devolution of funds and consequent knowledge to the parents of the students. Thus continuous pressure would be present on the school management to provide proper schooling to students and satisfy the parents.

Other measures to improve the functioning of institutions under the Directorates are:

- Transparency in the Directorates' expenditure along with Performance Budgets (how do they spend the money and translate money into results?) and details of Establishment Charges (how much do they spend on themselves?)
- Output targets are not reflective of actual schooling demand. Allow the supply-side of schooling to match and live upto the expectations of the parents or else face closure if not competent enough.
- Availability of data on per student expenditure in each school
- Government should focus on ensuring transparency to parents of enrolled students and allow independent agencies to provide assessments of the schools to enable informed choices by students
- All enquiry/committee reports to be put up in the public domain
- Despite proliferation of agencies (we have separate Directorates for Education, Higher Education and Training and Technical Education), it has been found that decision-making is extremely centralised at the higher levels. Hence decentralise the decision-making and allow the end-providers to be directly accountable to the end-users.
- Midday meals and other such schemes should be under the direct control of the principal (he could contract out the meals' supply independently or seek the help of the Directorate in finding such a supplier) with all information (including finances) pertaining to the contracts put up for public display inside the premises. The job of the Directorate would be relegated to simply obtain feedback and monitor the results.

Unless we proceed with these measures we would continue to have heart-breaking newspaper headlines like these in the future.

—Prepared by Naveen Mandava

MCD goes to school, doesn't have textbooks

EXPRESS NEWS SERVICE

Day 1 of mid-day meals from ISKCON

MCD tent school asks for a roof but gets sky

Notes

1 It was 21.86% in 1998-99 and 20.69% in 1997-98.

2 Government spending is shown as plan and non-plan. Plan spending is that in line with the Five Year Plans constituted by the government. Non plan expenditure is the expenditure for operations and maintenance. However, this approach of plan and non plan segregration of expenditure has come under severe attack in recent times due to the ambiguities in the process.

3 The Delhi Planning Department had a report by the evaluation unit on the midday meal scheme which recorded among other instances of mismanagement, that the midday meal is not provided to the students on 200 school days in majority of the schools which is the target as per objective of the plan scheme of midday meal. It was observed that the poor coverage, poor expenditure, supply of sub-standard material and lack of flexibility in the implementation of the scheme are the result of a centralised procurement and distribution system. Source http://delhiplanning.nic.in/Reports/MidDayMeal.pdf

3 An NGO run by lawyers and quite active in the field of education. Data accessed at http://www.azimpremjifoundation.org/html/articles_schoolc haloabhiyan.htm

4 It is a symptom of the administrative problem within Delhi where the funds are disbursed by the state government to the local bodies but they are not totally accountable to the Delhi government. This fracture of fund-allocation and accountability is the cause of most civic problems with a bureaucracy not directly accountable to the political leadership. Solution: Make the local bodies more accountable to the elected assembly government.

5 Observe the ambiguity through the Department being mentioned as Directorate simultaneously.

6 Government of NCT Delhi. 2002. Appraisal of Ninth Five Year Plan. Department of Planning

7 Accessed at http://www.niua.org/newniuaorg/peepprofile.htm

8 Kingdon, Geeta (1996). *The Quality and Efficiency of Private and Public Education: A Case Study of Urban India.* Oxford Bulletin of Economics and Statistics and Kingdon, Geeta. 1996b. *Private Schooling in India: Size, Nature and Equity-effects.* LSE, Development Economics Programme.

9 Tooley, James. 2000. *The Private Sector Serving the Educational Needs of the Poor: A Case Study from India*, with Policy Recommendations. Paper for the Public-Private Partnerships in Education Program, ADB Institute. Tokyo: 29 May-7 June 2000.

10 See *Licences to open a school* accessed at http://www.ccsindia.org/School.pdf
Of Opening Colleges and Obtaining Licences accessed at http://www.ccsindia.org/Intern2002_3_Colleges_licences.pdf
Let Quality Prevail accessed at http://www.indianexpress.com/columnists/phil/20011203.html
Research Projects in education accessed at www.idpad.org/docs/2001-1ParthaJShah.doc

11 Yash Aggarwal. 2000. *Public and Private Partnership in Primary education in India: A study of unrecognised schools in Haryana.* New Delhi: National Institute of Educational Planning and Administration

[12] Usually a government spends upwards of atleast of Rs 1,000 per child per year. Compare this with the cost to Non Profit Organisations (NPOs)/ Non Government Organisations of Rs 50 to 65 per child per month. There are now NPOs who have offered to take on the task of teaching at 1/10th the cost incurred by government, with a guaranteed and measurable quality of output (i.e. testable levels of reading, writing and arithmetic ability). One can now begin to get an idea of what can be achieved by a radical new approach. Refer http://planningcommission.nic.in/reports/articles/virmani/pvtedu.htm

[13] The Vats Committee points out that 'The condition of school buildings and toilets are very poor. There is no proper maintenance of the buildings. The Public Works Department is the only agency to look after the repairs and the upkeep of the school buildings which has proved to be a dismal failure. Despite repeated demands from the Directorate of Education of a Senior Engineer in PWD to be specially designated for Directorate of Education to look after its work, no progress has been made and the government school buildings lie in a state of sheer neglect. Principals have no authority to arrange for repairs from private agencies.'

[14] If the government is so averse to sub-contracting services, we advise that the government subcontract many of its maintenance services to competing private service providers and see the radical changes in results.

[15] Bhagidari is a good example of what political leadership can do when faced with bureaucratic inertia. It has brought the citizen closer to the government but the government will not further come closer to the citizen unless fundamental changes in delivery mechanisms are made by introducing option and competition in suppliers of civic services.

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Environment

Towards Community and Market Management

Environment

Towards Community and Market Management

At a Glance

Functions

The Department of Environment is engaged in overall environmental assessment, monitoring, protection and raising awareness among the people of Delhi. The Delhi Pollution Control Committee (DPCC) is responsible for environmental monitoring and implementation of various pollution control acts and rules.

Findings

- The Department of Environment has the responsibility of improving the overall environmental quality in Delhi.
- The Department was allocated Rs 585 lac in the Ninth Five Year Plan period, of which it spent Rs 562.25 lac. During this period the DPCC received Rs 600 lac, and its total expenditure was Rs 798.43 lac.
- Prominent campaigns of the Department include anti-littering, anti-plastic, clean Yamuna, and anti-fire crackers.
- Till December 2002, about 1,161 eco-clubs were set up in government-aided private and public schools as well as 67 Delhi colleges.
- The expenditure of the Public Environmental Awareness Schemes was Rs 325.92 lac, nearly three times the funds allocated during the Ninth Five Year Plan.
- For the scheme 'Pollution Disaster and Hazardous Waste Management' the approved outlay was Rs 50 lac and the expenditure was only around Rs 5 lac.
- For some schemes the entire expenditure for the year has been made in the *last month* of the financial year instead of being spread evenly all through the year. Storming seems to be a common way of functioning for the Department.

Reforms

- The functions of *compliance* and *ambient* monitoring, both of which are currently performed by the DPCC, should be separated to eliminate possible conflict of interest and source of corruption.
- 'Consent committees' that involve community leaders, non-governmental organisations (NGOs), and other stakeholders should be formed to grant industrial permits. This will make the process transparent and community relevant.
- Centralised monitoring through state or national level agencies is inefficient. They can play a supervisory role but actual monitoring—ambient and compliance—should be decentralised. Consent committees, industrial estate associations including Common Effluent Treatment Plants (CETPs), and NGOs can be involved in decentralised monitoring.
- The polluter must pay: The Common Effluent Treatment Plants must be constructed and maintained by industrial estates and not by taxpayers.
- Use market-based instruments to change incentives and mitigate the tragedy of the commons. Vehicles that pollute more should pay at a higher rate of pollution tax.

City green in patches: Study

PUJA BIRLA
NEW DELHI, SEPTEMBER 29

THE State of Forest Report, brought out by the Forest Survey of India, states that the green cover in Delhi has increased by 2,310 hectare in 2001 from 8,800 hectare in 1999. But the final report of the Supreme Court appointed Environment Protection and Control Authority (EPCA) paints a less rosy picture.

The EPCA report, submitted to the Court in July 2003, notes: "Most of the city is devoid of any forest cover because the land area under forests is not on a uniform basis."

Areas in east, north-east, north-west and west Delhi have three per cent or less forest cover, compared to the geographical area of the city. The forest cover is concentrated in the New Delhi areas and in South Delhi.

The total green cover of the Capital is 10.2 per cent of its geographical area.

"It is not enough to have green cover in one or two patches. The green cover in New Delhi areas will help the residents of that area. What about people in Shakurbasti or Punjabi Bagh. Where are the purifying lungs for most of Delhi?" asks an EPCA member.

In its annual plantation drives, the various civic agencies such as DDA, MCD, NDMC and the Delhi government's forest department plant between 6-8 lakh saplings across the city. The combined annual budget of the horticulture departments of these agencies is over Rs 100 crore. The EPCA report is scathing about the afforestation activities done in lieu of tree-cutting because of development projects.

The report states: "As per the submissions of the Conservator of Forests, as many as 15,144 were given permission to be cut during 2002-03. Though these agencies are required to undertake compensatory afforestation, there is no clear estimate with regard to their actual implementation and the status of these plantations [illegible] have been identified."

Delhi government officials agree. "It is true that the green cover in east and west of Delhi is very sparse. In fact, in east Delhi even the green areas have been encroached upon. But all these land lots are with the DDA," admits Delhi environment secretary Naini Jaiswal.

"The compensatory afforestation is being done, but the different agencies have not specified where exactly they are doing it," she observes. "We have asked these agencies to let us know by September 30 the status of their afforestation projects."

The EPCA report also [illegible] forest in Delhi is the Ridge, which is about 7,800 hectare in area. "Only 3,800 hectare is classified as dense forest. It means that only half the Ridge area is under closed canopy cover and the rest is open forests with a canopy density of 10-40 per cent."

For a population of 1.4 crore, "the emerging scenario is grim." If the total green cover is 11,110 hectare, "the per capita forest and tree cover in the city is 0.0006 hectare or just 8 square metres. Given that most of this tree cover is in the least populated parts of the city, the per capita availability of green area is clearly deplorable for most [illegible]

Environment

Towards Community and Market Management

The Department of Environment is responsible for overall environmental assessment, monitoring, protection and raising awareness among the people of Delhi. Delhi Pollution Control Committee (DPCC) is a statutory agency under the Department of Environment. The Central Pollution Control Board has delegated all its powers and functions to the DPCC since March 1991. The DPCC is responsible for the implementation of the various pollution control acts and rules which already exist and those which are passed by the Department.

The Department has a three-tier organisational structure with a Secretary at the top followed by a Deputy Secretary, Senior Scientific Officers (three) and Scientists (three) followed by an Office Superintendent. The Secretary (Environment) is the Head of the Department and also the ex-officio Chairperson of DPCC. The Deputy Secretary (Environment) supervises all departmental activities and is also the competent authority for providing information under the Right To Information Act. Senior Scientific Officers and Scientists implement the plan schemes of the Department.

The functions of the Department include:

- Composting horticulture waste, and using it as manure for kitchen gardens, nurseries, parks
- Organising tree plantation programmes in schools, residential areas, parks, industrial areas
- Creating awareness among the public and motivating them to adopt life styles supportive of healthy, clean and green environment

The DPCC is entrusted with the enforcement of various environmental acts and rules, and its main functions are:

- Issuance of the 'Consent certificate' to the industries conforming to the areas under green and orange categories
- Issuance of authorisation to hospitals, animal clinics, blood banks

- Prepare manuals, codes and guidelines relating to treatment and disposal of sewage and trade effluents as well as for stack gas cleaning devices, stacks and ducts
- Assess the quality of ambient water and air

Some of the important acts and rules[1] that the DPCC is responsible for enforcing are:

- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Water (Prevention and Control of Pollution) Cess Act, 1977
- The Environment (Protection) Act, 1986
- The Hazardous Wastes (Management and Handling) Rules, 1989
- The Bio-Medical Waste (Management and Handling) Rules, 1998
- The Recycled Plastics Manufacture and Usage Rules, 1999
- The Municipal Solid Wastes (Management and Handling) Rules, 2000
- The Noise Pollution (Regulation and Control) Rules, 2000
- Delhi Plastic Bag (Manufacture, Sales and Usage) and Non-Biodegradable Garbage (Control) Act, 2000

The Department finances its day-to-day working and schemes through annual grants sanctioned by the Delhi government. Overall, the Department was allocated Rs 585 lac in the Ninth Five Year Plan period, of which it spent Rs 562.25 lac. The approved plan outlay from the government and the expenditure in this sector are shown in Table 1.

Major Plans and Schemes[2]

The Department of Environment has undertaken many schemes for improving the quality of environment in Delhi. Some of these schemes are:

Public Environmental Awareness and other Activities

The major planned and executed campaign activities under this plan scheme are:

1. Anti-littering and anti-plastic bag campaign
2. Clean Yamuna campaign
3. Anti-fire crackers campaign
4. *Khelo Holi* naturally campaign
5. Prohibition on burning leaves campaign

The campaigns involve participation of Residents' Welfare Associations (RWAs), Market Traders' Associations (MTAs), industrial associa-

Table 1: Plan Scheme Allocation and Expenditure (Rs in lac)

Name of the Sector/ Scheme	*NFYP Approved Outlay*	*Actual Expenditure During NFYP*	*TFYP Approved Outlay*
Grant in aid to DPCC	600.00	798.43	500.00
Public Environmental Awareness and other related activities	135.00	325.92	800.00
Pollution Disaster and Hazardous Waste Management	50.00	4.57	400.00
Strengthening of the Department	125.00	48.03	600.00
Environment data generation, survey, research projects and other related activities	100.00	35.57	160.00
Eco-clubs in schools and colleges	100.00	134.87	500.00
Assistance to NGOs in the promotion, conservation and preservation of environment	75.00	13.29	100.00
Preparation of Environmental Management Plan			100.00
Installing CETPs in 18 major drains that discharge into the Yamuna (new)			1,800.00

Sources: Government of NCT Delhi. 2003. Annual Plan 2003-2004. Department of Planning

NFYP: Ninth Five Year Plan, *TFYP:* Tenth Five Year Plan, *DPCC:* Delhi Pollution Control Committee,*CETP:* Common Effluent Treatment Plan

tions, schools/ colleges, institutions, corporates and non-governmental organisations.

Setting up Eco-clubs in Schools and Colleges

Eco-clubs are environment clubs which are formed in various educational institutes. Till December 2002, about 1,161 eco-clubs were set up in government-aided private and public schools and 67 Delhi colleges. The Department provides a grant of Rs 4,000 to each eco-club undertaking various eco-friendly activities. The major activities carried out by these eco-clubs include tree plantations, clean drives, awareness programmes like quizzes, essay-writing competitions, nature trails.

Hazardous Waste Management

The Department has entrusted Environmental Impact Assessment (EIA) study to the National Productivity Council for the development of three pre-identified potential hazardous waste disposal sites namely

1. Bawana—Relocation site
2. Wazirpur—Industrial area CETP site
3. Gumenhera site

Environment Data Generation Survey Research Projects and other Activities

The objective of the scheme is to conduct need-based environment survey and data generation on quantum of pollutants generated from various sources. Under the scheme, various environmental studies are conducted through NGOs, reputed consultancy organisations, research and academic institutions by providing necessary financial assistance to them.

Assistance to NGOs in Promotion, Conservation and Preservation of Environment

The main purpose of this scheme is to promote and assist various NGOs in the conservation and preservation of environment and pollution control activities.

Major Achievements[3]

Plantation/ Greening of Delhi

- About 90 lac seedlings have been planted and 12 lac seedlings have been distributed by various greening agencies.
- The forest cover of the NCT Delhi has increased from 26 sq km in 1997 to 88 sq km in 2002 (increase of 62 sq km).

Environment Awareness Campaigns

- More than 1,100 eco-clubs have been established in various schools/ colleges of Delhi, out of which more than 50% are government schools.
- The Delhi Plastic Bag (Manufacture, Sales and Usage) and Non-Biodegradable Garbage (Control) Act, 2000 is being implemented in Delhi since 2 October 2001. The implementation of this Act is undertaken by DPCC.
- Eco-care programs (Environment and Sanitation drive) in the residential areas are conducted with the help of RWAs, eco-club of schools/colleges, NGOs and educational institutions.
- Yamuna Action Plan Phase-II of the Ministry of Environment and Forests, Government of India is coordinated by this Department

and some projects have been finalised in association with Delhi Jal Board and Municipal Corporation of Delhi.

Waste Management

The Delhi Plastic Bag (Manufacture, Sales and Usage) and Non Bio-degradable Garbage (Control) Act, 2000 and its rules were enacted in order to prohibit the throwing of the garbage in public places and ensure segregation and proper disposal of non-biodegradable garbage. Violation of the provisions of the Act can lead to imprisonment upto one month or a fine upto Rs 5,000 or both.

Conservation of Water

- Rainwater harvesting and research and development projects have been sanctioned and are being implemented through RWAs, academic institutions like Jawaharlal Nehru University and Indian Institute of Technology and by NGOs such as International Trust for Art and Culture Heritage and Association for Environment and Development Research.
- Eco-club schools have also have been sensitised and trained for roof top rainwater harvesting.

Ambient Air Quality

- The Department claims that over the period of 1999–2003, a *distinct* improvement has been recorded in the ambient air quality of Delhi in terms of suspended particulate matter (SPM), sulphur dioxide (SO2), and oxides of nitrogen (NO) and lead. This was achieved through persistent efforts of phasing out old commercial vehicles, introduction of unleaded petrol and low-sulphur diesel, extensive use of CNG based vehicles and increase in forest cover.

If we look at the Ninth Five Year Plan (1997–2002) some observations follow. For some schemes the budget allocations are much more than the expenditures and for others the expenditures far exceed the allocations. For example, for the scheme 'Public Environmental Awareness and other activities,' the approved outlay was of Rs 135 lac whereas the expenditure was nearly three times the approved outlay. On the other hand, for the Pollution Disaster and Hazardous Waste Management, the approved outlay was Rs 50 lac and the expenditure was only Rs 4.75 lac, which is not even 10 percent of the approved amount.

Table 2: Pattern of Expenditure of the Department of Environment, 2003–04 (Rs)

Head of Account	*Budget Allotted during 2002–2003*	*Expenditure upto February 2003*	*Expenditure for the month of March 2003*	*Total Expenditure*
Grant in aid to DPCC	1,00,00,000	–	25,00,000	25,00,000
Public Environmental Awareness and other activities	1,50,00,000	85,20,790	32,83,495	1,18,04,285
Setting up of Pollution Disaster and Hazard Management Cell	10,00,000	–	1,60,200	1,60,200
Strengthening of Technical set up in the Department of Environment	20,00,000	7,70,898	1,82,330	9,53,228
Assistance for Abatement of Pollution	30,00,000	21,03,285	2,27,426	23,30,711
Environment Data Generation, Survey, Research Project and other activities	30,00,000	–	14,96,120	14,96,120
Eco-clubs in Schools and Colleges	1,00,00,000	51,37,465	11,47,381	62,84,846
Assistance to NGOs in the promotion	20,00,000	–	10,17,000	10,17,000
Preparation of Environment Management Plan	10,00,000	–	–	–
Installing ETPs in 17 drains which discharges into river Yamuna	10,00,000	–	–	–
Environmental Management Capacity Building for Environment Information System Programme (CSS)	5,00,000	–	1,20,409	1,20,409

Source: Government of NCT Delhi. 2003. Financial Statements of the Department. Department of Environment.

For strengthening of the Department itself, the approved outlay was of Rs 1.25 lac and the expenditure was less than 50% of this amount. Thus, there is no correlation between the approved amount and the expenditure for many of the schemes.

Another major flaw in the working of the Department is the tendency towards 'storming' in their expenditure pattern. This is clearly visible from Table 2, showing the expenditure pattern of the Department for the year 2002–2003.

It can be seen very clearly from the table that for some sectors/

schemes the entire expenditure has been made in the last month of the financial year instead of being spread all through the year. Another problem with the Department is multiplicity of authority that is inherent in the entire machinery of the Delhi administrative agencies. This problem gets aggravated in light of the fact that the regulatory body of the Department, DPCC is controlled by the Central Pollution Control Board, which is a central government authority.

Reforms

- *Compliance* monitoring and *ambient* monitoring, both of which are currently performed by the DPCC, should be separated to eliminate the possible conflict of interest and source of corruption.
- DPCC should be required to make public the compliance of industries—the outcomes of their regulatory work. In addition, consent decrees, Environmental Impact Assessment Plans (EIAs) and Environmental Management Plans (EMPs) should also be in public domain so that the basis of governmental decisions is open to scrutiny.
- The 'polluter pays' principle should be implemented, which would involve developing a system of monetary non-compliance penalties. The Common Effluent Treatment Plants (CETPs) should be made responsible for compliance within industrial estates.
- With regard to vehicular pollution, this would mean introducing pricing instruments (such as emissions taxes)—the tax for a new vehicle could be a flat lump-sum amount for the first five years of its operation, following which the tax for each consecutive year would depend on the level of emissions of the particular vehicle type. Also, a spot-fine for excess emission could be introduced.
- Formation of consent committees that involve community leaders, NGOs, and other stakeholders to grant industrial permits. This will not only make the process transparent but also community relevant—decisions will be made by people who will be directly affected by new industries and developments.
- The urban environment can be better managed by encouraging private sector participation in the three components of urban solid waste management: household collection and street sweeping, bulk transport of waste, and disposal at the dump site.
- Centralised monitoring through state or national level agencies is

inefficient. They can play a supervisory role but actual monitoring—ambient and compliance—should be decentralised. Consent committees, industrial estate associations including CETPs, and NGOs can be involved in decentralised monitoring.

—Prepared by Vidisha Maitra with the help of Anupriya Singhal

Notes

1 Full text of acts available at http://environment.delhigovt.nic.in/

2 Government of NCT Delhi. Planning Department

3 Government of NCT Delhi. 2002. Appraisal of Ninth Five Year Plan. Department of Planning

Delhi's pollution politics

MONDAY's violent protests in parts of Delhi by owners and workers of the industrial units affected by the November 19 Supreme Court order gave one clear and painful message: pollution may be the

River revival

Manash Pratim Gohain

DPS Society's River Yatra, made up of 20,000 students tracing the course of the rivers Ganga and Yamuna, getting people to help keep them clean, finally came to at New Delhi's

Yamuna Action Plan: Yap, yap, yap...

Saurabh Tankha

uals not employed with the government-run vends had been selling liquor.

At the Delhi State Industry Development Corporation (DSIDC) in Ashok Vihar Phase-II, the team nabbed

though he declared to the register that he was earning only Rs 500 every day.

At another DTTDC vend in Gole Market, Chief Minister Sheila Dikshit's constituency, the branch seized documents suspecting irreg-

to be posted there. These vends are being put under scanner," the official said.

The department has also asked the corporations to link their vends so that everyday sale and stock update could be checked.

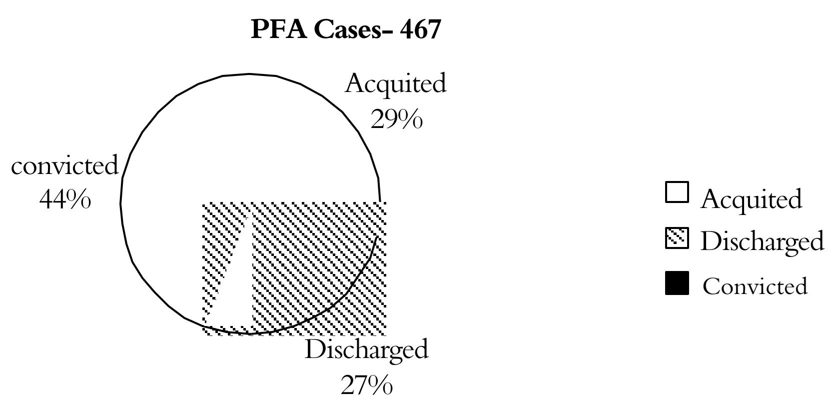
Department of Prevention of Food Adulteration

In 1954, the Central government enacted the Prevention of Food Adulteration (PFA) Act. In 1977, a Prevention of Food Adulteration Department was set up in Delhi for effective implementation of the provisions of PFA Act, 1954 and PFA Rules, 1955. The offence of adulteration, if proved in court attracts a sentence ranging from three months imprisonment and a fine of Rs 500 to life imprisonment and a fine of Rs 5,000 depending upon the degree of adulteration.

Performance

The Department has 37 inspectors to inspect over 1.50 lac (registered) food establishments. The number of unlicenced establishments is estimated to be three times this number. The Department did not have a permanent public analyst for a long time, and no permanent laboratory either. It's also interesting to note that PFA does not know the number of food outlets in Delhi. According to the Director of (PFA), if one inspector was to visit one shop in a day, a shop would be visited once in 17 years. The number of inspectors has remained the same since 1960.

Figure 1: Prevention of Food and Adulteration Cases

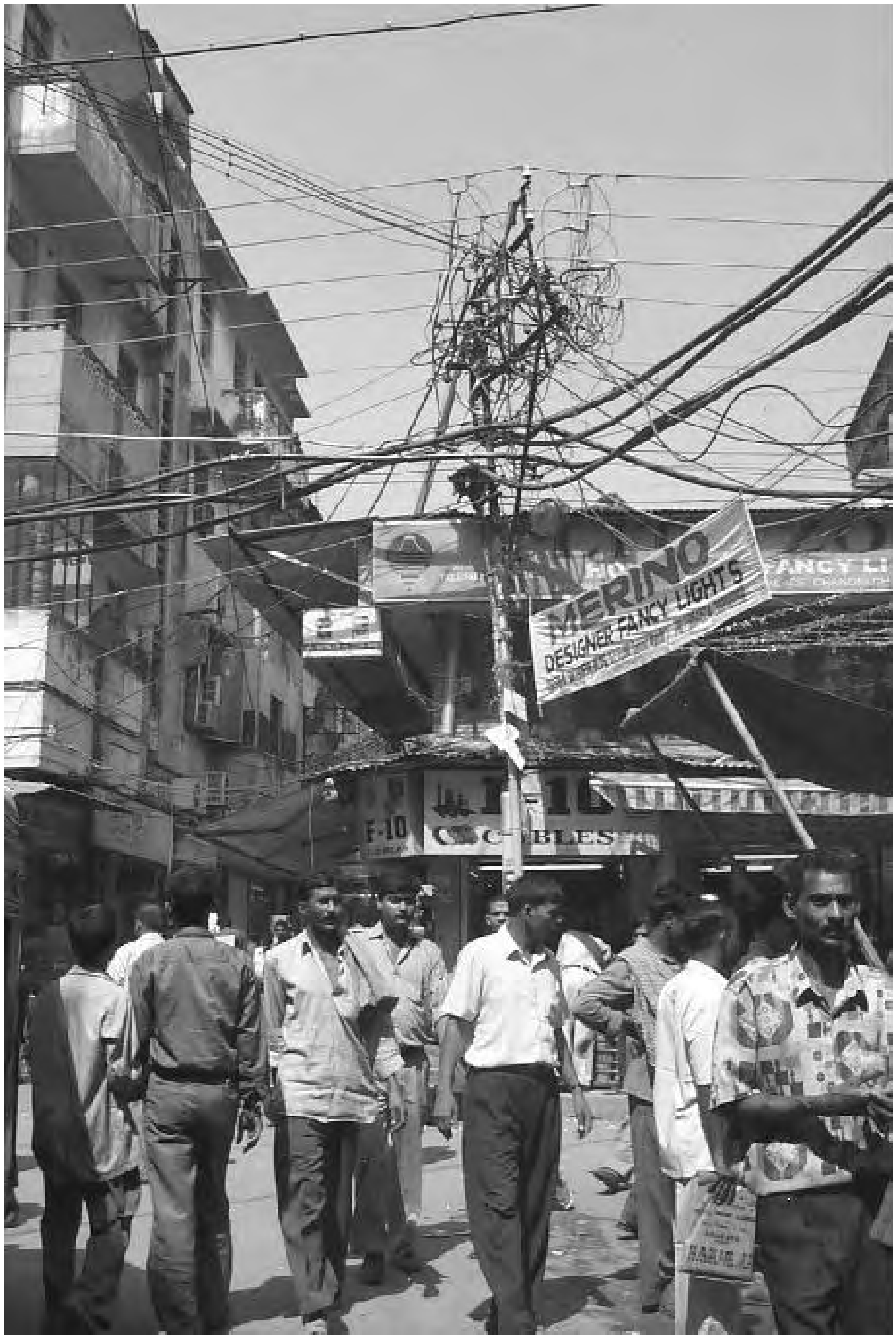


Source: *Government of NCT Delhi. 1999. CAG Report. p 60*

During a period of five years (1994-1999), the Department collected 4,485 samples out of which 607 (13.5%) were found to be adulterated. The Department initiated prosecution in 557 cases and courts decided 467 cases. The rate of conviction was 44% and the rate of acquittal was 29%. The courts discharged 27% of the 467 cases, acting on the reports of Central Food Laboratory, Kolkata, because either the

Power

From Privatisation to Competition



Mangled wires, mangled lives.

Power

From Privatisation to Competition

At a Glance

Findings

- The Delhi Electricity Regulatory Commission (DERC), created by the Electricity Regulatory Commission Act, 1998 is the regulatory authority for the power sector in Delhi. Its responsibilities include determination of the tariff for electricity (wholesale, bulk, grid or retail), determination of the tariff payable for the use of transmission and promotion of competition, efficiency and economy in the activities of the electricity industry.
- In January 2001, the Delhi Vidyut Board (DVB) was divided into six successor entities: one holding company, one generation company (GENCO), one transmission company (TRANSCO) and three distribution companies (DISCOMs).
- Private DISCOMs are offered a Return on Equity (RoE) of 16% post-tax.
- Instead of creating competition between DISCOMs, the privatisation process has led to the creation of private monopolies.
- Rationale for privatisation: Transmission and Distribution (T&D) losses of DVB increased from 7% in 1953 to over 50% in 2000. Commercial losses of DVB increased from Rs 207 crore in 1993 to Rs 1,103 crore in 2000.

Reforms

- Ward-level Power Consumer Associations should take responsibility for contracting out power distribution services to private players. Competition among the firms and the threat of termination of contracts would drive down tariffs and increase efficiency.
- The provisions of the Central Electricity Act, 2003 should be effectively implemented and enforced, so that open access to the trans-

mission and distribution grids and power trading can be facilitated. This would also allow for setting up of captive power plants without any restrictions.

Power
From Privatisation to Competition

According to the Constitution, the central as well as state government can set up guidelines relating to the power sector. The principal acts governing the power sector in Delhi before privatisation were:
- Indian Electricity Act, 1910
- The Electricity (Supply) Act, 1948
- The Electricity Regulatory Commission Act, 1998
- The Delhi Electricity Control Order (DECO), 1959
- The Delhi Vidyut Board Control Regulations 1998

These acts have been replaced by the Delhi Electricity Reforms Act, 2001 and the Central Electricity Act, 2003.

Institutions

Delhi Vidyut Board

Delhi Vidyut Board (DVB), the State Electricity Board of Delhi, was founded in 1997 and was the successor of the Delhi Electric Supply Undertaking (DESU). The DESU was a part of the Municipal Corporation in Delhi. DVB was placed under the Delhi government. As per the Electricity (Supply) Act, 1948 it controlled electricity generation, transmission and distribution in Delhi.

Delhi Electricity Regulatory Commission

After privatisation of DVB, the Delhi Electricity Regulatory Commission is the governing body.

The tasks of the DERC are:
- Determination of the tariff for electricity, wholesale, bulk, grid or retail
- Determination of the tariff payable for the use of transmission
- Regulation of power purchase and procurement process of the transmission utilities and distribution utilities
- Promotion of competition, efficiency and economy in the activities of the electricity industry

Problems in the Electricity Sector in Delhi

In the recent years, performance of the power sector in Delhi deteriorated dramatically due to various reasons:

- T&D losses (Transmission and Distribution losses) increased from 7% in 1953 to over 50% in 2000. Around 18% losses are transmission losses and 32% is lost due to power theft.
- Maintenance was neglected, leading to inefficiently working equipment.
- Commercial losses of DVB increased sharply from Rs 207 crore in 1993 to Rs 1,103 crore in 2000.

The problems of the electricity sector in Delhi before privatisation can be divided into three sections:

- Demand-Supply Imbalance
- Transmission and Distribution Losses
- Financial Position of the DVB

Demand-Supply Imbalance

While the peak demand for energy grew steadily over recent years, power supply from DVB owned power plants remained stagnant. In spite of an 'own' installed capacity of around 700 MW, DVB's power generation companies could not provide more than 300-350 MW. One reason for this is the age of the power stations. For example the Indraprastha Power Station, that provides 125 MW, is 30 years old and the gas turbine stations that provide about 250 MW are more than 10 years old. This results in very high production costs, due to the inefficient operating rate and the high consumption of fuel brought about by the age of the plants.

To solve this problem, between 1994 and 1995, three new projects with private sector participation were identified. But for various reasons, little progress was made in implementing these projects.

Transmission and Distribution (T&D) Losses

Another major problem in Delhi's power system is the high level of T&D losses. Between 1995 and 2001, T&D losses ranged between 40% to 50% of total power availability.

In its 'Strategy Paper on Power Sector in Delhi' DVB identified various reasons for the upsurge in T&D losses:

- Many consumers who are on metered supply still indulge in power theft. This phenomenon is observed in all categories of consumers, as also in industries and commercial establishments.

- Under the present legal framework it is not possible to provide consumers who live in unauthorised colonies with a legal connection. This leads to illegal tapping of power from the mains.
- Some industries and commercial establishments in non-conforming areas and urbanised villages resort to misuse or theft due to prevalent conditions of supply.

In addition, many users load more than the agreed limit, or tamper with the meters. On the issue of power thefts and their prevention, the 'soft approach' of successive governments, populism and compulsions of electoral politics are generally blamed.

Financial Position of the DVB

The Board's deficit rose from Rs 342.22 crore in 1994 to Rs 694.67 crore in 1998. The reasons for this, given by the DVB are:

- The billing system does not work efficiently. So for example only 57.3% of energy released in 1998 was billed and only around 88% of the amount billed was received as revenue.
- Because of continuous losses, on the eve of privatisation, outstanding accounts had reached a level of Rs 6,500 crore and DVB itself was owed over Rs 1,000 crore from various organisations.

Privatisation of the Energy Sector in Delhi

Steps Towards a Private Power Sector

The privatisation process started in February 1999 when a Strategy Paper was issued by the Delhi government, identifying the problems of the power sector in Delhi and emphasising the importance of restructuring of the DVB. It argued that huge financial inputs are required to improve the situation in Delhi's power sector, but that is not possible in the present organisational, financial, legal and regulatory environment of the DVB.

To improve this situation the Strategy Paper suggested several measures which should be taken.

- Setting up a Delhi Power Generation and Transmission Company
- Encouraging new generation in the private sector as well as in joint ventures
- Setting up new power distribution companies
- Establishing an independent statutory Delhi Electric Regulatory Commission that should be responsible for undertaking licensing of new capacity, prescribing performance standards and fixing tariffs

The next steps in the privatisation process were the establishment of the Delhi Electricity Regulatory Commission in December 1999, the promulgation of the Delhi Electricity Reform Ordinance in October, 2000 and its replacement by the Delhi Electricity Reform Act, 2001. The Delhi Electricity Reform Act, 2001 and policy directions by Delhi government provide the legal framework for the reorganisation and privatisation of the energy sector.

Terms of the Contract

At the end of October 2000, a tripartite agreement was executed between the Delhi government, DVB and representatives of DVB employees. The three parties agreed on a process for a smooth implementation of the policy for reorganisation and restructuring of DVB. The cornerstones of this process were:

- Non-retrenchment of employees
- Continuance of service in the successor companies without any change of terms and conditions
- Taking over liability for retirement benefits of the existing employees and retirees of the Board by establishing a Pension Trust Fund to which the government has to contribute Rs 860 crore.

In January 2001 the Delhi government approved the division of DVB into six successor entities; one holding company, one generation company (GENCO), one transmission company (TRANSCO) and three distribution companies (DISCOMs).

Out of six pre-qualified bidders, only two bids were received on the date of opening: one from Bombay Suburban Electricity Supply (BSES) Limited, bidding for all three distribution companies and the other from Tata Power Company Limited, which bid only for the north-northwest and southwest companies.

As the bids received were not acceptable (since loss reductions offered by the bidders were below the prescribed targets), the involved parties entered into negotiations. After six weeks of bargaining they agreed on modified loss reduction targets and other adjustments. Tata Power acquired a share of 51% of the North-Northwest Delhi Distribution Company Limited and BSES Limited obtained controlling interest of Southwest Delhi Electricity Distribution Company Limited and Central-East Delhi Electricity Distribution Company Limited.

Before selling the distribution facilities to Tata Power and BSES

Limited, the value of these units had to be determined. The problem was that the accounts of the DVB were not audited and that no 'fixed assets registers' (which could have given all the necessary details) existed. Therefore it was decided to use the business valuation method. According to this, the value of assets is reflected in *future tariffs*.

In accordance with this method the value of the DVB is Rs 3,160 crore (close to the book value of the unaudited accounts, i.e. Rs 3,024 crore). Ultimately, the assets were sold for Rs 2,360 crore to the new owners.

According to the transfer scheme, a specified loss reduction target to bring AT&C (Aggregate Technical and Commercial) losses down to 34% within five years has to be achieved by each distribution company.

If the AT&C loss reduction of a company is better than the minimum stipulated by the government, 50% of the additional revenue which arises out of the better performance, goes to the company, and the other half will be used for the purpose of tariff fixation. If the actual AT&C loss reduction of a DISCOM is worse than quoted in the bid, the whole short-fall has to be borne by the DISCOM. In case the actual AT&C losses of a DISCOM are worse than the minimum AT&C loss reduction level stipulated by the government but better than the loss reduction level quoted in the bid, the entire additional revenue from this better performance will be used for the purpose of tariff fixation.

DISCOMs will receive 16% guaranteed revenues on their assets till 2007. The precondition for this is that they achieve their AT&C loss reduction target and that their investments are approved by the Regulatory Commission. Liabilities and past losses of DVB are *not* going to be passed on to successor companies. All of them will start with a clean opening balancesheet.

To keep electricity prices down and to avoid a tariff shock, a loan of Rs 2,600 crore or of maximum Rs 3,450 crore is granted to the Transmission Company (TRANSCO). The loan has to be repaid by GENCO, TRANSCO and the three distribution companies within 13 years to the holding company. For the first four years DISCOMS enjoy a moratorium on repayment and a waiver on interest. If necessary, this can be extended to the fifth year.

Critique of the Privatisation Process

The privatisation of DVB has been criticised by many as being more of a negotiated bilateral deal and not a competitive bid. Too many large concessions were granted to favoured bidders and all of these would ultimately have to be paid by consumers and taxpayers.

Private DISCOMs are offered a Return on Equity (RoE) of 16% post-tax. If DISCOMs invest in measures that bring down AT&C losses, automatically increasing profits, this would also qualify as RoE. Also, the regulation which grants half of the money saved by recovering stolen units could lead to excess billing.

The loss reduction target of 34% within five years is not ambitious enough. It is easy for DISCOMs to achieve a much higher reduction. Many suggest that it should be no problem to reduce T&D losses to 10% in this period because this has been possible in other states.

Another detail of the privatisation scheme is that tariffs include an annual depreciation charge of 6.83%, which has to be paid by the consumers. While this is not out of the ordinary, the fact that the tariffs are calculated on the basis of total and not net equity (as in Mumbai, Kolkata, Ahmedabad) means that tariffs are calculated on a much higher cost price base.

There has also been some controversy over the asset valuation process. The valuation of assets is important in two ways. First, this determines the purchase price which has to be paid by the DISCOMs and secondly, it is the basis for the tariff calculations.

'The Commission had, after a public hearing, determined the gross fixed assets of DVB at Rs 3,841 crore in its order of May 23, 2001. In addition, capitalised works were valued at Rs 484 crore while works in progress were valued at Rs 1,078 crore. This added up to Rs 5,303 crore as the closing balance on March 31, 2002. Assuming that a modest Rs 100 crore would have been incurred as capital expenditure in the three months that followed, the total gross fixed assets would be Rs 5.403 crore as on July when DVB was restructured and split into five companies' (*Indian Express,* July 2, 2002). According to the Delhi government, the gross fixed assets including transmission and generation companies amount only to Rs 4,263 crore. So there is a gap of Rs 1,140 crore.

The GENCO is allowed to charge about Rs 2.50 per unit from the TRANSCO. TRANSCO then sells the power for Rs 1.47 to

DISCOMs. This means TRANSCO has to sell electricity *below* the purchasing price. The loss is born by the government and so by the taxpayers. In the first year this amount is estimated to be Rs 1,400 crore. The DISCOMs are allowed to sell electricity at an average tariff of Rs 4.16 to the consumers.

Further, instead of creating competition between DISCOMs, the privatisation process led to the creation of private monopolies. These monopolies were created in spite of a study carried out by an expert group on behalf of the government, which concluded that the only way to lower prices is to introduce competition. The reason for the low energy prices in Mumbai is, according to the panel, that two firms supply power to parts of the same market.

Reforms

Privatisation is the means to introducing competition in the electricity market, not an end in itself. Genuine competition would imply that electricity consumers are actually free to choose from competing service providers: this is simply not the case in Delhi today. While decentralisation of power transmission at the household level may be difficult (but not impossible) to implement, what can be done for a start is to decentralise utility provision at the ward level. Ward Level Power Consumers Associations could take responsibility for contracting out power distribution services to private players. Competition among the firms to supply each ward would drive down tariffs and increase efficiency.

The provisions of the Central Electricity Act, 2003, provides the basic legislative and statutory framework for increased competition in the energy sector. The important features of this Act are:

- Rationalisation of the 3 existing Acts into one Central Act
- Removal of a number of restrictive barriers to the flow of power in a competitive market scenario by opening access to transmission and distribution
- Freeing up of generation and captive power plants from licenses and techno-economic approvals
- The recognition that trading as a distinct activity would help usher in a market environment
- The formation of an expert Appellate Tribunal to hear appeals against State and Central Electricity Regulatory Commission orders

- Transferring the full range of regulatory and licensing functions to the Central and State Regulatory Commissions
- Deregulating tariffs in certain situations, for example in case of agreements between consumers and generating companies
- The distancing of government from the functioning of the sector after giving broad directions via the National Electricity Policy and the National Tariff Policy
- The conversion of the remaining State Electricity Boards into State Transmission Utilities and deemed licensees with the freedom (but not compulsion) to restructure and progress down the road to corporatisation and privatisation.

The state's role will be limited to regulating the sector and providing explicit subsidies to any group of consumers that it considers economically vulnerable.

—Prepared by Michael Stamminger with the help of Vidisha Maitra

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Delhi continues to be in grip of power crisis

Agencies/ New Delhi

Many parts of the capital continued to reel under severe power crisis on Friday, five days after transmission of electricity was privatised, forcing residents in some areas to come onto roads.

Most parts of east and north Delhi were affected by prolonged power breakdowns causing hardships to the people already reeling under sultry heat conditions. Some parts of posh south Delhi also felt the impact of power cuts.

Powerless in the Capital

EXPRESS NEWS SERVICE

New Delhi, April 13: Forget the rash promises. Forget the grand announcements of a deal clinched just in time. Forget the confounding confusion of the many voices in the Delhi Government. Back to reality, with the mercury prematurely soaring above 40 degree Celsius, the summer sun stings as sharply as ever. Especially in areas which have already gone without power for as many as seven hours at a stretch like Nizamuddin West, all claims of Chief Minister Shiela Dixshit and her sundry spokespersons assuring more power to the

Transport

Deregulation and Kerb Rights

Impounded vehicles at Burari: Long forgotten

Transport
Deregulation and Kerb Rights

At a Glance

Functions

The Transport Department of Delhi government is responsible for implementing and monitoring policies and plans regarding improvement in public transport system and vehicular pollution control.

Findings

- The Transport Department spent only 83% of the Rs 1,450 crore allocated to it during the Ninth Five Year Plan.
- As of March 2001, 0.42 lac commercial and 7.80 lac private vehicles were plying without valid fitness certificates and more than 1.96 lac *challans* were pending with the courts.
- A CAG Audit in 2001 found that two cranes used for removing vehicles involved in accidents (procured at a cost of Rs 20.02 lac), were lying unused and two ambulances used for providing medical aid to accident victims (procured at a cost of Rs 6.28 lac) were being used as staff cars.
- The Delhi Transport Corporation (DTC) is currently incurring a monthly loss of Rs 25 crore. For every bus that it operates, it employs 12 people whereas private operators regularly make profits and employ only 6 persons per bus.
- Work on the first phase of Mass Rapid Transit System (MRTS) was started in October 1998—the first section between Tis Hazari and Shahadara was opened to traffic in December 2002.
- A project for Regional Rail Network in Delhi has been initiated with the preparation of a project report.
- To overcome the lack of coordination among the various agencies involved in the transport sector, (Transport Department, Delhi Transport Corporation, Public Works Department, Municipal Corporation, New Delhi Municipal Council and many others)

setting up of a Delhi Unified Metropolitan Transport Authority (DUMTA) has been proposed. The Bill for establishing such an authority has been prepared and is under the 'active consideration of the government.'

- The State Transport Authority (STA) regulates the private commercial transport sector by allocating routes, setting timetables, and fixing the fare structure.

Reforms

- The government should lease out bus stops--kerb rights. The lease holders would enforce that no vehicle picks up passengers at any other place on the road. The movement of public transport vehicles would become more orderly.
- The public transport sector needs to be deregulated. There should be free entry into the private transport business, with the Transport Department acting only as a registering authority, and not as a rate and route setter.
- Regulations such as uniform colour of private buses should be removed, so that brand recognition of private bus services emerges.
- As a step towards deregulation, the Delhi Transport Corporation (DTC) could be privatised by auctioning off the buses and the depots. The proceeds could finance a voluntary retirement scheme for the DTC staff.
- The 'polluter pays principle' should be implemented by an 'emissions tax' for all vehicles, which increases depending on emissions and the age of the vehicle.

Transport

Deregulation and Kerb Rights

The Transport Department is responsible for implementing and monitoring policy and plans regarding improvement in the public transport system and vehicular pollution control.

Its functions include:

- Entering into road transport agreements with neighbouring states
- Administration of Motor Vehicles Act, 1988
- Administration of Central Motor Vehicles Rules, 1989
- Administration of Delhi Motor Vehicles Rules, 1993
- Road safety and related activities
- Pollution control activities
- Issuance of permits to various categories of vehicles
- Issuance of driving licences
- Registration of vehicles, issuance of trade certificates to distributors of the vehicles
- Issuance of fitness certificates to vehicles
- Enforcing emission and safety related norms for motor vehicles
- Management and operation of Inter-State Bus Terminals (ISBTs)

Organisational Structure

The three main divisions of the Transport Department are:

1. Commissionerate of Transport
2. State Transport Authority
3. Mass Rapid Transit System (MRTS)

The Commissionerate of Transport is subdivided into eight branches:

a. Operations Branch
b. Tax Recovery Branch
c. Enforcement Branch
d. Computer Branch
e. Inter-State Bus Terminals (ISBTs)
f. Vigilance

g. Pollution Control
h. Administration and Planning

Administrative Structure and Main Functions of Branches

The total employee strength of the Department as of March 2001 was 788, including ten Pollution Control Officers, 14 Motor Licensing Officers, 48 Pollution Level Inspectors, 24 Motor Vehicle Inspectors and three Enforcement Officers.

Commissionerate of Transport

Operations Branch

This Branch is responsible for:
- Registration of vehicles
- Granting of driving licences

The Branch is headed by the Joint Commissioner (Operations). The Operations Branch of Transport Department looks after the various day-to-day matters related to the general public through its ten zonal offices. The Secretariat of Operations Branch at the Department's headquarters performs the following tasks:
- Framing policy regarding registration and licensing
- Self-registration scheme
- Model approval
- Safe school bus cell
- Motor driving training schools
- Allotment of 'fancy' number plates
- Coordination with zonal offices

The ten zonal offices are the public face of the Transport Department. These offices are mainly responsible for issuance of driving licences and registration of vehicles.

Tax Recovery Branch

The major functions include determination and collection of road tax. As per Section 3 of Delhi Motor Vehicle Taxation Act, 1962, every vehicle owner has to pay road tax at the time of registration of his vehicle. For private vehicles, road tax is deposited at the time of registration at the concerned zonal office. It is a one-time payment. For commercial vehicles, road tax is deposited at the accounts office located at the headquarters of the Transport Department. The Tax Recovery Branch is headed by the Deputy Comptroller of Accounts, who is supported by assistant and junior accounts officers.

Enforcement Branch
The Enforcement Branch is headed by an Additional Commissioner. The major functions include enforcement of acts such as the Central Motor Vehicles Rules, 1989 and Delhi Motor Vehicles Rules, 1993; *challaning,* impounding of vehicles and implementation of directions issued by the Supreme Court of India. Functions also include checking of pollution level of the vehicles.

Computer Branch
The main function is computerisation of all transport related activities such as records of licences/permits issued. The Branch is headed by an Additional Commissioner, who has under him a Deputy Commissioner, programmers and console operators.

ISBT Branch
Three Inter-State Bus Terminals (ISBTs) have been set up at Kashmere Gate, Anand Vihar and Sarai Kale Khan in order to separate the operation of buses on the basis of their origin and destination. Inter-state as well as local bus services operate from all three ISBTs. The day-to-day functioning of all the three ISBTs is under the control of a General Manager. An Estate Manager is also posted for each ISBT to look after the functioning of his respective ISBT.

The following public utility services are (supposed) to be provided at the ISBTs:

1. Drinking water taps and coolers
2. Toilet facilities
3. First-aid facilities for 24 hours
4. Police posts and banks
5. Chairs, lights, fans and automatic generator systems on every platform
6. Cloak room, porters, PCO/ STD/ ISD booths, parking lots and taxi scooter stands
7. Cabins for distribution of tickets
8. Office accommodation to the transporters
9. Public address system
10. Shops/counters/trolleys have been allotted for all general items such as tea, juice, fruits, eatables, newspapers, magazines.

Vigilance Branch

The Branch is headed by the Joint Commissioner (Vigilance). It deals with complaints against officials and other vigilance related matters.

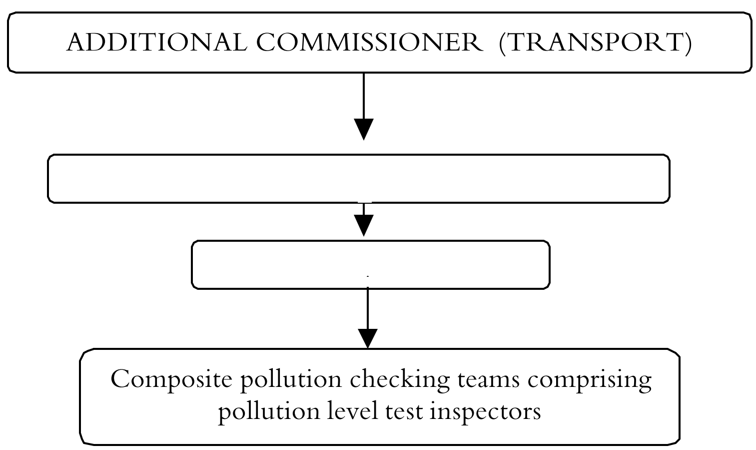
Pollution Control

The Branch is headed by an Additional Commissioner. Its major functions include:

- Formulation and coordination of policy on vehicular pollution control
- Checking of pollution level of vehicles plying on roads in Delhi
- Authorisation of pollution checking centres

The structure of the Branch is shown in Figure 1. The pollution standards for 'in use' vehicles are prescribed under Rule 115(2) of the Central Motor Vehicles Rules, 1989.

Figure 1: Organisational Structure of the Pollution Control Branch



Pollution Under Control Certificate (PUCC)

It is mandatory for every vehicle owner to carry a valid Pollution Under Control Certificate (PUCC) and maintain the vehicle within prescribed emission norms. A vehicle owner found to be not in possession of a valid PUCC is liable to be prosecuted. There is a penalty of Rs 1,000 for the first such offence and Rs 2,000 for every subsequent offence.

Pollution Checking Centres

Authorised pollution checking centres are spread all over Delhi. At present, there are 280 centres for petrol/ CNG driven vehicles and 73 Centres for the diesel driven vehicles. These centres issue PUCCs only if the vehicle is found to meet prescribed emission norms. In case the vehicle does not meet the norms, necessary repairs are carried out.

Administration and Planning Branch

The Administration Branch is headed by a Joint Director (Administration). The major functions include maintenance of personnel records of all the officials working in the Transport Department, transfer and posting of staff and other service related matters.

State Transport Authority (STA)

As per the provisions of Section 68 of the Motor Vehicles Act, 1988, every state government shall constitute a State Transport Authority (STA) to exercise and discharge the powers and functions relating to various Regional Transport Authorities (RTAs) and to manage route formulation. The Delhi government has, therefore, also constituted an STA Board, which is headed by a Commissioner (Transport) with four other members—Joint Commissioner of Police (Traffic), Secretary (STA) and two nominated MLAs. The Board meets periodically and deliberates upon various issues related to public transport, especially bus transport. STA, on the directions of the state government, also fixes the fares for stage carriage buses, local taxies and autorickshaws. STA enters into reciprocal inter-state transport agreements with neighbouring state governments. Other functions of the STA include:

- Issuance/renewal and transfer of stage carriage and contract-carriage permits
- Issuance of temporary and national permits
- Issuance of goods carrier permits
- Issuance of all-India tourist permits
- Counter signature on the permits issued by other states

A permit is an instrument issued by a State or Regional Transport Authority authorising the use of a motor vehicle as a transport vehicle. Section 66 of the Motor Vehicles Act, 1988 mandates the necessity of permits for transport vehicles. However, transport vehicles belonging to central or state government, police, local bodies, fire brigades, ambulance, cranes and goods vehicles having gross vehicle weight not exceeding 3,000 kg are exempted from the necessity of permits. For transport vehicles, excluding autorickshaws and taxis, the officer in charge of issuing permits is the Assistant Secretary of the STA. For autorickshaws and taxis, the concerned official is the Motor License Officer (Autorickshaw Cell).

There are many different types of permits, such as goods carrier permits, national permits, autorickshaw/taxi permits, contract carriage permits, stage carriage permits, temporary permits, institutional permits, all India tourist permits. Once the STA issues the permit, the Enforcement Branch of the Transport Department inspects the permit conditions.

Mass Rapid Transit System (MRTS)

The MRTS cell is headed by the Private Secretary (Transport). The cell functions as a Secretariat to the Delhi Metro Rail Corporation (DMRC), which is the executing agency. The organisational structure is shown in Figure 2.

The launch of an integrated multimode MRTS for Delhi has long been under consideration. A feasibility study for developing such a multimode MRTS system was commissioned by the Delhi government (with support from Government of India) in 1989. The first phase of the Delhi MRTS project approved by the union cabinet will cost approximately Rs 4,860 crore (at April, 1996 prices) and will comprise a network of 11 km of underground (METRO) corridor along with 44.30 km of elevated/ surface (RAIL) corridors It will have 45 stations in all. The project will require the acquisition of about 340 hectares of land, out of which about 58% is government land, 39% is private agricultural land and 3% is private urban land. Steps to acquire the land have already been initiated. The project will be implemented through a joint venture company, the Delhi Metro Rail Corporation Limited (DMRC), which was set up on an equal partnership basis by the Government of India and the Delhi government in May 1995.

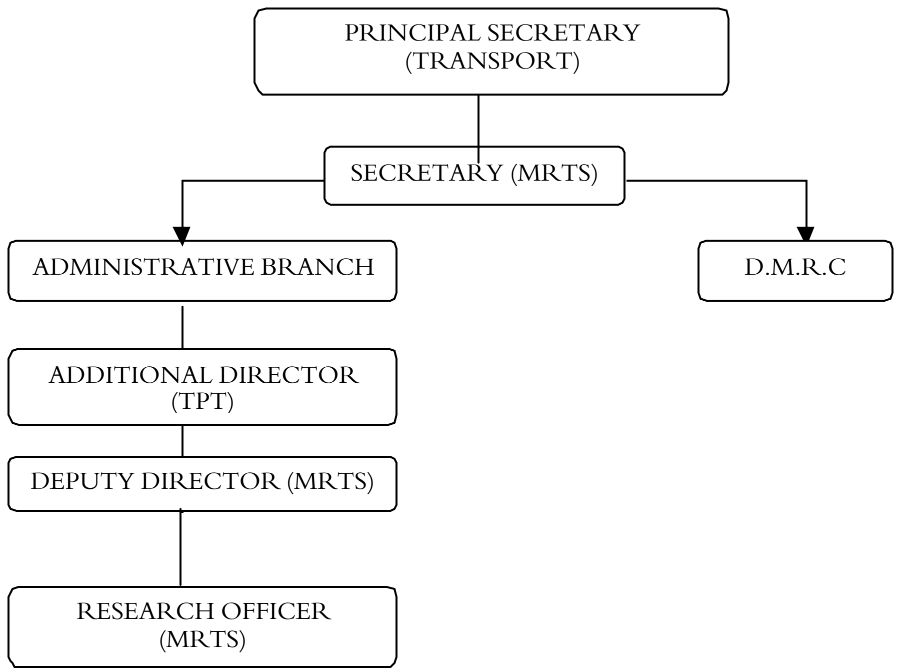
Acts and Laws Enforced by the Transport Department

The Transport Department is *directly* responsible for enforcing the following acts:

- Motor Vehicles Act, 1988
- Central Motor Vehicles Rules, 1989
- Delhi Motor Vehicles Rules, 1993
- Delhi Motor Vehicles Taxation Act, 1962

Indirectly, the Department, through its activities, enforces and imple-

Figure 2: Organisational Structure of the MRTS Branch



ments the following acts:

- Road Transportation Corporations Act, 1950
- Environment Protection Act, 1986
- Air (Prevention of Control of Pollution) Act, 1981

The major schemes/projects of the Department and their plan outlay and expenditure are shown in Table 1.

A CAG Audit (2000-01) regarding the administration of the Motor Vehicles Act, 1988 and Delhi Motor Vehicles Rules, 1993 and implementation of various plan schemes by the Transport Department revealed the following inefficiencies in the functioning of the Department:

Maintenance of Equipment

An automatic vehicle inspection system costing Rs 1.41 crore and brake test analysers costing Rs 72.40 lac were lying idle for several years.

Shortfall in Issue of Fitness Certificates

Under the provisions of the Motor Vehicles Act, 1988 and rules made thereunder, a certificate of fitness for every vehicle is mandatory. 0.42

Table 1: Major Projects/ Schemes and their Plan Outlay and Expenditure (Rs in lac)

Project/ Scheme	*NFYP Outlay*	*NFYP Expenditure*	*TFYP Outlay*
Planning and Monitoring Cell	80.00	9.99	40.00
Motor Driving Training Schools	50.00	90.43	2,914.00
Computerisation of records	700.00	335.82	827.00
Strengthening of Department of Transport	1,420.00	572.87	2,000.00
Mass Rapid Transport System	72,300.00	74,131.25	1,44,141.00
Decongestion and rationalisation of ISBT	1,900.00	464.27	6,000.00
Control of vehicular air pollution from exhaust of motor vehicle	600.00	841.95	1,700.00
Restructuring and revival of DTC	33,200.00	42,513.00	61,800.00
Modernisation of State Transport Authority	2,000.00	—	25.00
Setting up of Delhi Unified Metropolitan Transport Authority (DUMTA)	2,000.00	2.80	250.00
Construction of Bus Queue Shelters	—	48.17	—
Development of Bus Terminals/ Depot	—	256.61	2,500.00

Source: Government of NCT Delhi. 2003. Annual Plan 2003-04 Vol. 3 Department of Planning
NFYP: Ninth Five Year Plan *TFYP:* Tenth Five Year Plan

lac commercial and 7.80 lac private vehicles were plying without valid fitness certificates as on March 2001.

Enforcement
More than 1.96 lac *challans* were pending with the courts at the time of the audit.

Road Safety (National Highway Patrolling)
Two cranes used for removing vehicles involved in accidents (procured at a cost of Rs 20.02 lac) were lying unused and two ambulances for providing medical aid to accident victims (procured at a cost of Rs 6.28 lac) were being used as staff cars.

Licensing (Computerisation of Driving Licenses)
Hindustan Computers Limited recommended in April 1999 that central servers, networking equipment, can be procured for providing the facility of renewal and issue of duplicate licenses from any zonal

office. However, the Department had not procured this equipment till the time of the audit, thereby depriving the public of this facility.

Motor Driving Training School at Burari

A scheme for setting up a motor driving school at Burari was included in the Eighth Five Year Plan, to train rural youth. A plot of 12.5 acres was acquired prior to 1992 at a cost of Rs 1.23 crore for this purpose. Posts of two driving inspectors and a lower division clerk were also created. However, the school, set up at a total cost of Rs 3.27 crore, was yet to start functioning as of July 2001. (This scheme has since been 'merged' with the Motor Driving School Scheme at Loni Road).

Pollution Control

76 to 91 percent of vehicles continued to ply without a valid PUCC at the time of audit and pollution checking of vehicles ranged between 2.87 to 5.67 percent of the vehicular population.

Pollution Checking Devices

The Department had purchased 37 exhaust gas analysers and 34 smoke meters for checking of petrol and diesel driven vehicles. No records of the use of the equipment had been kept. As of June 2001, most of the equipment for pollution checking was lying unused.

Delhi Transport Corporation (DTC)

Background

The DTC was set up in 1971.[1] In Section 22 of the Road Transport Corporation Act, 1950, the following objectives were laid down for the DTC:

- To provide, secure, promote an efficient, economical, reliable and properly coordinated system of road transport in Delhi
- In doing so, it shall act on business principles
- To achieve a high level operational efficiency
- To charge fares not exceeding those prescribed by the state
- To attain financial self-sufficiency

DTC, which was functioning under the administrative control of the Government of India, was finally taken over by the Delhi government on 5 August 1996.

Organisational Structure

DTC has manpower of about 31,412 employees which consists of drivers, conductors, traffic supervision staff, repair and maintenance and administrative staff. The Corporation has 33 depots involved in operation and maintenance of buses. Each depot is headed by a Depot Manager, who has subordinate officers in mechanical, traffic and account wings to assist him in depot functioning. The DTC divides Delhi into 6 regions, each is headed by a Regional Manager, who has 5-6 depots under his administrative control.

In addition to the above, DTC has its own departments in the following fields:

- Public Relations Department, including Publicity Department.
- Traffic Department: responsible for planning city routes, private bus operations, and other traffic matters for example concessional/ free passes, fares, tickets, permits for city/interstate operation, bus stops/bus queue shelters.
- Training Schools
- Stores and Purchase Department: for procurement of materials
- Mechanical Wing: for repair and maintenance of buses
- Civil Engineering Department
- Personnel and Administration
- Pension and Provident Fund Trust
- Enquiry Officers in all regions for conducting departmental enquiries
- Central Lost Property Section at Scindia House. Apart from this there are lost property sections in all the Regions

Since 1996, when the Department was brought under the Government of Delhi, DTC has received support from the Department of Transport in the form of loans and subsidies, under the scheme 'Rationalisa tion and Revival of DTC.' The details of the amounts disbursed to DTC till 2000-01 are given in Table 2.

Wastage of Funds and Inefficiencies in the DTC

Recent media reports (*Times of India,* 4 July 2003) have drawn attention to the fact that while private operators make profits in the public transport business, the DTC is currently incurring a monthly loss of Rs 25 crore. For every bus that the DTC operates, it employs 12 people, while its counterparts in the private sector employ half that number. In the repair and maintenance wing alone, the DTC employs 6,481 mechanics, whereas the sanctioned number of posts is 5,094. In fact, most of these mechanics have been rendered useless since the conversion of the fleet to CNG means that most repair work is now done by

Table 2: Details of Loans Granted (Rs in crore)

Year	*Loans Disbursed*				*Subsidy in Lieu of Concessional Passes*
	Capital	*Ways & Means*	*Repair of Buses*	*Miscell-aneous*	
1996–97	—	51.00	14.00	—	—
1997–98	*117.00	51.72	—	—	24.50
1998–99	—	151.50	—	87.25	—
1999–00	—	146.63	—		—
2000–01	**160.00	152.50	—	41.25	—
Total	**277.00**	**553.35**	**14.00**	**128.50**	**24.50**

Source: Government of NCT Delhi. 2001. CAG Audit Government of Delhi (2000-01)

* *equity capital*

** *includes Rs 10 crore for construction of bus queue shelters and purchase of auxiliary buses*

the authorised service centres of the bus manufacturers. As a result, the DTC now faces a monthly wage bill of Rs 30 crore, which combined with other administrative expenses reduces the figure of monthly income of Rs 22 crore to a loss of Rs 25 crore per month.

Attempts to downsize the Corporation have been thwarted for one reason or the other. A proposal to reduce retirement age from 60 to 58 was vehemently opposed by the workers' trade union. A proposal from TERI (Tata Energy Research Institute) to introduce Voluntary Retirement Scheme also did not take off due to shortage of funds.

Many other cases of wastage of funds by the DTC have come to the fore. A report by a Delhi government committee on public sector undertakings has found, for example, that the Corporation spent Rs 37 lac for buying computers and accessories that were never used. It also continued to pay Rs 73,000 to a company for five years, which meant an additional expenditure of Rs 43.8 lac. (*Times of India*, 5 August 2003). In another case, DTC wasted Rs 13 lac in the purchase of tyre flaps by ignoring the lowest bidder.

Reforms

Deregulation along with 'kerb rights' for orderly working of the liberalised transport sector, privatisation of DTC, and implementation of 'polluter pays principle' are the most critical reforms.

Table 3: Activities of the DTC

Description	*1996-97*	*1997-98*	*1998-99*	*1999-00*
Number of buses (at the end of the year)	2,682	2,669	3,131	3,094
Number of buses on road (daily average)	1,648	2,282	2,619	2,668
Daily average passengers (numbers in lac)	15.02	19.89	23.73	24.42
Daily average distance operated (numbers in lac)	4.41	5.32	5.48	5.71
Number of break-down of buses (in thousands)	9	7	5	5
Number of major accidents	197	145	170	161
Number of minor accidents	429	506	451	382
Number of Inter-State Bus Routes covered by DTC	139	126	124	130
Number of DTC workshops	35	35	35	35
Number of DTC depots	33	33	33	33

Source: Government of NCT Delhi. Delhi Transport Corporation 1996-2000. http://delhigovt.nic.in/dept/ecomomic/estimates2.html#dtc_activity
Note*: Data pertains to DTC buses only*

Deregulation and Kerb Rights

In a deregulated market there should be free entry into the transport business, with the Transport Department acting only as a registering authority. Currently private transport operators face legal, technical, and economic requirements that create barriers to entry. The STA decides on the routes and service fares for all operators. It should be able to require only that a transport service provider should have a valid driver's license, vehicle registration, insurance, and that the vehicle undergoes periodic safety inspections. A removal of restrictions on entry would allow operators to introduce mini-buses on routes where demand is low or where there was previously no service.

Regulations such as uniform colour of private buses should be removed so that brand recognition of private bus services emerges.

'Given a property rights framework, one can expect transit services to develop trademarks, brand names, and association identifiers. These are the normal market institutions that sustain quality and trustworthiness.' (Klein *et al* 1997).

The demand for public transport is *not* homogeneous: the sellers should be allowed to price differentially, depending on the premium customers are willing to pay on say, comfort, cleanliness, punctuality, entertainment. An example of this is the various chartered bus services that run in the city, especially the office rush hours. The STA places several regulations on such 'contract carriages.' For instance there is a requirement that all chartered bus drivers must possess a list of passengers the bus carries, and pick up passengers only from the assigned stops.

One way of promoting the development of brand equity in city bus services would be to enforce a 'minimum fleet requirement.' All bus operators would have to own and operate at least, say, 25 buses. Those with fewer buses can come together and form a company or a cooperative. Among other things, this would encourage companies to invest in building brand identity and reputation, promote economies of scale, and improve coordination of services along various routes.

The problem of 'rash driving' among private trasport operators can be dealt with a system of 'kerb rights.' The government would identify spots on the roads that can be used as passenger pick-up points. These 'kerb zones' would then be auctioned for long-term lease to private parties. The kerb rights owners would earn income by charging a fee for the vehicles that stop at their kerb to pick up passengers. Only the buses that have contracted with the kerb rights owners will be able to stop at the kerb.

This is similar to current arrangement of bus stops, but vehicles stop at any point on the road and the police is unable to control that practice. The kerb rights holders will enforce the rule that vehicles stop only at the designated kerbs. The private enforcement will be stricter than the police enforcement under the current system—the kerb rights holder lose money if buses can stop anywhere on the road to pick up passengers. Kerb rights therefore solve the problem of rash driving and create orderly passenger pick-up places.

The Delhi Transport Corporation should be privatised by auctioning off the buses and the depots. The proceeds could finance a voluntary retirement scheme for the staff.

Polluter Pays Principle

The 'polluter pays principle' should be introduced so that there is a clear, enforceable system of monetary penalties. One way of doing this would be to have an 'emissions tax' for all vehicles, at a flat rate for the first five years of the vehicle's life, and every subsequent year increase the rate depending on emissions corresponding to the vehicle's age. This system would be accompanied by spot fines for excess emissions.

—Prepared by Vidisha Maitra

Notes

[1] The Ministry of Transport, Government of India, took over the local bus services in Delhi in May 1948, under the Delhi Transport Service. A Delhi Road Transport Authority was constituted under the Road Transport Corporation Act, 1950 and this became an undertaking of the Municipal Corporation of Delhi by an act of Parliament in April 1958.

On the recommendation of the Planning Commission, Government of India took over the management of the undertaking by passing the Delhi Road Transport Laws (Amendment) Act, in 1971. It took over the assets and liabilities from the erstwhile Delhi Transport Undertaking (DTU) operated by the Municipal Corporation of Delhi.

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Department of Social Welfare

No takers for welfare schemes

Lawyers panel to look into welfare of remand homes

By Our Staff Reporter

Six Social Welfare Dept officials raided

Chetan Chauhan
New Delhi, May 28

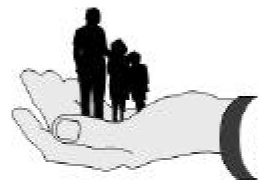
THE ANTI-CORRUPTION Branch (ACB) of the Delhi

Social Welfare Department pulled up on old age pension

Sunday, September 30, 2001
By Our Staff Reporter
NEW DELHI, SEPT. 29.

The Public Accounts Committee of the Delhi Vidhan Sabha has pulled up the State Social Welfare Department for paying over Rs. 2 crores as Old Age Pension to persons who were ineligible or were of doubtful eligibility and has recommended strict disciplinary action against the officials responsible for these serious lapses.

In its report presented to the Delhi Vidhan Sabha this past week, the Public Accounts Committee, headed by Mr. Haroon Yusuf, has pointed out that in 3,066 cases valid proof of age was not attached and th department accepted ratic cards as proof which was wron In 2,060 cases even the a indicated in the ration card v below 60 years, the minim age required to qualify for scheme, and in 1,006 case age has been altered by cu



Department of Social Welfare

At a Glance

Functions

The Department of Social Welfare is responsible for the welfare of citizens in need and distress, aged, destitute, handicapped people and neglected children. The Department also provides self-employment opportunities to women, children and the handicapped.

Findings

☞The schemes for socio-economic development which were earlier available to the SC category only, have been extended to ST/ OBCand minorities as well.

☞A study conducted by CARE-PLUS in about 4,500 households of slum communities on the awareness of the Department's schemes found that awareness is as low as 23.5% for the Women Development schemes and 17.5% for the Integrated Child Development scheme.

☞The study also cited favouritism on the part of the local elected member (councillor and MLA) in distributing the forms for the various schemes.

☞Over Rs 4 crore of taxpayers' money had been wasted in the Old Age Pension scheme as 37.5% of the beneficiaries were ineligible. In 168 cases, the beneficiaries had died but the Department continued to send them the pension despite being informed about their death by the local post offices.

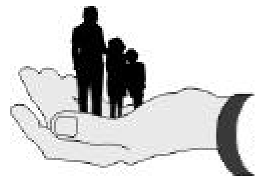
☞To reduce leakage of funds and improve transparency, the Department is providing scholarships to the SC/ ST students through bearer cheques.

☞The Transparency International India team on their visit to the Social Welfare Department found the staff unaware of the Citizen's Charter of their Department.

☞Old Age Pension has been raised from Rs 200 to Rs 300.

Reforms

- ☞ Along with other departments and schemes the Department of Social Welfare will be merged with the proposed Individual and Family Welfare Services to create a 'one window access.'
- ☞ *Aao BPL, Jao APL*: Aggregate the different welfare/financial grant schemes across Delhi, and provide them through a 'single window access' with bearer cheques thus rendering easier access, focused awareness and greater per capita provision due to elimination of middle layers of bureaucracy.
- ☞ Financial transparency is needed. This would imply visible tracking of the funds since the transfer of grants is provided to the Department till the payment is made to the beneficiary.
- ☞ Entrust monitoring and evaluation of the schemes to independent agencies/NGOs and let the results be put up in public.



Department of Social Welfare

The Delhi government's investment in the social sector (as a percentage of total government expenditure) is the highest in the country. The Department of Social Welfare has 1,590 employees, 46 institutions, 18 schemes and 6 services. It extends its services of treatment, prevention, and rehabilitation through the implementation of the following social legislations:

1. Women & Children Institutions (Licensing) Act, 1956
2. Dowry Prohibition Act, 1961
3. Immoral Traffic (Prevention) Act, 1958
4. Juvenile Justice (Care and Protection) Act, 2000
5. Women Commission Act, 1995
6. Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation Act, 1995)
7. Bombay Prevention of Begging Act, 1959 extended to Delhi
8. Good Conduct Prisoner's Probational Release Act, 1926
9. Probation of Offenders Act, 1958

Twenty seven of the 46 institutions under the Department of Social Welfare are statutory and the rest are non-statutory. There are 28 Integrated Child Development Scheme (ICDS) projects, district level counselling guidance bureaus, the Delhi Commission for Women, 25 work centres for women, 10 day care centres, 6 welfare centres for denotified tribes, 4 creches, 3 training-cum-production centres, 2 sheltered workshops, 3 nursery & primary schools for the deaf, 1 rehabilitation centre for leprosy patients, 1 school for mentally retarded children, 1 school for blind boys, 1 hostel for college going blind students, a Government Lady Noyce Secondary School for the Deaf, probation service; prison welfare services, foster care services.

The schemes under the purview of the Department are:

Child Welfare

- Integrated Child Development Scheme (ICDS) that aims to provide supplementary nutrition to children and women through *anganwadis*.

Women Welfare

- *Balika Samridhi Yojna*
- New scheme of Financial Assistance (FA) to widows
- Anti Dowry Scheme

Disabled Welfare

- Scheme for stipends to physically handicapped students
- Scheme of scholarship for disabled persons
- Scheme of assistance to physically handicapped for purchase of aids
- Scheme for provision of subsidised petrol /diesel for the disabled

Social Security

- Scheme of FA for the socially and physically handicapped persons
- Scheme of FA for pregnant women
- Scheme of FA for books and stationery
- Scheme of FA for the families of TB patients

Old Age Welfare

- Scheme of old age assistance
- Recreation centres for senior citizens of Delhi

Probation Welfare

- Scheme of FA to prisoners
- Scheme of rehabilitation grant to released inmates of correctional/ non-correctional institutions
- Social Assistance Forum for spreading awareness about the different schemes

Social Defense

- Under the Bombay Prevention of Begging Act, 1959 twelve beggar homes are functioning.
- Scheme of grants to voluntary organisations

Others

- Scheme of medical care units
- National Family Benefit Scheme

The plan outlay and expenditure for some of the different schemes can be seen in Table 1.

Table 1: Plan Expenditure for NFYP (Rs in lacs)

Name of Scheme	*NFYP Approved Outlay*	*NFYP Expenditure*	*TFYP Outlay*
Education and Welfare of Handicapped	927.00	551.06	1,195.00
Women Welfare	1,193.00	1,627.57	5,375.00
Child Development	45.00	30.61	330.00
Welfare of Senior Citizen	7,050.00	9,506.43	21,100.00
Direction & Administration	345.00	87.58	350.00
Correctional Services	750.00	357.01	1,500.00
Grant-in-aid/ Others	450.00	1,048.66	2,200.00

Source: Government of NCT Delhi. Annual Plan 2003-04. Department of Planning

According to the Finance Department's review, the Department of Social Welfare has been one of the slowest Departments in terms of fund utilisation. The Planning Commission has also commented on the performance of some of the Social Welfare Department's schemes during the Ninth Five Year Plan (1997-2002).

Poor Performing Schemes

- Under the scheme 'Setting up of Recreation Centres' in 70 constituencies for senior citizens, only 33 recreation centres were constructed.
- Development of Tahirpur Leprosy Complex could not make much headway because of the involvement of a number of agencies.

Schemes not Found Feasible/ Dropped

- Construction of facilities centre for NGO office (Rs 150 lac)
- Women Development Corporation (Rs 100 lac): The scheme has been dropped.
- Physically Disabled Welfare Corporation (Rs 100 lac): The scheme has been dropped.

Schemes not Implemented

- Development Programme for Welfare of Mentally Retarded (Rs 150 lac)
- Halfway Home for improved mental patients discharged from

Institute of Human Behaviour and Allied Sciences (IHBAS) at Shahdara (Rs 80 lac)

It is noteworthy that despite the impressive array of services provided, what is lacking is a comprehensive monitoring and evaluation of the services provided. The Planning Department's evaluations are primarily based on the amount of funds spent and not the quality of expenditure.

Snapshots of the Department's Failings

Transparency International's Findings

A Department whose services depends so much on interaction with the citizens is expected to at least have a well functioning citizen-interface machinery in place. The Transparency International team on their visit to the Department of Social Welfare noted that

- There was neither a reception counter nor a public relations officer in the Department to help and guide a citizen. There was no display of the contents of the Department's Citizen's Charter or any other relevant information. To their utter surprise, even the staff members were unaware of the Citizen's Charter!
- During the team's visits to the Department's headquarters and from the papers obtained there, it was found that there were a lot of financial irregularities. No proper procedure was followed for placing orders. Items were purchased at higher than usual prices. The audit report observed that it was doubtful whether the purchases had been made at all. No effort was made to recover the embezzled money from the firms and guilty officers.
- They also observed that there were vested interests in keeping some of the essential equipment and services non-functional. Many financial irregularities were found in the maintenance of various homes. For instance, the purchase of items like brooms, phenyl, tea are made unscrupulously and many times in excess of requirements, without keeping any records or observing procedural formalities. Also, blatant use of authority is made in purchasing the above items from unapproved suppliers. Items purchased for under Rs 5,000 are repeatedly shown in various registers to mislead the audit teams. Cash-register entries remain unauthenticated. *Challans* for money deposited with the treasury are not kept on record for verification.

Overcrowding of inmates and negligence in the orderly maintenance are reported in many of the homes. For example the number of inmates in the Home for Leprosy and TB-affected Beggars in Shahdara was double the capacity of 300 inmates. Gates of the home remained open and the entry/exit of inmates was not checked by the ward staff.

State of Beggar Homes

The Delhi government claims that the existence of 12 beggar homes is an achievement. However, due to a complete absence of performance indicators of any kind like number of beneficiaries or state of finances, this does not give us the true picture. What is the state of these beggar homes? How are the inmates treated? Media reports of the audit of the beggar homes puts in perspective the outcome of the 'achievement' of establishing 12 beggar homes. An audit report of the dozen odd beggar homes in the Capital revealed a picture of gross mismanagement of resources bordering on immense apathy to those who need care. Norms relating to purchases had been completely flouted. The average per inmate expenditure varied widely across beggar homes, according to the audit report of the Accountant General of Delhi.

Reflecting on the poor security system at the beggar homes, the audit report stated that more than 600 inmates had fled from the custody of these homes during 1997-2002. There was nothing in the records to show that a police case was registered with regard to these escapes.

The audit recorded that the significant variation in per inmate monthly expenditure indicated the lack of a monitoring system and inefficient control over expenditure. It was also pointed out that the beggars were not provided with bedding and clothing, for which expenditure amounting to Rs 17.40 lac had been incurred. Besides, even the food grains were not purchased on the BPL rates fixed by the government, but were purchased at higher rates from the open market resulting in a loss of Rs 18.72 lac in the period between February 2001 and March 2002.

The attitude towards women beggars is evident from the fact that while per inmate monthly expenditure at the Home for Able and Disabled Beggars (Male), Lampur was Rs 1,798, the same for the Home for Able, Disabled and Diseased Female Beggars (Mahila Bhikshugrih) was only Rs 7. The Able and Disabled Female Beggars (Mahila Sadan) spent a paltry Rs 820 per inmate per month.

It is worth considering whether institutions like beggar homes should be actually run by the government. There are usually three ways to help the underprivileged. You can step out and actually help them: this is not sustainably possible; you can trust the government to do it on your behalf: need more be said in light of the above findings?; or you can donate money to the best-performing charitable institutions. Experience worldwide has shown that private charities are much more capable, more oriented towards sensitive issues like these and can actually do so with greater efficiency. The government houses only a fraction of the beggars of Delhi in these homes and the homes are already unable to cope with them.

Old Age Pension Scheme

The 1999-2000 CAG Report in its review of the Old Age Pension Scheme of providing social security cover by way of financial assistance to old, destitute and disabled persons noted that it remained largely unfulfilled due to inept management and utter disregard to adherence of notified rules.

The Old Age Assistance (Pension) Scheme for the persons above the age of 60 years was started by the government in 1975. Till 1995, the government registered 11,263 beneficiaries of pension schemes. In 1995, the Lieutenant Governor ordered that a mere recommendation from a MLA or MP was sufficient proof in lieu of birth certificate. Suddenly the number of 'senior citizens' swelled at the rate of over 15,000 per year, which was more than the combined figure for the previous 20 years.

The CAG Report pointed out that the Social Welfare Department routinely issued sanctions of pensions without exercising any check as prescribed in the scheme, simply on the basis of the recommendations of the MLAs, MPs and the members of the SC/ST Board of Delhi.

The CAG Report noted that there were 76,871 beneficiaries till 1999. Of 18,312 cases examined, 6,864 were (37.5 %) were found to be ineligible. Money given to these ineligible beneficiaries was over Rs 4 crore. Of the 6,864 ineligible cases,

- More than 30% were underage.
- More than 10% had tampered with the proof of age by over-writing.
- More than 50% did not give family income details.
- More than 15% were uncertified.
- 50 had not signed the application form.

- 21 applicants had the document signed from a non-authority.
- 6 had no signature from the recommending authority.
- 428 had family income exceeding the limit.
- 174 had indulged in miscellaneous malpractices.

Of these, in 168 cases the beneficiaries had died but the Department continued to send them the pension despite being informed of their deaths by the local post offices. It was evident that the Social Welfare Department did not ensure compliance of even routine practices followed in payment of government pensions, like furnishing age certificate.

Insights of the CARE-PLUS study

In a study conducted by CARE-PLUS in the four slum communities of Dakshinpuri, Govindpuri, Sultanpuri and Vikaspuri, the following points came to light:

- The implementation structures of the schemes are not responsive to the target group.
- Inability of the government to disburse information to the people: application forms and other such requirements are not freely available. Only 15% people of surveyed 4,482 households were found to be aware of homes for the old and handicapped.
- Even basic information like the timings of the opening of thewindow/ counter for the deposit of forms is not printed in the information pamphlet.
- Rude behaviour and indifference towards the applicants are often reported in the government offices and banks. Because of the poor experiences of other people, many do not even try accessing the schemes.
- Applicants were not even given reasons for their rejection and in many cases, were not even informed.
- Most schemes are routed through political leadership at the local level, which is characterised by corruption, favouritism and nepotism.

Reforms

The Department hands the forms to a NGO/MLA/councillor and expects the people to directly contact them without proper information of their contact details being provided. Since the provision of forms through the local elected members is beset with corruption, it is important for the government to open alternate channels for people to access the basic forms. The work of the Department should not end with a scheme being handed over to an NGO simply because that fulfills the requirement of 'greater NGO participation.' The Planning Commission has recommended identification of NGOs with sound credentials as well as establishing a system of accountability. Involvement of third-party agencies/NGOs could also be utilised to monitor the functioning of the schemes or institutions and issue ratings and recommendations. Monitoring and evaluation of the different schemes implemented by the Department needs to be done on an institutional basis and should be opened to scrutiny. This may involve conducting exit polls at the Department offices to check the state of citizen services. Targeting and monitoring of beneficiaries can be done better through provision of 'smart cards' with verifiable details. This would also imply having to provide absolute financial transparency in all the dealings/contracts of the Department not on a demand-basis but on a duty-basis.

Streamlining of various schemes available across the different agencies in Delhi should be done to remove overlaps in the targeted beneficiaries. This can be done by amalgamating similar services under the head of a new department called Individual and Family Services as proposed in the introductory chapter. The government could do better if it attempts to reach the people and locate its offices or information distribution centres closer to the people. For example, the district headquarters, which are already centres of administration could become the centre for the distribution of all kinds of forms. The government could also put up all information on their website. This would help people access inform-ation such as the names of the beneficiaries of a particular scheme. Instead of just printing the schemes in newspapers/pamphlets and relying on the literate to inform the illiterate, innovative ways to propagate the schemes should be adopted. This could mean announce-ments using loudspeakers to spread the word about these schemes, as is done in political campaigns.

Apart from providing information on the schemes, information should also be provided on the procedures to obtain the required documents. The government should maintain a degree of continuity in the schemes framed under the different five-year plans. It is more effective to incorporate changes in the existing setup rather than introduce a new scheme under the aegis of a new agency. Information dissemination among the people is a slow process. Introduction of new schemes or frequent adoption of new criteria results in confusion and frustration for the people as well as leads to heavy expenditure by the government in order to train more personnel for the new programmes. The Department should spread awareness among the people by the organisation of 'information *melas*' at particular places where the Department personnel could answer the queries of the people.

It must also be borne in mind that any schemes to help the beneficiaries financially would only be a cosmetic measure unless it is not tied in with deregulation in licences/permits to enable them to earn a livelihood and throw off the yoke of continued dependence on welfare. The safety net of welfare should not be abused as a hammock!

But the prevalent municipal licensing has created intimidating hurdles for the self-employed intending to start their own businesses. Lacs of jobs can be created by pavement hawkers and cycle rickshaw operators, and the existing laws make this illegal. We need a comprehensive overhaul of municipal laws.

—Prepared by Naveen Mandava with the help of Nupur Agrawal and Jyotsna Singh

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Department of Food and Civil Supplies

Department of Weights and Measures

The Taxi Meters Unit, Burari. Why aren't meters working?

Department of Weights and Measures

At a Glance

Functions

The Department of Weights and Measures regulates the manufacture and use of weighing and measuring instruments in trade and commerce to ensure that right quantity of the commodity is provided to the customer. It mandates declaration of contents and price on packaged commodities and verifies meters of autorickshaws, taxis, and petrol pumps.

Findings

- The Department issues licenses to manufacture, sell, and repair weights and measuring instruments.
- There are 66 licensed manufacturers and an equal number of unlicensed manufacturers in Delhi. The number of licensed dealers in Delhi is 310, but estimates suggest at least 5-6 times more illegal dealers. Total licensed repairmen are only 180. The licensing system breeds rampant corruption.
- The Department undertakes verification of autorickshaws/ taxi fare meters, tank lorries, and petrol dispensing units. This is to be done in association with State Transport Authority and the Delhi Traffic Police.

Reforms

- The license requirement for manufacturer, dealer, and repairman of weights and measuring apparatuses is anachronistic. As is the Model Approval Certificate for each model of apparatus to be manufactured. Just as the license requirement in other areas, no quality is guaranteed and it largely breeds corruption. Open and legal competition among the market participants is more likely to increase quality.
- Only the union government's Department of Weights and Measures

in New Delhi is authorised to issue the Model Approval Certificate. The removal of licensing requirement would reduce unnecessary travels and troubles for people around the country.

- Inspection and supervisory role needs to be strengthened. Inspectors from the Prevention of Food Adulteration Department can be trained to check for weights and measures when they visit food establishments for their inspections. This will allow more inspections of the non-food establishments by the inspectors of the Department of Weights and Measures.
- The Department should be merged with the proposed Consumer Protection Department, which can profitably use the surplus staff created by reorganisation of other departments in the vigilance and supervisory role.

Department of Weights and Measures

Organisational Structure

The Department conducts its functions in Delhi through nine zonal offices. In addition to these, it has two special units, a taximeter unit at Burari and an enforcement unit at Underhill Road near Mori Gate. These offices are supervised by an Inspector of Legal Metrology (ILM). There are also ILM Grade II, ILM Grade III and ILM Grade IV officers working under him. They belong to the Delhi Administrative Subordinate Services (DASS). These units report to the Controller of Weights and Measures, Delhi whose office is on Underhill Road. The Controller belongs to the Delhi, Andaman, Nicobar and Lakshadweep Services (DANLS). The Delhi government is the authority for postings, promotions and transfers in the Department. As of 2002, the Department had 107 employees.

Functions and Responsibilities

The Department has been in existence since 1956. The authority to regulate weights and measures comes under the concurrent list of the Constitution. Each state has a Department of Weights and Measures headed by a Controller, and at the central level there is a Director of the Department of Weights and Measures.

The Department is responsible for enforcing the following acts:

1. Standards of Weights and Measures Act (1956), 1976
2. Standards of Weights and Measures (Packaged Commodities) Rules, 1977
3. Standards of Weights and Measures (Enforcement) Act, 1985
4. Standards of Weights and Measures (General) Rules, 1987
5. Delhi Standards of Weights and Measures (Enforcement), 1988

(The last act is a Delhi state act and rest are union government acts.)

The Department issues three kinds of licenses:
1. For the manufacturer of weights and measures
2. For the dealer of weights and measures
3. For the repairman of weights and measures

Manufacturing of Weights and Measures

To function as a licensed manufacturer in Delhi, the manufacturer should submit the following documents to the concerned zonal officer.
1. Papers of the premises where one would be setting up the manufacturing unit
2. List of the employees including their names and addresses. One of the employees must be an engineer unless the manufacturer is an engineer
3. Bills showing that all the required equipment has been purchased
4. Model Approval Certificate for each type of the weighing apparatus that is to be manufactured

The Model Approval Certificate is not required for manufacturers who started functioning before 1985. This certificate became mandatory after the introduction of the Standards of Weights and Measures (Enforcement) Act, 1985. To procure it, one has to apply to the Director of the Department of Weights and Measures, Government of India, with a detailed description of the intended weighing or measuring apparatus. Tests are conducted in the Department's own laboratory. A certificate is issued on the basis of a recommendation by the laboratory. The procedure has the following stages:
- An inspector would visit the manufacturing site, at his discretion, and certify the site.
- The application would be then sent to the Controller of Weights and Measures, Delhi for his approval along with the on-site inspector's recommendation.
- It would come back to the zonal officer and he can issue a license to the manufacturer.

The license needs to be renewed every year for a fee of Rs 500.

Dealing of Weights and Measures

The procedure for a dealer's license is similar except for the fact that one does not require the Model Approval Certificate and an engineer in one's list of employees. The license fee for this is Rs 100. Officially the procedure for licensing should not take more then 15-20 days but waiting period of 3-4 months with an additional investment of Rs 2,000 to Rs 10,000 is more common. The renewal fee is Rs 100, though the actual amount varies between Rs 1,000 to Rs 2,000.

Repairing of Weights and Measures

For procuring a repairer's license, one has to go to the concerned zonal office along with the following documents: ration card, bank account number, and an Experience Certificate. A licensed senior repairer can issue the Experience Certificate. The application is forwarded to the Controller for his approval. The zonal officer then issues the license. The official license fee is Rs 100.

Certification Process

There are two kinds of certification: on-site and off-site. On-site certification is done for petrol pumps and weighbridges. Off-site certification is done for all the remaining weighing apparatuses. If the instrument passes the test, then the officer puts a stamp with the zonal officer's number and the alphabet signifying the quarter in which it was certified. This certification has to be done every year, though recently the period has been increased to two years.

For off-site certification, merchants rely on repairers to get the weights certified from the zonal office. The Department's requirement of the Experience Certificate has allowed the repairers to keep their number rather small—only about 181 licensed repairers in Delhi.

In case businesses are found not using stamped weighing machines and cast iron weights, they are *challaned* and asked to appear to a two-member special court situated in Karkarduma.

The Budget

The Department was allocated Rs 50 lac during the Ninth Five Year Plan but it spent Rs 87.98 lac. The Tenth Five Year Plan (2002-2007) outlay is Rs 2 crore and the approved outlay for the Annual Plan 2003 -04 is Rs 60 lac.

Significant Drawbacks

There are significant bottlenecks in obtaining a licence to manufacture weights and measures. First, the only place one can obtain a Model Approval Certificate is the Director, Department of Weights and Measures located at Krishi Bhavan, New Delhi. All manufacturers have to come to Delhi to apply for a Model Approval Certificate. Who can afford to go back without a license? The ease money required depends on the apparatus and is between Rs 25,000 to Rs 50,000 for each certification.

There are about 66 licensed manufacturers in the capital, with at least as many illegal manufacturers. Some of them have a dealer's license to operate at a lower cost. Many licensed manufacturers also utilise illegal manufacturers' services through contract manufacturing.

Reforms

- The license requirement for manufacturer, dealer, and repairman of weights and measuring apparatuses is anachronistic. As is the Model Approval Certificate for each model of apparatus to be manufactured. Just as the license requirement in other areas, no quality is guaranteed and it largely breeds corruption. Open and legal competition among the market participants is more likely to increase quality.
- Only the Union government's Department of Weights and Measures in New Delhi is authorised to issue Model Approval Certificate. The removal of licensing requirement would reduce unnecessary travels and troubles for people around the country.
- Inspection and supervisory role of the Department needs to be strengthened. Inspectors from the Prevention of Food Adulteration Department can be easily trained to check for weights and measures when they visit food establishments for their inspections. This will allow more inspections of the non-food establishments by the inspectors of the Department of Weights and Measures.
- The Department can profitably use the surplus staff created by re-organisation of other departments in vigilance and supervisory roles.

—Prepared by Neha Swetambari with the help of Sabith Khan

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Cooperatives Department

Cooperatives Department

At a Glance

Functions

The Cooperatives Department is entrusted with the responsibility of registering and supervising cooperative societies in Delhi. Other main functions include audit/ inspection and cancellation of cooperative societies, approval of their bye-laws, and arbitration of disputes that arise among members of such societies.

Findings

Cooperative societies are regulated by the Registrar of Cooperative Societies (RCS), who is appointed by the Lieutenant Governor of Delhi under the Delhi Cooperative Societies (DCS) Act, 1972.

- Of the 5,351 cooperative societies, over 60% are in the urban credit, housing, and banking sector.
- During the entire Ninth Five Year Plan period (1997–2002), the number of cooperative societies in Delhi remained almost *stagnant*—there were about 5,351 cooperative societies on 2001-02 as against 5,248 in 1996-97.
- The total approved plan outlay for the Department in the Ninth Five Year Plan (1997–2002) was Rs 417 lac, and the Department spent only about 50% of these funds.
- In the year 2001–02, a committee was constituted to draft a new Cooperative Bill to replace the existing Delhi Cooperative Societies Act, 1972. The new Cooperative Bill tries to ensure the healthy growth of cooperatives in a more democratic and transparent manner, with least interference of the Department.

Reforms

- The Registrar of Cooperative Societies has many statutory powers that impinge on the internal working of the societies, for example the power to approve bye-laws and cancel registration. This influence needs to be minimised. The Registrar is also a quasi-judicial authority with regard to settlement of disputes. It would serve a better purpose if these responsibilities are assigned to independent tribunals/ courts.

- The Cooperative Finance Department (CFD) could become the nodal agency, in fact, for coordinating *all* subsidised enterprise-credit schemes currently run by the government under different agencies. Thus, the CFD would become a one-stop shop for all such schemes.

Cooperatives Department

Cooperative societies are regulated by the Registrar of Cooperative Societies (RCS), who is appointed by the Lieutenant Governor of Delhi under the Delhi Cooperative Societies Act, 1972. There are over 20 different categories of cooperatives that can be registered. Some of the main categories (with the number of such societies operating in Delhi in 2001) are: Labour & Constructions Cooperative Societies (133); Thrift & Credit Societies/Banks (1,068); Consumer Cooperative Stores (581); Group Housing Societies (1,940).

The office of the Registrar divides Delhi into nine districts/zones. Under each Registrar there are Deputy Registrars who are in overall incharge of 2-3 zones. Each zone is headed by an Assistant Registrar.

During the period 1998–2002, the number of total sanctioned posts declined from 374 to 361. The number of posts filled in the Department in 2002 was 206. Of the 206 people working in the Department, *only three were class I officers*. The majority of the workforce (almost 90%) in the Department comprises class III and IV employees, i.e. clerical and administrative staff.[1] As shown below, it takes on itself the charge of almost all conceivable activities associated with cooperatives. If, as we recommend, the office of the Registrar restricts itself to *basic* statutory functions such as registration and general coordination, the Department would automatically become leaner and more efficient.

Besides the usual statutory functions of registration and cancellation of the societies, the Registrar is empowered in ways that negate the autonomy of cooperatives. Functions that impinge on the internal working of the societies include power to audit/inspect, approve amendments to bye-laws and maximum credit limit of cooperatives as well as supersession of the board of directors. It also settles disputes that arise between members of the cooperatives. All disputes are referred to the Department for arbitration—the arbitrators are appointed by the Registrar. The arbitrator then passes the award/ order under Section 61 of the DCS Act after hearing the parties to the disputes.

There is only *one* appeal possible to the award/order passed by the arbitrators, that is before the Financial Commissioner, Delhi who gives the final decision. Although there are fixed time schedules that the Department (supposedly) follows for disposing of applications regarding registration, approving amendments to bye-laws, there seems to be no fixed timeframe for settlement of disputes. Table 1 shows the number of arbitration/ amendment cases handled by the Department in the past few years.

Table 1: Number of Arbitration/ Amendment cases

Type of Case	*1999–2000*		*2000–01*		*2001–02*	
	Rd	*Dd*	*Rd*	*Dd*	*Rd*	*Dd*
Amendments	49	40	72	6	127	72
Arbitration	3,403	3,071	4,906	4,832	2	2

Source: Cooperatives Department, Cooperative Movement in Delhi, 2003
Rd: Received; *Dd:* Disposed

As per the Delhi Cooperative Societies Act, 1972 (Chapter 7) each cooperative society shall be audited *at least once* a year by the Registrar or a person authorised by him. The audit includes an examination of overdue debts, if any, the verification of the cash balance and securities, and a valuation of the assets and liabilities of the society. Table 2 gives the number of societies audited during the period 1999-2002.

Table 2: Audit of Cooperative Societies

	1999–2000	*2000–01*	*2001–02*
Number of Societies Audited	2560	1085	2882
Audit Fee Charged (Rs in lac)	3.21	4.72	3.61

Source: Cooperatives Department, Cooperative Movement in Delhi, 2003

A cooperative society is considered for liquidation when it is established that the society is not functioning in 'accordance with the cooperative principle' and is no longer working for achievement of the objectives for which it was registered. The Registrar can revive a society if its working improves and the members of the society assure in writing to the satisfaction of the Registrar, that it will work successfully to promote the economic interest of the members of the society.

Schemes implemented by the Department

In order to promote the formation and successful operation of registered cooperative societies, various schemes have been launched through which financial assistance is provided to these societies. Some of the important schemes carried out by the Department are:

1. Organisation of *Sehkari Bazaars*
2. Consumption Credit to SC/ST members
3. Market Development Assistance to Leather Cooperatives
4. Financial Assistance to Women Cooperatives
5. Financial Assistance to Primary Consumer Cooperative Stores
6. Financial Assistance to Labour and Construction Cooperatives

A special cell, namely 'Delhi Right To Information Cell' has been created in the Department to receive applications from citizens who intend to seek any information pertaining to the office of the Registrar.

Budget Allocations and Plan Performance

The total approved plan outlay for the Cooperatives Department in the Ninth Five Year Plan (1997–2002) was Rs 417 lac out of which the Department spent Rs 198.78 lac. The 'Appraisal of the Ninth Five Year Plan' (Department of Planning, Government of NCT Delhi) lists the Department as a 'poor' performer: since it spent only 48% of the total allocation during the plan period.

It is important to keep in mind that plan expenses are only a part of the Department's total expenditure, non-plan expenses are a significant (usually larger) amount as well. The budget estimate for non-plan expenses for the year 2003-04 alone is Rs 302 lac.[2] Of this figure, Rs 261 lac (87%) has been allocated for salaries, over time allowance (OTA) and domestic travel allowance (DTA). The figure for non-plan expenditure on salaries, OTA and DTA rose by Rs 31 lac in the space of just one year (the expenditure was Rs 230 lac in 2002–03). Refer to Table 3 for expenditure on various schemes by the Department.

Among the various schemes of the Department, 'Market Development Assistance to the Handloom Sector' and 'Strengthening of RCS office (Direction & Administration)' were the worst performers, spending only 40.4% and 47.2% respectively of the total amounts allocated to them.

It is interesting to note that the Department could not even spend

Table 3: Expenditure by Schemes (Rs in lac)

Activity/ Scheme	*NFYP Approved Outlay 1997–2002*	*NFYP Expenditure*	*TFYP Approved Outlay 2002–2007*
Direction and administration (RCS office)	40	18.89	30
Computerisation of RCS cell	20	25.05	125
Consumption credit to SC/ST members of cooperative society	30	17.35	50
Financial assistance to labour and construction cooperatives	1	–	5
Financial assistance to primary consumer cooperative stores	2	–	10
MDA to handloom sector	300	121.22	-
Financial assistance to women cooperative societies	1	–	25
MDA to leather cooperative societies	3	3.47	10
Organisation of sehkari bazaars	17	13.21	40
Share capital to DSCB	2	–	–
Agriculture credit stabilisation funds	1	–	–
Strengthening of audit unit	–	–	5
Total	**417**	**198.78**	**300**

Source: *Government of NCT Delhi, 2002. Tenth Five Year Plan 2002-07 and Annual Plan 2002-03. Department of Planning*

NFYP: Ninth Five Year Plan; *TFYP:* Tenth Five Year Plan; *RCS:* Registrar of Cooperative Societies; *MDA:* Market Development Assistance; *DSCB:* Delhi State Cooperative Bank

the funds allocated for schemes promoting their *own* stated objectives. For example, it could use only about 50% of the funds meant for 'Consumption credit to SC/ST members' and despite this, the allocation for the scheme for the Tenth Five Year Plan period jumped from Rs 30 lac to Rs 50 lac. There are many such cases where there seems to be no correlation between the expenditure on a scheme and allocation of funds for it in the future.

The performance of the Department can be assessed more clearly using a comparison of physical targets and achievements of some of the Department's worst performing plan schemes. Also, many schemes were either found infeasible and dropped, or were not implemented at all as reflected in Tables 4 and 5.

During the entire Ninth Five Year Plan period, the number of cooperative societies in Delhi remained *almost stagnant*—there were about 5,351 cooperative societies on 2001–02 as against 5,248 in 1996-97. During the Tenth Five Year Plan (2002–07), an amount of Rs 300 lac has been approved for the cooperative sector.

Table 4: Physical Targets and Actual Achievements of Major Programmes

Programme	Physical Target (NFYP)	Actual Achievement (NFYP)	Physical Target (TFYP)
Market Development Assistance to handloom cooperatives	1550 societies	877 societies	No further extension allowed by GOI
Financial Assistance to women cooperative societies	10 societies	None	25 societies
Organisation of *sehkari bazaars*	15 bazaars	8 bazaars	10 bazaars
Consumption Credit to SC/ST members	25 societies	4 societies	25 societies
Financial Assistance to primary consumer cooperative stores	10 stores	None	10 stores

Source: *Government of NCT Delhi. 2002 An Appraisal of NFYP, Department of Planning*
Annual Plan 2003-04 Vol 4. Department of Planning
NFYP: Ninth Five Year Plan, *TFYP:* Tenth Five Year Plan

Table 5: Schemes Found Infeasible / not Implemented (Rs in lac)

Name of the Scheme	Outlay of NFYP
a) *Schemes found infeasible and dropped*	
1. Share capital to DSCB	2.00
2. Agriculture credit and stabilisation funds	1.00
b) Schemes that were not implemented	
1. Financial Assistance to labour/construction cooperatives	1.00
2. Financial Assistance to primary consumer cooperative stores	2.00
3. Financial Assistance to women cooperative societies	1.00

Source: *Government of NCT Delhi. 2002. An Appraisal of NFYP. Department of Planning*
NFYP: Ninth Five Year Plan

Objectives of the Tenth Five Year Plan period (2002–2007)

- The main thrust area is the housing sector—encouraging formation of Group Housing Cooperative Societies. 1,940 of such societies are already registered. The share capital base of Delhi Cooperative Housing Finance Corporation Limited (DCHFC), an apex level cooperative, will be strengthened in order to advance loans for construction purposes to the cooperative societies and cooperatives of slum dwellers.
- In the rural sector, the proposed strategy is to accelerate the distribution of loans through the Delhi State Cooperative Bank to agriculturists for their agricultural operations.
- Formulation of separate schemes for women to provide financial assistance that will encourage them to form cooperative societies.
- The training of office bearers/members of the cooperative societies and the staff employed by them through Cooperative Training

Centre, financed through Cooperative Education Fund.
- Provision of more funds at reasonable rate of interest to meet the requirements of consumption loan for expenses on marriage, education, medical, religious ceremony of the SC/ST and other weaker sections of the society.

Reforms

The Planning Commission of India described cooperatives in the First Five Year Plan as 'an indispensable instrument of planned action in a democracy.'

Several policy-level, legal, administrative, and institutional steps were taken in this context: the state decided to financially support cooperatives. Not only did the state decide to contribute directly to the share capital of cooperatives but also to provide various kinds of subsidies, concessions and guarantees to them. In addition, the state accorded priority (and, in some cases, even monopoly) to cooperatives while issuing licenses for setting up agro-industries, selecting agencies for procuring agricultural produce on its behalf and distributing agricultural inputs or essential consumer articles. As a result, cooperatives found themselves insulated from market competition, and with easy access to cheap credit.

However development of cooperatives was kept as a matter of state policy which effectively ruled out any possibility of the emergence of genuine member-driven cooperatives. 'Thus, although during the initial stages…wider social concern and bureaucrats dominated and shaped cooperative development processes, yet it was largely the politician in power who actually moulded and determined the thrust and pattern of cooperative development. The state administrative set-up headed by that all-powerful Registrar of Cooperative Societies often played a second fiddle to the politician. The Registrar often behaved and acted against public interest and perhaps even his own conscience.' (Taimni, 1997).

There have been various instances of extreme politicisation and dominance of bureaucracy in the cooperative movement in Delhi. For example, cooperative housing societies have been virtually taken over by senior bureaucrats, former civil servants and associates of politicians —they are appointed by the Department as 'administrators' when disputes arise between members. The administrator of the Delhi State Cooperative Bank is an IAS officer. The elections to the board of directors of the Bank in September 2001 showcased the degree of politics involved: it was seen as a battle between the then Development Minister of Delhi and his rival MP, with both pitting their chosen candidates against each other.[3] There are cases where a civil servant could be appointed as administrator of three or four societies at the same time. While the Department has strict laws about who can and cannot become a member of cooperative societies, it seems to have no qualms about supersession of the managing committee of a cooperative by appointing bureaucrat administrators who have absolutely nothing to do with that particular field. 'The supersession of the elected body of a society has more to do with politics and less with effective administration.[4]

With increase in the current trends of liberalisation and deregulation in India, both governments and cooperatives are realising the varied effects of these trends on cooperatives and the role and functions of the Registrar of Cooperative Societies. It is expected that financial subsidies and support from the government will gradually cease, and the powers of the Registrar of Cooperative Societies will be curtailed following the gradual disengagement of the state from internal working and operations of cooperatives. In this context the cooperatives will have to devise new ways of mobilising capital from internal and external sources in the wake of disappearing government subsidies and capital grants (United Nations, 1998).

'Many consider cooperatives as being private business organisations of mature citizens, which have to work on their own with the chance to succeed and risk to fall. The advocates of this approach see state control over cooperatives not only as unnecessary but also detrimental. . . . Cooperative departments should be abolished and replaced by simple registration services, leaving promotion work, auditing to cooperative organisations or NGOs and disputes to be ultimately settled in court. . . . Another view is that state control will be necessary for some time but such control should be temporary, digressive and self-liquidating, i.e. it should be transferred to cooperative organisations after a period of gradual, strategic withdrawal of government from cooperative affairs.' (ILO, 1993).

It is the statutory functions of the Registrar *internal* to the cooperatives (audit, inspection, enquiry, surcharge and supersession) that really empower him, negating the independence and effectiveness of the cooperatives. Most reforms in terms of curtailing the influence of the state in the affairs of the cooperatives will have to aim at these special powers.

As far as judicial and quasi-judicial roles are concerned, it has been suggested that the Registrar of Cooperative Societies should be divested from these roles (United Nations Report, Taimni). These roles should be transferred to independent courts/ tribunals and development and promotional roles should be given to the apex cooperatives.

The draft of Delhi Cooperative Societies Bill 2003,[5] through which the government intends to reduce state interference in the internal affairs of cooperatives, leaves much to be desired in this direction. Most of the provisions that violate the three fundamental principles of cooperation: voluntary association, democratic character and autonomous functioning remain intact in the draft. Hopefully with further amendments cooperatives will be able to achieve the objectives with which they are formed.

—Prepared by Vidisha Maitra

Notes

1 Government of NCT Delhi. 2003. *Report on the Classification of Employees in Delhi Government Autonomous/ Local Bodies and Delhi Police.* Directorate of Economics & Statistics, 2001 and 1999

2 Government of NCT Delhi. 2003. *Detailed Demand for Grants for 2003-04*

3 *Hindustan Times City*, *Curious turn to coop bank polls,* 10 September 2001

4 *Hindu, Cooperatives in the grip of red-tape,* 1 August 2001

5 Full text available at http://www.rcs.delhigovt.nic.in/coopbill.htm#ch1short

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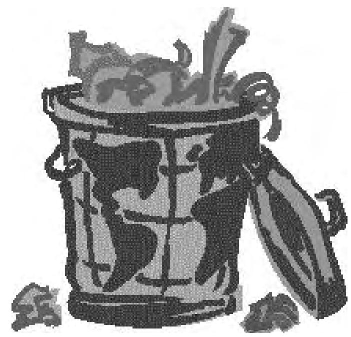


Conservancy and Sanitation Department (MCD)

Merc at a *dhalao:* Private opulence and public filth.

Conservancy and Sanitation Department (MCD)

At a Glance

Functions

The responsibility of municipal solid waste management is entrusted with the Conservancy and Sanitation Department of the Municipal Corporation of Delhi (MCD) for the areas under the jurisdiction of MCD. The task includes collection, transportation and disposal of garbage and desilting of storm water drains.

Findings

- ☞The Conservancy and Sanitation Department handles about 6,500 metric tonnes of garbage everyday, which goes up to 7,500 metric tonnes in festive seasons and monsoons.
- ☞The Department has constructed 2,405 dustbins/*dhalaos* for the collection of garbage.
- ☞There are three landfill sites for disposal of garbage in Delhi.
- ☞The CAG Report states that the Department takes 2-15 days to attend the complaints regarding garbage removal. No mechanism exists to ensure daily removal of garbage.
- ☞The working strength of *safai karamcharis* was more than the sanctioned strength and the excess varied between 28% to 33% during 1999-2001.
- ☞The non-plan expenditure of the Department increased by 126% over the period 1996-2001.
- ☞The number of *safai karamcharis* in the Department is almost double the number employed in other metro cities. A comparison of *safai karamcharis* in metro cities in India revealed that there are about 36 *safai karamcharis* per 10,000 people in Delhi—far greater than that employed in other cities—the average varies between 18-20 for Mumbai, Kolkata and Chennai.

Reforms

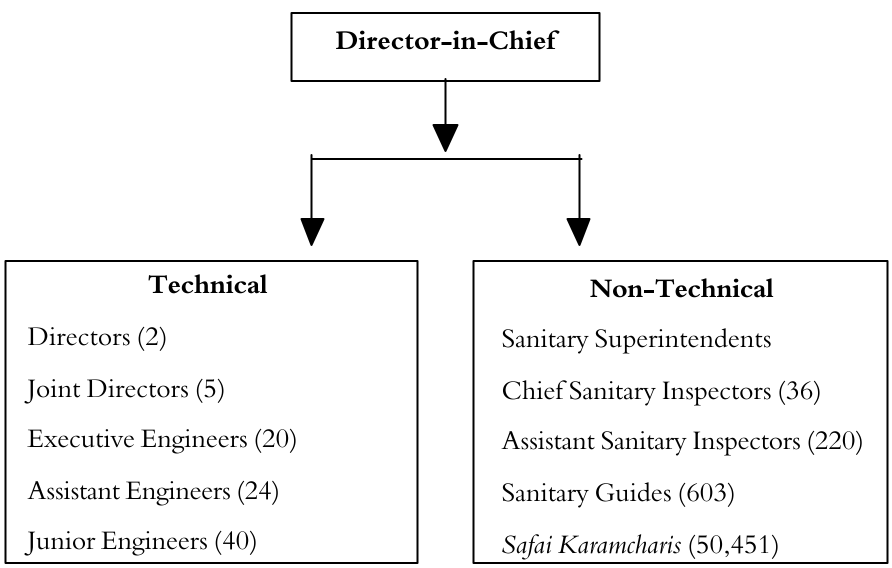
- ☞ Ward level user associations can contract with private parties or with MCD for collection and disposal of solid waste. The ward level decentralisation would allow each ward to decide the most suitable way of dealing with their solid waste—contract with an NGO, do collection themselves and contract out only transport and disposal. Divide the task of waste management into three components: collection, transportation and disposal at the landfill site.
- ☞ The *safai karamcharis* should establish cooperatives and bid for the contracts of garbage collection and transportation of garbage.
- ☞ The Department should identify sufficient number of landfill sites for all the different types of waste generated in the city. The construction and maintenance of the landfill sites should be contracted out to a private company.

Conservancy and Sanitation Department (MCD)

The responsibility of municipal solid waste[1] management is entrusted with the Conservancy and Sanitation Department of the Municipal Corporation of Delhi (MCD) for the areas covered under the jurisdiction of MCD (1,399 square km, about 94.22% of the area in Delhi). The task includes collection, transportation and disposal of garbage and desilting of storm water drains.

Organisational Structure

The Director-in-Chief heads the sanitation operations. There are two Directors working under him, one to look after the Trans-Yamuna area and the other for the rest of the MCD area. The Directors are given overall responsibility for execution of all the activities of the Department. The entire organisational structure is given below:



Functions of the Department

Process of Collection of Garbage

Under the Delhi Municipal Corporation Act, 1957 it is the duty of the household to dispose the household waste at the municipal receptacles. In addition, *safai karamcharis* appointed by MCD collect the garbage from various roads, side-lanes, and bring the same to the municipal receptacles. Street sweeping work is carried out manually and the collected waste is disposed in community bins located at different points. Wheelbarrows are used to transport garbage to nearest *dhalaos*/dustbins. The community bins comprise dustbins and *dhalaos*. At some sites, waste accumulates in the open due to non-availability of dustbins in the vicinity and these are referred to as 'open-spots.' The solid waste generation has been estimated to be around 6,500 metric tonnes per day. There are about 2,400[2] dustbins / *dhalaos*/ open sites in different parts of the city.

Process of Transportation of Solid Waste

From the dustbins/*dhalaos*, garbage is transported to the landfill sites situated in different parts of the city. At present, there are three landfill sites at Bhalsawa, Ghazipur and Okhla. The vehicles used for transportation of waste comprise 689 tipper trucks.

Process of Waste Disposal

Garbage is transported from different parts of the city and dumped/levelled at the landfill sites. A small quantity—150 tonnes per day of solid waste is processed in a mechanical compost plant at Okhla. There is a proposal to augment the capacity of this plant. Vermi-composting[3] of a very small quantity of solid waste has started at Ghazipur landfill site on 1,000 square meter area by the Directorate of Horticulture, Delhi government.

Process of Contracting Out

The Department has contracted out 130 *dhalaos* to private companies on built and operate basis. They will provide revenue to the MCD and will be responsible for removal of garbage. The Department is earning Rs 2 crore per annum from the advertising rights[4].

A five-year contract has been given to a company named Green Line for ten garbage dumps in different parts of Delhi. Walls have been built around each dump to make sure that people dump their garbage inside. The company posts two men and a security guard at each dump to restrict stray animals. When the dump gets full, these men call the garbage truck to transport the garbage to the landfill site. The result has been an efficient system of collection of garbage. Officials from the MCD are free to check any dump at any time. Green Line as well as the MCD managed to make a profit out of this operation. According to the terms of the contract, the company pays the MCD Rs 10,000-12,000 per dump every month for the use of the space on the outside walls of the dump for advertising. The success of this initial experiment in 2001 prompted the MCD to invite tenders on about 350 more dumps around Delhi from various other companies. With the result, private parties, at a much lower cost, are providing a public service more efficiently and the MCD saved about Rs ten lac[5] in the first two months itself.

Development of Engineered Landfill Sites

The construction of an engineered landfill site in Jaitpur has been contracted out to a private company on BOM (build-own-maintain) basis. This technology includes providing lining to prevent leaching into ground water. The site is in an area of 24.6 acres of land with a depth of 25 meters. The expenditure on the project is estimated to be around Rs 40 crore.

Treatment/Disposal of Slaughterhouse Waste and Dead Animals at Ghazipur

MCD has initiated private participation through pre-qualification tenders for treatment/disposal of slaughterhouse waste on BOM basis at the landfill site in Ghazipur. Under this scheme, MCD will make land available free of cost, for slaughterhouse waste disposal.

Public-Private Partnership Project

MCD has entered into an agreement with Infrastructure Development Finance Corporation Limited (IDFC) to streamline solid waste management and upgrade the sanitation services of the city. IDFC will study the micro-activities of the task such as storage at *dhalao* level, transportation, processing of waste by appropriate environment friendly technology and management of landfill sites. IDFC shall work out the various alternatives involved in each activity of the solid waste management system and optimise it through financial planning. The IDFC will outsource the activities by inviting global tenders and bidding process design, draft agreement documentation, evaluation and execution of the contract. The scheme shall initially cover six zones namely City, Sadar Pahar Ganj, Karol Bagh, West, Central and South. It has been estimated that 50% of the garbage generated in the city shall be handled by private sector participation.

Recovery of Energy from Low Calorific Value of Municipal Solid Waste at the Landfill Sites

Under this scheme, energy will be recovered in various forms for example, electricity, refuse from municipal solid waste. Three firms have been short listed in technical bids. The private entrepreneur will incur the whole investment.

Schemes of Conservancy & Sanitation Department (MCD)

Sanitation Task Force (STF)

MCD has constituted STF in all the 12 zones and attached them to zonal control rooms to ensure cleanliness throughout the city. It works under the Joint Directors of the Department on a daily basis and consists of a Sanitary Inspector, Loader, Truck, and 6 to 8 *safai karamcharis* in each zone. The citizens may lodge their complaints at the zonal control rooms as well as central control room at the Town Hall.

Door-to-door Collection of Garbage

The Department started door-to-door garbage collection from 190 colonies in different parts of the city. The group sweeping and collection system also includes door-to-door collection of municipal garbage with the help of slow moving vehicles including tricycles by manual operations directly from the households. It is planned to provide these services in 200 more colonies bringing the total number of colonies covered to 400.

Night Sweeping

The Department is undertaking night sweeping in commercial areas, market places and other crowded pockets.

Public Participation

ACORD (Asian Centre for Organisational Research & Development), an NGO is working with the Government of NCT Delhi to clean certain areas under MCD and New Delhi Municipal Council (NDMC) jurisdictions. The places chosen for MCD areas where work has started are Khizrabad, Taimoor Nagar, Molarbad Extension, Ali

Gaon and Tajur Pahadi. The works include public awareness, segregation of garbage at household level through public participation, painting competitions at school level which reinforce the message on source separation of waste.

Another NGO *Vatavaran* engages a cleaning brigade of over 100 boys who collect garbage from nearly 7,000 households. It is a decentralised, self-financing, employment-generating and community-based scheme. The RWAs bear a one-time cost of Rs 5,000 to buy the wheelbarrow and the uniforms. The residents pay the boys Rs 50 every month to pick up the garbage and clean the roads. The boys sort out the garbage into biodegradable and non-biodegradable. They turn the biodegradable heaps into organic manure by burying them into a compost pit within the colony. The non-biodegradables are sold to local *kabadiwallahs* for recycling. *Vatavaran* currently has 30 operational schemes in Delhi. Once the scheme matures, it is handed over to the concerned RWA.

Financial Profile

The Government of NCT Delhi releases funds quarterly as grant-in-aid to the MCD under the plan head 'Strengthening and Mechanisation of Conservancy and Sanitation Services.' The funds received and expenditure incurred under this head during 1996-97 to 2000-01 are shown in Table 1.

The CAG Report for the year ended 2001 in its review of the performance of the Department has noted that the Department incurred excess expenditure during the period 1996-97 to 1999-2000 of Rs 6.86 crore. The Department attributed the reasons for excess expenditure over budget provision to a special sanitation drive undertaken during the year 1998-99 and consequent payments made to staff due to recommendations of the Fifth Pay Commission. This reasoning is not tenable in view of the following:

- Government of NCT Delhi had specifically asked MCD to meet the expenditure on special sanitation drive within the allotted funds.
- Payments to staff on the basis of recommendations of Fifth Pay Commission were made from non-plan allocations and not from plan allocations.
- The excess expenditure was a regular feature in all the years.

The Department also incurs non-plan expenditure towards

Table 1: Financial Outlay vis-à-vis Plan Expenditure (Rs in crore)

Year	*Funds Received*	*Expenditure Incurred*	*(+) Excess (-) Saving*
1996-1997	61.50	61.77	(+) 0.27
1997-1998	90.00	90.63	(+) 0.63
1998-1999	80.00	82.44	(+) 2.44
1999-2000	90.00	93.52	(+) 3.52
2000-2001	90.00	87.87	(-) 2.13

Source: Report of the Comptroller and Auditor General of India for the year ended March 2001: chapter 5, table 5.2.1, p142

establishment charges as indicated in Table 2.

The non-plan expenditure increased by 126% over four years largely on account of payment of revised pay scales recommended by Fifth Pay Commission and increase in number of daily wagers. Excess of

Table 2: Financial Outlay vis-à-vis Non-plan Expenditure (Rs in crore)

Year	*Budget Estimates*	*Revised Budget Estimates*	*Expenditure Incurred*	*(+) Excess (-) Saving*
1996-1997	119.54	150.86	147.81	(-) 3.05
1997-1998	153.02	157.59	187.57	(+) 30.04
1998-1999	213.42	273.68	275.94	(+) 2.26
1999-2000	240.98	333.85	333.65	(-) 0.20
2000-2001	334.45	-	-	-

Source: Report of the Comptroller and Auditor General of India for the year ended March 2001: chapter 5, table 5.2.2, p143.

Rs 30.04 crore over the budget provision in 1997-98 was on account of payment of arrears of pay and allowances on the recommendations of the Fifth Pay Commission.

Problems with the Department

The MCD is responsible for cleanliness and garbage removal within NCT Delhi. But despite the fact that the expenditure on these services has increased by more than 100% over five years and that the Department employs more *safai karamcharis* than the sanctioned strength; the cleaning and removal of garbage in Delhi is far from satisfactory. The number of *safai karamcharis* employed as on July 2003 is 50,451, out of which 35,759 comprise the regular workers and 13,951 are daily wage earners. Some of significant problems as cited by the CAG Report for the year ended March 2001 are:

- The working strength of s*afai karamcharis* was more than the sanctioned strength and the excess varied between 28% to 33% during 1999-2001. The position of sanctioned posts of *safai karamcharis* vis-à-vis working strength including daily wagers is indicated in Table 3.
- The sanction for daily wage posts continued to be given routinely year after year without recording justification in terms of enhanced sweepable area as per the norms laid down.

Table 3: Working Strength

Position as on	*Sanctioned Strength*	*Working Strength*			*Excess*	*Percentage of Excess w.r.t. Sanctioned Strength*
		Regular	*Daily Wagers*	*Total*		
February 1999	35,380	34,025	11,365	45,390	10,010	28
February 2001	35,759	33,538	13,951	47,489	11,730	33

Source: Government of NCT Delhi. 2001. CAG Report

- Compared to *safai karamcharis* in other metro cities, the working strength in Delhi is almost double. There are about 36 *safai karamcharis* per 10,000 people in Delhi as compared to 18-20 in Mumbai, Kolkata, and Chennai. Despite this, the sanitation services continued to be unsatisfactory.
- MCD takes 2-15 days to attend the complaints regarding garbage removal. No mechanism exists to ensure daily removal of garbage. The Delhi Municipal Corporation Act, 1957 provides for daily surface cleaning of all streets and removal of the sweepings there from to prevent accumulation of garbage. The Director-in-Chief, Conservancy and Sanitation Department monitors the compliance by collecting information from zonal offices on a daily basis and submits a daily report to the Commissioner, MCD. Scrutiny of such reports revealed that the garbage was shown removed daily from all the areas. However, it was also revealed that the Department prepares their daily report on removal of garbage by obtaining the message through telephone and wireless. Apart from this, they have not devised any mechanism to cross check and ensure cleaning or

removal of garbage in any area. The veracity of such reports is doubtful as revealed by test check of the inspection reports of the officers of MCD which indicated that the garbage was not lifted daily, sanitary conditions and sweeping in many areas were unsatisfactory, silt/garbage were not removed from the nallahs. This was further confirmed from the information received from Resident/Traders Welfare Association.

- The complaints received from the residents are recorded in the Register maintained at zonal/sanitary inspector offices. After the complaints are communicated to the respective Sanitary Inspectors, these are shown as disposed of in the Register without checking with the Sanitary Inspectors/complainants that the complaints have been duly attended to.
- With a view to assess the efficiency of sanitary services, the audit enquired from 65 Resident/Traders Welfare Associations from seven out of 12 zones about removal of garbage, daily sweeping of roads through a structured questionnaire. Their responses revealed the following:
  1. The MCD takes 2–15 days in attending to the complaints.
  2. Daily surface cleaning of all the streets and removal of sweepings there from is not done.
  3. *Nallahs* are not cleaned at regular intervals.
  4. MCD workers do not remove garbage daily.

Thus, the clients of the MCD sanitation services do not rate them as satisfactory.

Improper Fleet Utilisation

According to Conservancy and Sanitation Department, it is expected that a family of five generates 1,800 grams of garbage per day. Thus with an estimated population size of 1.38 crore including floating population, the quantity of garbage totals to 4,968 metric tonnes per day. The garbage so generated is transported to the landfill sites. The position of fleet available, utilised and hired during the last four years ended March 2001 is given in Table 4.

- The Department failed to utilise the available fleet and the trucks in running condition. The fleet varying from 10 to 142 remained unutilised. Despite having sufficient fleet of its own in running condition to lift the garbage, it hired private vehicles during 1997–

Table 4: Fleet Utilisation (Daily Average Position)

Year	*Fleet Strength*	*Fleet in Running Condition*	*Fleet Utilised*	*Trucks Unutilised (out of the trucks in running condition)*	*Trucks Hired*	*Trucks Out of Order*	*% of Fleet Unutilised*
1997-1998	656	455	445	10	74	201	46
1998-1999	686	506	381	125	54	180	60
1999-2000	689	548	406	142	73	141	52
2000-2001	689	530	418	112	66	159	51
						Average	**52**

Source: Government of NCT Delhi. 2001. CAG Report

2001 for lifting of garbage resulting in avoidable payment of hiring charges of Rs 12.67 crore.

- 20% to 31% of the fleet remained out of order even though MCD is equipped with workshops in each of the 12 zones and one central workshop.
- The Department attributed the reasons for non-utilisation of fleet as absenteeism of drivers and non-filling up of posts of drivers due to which the Department had to go in for hiring of trucks. The reply is not convincing as the number of drivers was as per sanctioned strength.
- The Department hired trucks for transportation of garbage through *Samajvadi* Truck Association at the rate of Rs 1,300 per truck per day in October 1996. The same rates were prevalent even in 2001. Whereas NDMC engages trucks for removal and dumping of garbage at the same landfill sites with similar terms and conditions at the rate of Rs 892.50 per truck. Thus, MCD incurred extra expenditure of Rs 1.88 crore from June 1999 to March 2001.
- Idle Trucks: MCD procured during December 1995 to March 1996, 200 tipper trucks at a cost of Rs 10.51 crore from Ordnance Factory Jabalpur. The firm, however, did not supply tiers of the specifications mentioned in the supply order. The Department in September 2001 admitted that these trucks were designed for the purpose of defence and not carriage of garbage. The Department claimed that these trucks were being used by various zones. The claim is doubtful as information collected in audit from various zones, revealed that

117 trucks were not in use as of March 2001. Moreover, out of 200 trucks, 10 trucks were not registered with the Transport Authority.

- Outstanding charges: Test check of the financial records of the Conservancy and Sanitation Department revealed that Rs 10.68 crore were recoverable as of March 2001 from various agencies. These outstandings pertain to the year 1970-71 and onwards.

Reforms

We have propsoed ward-level user associations to contract for water and power. The same or similar user association can contract with private parties or with MCD for collection and disposal of solid waste. The ward level decentralisation would allow each ward to decide the most suitable way of dealing with their solid waste--contract with an NGO, do collection themselves and contract out only transport and disposal and such.

The employees of the Department can also compete for contracts from the wards. It may be even better if the 12 zonal offices of the Department act as independent contract centres. Instead of the Department as a whole bidding for each ward contract, the zonal offices can bid independently for any or all of the available contracts. The *safai karamcharis* could be offered voluntary retirement financed out of the funds that the Department gets from the privatisation of its assets. Those who want to continue should be allowed to bid as a group/cooperative for garbage collection contracts.

Another aspect of collection of garbage and sweeping the roads relates to the dustbins/*dhalaos* where the garbage is collected before being sent to the landfill sites. The state of the dustbins/*dhalaos* being maintained by the MCD is not very good and the MCD has already taken steps to contract out construction and maintenance of dustbins/*dhalaos*. The outside walls of these structures have been used for advertising which also generates revenue for the MCD. The MCD should however completely withdraw from the construction and maintenance of dustbins/*dhalaos*. It should hand over the existing dustbins/*dhalaos* to ward level user associations and they will then be incharge of maintaining them. If there is need for more garbage collection points, the user associations will have to finance those from their own resources.

The Department should identify sufficient number of landfill sites for all the different types of waste generated in the city. The construction and maintenance of the landfill sites should be contracted out to a private company.

Thus, the Conservancy and Sanitation Department should be more involved with supervision and monitoring of the work done by other nonprofit or forprofit groups rather than doing it themselves. The Department should also publish certain clearly defined standards of sanitation and garbage collection on the basis of which the public as well as the government can judge their performance.

—Prepared by Neha Sharma

Notes

[1] Municipal solid waste includes commercial and residential wastes generated in a municipal or notified areas in either solid or semi-solid form excluding industrial hazardous wastes.

[2] Conservancy and Sanitation Department, Municipal Corporation of Delhi

[3] 'Vermi-composting' is a process of using earthworms for conversion of biodegradable wastes into compost.

[4] Municipal Corporation of Delhi. *Civic Guide.* 2002

[5] Municipal Corporation of Delhi. *Civic Guide.* 2002

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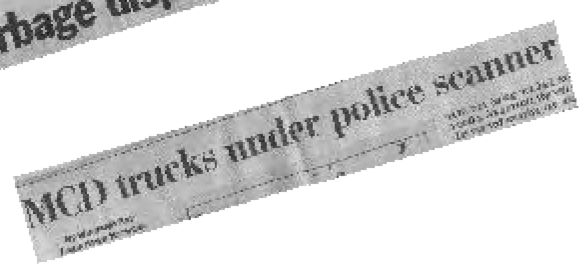
Plan to privatise garbage disposal


MCD trucks under police scanner

Public Works Department

Bad bitumen, bad roads

ESHA ROY
NEW DELHI, AUGUST 13

ALL road construction agencies in the Capital — PWD, DDA, MCD and NDMC — use the hot bitumen mix method since that's what is prescribed under

over the country.

Experts at Central Road Research Institute (CRRI) say the refineries do not actually refine the bitumen further. "What happens instead is that other waste products, such as wax, are mixed with the bitumen. They do this

black in colour) to increase the quantity. This leads to further deterioration in the quality of bitumen.

CRRI says the refineries get away with supplying inferior bitumen because the PWD is not demanding. "The quality of bitumen to

Public Works Department

At a Glance

Functions

Public Works Department is engaged in planning, designing, construction and maintenance of government assets in the field of built environment and infrastructure development.

Findings

- Public Works Department (PWD) is responsible for construction and maintenance of most of the Master Plan roads in Delhi. Construction of flyovers at traffic junctions of Delhi roads is one of its major achievements.
- A City Museum conceived more than 15 years ago is yet to take off, resulting in expenditure of Rs 30.85 lac incurred due to restrictions on construction activities in the vicinity of protected monuments. The scope of the project and the time overrun will have an inevitable impact on the project cost.
- Punjabi Bagh underpass and Mayapuri flyover have come under the scanner for the miserable quality of work. Cracks have already appeared on the sidewalls just a short period after both were opened for public use.
- There are significant gaps between the approved outlay and the actual expenditure in the Five Year Plans. In the Ninth Five Year Plan the outlay for the secretariat office building was Rs 9 crore whereas the actual expenditure was just Rs 7.92 lac. During the Tenth Five Year Plan the outlay has been kept at Rs 1 crore.

Reforms

- The multiplicity of engineering divisions in New Delhi Municipal Council, Delhi Development Authority, Municipal Corporation of Delhi could be rationalised by bringing them under the umbrella of the PWD. Then convert each zonal office of PWD into an independent business centre. These independent business centres will openly and fairly compete for contracts. The business centre will decide on salaries and promotions of personnel on the basis of the performance of the centre. The centralisation of the public works functions would generate greater accountability, less bickering and turf wars. The decentralisation and competition within PWD would ensure timely completion of projects without overruns.

- For transparency, the Delhi government should put up all tenders, bids, and selected bids of all the projects on its website. The important components of the awarded contracts like the details of the work, time schedule for completion, payment installments should be clearly spelled out. It should update the information on the website every month.
- To reduce false or fraudulent claims by companies and individuals supplying any good or service to the government, a False Claims Act (or 'Quit Tam' Act, as it is known as in the United States) should be introduced. Under the Act any person initiating a legal action or providing information to the government for successful action will receive at least 15 percent but not more than 25 percent of the proceeds of the action or settlement of the claim, depending upon the extent to which the person substantially contributed to the prosecution of the action.
- Often employees of the government have better knowledge of fraudulent actions of their peers. Honest civil servants will find it easier to come forward, particularly against a superior, if the career and personal security was guaranteed by a 'Whistleblower Protection Law.'

Public Works Department

The Public Works Department (PWD) builds and maintains the physical infrastructure of Delhi. It has:

- Engineer-in-Chief
- 4 Chief Engineers
- 23 Sub Engineers (Civil)
- 3 Sub Engineers (Electrical)
- 4 Senior Architects
- 93 Executive Engineers, 420 Assistant Engineers, 876 Joint Engineers
- Total staff strength as of March 2003: 2,686

Several flyovers are being constructed by the PWD. The Kalindi bypass is among the ongoing projects. The PWD claims to use state-of-the-art technology in construction. Consultants are employed as and when required for projects, and their expertise is utilised. The PWD works in tandem with the Central Public Works Division (CPWD) when it comes to certain areas like Quality Assurance. Refer to Table 1 for manpower requirements and planning in the Department.

Table 1: Manpower Costs of PWD

	Expenditure (Rs in crore)	*Number of Sanctioned Posts*
1997–1998	517	3,711
1998–1999	560	3,715
1999–2000	706	3,715
2000–2001	812	3,715
2001–2002	840	3,750

Source : www.delhigovt.nic.in/dept/pwd/about.htm

Problems according to the CAG Report, March 2002

Irregular Expenditure on Deployment of Personnel

According to the CAG Report of March 2002, unauthorised deployment of personnel in excess of the sanctioned strength resulted in irregular expenditure of Rs 38.16 lac. The government had sanctioned only four posts of *chowkidars* for the office premises of the Public Works Division XXI. However, as many as 17 *chowkidars* were employed, resulting in the deployment of 13 *chowkidars* in excess of the sanctioned strength. Expenditure incurred by the Division on the pay and allowances of these excess personnel was Rs 17.89 lac during the period from April 2001 to August 2002.

Unfruitful Expenditure on Construction of the City Museum

On account of the failure to foresee restrictions on construction activities in the vicinity of protected monuments, a prestigious project for the construction of a City Museum conceived more than 15 years ago is yet to take off but Rs 30.85 lac has already been spent. More than 50 percent of the land acquired for the purpose has been taken over by the Delhi Metro Rail Corporation.

Non-recovery of Outstanding Dues from a Defaulting Contractor

Failure of the Department to initiate prompt and effective action to enforce recovery of Rs 17.68 lac from a defaulting contractor resulted in the dues remaining unrealised for nearly two years. According to the standard conditions of contract of the Central Public Works Department, if a contractor fails to complete the work entrusted to him within the stipulated time, the contract is to be rescinded and the balance work should be executed through another agency or department at the risk and cost of the defaulting contractor.

The Executive Engineer, PWD XIV Division, awarded the work of widening and strengthening of road number 25 from its junction with road number 89 to 'R' Block, New Rajender Nagar, to a contractor in June 1995 at the tendered cost of Rs 90.95 lac, against the estimated cost of Rs 1.18 crore. The work did not finish on time and hence the Executive Engineer allotted the remaining work to another contractor, while the first one had been paid for the work he had done. According to the risk and cost clause in the agreement, the first contractor had to pay Rs 21.34 lac to PWD. This amount is yet to be recovered from him, and this shows one of the inefficiencies in choosing a competent contractor, and also a lack of credible method of choosing responsible contractors. Additionally, the Superintendent Engineer levied a compensation of Rs 11.83 lac in May 2002 for very slow progress of work, which also has to be recovered from him.

Reforms

- The multiplicity of engineering divisions like New Delhi Municipal Council, Delhi Development Authority, Municipal Corporation of Delhi could be rationalised by bringing them under the umbrella of the PWD. Then each of the zonal offices of PWD can be converted into an independent business centre. These independent business centres—zonal offices—will openly and fairly compete for contracts. The business centre will decide on salaries and promotions of its personnel on the basis of the performance of the centre. The centralisation of the functions would generate greater accountability, less bickering and turf wars. The decentralisation and competition within PWD would ensure timely completion of projects without overruns.
- For transparency, the Delhi government should put up all tenders, bids, and selected bids of all the projects on its website. The important components of the awarded contracts like the details of the work, time schedule for completion, payment installments should be clearly spelled out. It should update the information on the website every month.
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- Often employees of the government have better knowledge of fraudulent actions of their peers. Honest civil servants will find it easier to come forward, particularly against a superior, if the career and personal security was guaranteed by a 'Whistleblower Protection Law.'

—Prepared by Sabith Khan

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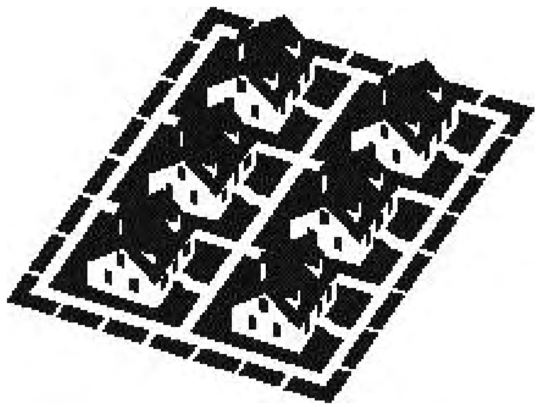
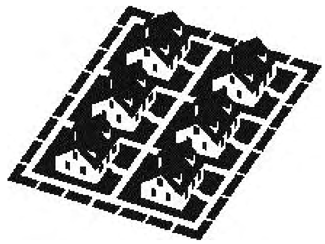


Slum and JJ Department (MCD)

Rows of unoccupied resettlement houses at Narela.

Resettlement model house (on left) versus actual house, Narela.



Slum and JJ Department (MCD)

At a Glance

Functions

The Slum and *Jhuggi Jhopri* (JJ) Department under the Municipal Corporation of Delhi is responsible for implementation of various schemes and programs to provide minimum basic civic amenities and resettlement of squatter families.

Findings

- ☞ About 99% of slum clusters are present on government-owned land, primarily of the union government.
- ☞ Till March 2002 about 40,707 squatter families from various JJ clusters have been relocated.
- ☞ As against a target of development of 75,000 sites & service plots for relocation of *jhuggis*, the Slum & JJ Department could only achieve 45% of the target. It has a pendency of more than 1.5 lac *jhuggies* for relocation.
- ☞ The Department of Urban Development continued to release grants to the MCD without ensuring achievement of targets.
- ☞ Deposits received from the land-owning agencies by the Slum & JJ Department were kept in banks and the interest accrued was diverted to non-plan expenditure of the Department, in effect, to the salaries of the staff.

Reforms

- ☞ Emphasis should be laid on prevention of future encroachment and in-situ upgradation of existing slums.
- ☞ Measures to stop future encroachment should include lapse of encroached land (if any encroachments are not removed within three months) to the Delhi government; sale of excess government land to private parties and deregulation of the Delhi Rent Control Act for the provision of cheap rental housing.

☞ In situ rehabilitation of existing slum clusters based on the lines of *Dharavi* in Mumbai--allow private residential development on encroached land with allotment to existing slum dwellers and sale to other families.

☞ The Slum & JJ Department's work depends on the existence of Slum & JJs! Prepare a time-bound plan for the in-situ rehabilitation of slums and then merge the Slum & JJ Department with the Urban Development Department for further upgradation of slums.

Delhi slums, a virtual tinderbox in summer: DFS chief

Tribune News Service

New Delhi, April 30
The increasing number of hutments covered with tarpaulin in slum clusters, congested residential areas and loose electirc wires have made the national Capital a virtual tinderbox. The Capital records more fires, especially slum fires, than any other major cities in the country. Generally, fire breaks out in the summer due to the hot and dry climate, coupled with the faulty town planning that has left inadequate infrastructure. Added to this is the lack of awarenes among its 15 million residents The Delhi Fire Service (DFS chief, Mr R.C. Sharma, say "The Capital turns into a v tual tinderbox during the su mer. Compared to Delhi, other major cities like Chen

Special provisions for night-shelters

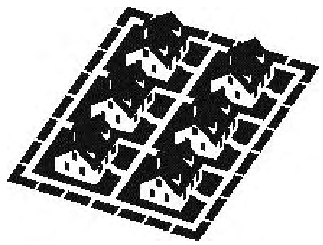
Staff Reporter/New Delhi

The Slum & JJ Department of the Municipal Corporation of Delhi has made special provisions in its Budget estimates for night-shelters, community halls, toilet blocks and improvement of katras in Sadar Pahar Ganj and city zone areas. The Slum & JJ Department is all set to adopt e-governance. Presenting the Budget in the House of the Corporation, standing committee vice-chairman Ashok Jain said the Slum

Unauthorised slum-dwellers to pay service tax

Rajesh Kumar/ New Delhi

Residents of unauthorised slum settlements will have to pay service tax every month. The expert committee on property tax reforms has recommended that the MCD should collect service charges between Rs 10 and Rs 20 per month from each dwelling unit. Delhi Chief Minister Sheila Dikshit had



Slum and JJ Department (MCD)

The Slum & *Jhuggi Jhopri* Department is under the overall charge of the Commissioner of the Municipal Corporation of Delhi. The Additional Commissioner is responsible for implementation of various schemes. He is assisted by Deputy Commissioners, Directors, Joint Directors and other officers of the engineering wing. The schemes are implemented by the Department in seven zones and sixteen divisions of Delhi. Primarily the schemes are relocation of squatters and in-situ upgradation. Sites and service plots of 18 square metres are provided to the eligible squatter families having Ration Cards with cut-off date 31 January 1990 and 12.5 square metre plots to families having post-1990 Ration Cards with effect from 1990 to December 1998.

Slum Realities

For those living in a slum the outlook is bleak. Records from ASHA, a NGO involved in the empowerment of slum communities, show that:

- 1,500 slum colonies in Delhi house over 3 million people.
- The average population density in a shanty town is 3 lac people per square kilometre.
- An average dwelling houses 6-8 people, yet measures 6ft by 8ft.
- The under 5 mortality rate is 149 per 1,000 live births.
- One water pump serves on average 1,000 people.
- Many slums have no latrine facilities.
- Where latrines are provided, the average is 1 latrine per 27 households.
- 40% of children are severely malnourished.
- In Delhi, about 40,000 children are labourers, 30,000 assist in shops, another 30,000 work in tea shops, and 20,000 in auto repair shops. 1 lac children are part time or full time domestic helps.

• 75% of men and 90% of women living in slums are illiterate.

Review of the Functioning of the Department

The Government of NCT Delhi releases grants-in-aid quarterly to the Department under Plan heads for implementation of various schemes as shown in Table 1. During the period from 1997-98 to 2001-02, the Department took up the execution of 15 schemes including the Centrally Assisted Slum Development Programme. The actual expenditure on these schemes was Rs 212.79 crore as against the allotment of Rs 205.44 crore. This included expenditure of Rs 110.07 crore incurred against receipts of Rs 109.10 crore for the Centrally Assisted Programme.

Table 1: Funds Allocation and Expenditure (Rs in lac)

Year	*Receipts*	*Expenditure*	*(+)Excess (-) Saving*
1997-1998	3,587.87	4,042.09	(+) 454.22
1998-1999	4,129.34	4,403.94	(+) 274.60
1999-2000	4,097.78	3,793.74	(-) 304.04
2000-2001	4,763.25	5,043.46	(+) 280.21
2001-2002	3,966.24	3,995.59	(+) 29.35
Total	**20,544.48(a)**	**21,278.82(b)**	**(+) 734.34**

Source: Government of NCT Delhi. 2002. CAG Report

Note: (a) includes receipts of Rs 10,909.61 lac for Central Programme

(b) Expenditure on Central Programme: Rs 11,006.55 lac

Finances of the Department

A review of their targets and achievements as mentioned in the CAG Report would put the critical appraisal of them in perspective.

- As against a target of development of 75,000 sites and service plots for relocation of *jhuggis*, the Department could only achieve less than 45% (Ninth Five Year Plan Appraisal) of the target. This is when the CAG Report states that 'there was no scientific basis under-lying the targets.' It also indicted the Government of NCT Delhi for releasing funds regularly to the Department only on the basis of the rough estimates without insisting on a detailed survey being carried out.
- The number of JJ Clusters increased from 929 in 1990 to 1,100 in

2001 despite adoption of a three-pronged strategy for relocation of the existing JJ Clusters. The three-pronged strategy emphasised that no fresh encroachment should be permitted after 31 January 1990.

- No foolproof system was devised by the Department to verify the authenticity of ration cards, which resulted in allotment of plots on the basis of fake or bogus ration cards. A sample verification proved unjustified allotment in more than 50% of the cases that were referred.
- The Department failed to provide the intended minimum basic amenities like *Jansuvidha* complexes, potable water, *basti vikas kendras*, community toilet/ bathrooms, to beneficiaries due to its lax attitude and achievement of targets ranged between 29% and 42% only, in spite of utilization of the entire funds of Rs. 19.49 crore on these activities.

Table 2 displays the schemes that were found infeasible and dropped

Table 2: Schemes Found Infeasible and Dropped (Rs in lac)

Name of the Scheme	*Ninth Five Year Plan Outlay (Rs in Lac)*
Establishment of permitted squatting zone	4,000.00
Acquisition of land for relocation of JJ Clusters	4,150.00
Innovation and research	75.00

Source: *Government of NCT Delhi. 2002. Appraisal of Ninth Five Year Plan. Department of Planning*

by the Department.

Any sympathies for the constraints under which the Slum & JJ Department functions should be reserved until a review of their financial management is taken into account.

The CAG Report indicts the Department of failing to maintain agency-wise accounts of money due and deposited by land-owning agencies. This failure would not seem gross unless it is seen in the light of the fact that of the deposits totalling Rs 141.62 crore received from the land-owning agencies, the Department did not furnish details of utilisation of Rs 71.62 crore. The Department invested the rest Rs 70 crore as fixed deposit receipts in various banks. One would wonder as to the aim of this money being deposited in banks. The CAG Report explains that the interest earned on deposits totalling Rs 13.12 crore was diverted to non-plan expenditure of the Department, in effect to the salaries of the staff. A large number of bankers in fact further state that a fair amount of commission is paid to the Departments whose deposits they hold.

Other criticisms about the Department included:

Unrealistic Achievement of Targets

Over and above the normal assistance, the Government of India provided funds for slum development from the year 1997–98 onwards under this scheme. The components of the scheme included provision of basic amenities such as water supply, drainage, community latrines, community baths. These overlapped with the existing schemes of the Department. It was observed that there was no correlation between the targets and achievements since the achievements registered under the respective main schemes were also included in this Programme. Separate accounts of each scheme under the programme were required to be maintained, which was not done.

Illegal Sale of Plots

As per the terms and conditions of allotment of plots, sale and purchase of the plots is illegal and the allottee has no ownership right on the plot. Allotment of the plot would be cancelled automatically if it is found to be used by any person other than the allottee or his/her family. The Department did not, however conduct any survey on a regular basis to detect such cases nor did any mechanism exist to curb/control the illegal sale of such plots. The CAG Report observed that plots allotted to slum dwellers were sold/changed hands in about 75% of the cases. The purpose of relocation was defeated, violating the provisions of the scheme.

Improper Inspections of Works

In order to provide basic civic amenities to JJ Dwellers, the Department assigned the work of construction of 169 *Jansuvidha* complexes to different NGOs during the years 1994-95 to 2000-01. However, no inspections/ checks were prescribed to ensure proper functioning. The Additional Commissioner of the Department also observed that these complexes were not functioning properly in the absence of an effective control mechanism to oversee the maintenance of the complexes.

By now, a creeping doubt for the reader would be about the presence of any effective enforcement/ monitoring systems in place to check the functioning of the Department. According to the CAG report, the 'Enforcement Divisions failed to perform the assigned function.' They elaborated that Enforcement Divisions in all the three Circles headed by an Executive Engineer were exclusively responsible for protecting land, preventing unauthorised construction/ encroachment and to keep a proper check on the assets of the Depart-ment. A test-check of the records of Enforcement Divisions, Circles 1 and 2, revealed that no assets or properties were transferred to them and no work of encroachment removal or protection of land was ever undertaken by the Divisions during the last one year. Therefore, the expenditure of Rs 14.56 lac (approximately) incurred by the Department on the pay and allowances of the newly created posts of two executive engineers and other staff proved unfruitful and the purpose for which the Divisions were created remained unfulfilled.

The Hindu on 15 February 2002 carried a report where the Department 'instead of improving the inhuman conditions in 1,000 of slum clusters across the Capital, has opted to invest in hi-profile facilities…It is going ahead with the construction of a posh Nigam Habitat Centre in about eight acres in West Delhi… it is also constructing a mini stadium and a hostel for players in West Delhi.'

Reforms

The approach to solving the problem of slums starts by understanding that slums are not a problem. Approximately half of the population of Delhi belongs to slums. These slum dwellers primarily consti-tute your domestic help, the neighbourhood vegetable vendor, the newspaper delivery-boy, the local scrap dealer, the plumbers, the electricians and many others. They constitute the 'informal sector'—the economist's jargon for a vast pool of low skilled, low wage workers who sometimes work in dangerous environs. Without the intricate web of services provided by these people, families would not have their existing comfort level. According to statistics from UNCHS (Habitat)'s Global Urban Observatory, the informal sector accounts for an astounding 66.7 percent of total employment in Delhi, that the corresponding figure for Mumbai is 68 percent and Chennai, 60.6 percent.

These migrants primarily from the neighbouring states settle in already overcrowded slums where safe drinking water is scarce and sanitation facilities virtually non-existent. Worst is the insecurity of tenure.

Anyday, a hut can be demolished. Even if a shanty dweller has the money, h/she is reluctant to invest in upgrading his/her dwelling. And yet, as case study after case study from the developing world demonstrates, providing slum dwellers security of tenure has dramatic results. The face of a colony changes where the residents have security of tenure. It becomes cleaner. The slum dwellers, often in partnership with NGOs, learn quickly how to negotiate for better facilities.

The slum issue in Delhi has been complicated by politics and further aggravated by weak departmental functioning which has led to the problem being given an exaggerated dimension than it really deserves. Of approximately 1,100 slum clusters in Delhi covering almost 4,000 hectares of land, only under 10 clusters occupy private lands. According to the 2001-2002 Economic Survey of Delhi, the Delhi Development Authority, the Slum & JJ Department, the Land and Development Organisation and the Railways own the most amount of land. The fact is, there is more than ample land within the territory of Delhi to rehabilitate the entire slum population and also for the other sections of society that are finding it increasingly difficult to survive in Delhi. If all the slums are to be relocated, a total of 7,000 acres or 2,800 hectares of land are required. Nearly 32,500 acres or 13,000 hectares of wasteland exists within Delhi.

Experiences from world-over on the thorny issue of slums have shown that there is no one solution that can address all concerns. It *has* to be dealt on a case-by-case basis. Policy solutions have been advocated earlier but with little perceptible improvement. The point *not* to be missed here is that an effective department can do a lot to translate policy solutions into achievable reality and the Slum & JJ Department has been found to be singularly lacking in this respect. Understandably, the Slum & JJ Department's existence depends on the continued existence of slum clusters. Hence there is a conflict of interest. A time-bound plan should be prepared by the Department for the in-situ rehabilitation of slum communities on the lines of *Dharavi* in Mumbai where multi-storeyed buildings are being constructed with allotment to existing slum dwellers and sale to other families. So real estate developers could be allowed to build housing societies in the encroached areas, then allot flats to the slum dwellers and sell the remaining ones at his discretion. The Department could then be merged with the Urban Development Department for provision and upgradation of civic services.

Prevention of future encroachments should include penalty measures for the land-owning agencies like lapse of land to the state government if any encroachments are not removed within 3 months. Right now there are no incentives for any government agency to try and protect its land from encroachment, but government agencies among themselves are extremely chary of losing land and consequent authority to another. So if the Delhi Development Authority is not able to remove en-croachments from its land within 3 months, the land falls unto ownership of the Delhi government. Also most government agencies own land far in excess of their requirements. Such excess land could be surveyed and sold to private parties for provision of low-cost housing.

An effective long-term measure to limit further encroachment of present unoccupied areas would be to deregulate the Delhi Rent Control Act and hence give rise to low rents as well as low cost housing. The regulations have aggravated the housing deficit. Because landlords are forced to accept low rents, many choose to leave apartments vacant and deteriorating rather than lease them. The result: a perpetually acute housing shortage that has kept property prices artificially inflated. According to the *India Today*, the Rent Control Act is responsible for over three lac vacant houses in Delhi. Kathmandu in Nepal neither has rent controls nor any slums!

—Prepared by Naveen Mandava

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Department of Tourism

Drink and tour? More than half of the employees work here!

Department of Tourism

At a Glance

Functions

The Tourism Department is responsible for promotion of domestic and international tourism, development of tourism related infrastructure, licensing of tour operators/ travel agents. It is also entrusted with the supervision of two agencies: Delhi Tourism and Transportation Development Corporation (DTTDC) and Delhi Institute of Hotel Management and Catering Technology (DIHMCT).

Findings

- *Dilli Haat* is one of the most successful projects of DTTDC, earning a profit of Rs 1.6 crore in 2002.
- DTTDC runs 38 country liquor and 93 Indian made foreign liquor (IMFL) vends in Delhi. Of the 1,035 employees in the Corporation, 550 work in these vends. In 2002-03, it made a profit of Rs 2.5 crore from country liquor sales (this amount was spent on building flyovers) and Rs 6 crore from IMFL sales.

Reforms

- The Department of Tourism should not be in the business of selling liquor. This should be left to private players.
- When the govenment does not have money to provide drinking water, it should not venure into running a hotel management institute. Such vocational education can be safely left to the private sector.
- Festivals and fairs should be organised by trade and community associations.
- The activities of the Department are largely a form of corporate welfare: taxpayers' money is used to subsidise businesses. The 'profit' earned by selling liquor is also ultimately taxpayers' money.

Qutub festival over, no one to clean this mess

Prarthna Gahilote

New Delhi September 13

Making the Qutub pay for itself

Sumati Mehrishi

govt-run liquor vends raided

Irregularities galore

- Unauthoried people working as employees of govt-run liquor vends
- Salesmen pocketing more money than registered in the record
- Mismanagement found in a vend located in the CM's constituency

uals not employed with the government-run vends had been selling liquor.

At the Delhi State Industry Development Corporation (DSIDC) in Ashok Vihar Phase-II, the team nabbed

Sanjeev Mishra, who was working as a salesman, though he was not an employee of the corporation. Incidentally, Ashok Vihar is the assembly segment of Deep Chand Bandhu, who is minister in-charge of DSIDC.

Things were no better at Delhi Tourism and Transport Development Corporation (DTTDC) vend at Mori Gate. The ACB found over Rs 2,000 more from a salesman. Though he declared in the register that he was earning only Rs 500 every day.

At another DTTDC vend in Gole Market, Chief Minister Sheila Dikshit's constituency, the branch seized documents suspecting irreg-

ularity in the stocks.

The ACB has found ... port from the Excise Dep... ment. "There is scope ... employees to make mone... constant vigil on them i... quired," an Excise Dep... ment official said.

On its part, the dep... ment had identified ... vends which are most so... after in the four corporat... for postings. "We are fin... out why employees are ... to be posted there. T... vends are being put u... scanner," the official sa...

The department has asked the corporations link their vends so everyday sale and stock date could be checked.

Department of Tourism

Delhi being an historic as well as the capital city receives a large number of tourists, from abroad and from other parts of the country. The number of visitors for few years is given in Table 1.

Table 1: Number of Tourists Visiting Delhi

Year	*Number of Tourists*	
	Domestic	*Foreign*
1999	14,53,284	11,58,355
2000	14,96,882	11,62,400
2001	15,71,726	12,25,170
2002	17,28,899	12,74,177

Source: www.delhistat.com, accessed on 10 October 2003

The Tourism Department has one Principal Secretary, one Additional Secretary, one Assistant Director, three Research Officers, ten Statistical Assistants (Planning), ten Statistical Investigators and other staff members. Twenty-one people work in the Department.[1]

The Department has the following responsibilities:

1. Promotion of domestic and international tourism
2. Development of tourism related infrastructure
3. Coordination with agencies involved in tourism industry
4. Classification of hotels
5. Licensing of tour operators, travel agents
6. Delhi Tourism and Transportation Development Corporation (DTTDC)
7. Delhi Institute of Hotel Management and Catering Technology (DIHMCT)

Agencies of the Department

The Tourism Department is essentially an administrative office, DTTDC and DIHMCT are the main actors. The Department's plan outlays for the Ninth and Tenth Five Year Plans are shown in Table 2.

Table 2: Scheme-Wise Plan Outlay (Rs in lac)

Department of Tourism	*NFYP Approved Outlay*	*NFYP Expenditure*	*TFYP Approved Outlay*
Strengthening of Department of Tourism	20.00	5.18	25.00
Tourism Infrastructure	660.00	88.67	2,025.00
Promotion of Tourism	160.00	201.09	1,750.00
Other Activities	160.00	-	-
Total	**1,000.00**	**294.94**	**3,800.00**

Source: Government of NCT Delhi. 2003. Annual Plan 2003–04: Scheme-Wise Plan Outlay. Department of Planning
NFYP: Ninth Five Year Plan, *TFYP:* Tenth Five Year Plan

Delhi Tourism and Transportation Development Corporation (DTTDC)

The DTTDC was formed under the Allocation of Business Rules, 1993[2]. This Corporation deals with tourism infrastructure, and promotion of Delhi as a tourist destination. The Ninth and Tenth Five Year Plan outlays for DTTDC are shown in Table 3.

Table 3: DTTDC Plan Outlay (Rs in lac)

Delhi Tourism and Transportation Development Corporation	*NFYP Approved Outlay*	*NFYP* Expenditure	*TFYP Approved Outlay*
Grant-in-aid to DTTDC for strengthening of Tourism Information Centres	100.00	126.50	100.00
Share Capital to DTTDC	300.00	100.00	Nil
Total	**400.00**	**226.50**	**100.00**

Source: Government of NCT Delhi. 2002. Annual Plan 2003-04. Department of Planning
NFYP: Ninth Five Year Plan, *TFYP:* Tenth Five Year Plan

Projects of DTTDC

Dilli Haat

The *Dilli Haat* is a venture jointly set up by the New Delhi Municipal Council, Ministry of Textiles, Government of India, and Delhi Tourism Department. It provides the ambience of a traditional rural *haat* (market) by creating an amalgamation of crafts, food and cultural activity. Since its inauguration on 24 March 1994, it has been home to nearly 50,000 handicraft and handloom artisans. Every day around three to four thousand people visit *Dilli Haat*. The cost of construction was around Rs 3.5 crore and its per year maintenance and administrative expenses are around Rs 1 crore. Since 2001, Dilli Haat has been earning profits of Rs 1.60 crore. *Dilli Haat* is thus a profit making venture of DTTDC.

Country Liquor and Indian Made Foreign Liquor (IMFL) Retail Outlets
The Corporation has retail outlets for the sale of country liquor and Indian made foreign liquor. There are 38 country liquor and 93 IMFL shops in Delhi. Some of the outlets sell both. More than 50% of the total workers of DTTDC work in these outlets.

In the year 2002-03, the Corporation made a profit of Rs 2.5 crore from sale of country liquor. It purchases country liquor from the Excise Department at Rs 34 per bottle and sells at Rs 40 per bottle. The funds generated from retail sale of country liquor are used exclusively for construction of flyovers and other pedestrian facilities. The Corporation has constructed flyovers at Lodhi Road, Chirag Delhi, Indian Institute of Technology (IIT), Raja Garden, and Peeragarhi Chowk. In 2002-03, the profits from IMFL sales were around Rs 4 crore. Funds generated from IMFL sales are used for tourism related infrastructure like *Dilli Haat*, Garden of Five Senses, Sound and Light Shows and others.

Several other corporations are authorised to sell liquor: Delhi State Civil Supplies Corporation (DSCSC), Delhi State Industrial Development Corporation (DSIDC) and Delhi Consumer Cooperative Wholesale Store (DCCWS).

Publicity
DTTDC spends a considerable amount of money on publicity of its festivals, cultural shows, historical sites and monuments, traveller's guide and adventure sports.

Wayside Amenities
Wayside amenities include facilities provided to tourists, like toilets, cafeteria, telephone booths, hotels, guesthouses for resting and others.

Tourist Information Centres
DTTDC spends a lot of funds on tourist information centres, as these are centres from where the tourists can get information about Delhi.

The amount of grants received and spent by the Corporation on these centres is shown in Table 4.

An evaluation study by the Planning Department of the Delhi government during 2000-01 on 16 tourist information centres recommended immediate closure of five centres at R K Puram Coffee Home, Dilli Haat, ISBT, Kashmere Gate, and Noida.

Table 4: Grants for Tourist Information Centres (Rs)

Year of Grants	*Received/ Receivable during the year*	*Incurred/Utilised during the year*
1997–98	30,00,000	30,00,000
1998–99	30,00,000	30,00,000
1999–2000	27,00,000	19,11,000
2000–2001	19,49,678	19,49,678
2001–2002	Nil	27,89,000

Source: Government of NCT Delhi. 2002. Details of Government Grants Received/Receivable and Utilisation. Department of Tourism

Other Tourism Related Services

- The Corporation offers city sight-seeing tours and innovative package tours to places of historic, cultural and scenic interest and to places of pilgrimage.
- It also provides facilities like trekking, rock climbing, parasailing and water sports.
- The Corporation's travel bureau has facilities for on-line reservation for Indian Airlines, international air ticketing and computerised currency conversion.
- The Corporation's fleet of coaches and cars can be hired for both local and outstation trips at all information centres.
- The Corporation, through its tourist information centres, offers facility for accommodation reservation.

Refer to Table 5 for the gross profit of the Corporation.

Recreational Activities

The Corporation also provides facilities of boating and water sports at Bhalswa Lake. Boating facility is also available at Naini Lake, Prasad Nagar Lake, Hari Nagar Lake, Purana Quila and India Gate water channels. The Corporation puts on display the rich and diverse cultural heritage of Delhi by holding various festivals during the year: Garden Tourism Festival-February; Roshnara Festival-May; Mango

Table 5: Gross Profit of DTTDC (Rs)

Turnover	*2001–02*	*2000–01*
Sales	3,82,63,89,785	3,39,73,31,864
Income from services rendered	1,57,93,447	1,72,45,052
Total (A)	**3,84,21,83,232**	**3,41,45,76,916**
Cost of sales/services rendered		
Cost of sales	3,46,99,66,105	3,09,46,60,149
Cost of services rendered	91,74,361	1,12,07,952
Total (B)	**3,47,91,40,466**	**3,10,58,68,101**
Gross profit (A-B)	**36,30,42,766**	**30,87,08,815**

Source: Government of NCT Delhi. 2001, 2002. Annual Accounts 2001-2002. Department of Tourism.

Festival-July; Shalimar Festival-September; Qutab Festival-October; Chrysanthemum Festival-December; Winter Carnival-December.

The grants-in-aid given by the Delhi government to DTTDC for the organisation of the Garden Festival, Qutab Festival, Roshnara Festival and Shalimar Festival are given in Table 6.

Table 6: Grants-in-Aid to DTTDC for Organisation of Festivals (Rs in thousand)

Year	***Budget Estimates***	***Expenditure***
1999-00	1,868	1,350
2000-01	1,050	7
2001-02	-	-
2002-03	200	-
2003-04	1,000	-

Source: Government of NCT Delhi. 2000, 2001, 2002, 2003. Demand for Grants

The Department also runs Coffee Homes. These provide hygienic food at affordable prices and also serve as recreational centres.

Delhi Institute of Hotel Management and Catering Technology (DIHMCT)

The Tourism Department of the Delhi government runs this Institute. It was started in 1983. There is another government institute for hotel management which is run by Ministry of Tourism, Government of India, National Council for Hotel Management and Catering Technology, PUSA.

The Delhi government approved an outlay of Rs 18 crore for DIHMTC under the scheme 'Three Years Diploma Course in Hotel Management and Catering Technology' for the period of the Ninth

Five Year Plan, but the expenditure incurred during this period was only Rs 263.04 lac. The Delhi government has approved Rs 20 crore for the Tenth Five Year Plan.

Significant Drawbacks and Inefficiencies

- The Department took up the Coffee Home project at Indira Gandhi International Airport in 1992. The Coffee Home was commissioned in 1996 and the expenditure incurred was Rs 91.24 lac. Due to poor sales, the Coffee Home started incurring losses since its inception and was closed down on 16 June 2000. By that time, it had accumulated loss of Rs 69.17 lac (provisional figure). This data is sourced from the CAG Report for the year ending 2002.
- A review of 63 IMFL vends on 28 February 2002 revealed that three vends (Dayal Pur, Sanjay Gandhi Transport Nagar and Swaroop Nagar) were incurring heavy losses due to low sales since April 1998 .

Reforms

- The Delhi government has already announced a new policy which allows entry of private vends for liquor. A logical step further would be to auction off the vends run by the various corporations of the government. The government should not be in the business of selling liquor.
- The festivals and trade fairs benefit particular businesses and they should bear the cost. The only way to know whether these programmes are worthwhile or not is to have the industry organise and pay for them. The Department should leave these to community and trade associations.
- When the govenment does not have money to provide drinking water, it should not venure into running a hotel management institute. Such vocational education can be safely left to the private sector. It should sell off the Delhi Institute of Hotel Management and Catering Technology.
- The Planning Department's recommendation of immediate closure of five Tourist Information Centres at RK Puram Coffee Home, *Dilli Haat*, ISBT, Kashmere Gate and Noida should be followed up immediately. It should revaluate whether information centres could be run by concerned industries or businesses. Hotels provide tourist information to their guests. Similarly managers of airports and railway stations can supply the necessary information to their

customers. Moreover, tourists do not need to be subsidise, if they need the information, they should pay for it. It's just a part of going on a tour.

—*Prepared by Shiva Mishra*

Notes

[1] Government of NCT Delhi. 2001. *Annual Plan Document on Manpower and Employment* 2000-01. Department of Planning

[2] http://www.delhiplanning.nic.in/Write-up/2002-03/volume-I/Tourism.pdf

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Chit Fund Department

Chit Fund Department

At a Glance

Functions

The Chit Fund Department supervises the activities of chit fund companies in Delhi through the Madras Chit Fund Act, 1961 (extended to Delhi) and Delhi Chit Fund Rules, 1964.

Findings

- Currently there are over 2,000 registered chit funds in the city.
- The Department is headed by the Registrar, Chit Funds, and had a employee strength of 16 in 2002. The Department's total budget in the year 2003-04 was Rs 23 lac.
- Functions of the Registrar include approving bye-laws, increasing paid-up capital, and inspecting the office premises of a new company.
- A Chit Fund Panchayat comprising representatives of established companies, senior citizens and an officer of the Department has been established to expedite dispute settlements outside court.

Reforms

- No need for a supervisor specially for chit funds. The government should only be involved at the stage of *registration* of a chit fund company, like any other company. Approval of bye-laws, development of a rating system, and settlement of disputes should be left to chit fund federations.

Chit Fund Department

The Chit Fund Department was set up by the Delhi government with the objective of supervising the activities of the chit fund companies in Delhi through the Madras Chit Fund Act, 1961 (extended to Delhi) and Delhi Chit Fund Rules, 1964.[1]

Working of a Chit Fund

The foreman of the fund collects a specific periodic subscription from all subscriber-members. The total of the periodic subscription, called the capital of the chit fund, is given out periodically as the prize amount to any one of the members through a system of auctions. There will be as many periodical installments as there are members. Thus, each member gets an opportunity to receive the prize amount once during the tenure of the scheme. All members contribute towards the periodic subscription till the end of the duration of the chit scheme.

Objectives of the Chit Scheme

1. Pooling together of scattered funds of groups/individuals
2. Loaning out of the pooled amount to a member of the group
3. Continuing the process of collection and distribution of amounts for a certain time period. This time bound function of collection and distribution of funds is different from the functions of other financial intermediaries.

The Department is headed by the Registrar, Chit Funds, and had a strength of 16 people working in 2002.[2]

Functions

Registration of a Chit Fund and Approval of Bye-laws

Chit Fund companies operating in Delhi first obtain a certificate of incorporation from the Registrar of Companies. After getting this certificate, the companies apply for registration of their first bye-laws with the Registrar, Chit Funds. Documents that are required to be submitted at this stage include Memorandum and Articles of Directors, proof of ownership of the office premises, photocopies of ration cards of the Directors. The fee for registration of bye-laws is Rs 50. The company should have at least an amount of Rs 1 lac in the bank as paid-up capital. The company must also submit bank fixed deposit receipts for deposits created in the name of the Registrar, Chit Funds, equivalent to half the chit amount. This is, in essence, a refundable security that is used to make payments to the members of the group in case of any disputes. Also, if the company is found to be violating any of the regulations in course of its operations, this amount is withheld, and the registration of the company is cancelled.

On receipt of the application, the Registrar examines the application and bye-laws in order to satisfy himself that the bye-laws are:

1. in conformity with the Madras Chit Fund Act, 1961 and Delhi Chit Fund Rules, 1964
2. suitable for carrying out the objectives of the chit group
3. suitable for carrying out safe and fair conduct of the business

Inspection of the Premises

After all requirements are fulfilled, spot inspection of the proposed registered office of the company is made by the Chit Fund Department through an Inspecting Officer. Requirements for the registered office include atleast 150 square feet of office area, presence of an auction hall, and a prominent signboard.

Approving Amendments to Bye-laws

After the bye-laws have been registered, the chit fund company can apply for the amendment of these bye-laws, if necessary. Documents required for amendment of bye-laws include: application along with a court fee stamp of Rs 5, approved bye-laws (in original), and proposed bye-laws (in duplicate). Amendment of bye-laws of a chit fund company is allowed only once. No clause in the chit agreement shall be altered, added to or cancelled by the company except with the consent in writing of the Registrar, and all the subscribers of the chit.

Approval of an Increase of Paid-up Capital

To increase the paid-up capital of the fund, the company must file documents including bank statements showing the cheques clearance against allotment of shares, a copy of the board's resolution, and a certificate from the chartered accountant of the company.

Minutes of Chit Auctions

The minutes of proceedings of each chit auction will be prepared by the foreman and a copy of the minutes so prepared is to be submitted to the Registrar.

Grievances Redressal—Chit Fund Panchayat

Under the existing Chit Fund Act, any dispute regarding payment can be settled by a civil court as the Registrar has no such power. To expedite the dispute settlement outside the court, the Department has conducted a new experiment. A Chit Fund Panchayat comprising of representatives of established companies, senior citizens and an officer of the Department has been formed. The Panchayat meets on every Friday afternoon and tries to settle the complaints of the subscribers against the company on mutual basis. In case, no settlement is arrived at, the complainants are advised to seek remedy from the court of law, if they so desire. The subscribers can also directly approach the civil court or consumer forums for recovery of their dues against chit fund companies without filing a complaint in the office of Registrar, Chit Fund.

The Department also maintains a list of registered Chit Funds (available on its web site). There is also a list of unregistered Chit Funds, and subscribers are advised against joining such funds. Currently there are over 2,000 registered Chit Funds in the city. There has been no allocation of funds for any new plan schemes for the Department for several years—the expenditure of the Department, in present scenario, is entirely made up of salaries, official travel allowance, dearness allowance, and general office expenses. The budget estimate for these expenses was Rs 23 lac for the year 2003–04, compared to Rs 25 lac in the year 2002–03.[3]

Reforms

The government could easily relieve itself of the responsibility of approving bye-laws and increasing paid-up capital by entrusting this to chit fund companies, or a chit fund federation. The government should only be involved at the stage of registration (with the Registrar of Companies, as with all companies). The Registrar of Comapnaies shoud provide, preferably on its website, a listing of registered and debarred companies for the benefits of members and consumers.

—Prepared by Vidisha Maitra

Notes

[1] Full text available at http://www.delhichitfund.com/actsandrules_new.htm

[2] Government of NCT Delhi. 2002. *Report on the Classification of Employees in Delhi Government Autonomous/ Local Bodies and Delhi Police*. Directorate of Economics and Statistics

[3] Government of NCT Delhi. 2002 , 2003. *Detailed Demand for Grants 2002-03 and 2003-04*

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Directorate of Prohibition

Contradictions: Selling and prohibiting liquor.

Directorate of Prohibition

At a Glance

Functions

The main function of the Directorate of Prohibition is publicity and propaganda against the consumption of liquor in Delhi.

Findings

- 292 out of 293 people who drink know the hazards of drinking according to a survey by the Planning Department.
- The Directorate employs a staff of 34 to publicise a well-known fact and spends about Rs 1.6 crore in the process.
- Government of India spends Rs 2.35 crore all over India on institutions which work towards eradicating the menace of alcoholism. Propaganda against alcoholism is only one of the activities of these organisations. Whereas Delhi government spends Rs 1.6 crore just towards publicity.
- The Directorate does not evaluate the effects of its own campaign and hence budget allocation is arbitrary.
- The objective of the Directorate clashes with the objective of other departments of Delhi government like Delhi State Industrial Development Corporation (DSIDC) and Department of Tourism which sell liquor to raise revenues.

Reforms

- Before preaching the ills of drinking, the government should get out of the business of selling liquor. As per the recent policy initiatives, liquor vending must be transferred to the private sector.
- The awareness campaign, if desired, would be performed better by Public Service Announcements. This function can be performed by the Department of Social Welfare. A full-fledged department with 34 employees is certainly not necessary for this objective.

Directorate of Prohibition

The Directorate of Prohibition started as a Cell for Prohibition Propaganda Publicity Scheme under the Department of Information and Publicity during the year 1978-79. One year later, the Cell was transferred to the Excise Department under the Commissioner of Excise & Director, Prohibition. Finally, the Directorate was set up as a full-fledged Directorate under the Principal Secretary, Finance as the Head of the Directorate. After 2003-04, it will be under the Department of Social Welfare.

Objectives

Article 47 of the Constitution of India, which states 'the State shall endeavor to bring about prohibition of consumption except for medicinal purposes of intoxicating drinks and of drugs which are injurious to health,' explains the existence of the Directorate. The objective of the Directorate is to create awareness through propaganda among the masses regarding the ill-effects of alcohol consumption.

There is clear dichotomy between the needs and objectives of the Delhi government and the objectives of the Directorate of Prohibition. It is actually in the interest of the Delhi government to increase liquor sales and revenue. At the same time, it has a duty under Article 47 and under the objectives of social welfare to curb the spread of alcoholism.

Activities

The main activity of the Directorate is publicity and propaganda against the consumption of liquor. The media used by the Directorate are:

- Advertisements in newspapers/ magazines/ television/ radio
- Hoardings, posters, banners at railway stations, bus shelters, bus panels
- Exhibitions, cultural programmes, street plays

For any institution dedicated to propaganda, the evaluation of the result of its activities is of utmost importance. But the Directorate has no means of monitoring, reviewing or evaluating its activities. There is no systematic mechanism to ascertain how many people have been reached or which medium has been the most effective. As a result, there is a high degree of arbitrariness in planning and budgeting of the Directorate.

Relevance of the Directorate

The Evaluation Cell of the Planning Department has done a survey in which out of 293 people who drink, 292 know the hazards of drinking. Yet the Directorate employs a staff of 34 to publicise a well-known fact and spends about Rs 1.6 crore in the process. The Government of India spends Rs 2.35 crore all over India on various governmental and non-profit organisations which work towards eradicating the menace of alcoholism. Propaganda against alcoholism is only one of their activities. Whereas Delhi government spends Rs 1.6 crore just towards publicity.

Employment and salary details in 2001:
- The Directorate employs 34 people.
- Nine new posts were created in the years 1997-2002, though no worker shortage has been indicated in the reports.
- Plan expenditure on salaries under Directorate of Prohibition: Rs 13.7 lac
- Plan expenditure on salaries under Strengthening of the Directorate: Rs 8 lac
- Non-plan expenditure on salaries under Strengthening of the Directorate: Rs 7.25 lac
- Over time allowance (OTA): Rs 15,000
- Total salaries paid: Rs 28.95 lac

The amount shown in the Directorate accounts as salaries paid is only Rs 13.7 lacs but the actual amount spent is Rs 29.1 lac (including OTA). This is because the posts created under Strengthening of Directorate are paid under the scheme 'Strengthening of Directorate' and do not appear under salaries. Over time allowance also does not count as salaries.

Evaluation by the Planning Department

According to a study conducted by the Evaluation Cell of the Planning Department, the following results have been found about the drinking patterns of people of Delhi. According to this study, about 39% of the sample and 42% of the drinking sample is addicted.

1) 84% are aware of the publicity measures taken by the Directorate.
2) 92% who drink are aware of the ill effects.
3) 27% approached NGOs to reduce consumption of liquor.
4) 37% have members in their families who drink.
5) 50% said that the slogans publicised by the Directorate were effective.
6) 60% have told their friends and family to denounce alcohol as a result of the slogans.
7) 30% feel new and more effective slogans should be introduced.
8) 30% reduced the consumption of liquor due to the impact of the publicity of the Directorate.

Table 1: Study on Patterns of Consumption of Liquor by the Evaluation Cell of the Planning Department

Particulars	*No of Persons*
Persons interviewed	319
Persons consuming liquor	293 (92%)
Persons addicted to liquor	123 (42%)
Reasons for drinking	
• To reduce tension	65 (22%)
• To entertain or for company	164 (56%)
• On doctor's advice	32 (11%)
• Other reasons	32 (11%)
Reaction of family members	
• React	91 (31%)
• Neutral	202 (69%)

Source: Government of NCT Delhi. 2003. Annual Report 2003. Directorate of Prohibition

Table 1 gives the results of a study on the consumption patterns of liquor by the Planning Department. The obvious question arising out of the above table is that since 84% are aware of the efforts of the Directorate and 92% of the drinkers are aware of the ill-effects, why does the Directorate need to further publicise it.

Reforms

Before preaching the ills of drinking, the government should get out of the business of selling liquor. As per the recent policy initiatives, liquor vending must be transferred to the private sector. The awareness

Campaign, if desired, can be run by the Department of Social Welfare. The Department can hire an advertising agency or a NGO and can have the performance evaluated through an independent market research firm in alternate years. Running a full fledged Directorate with 34 employees is certainly not the most efficient way of achieving the objective. Closure of the Directorate is recommended.

—Prepared by Sruthijith K K with the help of Shruti Rajagopalan

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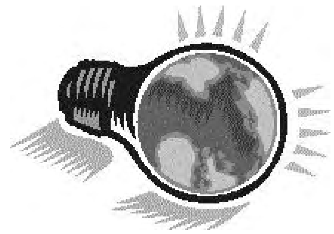
Delhi Energy Development Agency



Delhi Energy Development Agency

At a Glance

Functions

The Delhi government created the Delhi Energy Development Agency (DEDA) in February 1984 under the Societies' Registration Act, 1860. The objective of this Agency is to implement different energy schemes in rural as well as urban areas of Delhi.

Findings

- The 1997 Comptroller and Auditor General's Report pulled up DEDA for gross mismanagement and irregularities. Another report was sent to the Lieutenant Governor in April 1999 by the *Lokayukta*, pointing out the irregularities of DEDA, but still Delhi government took no action, and the agency is yet to be closed down completely.
- According to the Delhi Planning Department, even after incurring a total expenditure of Rs 1,197 lac since 1986, it had not been able to achieve any of its objectives.
- The battery bus service of DEDA incurred losses of approximately Rs 414 lac during 1992-97.
- Solar water heating (SWH) systems costing Rs 10.56 lac were installed on demonstration basis free of cost at the residences of ministers/ senior government officials against the guidelines. The residences selected for demonstrations were not accessible to public, thereby defeating the entire purpose of installation and demonstration of SWH systems.
- The Agency distributed 164 solar lanterns costing Rs 4.50 lac to members of parliament, ministers, and government officials on demonstration basis.

Reforms

- While the Delhi government does acknowledge the need to wind up the Agency in light of the recommendations of the CAG Report, DEDA is not yet dead. The government must not waste taxpayers' money any further by delaying the closure of the Agency.

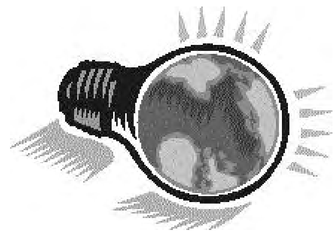
Three dozen battery-run buses rusting in depot

Nalini Ranjan
New Delhi, May 20

About three dozen battery-run buses, worth crores of rupees, parked for more than a decade at the bus depot of Delhi Energy Development Authority at School Block near Shakarpur area of East Delhi, have been reduced to junk, thanks to the apathy of the Delhi Transport Department.

About 80 odd employees of the depot, mostly drivers, conductors and mechanics, are now working as watchmen. However, the employees are getting their salaries. Rampal, a driver, said that though he does not like to sit idle, there is nothing he can do about it.

About 15 years back, the
Non-Conventional E
ergy Source Ministry, w
the help of Delhi Ene
Development Autho
(DEDA), had jointly in
duced these battery-o
ated buses to flight p
tion caused by tra
Five separate depot
Shivaji Stadium, Lal
Rajapur Road, Seel
and Shakarpur—w



Delhi Energy Development Agency

The Delhi government established Delhi Energy Development Agency (DEDA) in February 1984 under the Societies' Registration Act, 1860. The objective of this Agency was to implement different energy schemes both in rural as well as urban areas of Delhi.

A governing body consisting of a Chairman and eleven members manages DEDA. Currently the Secretary, Ministry of Environment and Forests holds the post of Chairman. The other members are from the Government of India, Government of NCT Delhi, Municipal Corporation of Delhi, State Bank of India and the Delhi Cooperative Bank.

The Agency was set up with the following objectives:

1. To identify and study problems with regard to the energy scenario in Delhi.
2. To execute pilot projects of non-conventional and conventional energy sources.
3. To organise and arrange supplies of energy devices like solar cookers, windmills, biogas plants, solar water heating systems and other energy saving equipment.
4. To arrange demonstrations to educate the public about uses and working of different types of energy systems and devices.

Plan Schemes and Allocations

The Agency has been getting funding for various plan schemes under two heads: Rural Development and Energy.

Rural Development

Under this head, the total grant in aid for the Ninth Five Year Plan (1997–2002) to DEDA (given to implement the Integrated Rural

Energy Programme or IREP) was Rs 375 lac and the expenditure during this period was Rs 485.10 lac. The grant for the Tenth Five Year Plan (2002–2007) is Rs 100 lac, and the entire amount has been allocated to the Annual Plan 2002-03.

Some of the major projects are:

- National Project on Biogas Development
- National Programme on Improved *Chulhas*
- Solar cookers, pressure cookers, and solar lanterns

Table 1: Plan Allocation and Expenditure of DEDA under Energy Sector (Rs in lac)

Name of Scheme/ Programme	*NFYP (1997–2002) Approved Outlay*	*NFYP Expenditure*	*TFYP (2002–2007) Approved Outlay*
Integrated Urban Energy Programme	555.00	338.86	90.00
Plying of battery buses	600.00	596.22	60.00
Total	**1,155.00**	**935.08**	**150.00**

Source: Government of NCT Delhi. 2003. Annual Plan 2003-04 Vol. 3. Department of Planning

NFYP: Ninth Five Year Plan, *TFYP:* Tenth Five Year Plan

Integrated Urban Energy Programme

According to the Planning Department of the Delhi government, no progress has been made by DEDA under this scheme, which involved installation of institutional solar water heating systems (SWHs). A token provision of Rs 90 lac is approved for Tenth Five Year Plan which includes Rs 60 lac for Annual Plan 2002-03 for meeting the salary expenditure of the staff until a decision is taken to wind up DEDA. Similarly, for the Battery Buses Scheme, out of the total Tenth Five Year Plan outlay of Rs 60 lac, Rs 40 lac has been provided for meeting salary expenses.

DEDA has been marred by controversies ever since its inception. The efficacy of DEDA has been in question for a long time. Despite various newspaper articles and reports questioning the rationale behind the existence of such a loss-making agency, it continues to exist while eating into government funds and taxpayers' money.

The CAG Audit Report of the Government of NCT Delhi for the year ending 31 March 1997 pulled up DEDA for gross mismanagement and irregularities.

The highlights of the Report are as follows:

Battery Bus Service

DEDA had been operating the battery buses for intra-city transport as a pilot project since 1986 at the behest of the Ministry of Non-conventional Energy Sources (MNES). The scheme had the following objectives:

- To provide pollution free mode of transport
- To serve as an alternative to the slow moving transport like rickshaw and *tonga*

The results were as follows:

1. The bus service incurred losses to the extent of Rs 414 lac during 1992–97. Even after incurring a total expenditure of Rs 1,197 lac since 1986, it had not been able to achieve any of its objectives.
2. Only 33 out of 84 buses remained road worthy by 1997.
3. Ratio between average revenue earned and average revenue expenditure was 1:4 during 1992-97 and by 1996-97 it was 1:6, while occupancy per bus trip was only 68 percent.
4. The ratio of staff deployed per bus was 7:1 in October 1997. As against the standard norms of staff productivity of 25-30 km per employee per day, in case of DEDA it worked out to be only 6 km per employee per day.
5. 19 battery sets were lying unutilised, which resulted in blocking of funds to the extent of Rs 21 lac.

Polaroid Division

Polaroid Division under DEDA was set up in 1985 for making driving licenses on behalf of the Transport Department of Delhi consisting of five motor licensing offices that expanded to nine later on. One of the main objectives of creating this division was to generate income for DEDA to meet the deficits. Despite being a monopoly, this division could generate a profit of only Rs 15 lac during the period 1992-1996. Scrutiny of records showed that DEDA could have generated greater savings had it managed its affairs more efficiently.

The following highlight the gross mismanagement of funds:

1. Nine colour imaging systems were purchased during 1992-96 at a cost of Rs 172.77 lac, which exceeded the assessed market value of these systems prevalent at the time of purchase by Rs 82.20 lac. Similarly, the Agency paid Rs 18.77 lac extra per annum as compared

to the then prevalent market value on purchase of consumables costing a total of Rs 108 lac. Both these purchases were irregular, as there was no sanction of the competent authority. Also financial rules were flouted and a particular supplier was favoured.

2. Income of Rs 10.43 lac of polaroid units was misused on distribution of *diwali* gifts and providing free tea to the staff.

Solar Water Heating Systems

Under Integrated Urban Energy Programme (IUEP) scheme, the programme of installation of solar water heating systems having capacity between 100 and 1,000 litres per day (LPD) was implemented by DEDA as per guidelines from MNES. The main objective of the programme was to make use of freely available solar power for providing low-grade thermal energy and to save electricity. Initially the average subsidy on systems was around 50 percent, which was shared by MNES and DEDA but from July 1993, the subsidy was withdrawn and it was decided to provide financial assistance in the form of soft loans from Indian Renewable Energy Development Agency (IREDA). The highlights of the Report were:

1. Solar water heating systems costing Rs 10.56 lac were installed on demonstration basis free of cost at the residences of ministers/ senior government officials against the provisions of guidelines and without the approval of the governing body. The residences selected for demonstrations were not accessible to public thereby defeating the entire purpose of demonstration of SWH systems.
2. There was a marked drop in the capacity installed over the years, from 1,35,200 LPD in 1992-93 to only 900 LPD in 1996-97.

The Tata Energy Research Institute (TERI) in its Evaluation Report of January 1996 attributed the declining trend to lack of interest and low attraction of the technology. However, no remedial action was taken by the Agency.

Solar Lanterns

Under Integrated Urban Energy Programme (IUEP), the programme of sale of solar lanterns was implemented by DEDA with the objective of popularising its use as an alternative source of light in rural and urban areas. Against the total cost of Rs. 5,600 of one solar lantern, the union and state subsidies were Rs 2,000 and Rs 800 per lantern respectively.

Some of the highlights of the Report were:

1. The authenticity of sales of solar lanterns involving a subsidy of Rs 7.03 lac could not be confirmed by the Agency, as the given addresses were found to be fictitious.
2. The Agency distributed 64 solar lanterns costing Rs 3.50 lac to ministers/government officials on demonstration basis for which no provision existed in the guidelines

Biogas Scheme

The scheme of installation of Biogas plants was implemented by DEDA under the Integrated Rural Energy Programme (IREP) as per guidelines issued and targets fixed by MNES. The objectives of the scheme were mainly to provide fuel for cooking purposes and organic manure to rural households through family biogas plants. In case of community biogas plants, the entire operation was to be on commercial lines. As of October 1997, DEDA had three community biogas plants out of which the plant at *Nangli Sakravati* completed in October 1995 was yet to be commissioned.

The CAG Report stated:

1. Though the community biogas plants were meant to be self-sustaining after their installation, DEDA has incurred Rs 10 lac on purchase of fresh dung by diverting funds from other schemes, whereas accumulated bio-manure valued at Rs 7 lac was lying unsold and was being washed out by rains as it was dumped in the open space.
2. Funds worth Rs 16.29 lac were blocked due to non-commissioning of community biogas plants at *Nangli Sakravati*.

National Programme on Improved Chulhas

The National Programme on Improved *Chulhas* was implemented by DEDA under IREP. The main objectives of the scheme were reduction in fuel consumption, environmental improvement by reducing smoke level and reduction of drudgery of rural women in cooking and collecting firewood.

Under the programme, DEDA sold fixed and portable *chulhas*.

Table 2: Subsidies for Chulhas (Rs)

Category	*Cost of Chulhas*	*Central Subsidy*	*State Subsidy*	*Sale Price*
SC/ ST	128	75	18	35
General	128	50	8	70

Source: Government of NCT Delhi. 1997. CAG Report

There was no subsidy admissible on fixed *chulhas*. The break up of the central and state subsidy towards the cost of the portable *chulha* is indicated in Table 2.

The CAG Report pointed out:

1. The authenticity of the caste certificates for sale of *chulhas* could not be confirmed by the Agency and there was no assurance of subsidy not being misused.
2. Irregular sales resulted in misuse of subsidy of Rs 16.64 lac.

TERI in its evaluation of this scheme in January 1996 pointed out that this scheme was a potential source of leakage of fund through the subsidy. Since DEDA paid Rs 128 to the manufacturer for the portable *chulha* and collected only Rs 35 (SC/ ST) and Rs 70 (General), unless these *chulhas* were stamped with distinguishing marks, there was a possibility that these *chulhas* could be recycled by showing bogus sales. However, no corrective/remedial action was initiated by DEDA in this direction.

Solar Cookers

The scheme for sale of solar cookers was implemented by DEDA with a subsidy of 40 percent. The Agency was getting a subsidy of Rs 150 per cooker from MNES and Rs 280-320 from the Government of NCT Delhi. Subsidy from MNES was discontinued from 1 April 1994.

The CAG findings:

1. Expenditure of Rs 11.36 lac was incurred on advertising and publicity during 1994-97 against the sale of 344 solar cookers valuing Rs 1.65 lac.
2. About 100 solar cookers costing Rs 1 lac were distributed free of cost to MPs/ ministers/ government officials.

Wind Mill Scheme

The scheme of installation of wind mill was implemented by DEDA, under IREP, for pumping out ground water thereby saving electricity.

Against the target for installation of 20 wind mills during 1992-96, only one wind mill was installed, which remained to be commissioned. It was observed that before initiating the scheme, pre-installation data like wind velocity, ground water level, were not collected. The applicability/viability of the scheme for Delhi was not determined. As a result, wind mill scheme remained a non-starter and the entire expenditure of Rs 2.37 lac proved infructuous.

Despite the findings of the CAG Report, the Delhi government is yet to close down the Agency completely. Another report had been sent to the Lieutenant Governor in April 1999 by the *Lokayukta*, pointing out the irregularities in the activities of DEDA, but still the Delhi government took no action. According to a source within DEDA and as pointed by some newspaper reports, the main issue was the relocation of the 500-odd employees. Excess workforce has been a problem for DEDA ever since its inception. For instance, after the Battery Bus unit of DEDA was closed down due to non-viability of the service, DEDA had difficulty in relocating the staff of 225. Another problem haunting DEDA was of employees setting up businesses and working for private agencies, while still drawing their salaries from DEDA. As of 2002, DEDA still had 97 workers on its payroll.

Reforms

While the Delhi government does acknowledge the need to wind up the Agency in light of the recommendations of the CAG Report, DEDA is not yet dead. The government must not further waste taxpayers' money by delaying the closure of the Agency.

—Prepared by Vidisha Maitra with the help of O'Neil Rane and Arjun Bhattacharya

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Delhi Agricultural Marketing Board

Farmers at the mercy of the government's monopoly.

Delhi Agricultural Marketing Board

At a Glance

Functions

The Delhi Agricultural Marketing Board (DAMB) attempts to safeguard the interests of farmers and consumers by providing wholesale markets where farmers' produce is auctioned to licensed agents.

Findings

- The Azadpur Agricultural Produce Marketing Committee had an income of Rs 36.79 crore in 2001-02. It contributed Rs 4.42 crore to DAMB. The lowest income that year was of the Khoya-Mawa Marketing Committee amounting to Rs 32 lac. And it paid Rs 6.4 lac to DAMB.
- Farmers actually pay 7-15% of the sales as commission to licensed agents, on top of 1% transaction fee they give to the *mandi*.
- The rampant corruption in the marketing committees was brought to fore by the arrest of the Delhi Fodder Market Committee Chairman, Om Prakash Oman in May 2002 for allegedly demanding and accepting a bribe of Rs 50,000.

Reforms

- Remove the monopoly of the DAMB on wholesale markets. Let private parties set up competing markets. The Azadpur Agricultural Produce Marketing Committee alone pays about Rs 442 lac per year to DAMB which is in effect paid by the farmers. If we do away with the monopoly market, a large part of money could be saved for the farmers.
- Eliminate the licensing system for wholesalers and commission agents and create genuine competition for the purchase of farmers' produce. They will pay a much lower commission. The farmers are exploited by the monopoly of DAMB and by the restrictions on wholesalers.

- Those voluntary agencies that truly want to help farmers should start by providing space for wholesale trade and offer choice of markets so that free and fair trade can take place.

Two former Marketing Board officials held

Tribune News Service

New Delhi, June 20
The Anti-Corruption branch today arrested two former officials of the Delhi Agricultural Marketing Board for illegally issuing licences to the commission agents in Subzi Mandi three years ago. The anti-corruption authorities alleged that the officials had entered into a criminal conspiracy with the other officials, and issued fresh licences, despite a notification order that the land was meant for the purpose of Delhi Metro project.

The officials, Dharmibir Singh, resident of Gazipur, the then Assistant Secretary of the board and Sagar Singh, resident of Azadpur, the then Supervisor tampered with the files by entering back dates.

Delhi Agricultural Marketing Board

The DAMB was established in 1976 to regulate the market of agricultural produce in order to safeguard the interests of producers, sellers, and consumers and to provide a transparent system of sale of all types of agricultural produce at the current market price. To achieve its goals, DAMB has created nine committees that are autonomous organisations.

1. Agricultural Produce Marketing Committee, Azadpur
2. Agricultural Produce Marketing Committee, Keshopur
3. Agricultural Produce Marketing Committee, Najafgarh
4. Agricultural Produce Marketing Committee, Narela
5. Agricultural Produce Marketing Committee, Shahadara
6. Flower Marketing Committee, Okhla
7. Khoya-Mawa Marketing Committee, ISBT
8. Fish, Poultry and Egg Marketing Committee, Ghazipur
9. Fodder Marketing Committee, Mangolpuri

The Delhi Agricultural Marketing Board and its nine committees function according to the Delhi Agricultural Produce Marketing (Regulation) Act, 1998; the Delhi Act Number 7, 1999; and the Delhi Agricultural Produce Marketing (Regulation) General Rules, 2000.

Licenses

The Delhi Agricultural Marketing Board fulfils its objectives by restricting the number of wholesale markets and of wholesale dealers and commission agents in each wholesale market. To restrict the number of players in the market, the committees issue the following licenses:

Class A: Wholesale Dealers

License fee: Rs 100

Requirements: Papers showing that you have premises, own or on rent, in the *mandi*

Class B: Commission Agents
License fee: Rs 100
Requirements: Papers showing that you have premises, own or on rent, in the *mandi*

Class C: Brokers
License fee: Rs 100
Requirements: Papers showing that you have premises, own or on rent, in the *mandi*. At present, this license is not issued by any committee.

Class D: Retailers
License fee: Rs 50
Requirements: Papers showing that you have premises, own or on rent, in the *mandi*. At present, this license is not issued by any committee.

Class E: Weighmen and Surveyors
License fee: Rs 25

Class F: Palledaars
License fee: Rs 2
As of now, only Azadpur Committee issues license for a *palledaar* (*palledaars* are coolies) and even that has been issued only to a couple of *palledaars* till date.

All the above licenses are to be renewed every year.

Class H: Vehicles
License fee: This depends on the type of vehicle entering the market. It is a kind of monthly gate-pass (for entry in the market) that is issued to the commission agent.

The Fodder Marketing Committee is the only committee which issues this license. For curbing the number of wholesale markets, the DAMB has legalised certain markets, which are the only places where wholesale trade is supposed to take place. These markets are in the principal yard and the sub-yards.

Significant Problems

Government Monopoly on Land

According to the present laws, no private party can set up a wholesale market in the city. The land owning agencies—Municipal Corporation of Delhi, Delhi Development Authority, and the New Delhi

Municipal Council—control the establishment and working of the wholesale markets.

Monopoly of the Markets

The *mandis* collect tax of about 1-3 percent on each sale of produce. Tables 1, 2, 3 and 4 present the amount of money that various wholesale markets collect from the market fees, the contributions they make to the DAMB, and the fines charged on the violating agents and vehicles.

Technically, commission agents pay the transaction tax, but ultimately farmers pay it through lower revenues they get from the commission agents. The data in the Tables shows the amount of money the farmers have to pay to the DAMB for its 'services.' Since each product has a separate market, the farmers have no choice of market to sell their goods. The high incomes of the *mandis* demonstrate the degree of monopoly power they have over farmers.

Despite large contributions by the nine committees, the DAMB receives funding from the Delhi government. In the financial year 2001-02, DAMB received Rs 40 lac from the Delhi government. Not only farmers but taxpayers of Delhi pay for the wholesale markets.

Monopoly of Wholesalers and Commission Agents

At the wholesale markets, the number of suppliers of the produce—the farmers—is unrestricted but the number of purchasers of the produce—wholesale and commission agents—is restricted. In this buyer's market, the farmers obviously get a lower price, compared to what they would have received in a genuinely competitive market for their produce.

Table 1: APMC Azadpur 2001-02 (upto 31 December 2001) (Rs in lac)

Market Fee	2,090.15
Other Income	1,579.07
Fines collected**:**	
Fines collected from the vehicles intercepted	4.88
Penalty collected from the *challaned*/ without license traders	4.99
Total Income	**3,679.09**
Contribution to DAMB	442.28

Source: Souvenir 2002, APMC Azadpur

Table 2: Fish, Poultry and Egg Marketing Committee 2000-01 (Rs in lac)

Market Tax	152.00
Contribution to DAMB	30.40

Source: Office of FPEMC Ghazipur

Table 3: Khoya-Mawa Marketing Committee ISBT 2000-01 (Rs in lac)

Annual Income	32.00
Contribution to DAMB	6.40

Source: *Office of KMMC ISBT*

Table 4: Fodder Marketing Committee, Mangolpuri 2000-01 (Rs in lac)

Annual Income	34.00
Contribution to DAMB	6.80

Source: Office of FMC Mangolpuri

In fact the *mandi* is not an agricultural produce market but rather a market for produce-brokering services of commission agents. So while the demand for these services is unregulated—the number of farmers is not restricted—the supply is limited due to licensing of commission agents. This situation, instead of helping the farmers get a fair price, works against them as now the farmer must pay a higher commission to these agents.

At the auction, hardly ever are more than two commission agents present. There is no real competition among the agents to purchase the produce. The auction is really in a very deplorable state.

Reforms

- Remove the monopoly of the DAMB on wholesale markets. Let private parties set up competing markets. The Azadpur Agricultural Produce Marketing Committee alone pays about Rs 442 lac per year to DAMB which is in effect paid by the farmers. If we do away with a regulated market, this huge sum of money could be saved for the farmers. With this money, farmers themselves will be able to organise markets that will provide better infrastructure and amenities.
- Eliminate the licensing system for wholesalers and commission agents and create genuine competition for the purchase of farmers' produce. They will pay a much lower commission. The farmers are exploited by the monopoly of DAMB and by the restrictions on wholesalers.
- Those voluntary agencies that truely want to help farmers should start by providing space for wholesale trade and offer choice of markets so that free and fair trade can take place.

—Prepared by Devika Johri and Neha Swetambari

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Delhi Agricultural Marketing Board's Website: www.delagrimarket.com

Delhi Jal Board

'This is water and DJB expects us to drink it'

Rupees
40,000
Mineral water supplier's daily business in colony
10,000
Houses getting contaminated water
10

With DJB in the sewer, Adhchini finds trade blocked

Water connection in 24 hours: DJB

By Maneesh Pandey
TIMES NEWS NETWORK

New Delhi: Acknowledging

The proceedure

- Fill the form at the

DJB drowning in its own excesses

Shivani Singh
Times News Network
(Saturday, July 05, 2003

New Delhi: Delhi Jal Board (DJB), the city's sole water utility, earns Rs 225 crore every year from selling dringking water and providing sewerage facilities. It spends Rs 240 crore

Privatise DJB
Tuesday, July15, 2003

The report 'DJB drowning in its own excesses' (Jul 5) is really reveling. Apart from their failure to manage basic requirement of adequate drinking water for citizens, DJB

Pvt help sought for cleaning drains
Times News Network
[Monday, June 23, 2003

New Delhi: For the first tim ever, the Delhi Jal Board (DJB has hired a private agency clear sewer lines in the city. I doing so, it has virtual admitted that the system not running well earlier, wh is why, even a short spel rain left the city waterlog

Delhi Jal Board

At a Glance

Functions

The Delhi Jal Board (DJB) of the Government of NCT Delhi is entrusted with the responsibility of procurement and distribution of water and treatment and disposal of sewage in Delhi.

Findings

- Delhi Jal Board has a staff strength of 2,600 and pays a monthly wage bill of Rs 20 crore with a monthly income of Rs 18.75 crore.[1]
- 25% of Delhi's population does not receive DJB water. 40% of Delhi does not have sewer lines.
- According to a study (Lorente and Zerah, 2003), the total cost borne by Delhi households on account of strategies devised to compensate for water shortages like pumps, tankers, storage, is estimated to be *6.5 times higher* than what they pay for their consumption of water. This figure does *not* include the cost incurred on water purification devices.
- DJB needs to invest Rs 35 crore (just 14% of its annual wage bill) to install meters to check leakage and theft—this is where the DJB currently wastes about 40% of water.[2]
- Only 20% of the funds allocated for laying of water mains in unauthorised/regularised colonies and 40% of funds allocated for laying branch sewers in these colonies were used.
- It has been reported that most sewage treatment plants do not work to full capacity, and almost 50% of the sewage goes into the Yamuna untreated.
- A new water treatment plant at Nangloi with a capacity of 40 MGD (Million Gallons per Day) was completed and made functional.
- Water supply capacity was increased from 580 MGD to 650 MGD

and sewage treatment capacity was increased from 284 MGD to 484 MGD in the Ninth Five Year Plan.
- 14 new sewage treatment plants were constructed in the Ninth Five Year Plan.

Reforms

- Ward Level Water User Association: Entrust repair, maintenance and upgradation of water delivery infrastructure to these user groups. Give them the responsibility of contracting out this work to private companies. This would ensure competition in the 'water delivery management' market for such ward level contracts, increasing efficiency and improving service. The transport of sewage from the households in the ward to the sewage treatment plants can also be contracted out to private companies by the WUAs.
- The existing network of storm water drains should be used by the WUAs to implement storm water harvesting, which may prove easier and cheaper to implement than household level rainwater harvesting. The recharged water tables would augment the ward's water supply sources.

Delhi Jal Board

The Delhi Jal Board (DJB) is entrusted with the responsibility of procurement and distribution of water as well as treatment and disposal of sewage in Delhi. It provides water in bulk to New Delhi Municipal Council (NDMC) and Delhi Cantonment Board for redistribution in their respective areas. Similarly, the sewage is received in bulk from these two authorities for final conveyance and disposal by Delhi Jal Board. In the areas under the jurisdiction of Municipal Corporation of Delhi, Delhi Jal Board is responsible for distribution of water, collection and disposal of sewage. NDMC implements water supply, sewage and 'covering of *nallah*' schemes in areas under its jurisdiction.

Overview

The Delhi Jal Board was constituted on 6 April 1998 through an act of the Delhi Legislative Assembly, incorporating the previous Delhi Water Supply and Sewage Disposal Undertaking. The Delhi Jal Board treats raw water from various sources like the river Yamuna, Bhakhra storage, upper Ganga canal and groundwater. It also undertakes treatment and disposal of wastewater. As of April 2001 there were 13.47 lac water connections in the city.[3]

The DJB is headed by a Chairperson (the Chief Minister), who is supported by a Vice Chairperson and a Chief Executive Officer. The Board is divided into broad divisions: administration, finance, water supply, and drainage. There is also a special cell that deals with the Water Sanitation Programme of the World Bank, headed by the DJB Secretary. Besides the Director (Testing and Quality Assurance) there seems to be no official entrusted with the duty of checking the *output* of the Board: the number of water connections established, the duration of water supply, or the quality of water.

The allocation and expenditure of plan funds to the various agencies of water supply and sanitation sector are shown in Table 1.

Table 1: Allocation and Expenditure of Funds (Rs in lac)

Name of the Agency	*NFYP Approved Outlay*	*NFYP Expr*	*NFYP Expr as % of Outlay*	*TFYP Approved Outlay*
Delhi Jal Board	2,38,200.00	1,79,608.28	75.40	3,65,150.00
Trans Yamuna Area Development Board (DJB)	15,000.00	9,310.00	62.00	10,000.00
New Delhi Municipal Council	800.00	755.18	94.40	1,000.00
Urban Development Dept	—	15.00	—	450.00
Total	**2,54,000.00**	**1,89,688.46**	**74.70**	**3,76,600.00**

Source: *Government of NCT Delhi. 2003. Annual Plan 2003-04 Vol. 2. Department of Planning*
NFYP: Ninth Five Year Plan, *TFYP*: Tenth Five Year Plan, *Expr*: Expenditure

Supply of Potable/Filtered Water

The installed capacity of water treatment plants is 631 MGD and by further extraction (through tube wells and other resources), about 650 MGD potable water is supplied as against the present requirement of over 900 MGD.

Delhi Jal Board has taken various steps to augment drinking water supply in the city. With a view to rationalise the distribution of water, Delhi Jal Board has drawn an elaborate plan for construction of under ground reservoirs and booster pumping stations (UGR/ BPS). During the year 2001 the UGR/ BPS at Dakshinpuri, Faridpuri, Shadipur, Mangolpuri and Chitranjan Park have been completed and commissioned. The work on 13 UGR/ BPS is in progress. Delhi Jal Board is also responsible for treatment and disposal of wastewater through a network of about 5,600 km of internal, peripheral and trunk-sewers. The capacity of sewage treatment plants has been raised from 376.4 MGD to 402.4 MGD during the year 2000-2001. Out of 17 sewage treatment plants (STP) under construction, 12 have been completed and the work of remaining five STPs is under progress.

Quality Assurance/Testing and Tariff Rates

According to DJB, quality assurance measures are taken right from the raw water stage up to the consumers' end—the Director, Testing and Quality Assurance is responsible for this function. Water samples are collected daily from the distribution system i.e. individual taps and public hydrants located in different parts of the city to ensure that safe drinking water reaches the consumers. Efforts are also being made to achieve ISO 9002 certification for which DJB is working with the Bureau of Indian Standards. Also, there is a continuous process of identifying cases where the service lines are passing through drain sewers, and shifting these lines to avoid contamination of the water. The water tariffs in Delhi are among the lowest in the country. While the domestic slab rate begins at 35 paise per 1,000 litres for the first 10,000 litres, the commercial charge begins at Rs 5 per 1,000 litres for the first 50,000 litres. There is a 50% cess on the bill.

Major Ongoing Projects

Water Supply

1. Design, build and operate 140 MGD Water Treatment Plant (WTP) at Sonia Vihar
2. Design and build 33.948 km of clean water transmission mains from WTP Sonia Vihar
3. Providing raw water conduit from Murad Nagar to Sonia Vihar
4. Construction of under ground reservoir (UGR) and booster pumping station (BPS) at Jagatpuri, Malviya Nagar, and Surajmal Vihar
5. Construction of a booster pumping station at Jagatpuri
6. Design and build clear water mains for south Delhi from Sonia Vihar WTP with total length of 16 km

Sewage

1. Construction of sewage treatment plants at Rithala, Pappankalan, Yamuna Vihar, Najafgarh, Okhla, Sarita Vihar
2. Rehabilitation of 1,600 mm diameter trunk sewer from Harsh Vihar to Haiderpur
3. Internal sewage system in Rajgarh Extension Chand Maholla, Rajgarh Extension I & V in north Gondli Nagar. (Total length: 7.67 km)
4. Laying sewer in Balbir Nagar and Shivaji Park, Shahdara. (Total length: 10 km)

Major Achievements of the Ninth Five Year Plan (1997–2002)[4]

Water Supply

1. Water distribution network was strengthened in 135 urban villages which are now provided with piped water supply system.
2. Water distribution network was strengthened in 44 slum resettlement colonies.
3. Increase in number of booster pumping stations from 305 to 441
4. Replacement of 605 km of old water distribution lines

5. Increase in the total length of water distribution lines from 7,780 km to 8,412 km
6. Completion of a new 40 MGD water treatment plant at Nangloi
7. Construction of a new 20 MGD water treatment plant at Bawana—90% completed
8. Increase in the water treatment capacity from 580 MGD to 650 MGD

24 hour Water Supply Scheme

The Delhi Jal Board has an ambitious plan to provide round-the-clock water supply to Delhiites in the near future. The project, entitled '24/ 7' is to be launched in association with the Water Sanitation Program (WSP) of the World Bank. Colonies such as Vasant Kunj, Mehrauli and Trilokpuri have been identified for the initial implementation.

Sewage

a) Sewage system provision in various habitats as shown in Table 2
b) 10 km of new trunk sewer lines laid
c) 1,136 km of new internal sewers lines laid
d) Construction of 14 new sewage treatment plants completed
e) Repair of 18 km of old trunk sewer lines and 75 km of internal sewer lines

Table 2: Sewerage System Provision

Habitat Type	*Target*	*Achievement*
Urban villages	55	13
Regularised or unauthorised colonies	275	135
JJ resettlement colonies	22	18

Source: *Government of NCT Delhi. 2003. An Appraisal of Ninth Five Year Plan. Department of Planning.*

Schemes that were found infeasible and not implemented are shown in Tables 3 and 4.

Ground Realities: The Cost of Water

The public departments/undertakings or municipal corporations responsible for production, distribution and conservation of water are financially weak and lack competent manpower. This contributes towards an increasingly unwieldy administration and delays in decision-making. In addition, water supply is politically a very sensitive

Table 3: Schemes Found Infeasible and Dropped (Rs in lac)

Name of the Scheme	NFYP Outlay
Water management project with Indo-French cooperation	5,700
Construction of 20 MGD water treatment plants at Okhla	2,000
EAP funding projects for water supply and sewerage	10,000
Sewage treatment plan under Yamuna Action Plan	400

Source: *Government of NCT Delhi. 2002. An Appraisal of Ninth Five Year Plan. Department of Planning*
NFYP: Ninth Five Year Plan*; EAP*: Externally Aided Project

Table 4: Schemes Not Implemented (Rs in lac)

Name of the Scheme	NFYP Outlay
Construction of additional barrage at Wazirabad	1,000
60 MGD water treatment plants at Dwarka	14,260

Source: *Government of NCT Delhi. 2002. An Appraisal of Ninth Five Year Plan. Department of Planning*
NFYP: Ninth Five Year Plan

issue and water tariff remains low. These low water tariffs indirectly act as subsidies that become counter effective in the long run. On the one hand the poor do not benefit enough from these paid services and on the other, industries that face high tariffs exit from the municipal system leading to potential decrease of revenues (UNDP-World Bank, 1999). Whether households are connected or not, households end up incurring additional costs to offset the meagre water supply (digging tube wells, installing electric pumps and constructing reservoirs, drawing unauthorised connections).

The results of a study (Lorente and Zerah, 2003) on the water supply sector in Delhi conducted in 2000 are instructive:

- The proportion of connected households relying on groundwater through tube wells or hand pumps is almost 33%. The investments in storage facilities and motors are also considerable and similar to investments in filters to treat the water, even though to a lesser extent.
- The total cost being borne by Delhi households on account of strategies devised to compensate for shortages, is estimated to be *6.5 times higher* than what they pay directly to the public undertakings for their consumption of water. Moreover, the poorest households pay more in proportion to their income than the well-off households.
- The aggregate *cost of water unreliability* at the city level is equivalent to almost *twice* the amount of the annual expenditure incurred by

the then Delhi Water Supply and Sewage Disposal Undertaking-now called the DJB (Zerah, 2003).

- For slum dwellers the inadequate water supply results mostly in a time opportunity cost as they spend on an average three hours to fetch water. In addition, they have to rely on multiple sources to ensure a sufficient supply: 80% of such households depend on two sources at least. The number of sources itself are very low (one source for 176 households).
- In Delhi, at the time of the study, there were around 50 enterprises specialising in the sale of water (water tankers and bottled water or water in jars), while this sector was practically non-existent in the eighties. This rapid growth is due to several factors: an increase in the purchasing power, an awareness of the hygienic dimension of water and the necessity of a viable supply.

By the Board officials' own admission, 40% of the city's water supply is lost as 'distribution loss.' A recent drive launched by the DJB to check leakage loss has resulted in a saving of about six lac gallons of water per hour. Replacement of just 40 gap pieces of various sizes of different main pipes has resulted in a saving of 2.5 lac gallons of water per month.[5]

The government seems to have begun to take steps towards decentralising water supply and sewage treatment services. A task force comprising members from the Central Pollution Control Board (CPCB), DJB and the Municipal Corporation of Delhi (MCD) was set up in August 2003 to ensure decentralisation of sewage treatment plants (STPs). The Delhi Jal Board has decided to give Resident Welfare Associations (RWAs) the authority to issue receipts on their behalf. The Board had earlier asked people to deposit their water bills with their RWAs. But as the RWAs were not issuing receipts, people had no option but to line up at the bill collection centres.[6]

Reforms

Ward/Constituency Level Water User Association

The most commonly proposed solution to the problem of water delivery systems in urban areas is that the local governments or municipalities *hire a private company* to manage and operate the water delivery systems i.e. the entire network of pipelines from the supply source to the user points at the households, and the associated logistics and maintenance activities. However, this approach merely converts a government monopoly into a private monopoly. The need is to introduce *competition* in this area, so that we have several private companies competing among themselves to provide water delivery services to different parts of the city, benefiting water users with better service and lower, more competitive water rates.

It is suggested that instead of the government awarding contracts to private concerns for managing water supply, water users should be given the freedom to choose the firm that would manage their water supply. One way of achieving this is to form ward or constituency level water users associations, which will comprise elected community representatives and be headed by the ward councillor. These 'ward' level Water User Associations (WUAs) would contract out the responsibility of operating and managing the water delivery systems to private parties. The private company would be hired to set up (if required), operate, and maintain the water delivery infrastructure. The difference here would be that depending on the locality, the proximity to the supply source, and the nature of demand, different companies would offer services at different rates—leading to competition among them for ward-level contracts. The transport of sewage from the households in the ward to the sewage treatment plants can also be contracted out to private companies by the WUAs.

The idea of WUAs taking charge of local water delivery services is has been part of the Indian tradition. In fact traditional systems of farmer-managed irrigation schemes (for instance tank irrigation in south India and *phad* in Maharashtra) have begun to be formalised with the introduction of participatory irrigation management (PIM) schemes. Similarly, there are many cases of rural domestic water delivery systems being managed by local WUAs. There is no reason why such models cannot be replicated in urban areas and for industrial water users.

Storm Water Harvesting

The current focus on rooftop rainwater harvesting in residential compounds ignores the huge potential of the existing storm water drains as a source of water. The increasing coverage of impervious surfaces means that most of the surface water runoff should, if the drains are maintained well, accumulate in the existing drains. This water could be charged into the soil, to replenish and recharge groundwater levels. Thus instead of focusing on household-level water harvesting, which is relatively more expensive (the cost of installing a water harvesting system in a building ranges from Rs 2,000 to Rs 30,000) and difficult to implement, the existing network of storm water drains can be used to harness vast amounts of rain water. There would be an incentive for WUAs to implement storm water harvesting at the ward level, since in the process, the ward's water tables would be recharged, and the water could be pumped by the residents. This would supplement their regular water supply sources.

–Prepared by Vidisha Maitra

Notes

1 *Times of India*. 2003. *DJB Drowning in Its Own Excesses.* 5 July
2 *Times of India*. 2003. *DJB Drowning in Its Own Excesses.* 5 July
3 Delhi Jal Board's website http://www.delhijalboard.com/about.htm
4 Delhi Planning Department 2002: Ninth Five Year Plan Appraisal Report
5 *Hindu. 2003. DJB Steps to Conserve Water.* 27 May
6 *Times of India*. 2003. *RWAs to Collect DJB Receipts.* 13 August

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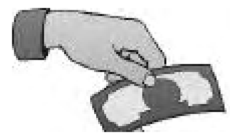
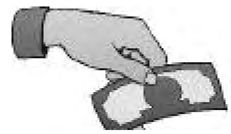
Delhi Khadi and Village Industries Board



Delhi Financial Corporation



Delhi Financial Corporation

At a Glance

Functions

Under the State Financial Corporation's Act, 1951, the Delhi Financial Corporation (DFC) was set up with the objective to promote, develop and finance industries in the small and medium scale sectors in the union territories of Delhi and Chandigarh.

Findings

- The Corporation sanctioned a total of Rs 77.47 crore as loans in 2002–03.
- The rate of recovery of loans by the Corporation is just 40% of total disbursals.
- The auditors have concluded that the DFC has overstated current year's (2002–03) profits by at least Rs 171.25 lac and the reserves and surplus by Rs 78.99 lac.
- The Comptroller and Auditor General's Report on the DFC has found several instances of delay in recovery of loans and of granting loans against inadequate security.

Reforms

- In addition to DFC, the Department of Cooperatives, Delhi Scheduled Castes Financial and Development Corporation (DSFDC), and Delhi State Industrial Development Corpora-tion (DSIDC) run a multitude of subsidy schemes for busi-nesses. All schemes related to enterprises—whether for grants, low-interest loans, or provision of industrial shed and physical infrastructure—should be carried out by a single agency: that single agency could be the Cooperative Finance Corporation.

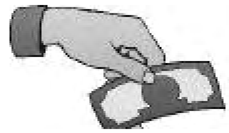
Rebate for autos with foolproof meters

Tribune News Service

New Delhi, January 7

As an incentive to Three-Wheeler Scooter Rickshaw (TSR) drivers, the Delhi Finance Corporation on (DFC) has decided to offer a 0.25 per cent rebate on the loan secured by them from the corporation

The sop was gi ven in Monday's meeting of the Cabinet, chaired by Chief Minister Sheila Dikshit. According to official sources about 7,000 autorickshaw operators, who had secured varying loads from the DTC, would stand to be



Delhi Financial Corporation

The Delhi Financial Corporation (DFC) was set up with the objective to promote, develop and finance small and medium scale industries in union territories of Delhi and Chandigarh. DFC was set-up in 1967 under the State Financial Corporation's Act, 1951.

The Board of Directors of the DFC consists of the Managing Director and eight Directors. Below the Managing Director is a Chief General Manager, who has under him three General Managers and two Deputy General Managers. As of 2002, the DFC had 181 working employees. The total number of filled posts has decreased from 189 in 1999 to 181 in 2002. Refer to Table 1 for employment statistics of the Department.

Table 1: Employment Statistics: Delhi Financial Corporation

Posts	*Class*							
	I		*II*		*III*		*IV*	
	1999	*2002*	*1999*	*2002*	*1999*	*2002*	*1999*	*2002*
Sanctioned	22	24	28	30	131	120	39	39
Filled	15	22	25	23	110	97	39	39

Source: Government of NCT Delhi. 1999, 2002. Report on Classification of Employees in Delhi Government, Autonomous/ Local bodies & Delhi Police. Directorate of Economics and Statistics

Activities[1]

Loans

Delhi Financial Corporation provides financial help to its customers, who satisfy the following eligibility norms:

- Jurisdiction: Delhi or Chandigarh
- The location should be in any of the following areas:
  - Industrial
  - Commercial complex except for household industries which are located in residential areas

- The constitution of the company should be either:
  - Individual
  - Partnership
  - Private limited
  - Public limited
  - Cooperative society
- Purpose of the loan should be for:
  - New unit
  - Shifting
  - Expansion
  - Modernisation
  - Diversification
- Loan shall be granted to the following sectors:
  - Industrial
  - Transport
  - Services
  - Marketing

Extent of the Loan

Industrial units with paid-up capital and free reserves not exceeding Rs 10 crore and maximum cost of project not exceeding Rs 12 crore can avail financial assistance up to Rs 5 crore in case of companies/ cooperative societies and up to Rs 2 crore in case of proprietary/ partnership concerns.

Permissible Activities

Some of the major types of activities eligible for loans include:

- Computer software and hardware
- Manufacturing, preservation and processing of goods
- Tourism related activities like setting up of amusements parks, cultural/convention centre, travel, transport and tourist service agencies
- Service sector units like computer and video software development, xerox, fax and telex units, cable operation, dry-cleaning, boarding and lodging houses. Office equipment, tourist homes, sales outlets and showrooms, marketing support to small scale industries units, construction of commercial complex
- Diagnostic centres, nursing homes, tissue culture, pathological and clinical labs

• Hotels and restaurants
• Transportation of passengers and goods

Types of Schemes

The Corporation offers a choice of loan schemes to virtually all categories of entrepreneurs who may be from weaker sections of society, or a borrower under a special or a general category. The Corporation has formulated the following special schemes for different sections of the society:

Consultancy Cell

Category 1:	**Schemes for Weaker Sections of Society**
	Scheduled Castes/ Tribes
	Physically challenged
	Self employment for ex-servicemen
Category 2:	**Special Schemes**
	Women entrepreneurs under Mahila Udyog Nidhi
	Qualified professionals
	Composite loans
	Household activities
Category 3:	**A. General/ Service Section**
	Manufacturing activities
	Development, construction and maintenance of roads
	Installation of renewable energy saving system
	Hospital/ nursing homes/ health care centres/ diagnostic centres
	Tourism related activities
	Hotels and restaurants
	Hi-tech commercial farming/ tissue culture/ fish farming
	Computer centres for training and software development
	Rehabilitation of sick units
	Modernisation
	Equipment financing
	Small Road Transport Operators Schemes (SRTO)
	Relocation of industries
	Marketing support to small scale/ cottage and village industies, by setting up of sales outlets/ mobiles sales vans
	B. Working Capital Assistance Schemes
	Single Window Scheme (SWS)
	Short-term Financial Assistance Scheme (STWC)
	Working Capital Term Loan (WCTL)

Continued on next page

	C. Quality Upgradation Schemes
	Scheme for technology development and modernisation of small scale industries units
	Scheme for acquisition of ISO 9000 series certification
	Scheme for textile industry under technology upgradation

Source: DFC website: http://www.dfcdelhi.com/schemesf.htm

The Corporation finances all manufacturing activities and service sector activities permissible under the Master Plan of Delhi/ Chandigarh and in 'consonance with the industrial policy of Delhi government/ Chandigarh administration.'

Table 2: Interest Rate Structure[2]

Category	*Effective Rate of Interest w.e.f. 1 April 2003 (% p.a.)*
For loans upto Rs 50,000	11.75
For loans above Rs 50,000 and upto Rs 2 lac	12.25
For loans above Rs 2 lac and upto Rs 25 lac	13.50 for those meeting performance rating criteria and 14.00 for new units and others
For loans above Rs 25 lac	14.00 for those meeting performance rating criteria and 14.50 for new units and others

Source: DFC website: http://www.dfcdelhi.com/schemesf.htm

The Corporation makes available the services of consultancy cell to facilitate guidance to the entrepreneurs in providing project profiles for profitable ventures or for filling-up the application forms and other allied activities, irrespective of whether such entrepreneurs seek financial assistance from Delhi Financial Corporation or any other banks/ financial institutions. The cell provides project profiles on a very economical fee structure.

Process of Sanction and Disbursement

Duly filled-up loan application forms along with documents are accepted by the nodal officers in the project division after due scrutiny. The same, after further analysis, are placed before the screening committee that finally accepts it for process of sanction. The project is also placed before the project evaluation committee in case the loan amount is more than Rs 10 lac prior to placing the case before a sanctioning authority. The projects are generally appraised for technical feasibility and financial viability examination after submission of all information/ documents by the party.

The legal officer of the Corporation carries out scrutiny of the legal papers submitted by the party simultaneously in the pre-sanction stage. Sanction letters are normally issued within seven days of the decision of the sanctioning authority.

The collateral security is valued by an experienced assessor from the panel of the Corporation and after establishing clear marketable title of the property, the legal officer finalises the various documents for execution in the case of sanctioned loan. The loans are released after the party complies with all the conditions as per sanction letter/ executed documents. The industrial loans are released in phases in proportion to the investment brought in by the promoter in the project while in case of transport loans—the loan is released after the promoter has arranged/invested entire equity.

Process of Recovery

Against the loan disbursed, the recovery starts after expiry of a moratorium period that generally varies from four to twelve months. During this period, interest is recovered on quarterly basis by issuing demand notices. In industrial loans, the repayment period varies from five to seven years after taking into account the profitability, estimated cash generation and debt-serving capacity of the unit. The installments are recovered on quarterly basis by issuing demand notices.

However, in transport loan cases, no demand notices are issued in view of the fixed monthly installments mentioned in the legal documents. The rephasing/ rescheduling of loan payments from original schedule is allowed in cases of genuine difficulties and circumstances beyond the control of the units and/ or on merits of each case. The Corporation takes coercive recovery actions under Section-29, 31 and 32 (G) of the State Financial Corporation's Act for consistent and deliberate defaulters.

Grievance Redressal Mechanism

General Manager acts as the in-charge of the 'Public Grievance Cell' that handles the grievances of the entrepreneurs by directing necessary remedial actions. All senior officers like, deputy general managers, senior managers and managers hear the public grievances between

11.00 a.m. to 12.00 noon on all working days and time bound directions are issued to various officials for taking remedial measures.

Financial Performance[3]

Inefficiencies in Functioning

The DFC's accounting practices are far from ideal, and the auditors of the Corporation point out several shortcomings in the system that lead to an ultimate mis-statement of profit figures. Some instances from the latest annual report (2002-03):[4] Refer to Tables 3, 4 and 5 for the financial status and performance of the Corporation over the years.

Table 3: Financial Status (Rs in lac)

	1998-99	*1999-2000*	*2000-01*	*2001-02*
Paid-up capital	1,553.22	1,558.22	1,563.22	2,558.20
Reserves	2,700.64	3,846.72	2,616.97	2,839.73
Borrowing	3,141.58	2,786.10	4,938.98	8,875.22
Net effective sanctions (Cumulative)	35,056.84	37,582.10	62,502.62	64,962.66
Disbursement (Cumulative)	31,056.11	32,914.84	41,313.42	45,200.34
Gross income	1,335.10	1,328.19	1,542.67	2,047.23
Profit before tax	458.78	335.22	544.60	557.15

Source: DFC website: http://www.dfcdelhi.com/schemesf.htm

Table 4: Financial Results (Rs in lac)

	1998-99	*1999-2000*	*2000-01*	*2001-02*
Profit before tax	458.78	335.22	544.60	557.15
Profit after tax	351.07	233.42	404.15	441.08
Return on equity	08.89%	06.2%	09.68%	10.93%
Debt equity ratio	0.60:1	0.51:1	1.18:1	1.64:1

Source: DFC website: http://www.dfcdelhi.com/schemesf.htm

Table 5: Performance over the Years (Rs in crore)

	1998–99	*1999–2000*	*2000–01*	*2001–02*	*2002–03*
Sanction	36.49	43.82	273.14	54.38	77.47
Disbursement	16.48	18.62	84.92	38.89	60.29
Recovery	31.43	32.84	36.17	43.70	59.98

Source: DFC website: http://www.dfcdelhi.com/schemesf.htm and DFC Annual Report, 2002-03

Gratuity and Leave Encashment

No provision has been made for the liability for encashment of unused leave and gratuity payable to the employees on retirement. The exact amount of the gratuity and leave encashment liability has not been determined by the Corporation. This makes all claims about the profitability suspect.

Interest Earned on Pension Funds

The Corporation established a pension fund in September 1995. The money in this fund is used by DFC to provide loans and the interest earned on such loans is counted as income earned by the Corporation. However the auditors feel that the interest earned should be credited to the pension fund and not to the Corporation as the money belongs to the fund. Had the Corporation provided for such liability at 9% interest rate, the profit for the current year would have been lower by Rs 11.80 lac. The cumulative impact over the years of not providing for interest earnings is an overstatement of reserves and surplus by Rs 78.99 lac.

Non Performing Assets Provision

As per the 'past practice' the Corporation provides for the non-performing, doubtful, and lost assets a sum of only 7.5% of the net profit, with the balance sum charged in the profit and loss appropriation account. Had the whole provision been made in the profit and loss account, the profit for the year would have been lower by Rs 49.12 lac.

Internal Audit

External auditors feel that internal audit is still inadequate and its 'quality/ coverage needs to be strengthened to commensurate with the size of the business.'

Revaluation of Securities

For the purpose of provisioning for doubtful advances, the value of security of immovable properties is taken as it is at the time of granting the loan, whereas ideally the Corporation should get these revalued once every three years.

Overstatement of Profit

In view of all the observation made by them, the auditors conclude that the current year's (2002-03) profits are overstated by at least Rs 171.25 lac and that the figure for reserves and surplus would reduce by Rs 78.99 lac.

Interestingly, most of the points and recommendations made by the auditors in their report have been made in past reports as well, and the Corporation has consistently failed to take action on them.

The Comptroller and Auditor General's (CAG)[5] reports yield more cases of inefficient operations by the Corporation, for instance:

Disbursement of Loan Against Inadequate Security

In 2001-02, disbursement of loan by the Corporation against inadequate realisable security resulted in non-recovery of Rs 32.69 lac. The Corporation sanctioned term loan of Rs 14.75 lac and soft loan of Rs 1.77 lac to Automated Computer Technologies, Chandigarh in January 1992 for development of software and setting up computer training institute. The loans were secured against all existing as well as future assets at the premises of the unit. The loanee failed to adhere to the payment schedule, and the loan outstanding was Rs 32.69 lac after adjusting sale proceeds of assets of the unit. Audits later revealed that the loan disbursed was not adequately secured.

Delayed Action Resulting in Non-recovery of Loan

In 2001-02, disbursement of loan on the basis of wrongly presented facts coupled with management's laxity in taking effective follow-up action resulted in non-recovery of Rs 37.88 lac. The Corporation sanctioned term loan of Rs 8.50 lac and working capital loan of Rs 9.60 lac to Aggarwal Industrial Corporation located at Chandigarh in November 1995 for expansion of existing business of steel furniture. The loan was repayable in 24 quarterly installments. The loanee started defaulting on payments from November 1996. Due to slack on the part of the management in properly verifying the documents of prime security and poor follow-up in acquiring the collateral security, the recovery of whole amount of Rs 37.88 lac has now become doubtful. No action was taken against the concerned officials.

Disbursement of Loan Against Security Accepted at Inflated Value

In 2001-02, disbursement of loan against inadequate prime security coupled with acceptance of the collateral security at highly inflated value has rendered the recovery of Rs 26.47 lac doubtful. The Corporation sanctioned a loan of Rs 15 lac including working capital loan of Rs 6.50 lac to Vishkarma Steel Industries located at Chandigarh in October 1996 for purchase of plant and machinery for a nickel plant. The loan was secured against all existing as well as future assets at the premises of the unit, and a plot of land. The loanee failed to pay installments from the beginning and total dues outstanding against the loanee as on May 2001 were Rs 26.47 lac.

It was later determined that the security accepted was inadequate and of inflated value—collateral security accepted at Rs 9.16 lac was actually purchased by the owner at Rs 3 lac. No action has been taken against the concerned officials.

Reforms

All subsidised credit schemes aimed at backward sections of society or at the small/ medium scale industries offered by different organisations (DSFDC, Cooperatives Department) should be rationalised and brought under one umbrella. The Cooperative Finance Department (CFD) can operate all these schemes which would not only reduce operational costs but also help potential beneficiaries to be aware of all the available schemes.

As discussed earlier, the CFD can give sanctions to various cooperatives of beneficiaries and let the cooperatives actually run the programmes. It can also involve NGOs, self-help groups, and micro-credit organisations. The CFD will play a monitoring, coordinating and information-disseminating role with schemes operated by cooperatives, NGOs, self-help groups, and micro-credit organisations.

—*Prepared by Vidisha Maitra*

Notes

[1] *Annual Report,* Delhi Financial Corporation, 2002-03
[2] DFC website: www.dfcdelhi.com
[3] DFC website: www.dfcdelhi.com
[4] *Annual Report*, Delhi Financial Corporation, 2002-03
[5] Government of NCT Delhi. 2002. *CAG Report*

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Government of NCT Delhi. 2002. *CAG Report 2001-02*

Delhi State Industrial Development Corporation

govt-run liquor vends raided

Asian showcase at Delhi Pavilion

Tribune News Service

New Delhi, November 3

For the first time, a dozen major Asian cities shall get together to showcase the achievements of half the world's population at the India International Trade Fair – 2002. According to Mr Rajni Kant Verma, MD, Delhi State Industrial Development Corporation, the progress made by these Asian major in the economic and industrial fields shall be collectively displayed at the Delhi Pavilion. The Delhi Pavilion is managed by the DSIDC on behalf of the Delhi Government.

14 effluent treatment plants by year-end

Tribune News Service

New Delhi, March 31

Industrial zones need sustainable growth

By Vasu

DSIDC hopeful of shifting units before Dec 31

Tribune News Service

New Delhi, November 2

Shoddy execution overshadows excellent planning in Narela industrial estate

Ravi Kapur

DSIDC hopeful of shifting units before Dec 31

Tribune News Service

New Delhi, November 2

All polluting units to be shifted to Bawana by 2003

Tribune News Service

New Delhi, March 25

Delhi State Industrial Development Corporation

At a Glance

Functions

Delhi State Industrial Development Corporation (DSIDC) was incorporated as a company and registered under the Companies Act, 1956 in February 1971. Main activities of the Corporation are construction of industrial sheds, relocation of industries, construction of Common Effluent Treatment Plants (CETPs) for industrial estates, and providing marketing assistance to small scale units. The commercial activities include liquor distribution, technology consultancy, quality control laboratory, overseas manpower bureau and mining.

Findings

- As of 2002, DSIDC had a total strength of 1,094 people.
- The Corporation earned a net profit (after tax) of Rs 685.62 lac for the year 2001-02. However, no dividend was declared on the shares
- It has constructed 840 industrial sheds for the purpose of employment generation since 1974.
- The Corporation runs 83 liquor retail outlets.
- DSIDC has acquired 1,865 acres of land for relocating 26,000 units from residential and non-conforming areas.
- DSIDC has constructed three CETPs in Delhi till date.

Reforms

- The Corporation should not be in the business of liquor sale and cyber cafes. Private players can do both of these activities. Moreover, the independent income from these activities makes the Corporation less accountable to the elected representatives. The Delhi government would collect more tax revenue when liquor vends are run privately than by government agencies.
- The Common Effluent Treatment Plants should be paid for and

built by the industrial estates themselves. The polluters must pay. The taxpayers of Delhi do not need to subsidise the polluters.

- Construction of industrial sheds for relocation of units and of work centres for the weaker sections of the society can be done by private parties on the basis of the subsidised loans given by the Cooperative Finance Department.

Delhi State Industrial Development Corporation

The Delhi State Industrial Development Corporation (DSIDC) was incorporated as a company and registered under the Companies Act, 1956 in the year 1971. The main objectives of the Corporation are aiding and promoting the interests of small industries in Delhi and providing them capital, credit, resources and technical and managerial assistance.

The Board of Directors of the Corporation consists of a Chairman, a Managing Director and eight Directors. Under the Managing Director, there are three General Managers and a Financial Advisor. As of 2002, DSIDC employed 1,094 people. The total number of filled posts has increased from 1,062 in 1998 to 1,094 in 2002. Refer to Table 1 for the employment statistics of the Department.

Table 1: Employment Statistics: DSIDC

Posts	*Class*							
	I		*II*		*III*		*IV*	
	1998	*2002*	*1998*	*2002*	*1998*	*2002*	*1998*	*2002*
Sanctioned	115	160	83	99	728	750	332	329
Filled	83	119	58	76	611	615	310	284

Source: Government of NCT Delhi. 1999, 2002. Report on Classification of Employees in Government of Delhi, Autonomous/ Local Bodies & Delhi Police. Directorate of Economics and Statistics

The activities of the Corporation may broadly be categorised as developmental and commercial.

Developmental-cum-Commercial Activities

Construction of Industrial Sheds

Since 1974 DSIDC has developed eight industrial complexes where 840 industrial sheds have been constructed. Most of these sheds are allocated to the educated unemployed persons, some to business associates[1] of DSIDC and others to export-oriented units. Initially, sheds were allotted on monthly rent. From 1987 these sheds are allotted on hire-purchase and outright purchase basis. Out of 840 sheds, 582 have been sold to the allottees and remaining are still on rental basis. DSIDC also constructed 446 industrial sheds under the self-financing scheme of the Master Plan of Delhi.

In order to provide infrastructure facilities to these units, DSIDC constructed shops, kiosks and canteen blocks and allotted these properties on monthly fee basis to banks, post & telegraph office and other public sector undertakings to cater to the daily needs of allottees of industrial sheds.

Relocation of Industries

In order to decongest Delhi and reduce pollution levels, various categories of industries are being relocated from residential/ non-conforming areas. DSIDC has been entrusted with the task of developing industrial estates[2] in north-west Delhi (Bawana and surrounding areas). DSIDC has acquired approximately 1,865 acres of land for relocating about 26,000 units from residential and non-conforming areas.

The Corporation cites the construction of the Narela industrial estate as one of its biggest achievements. It is spread over an area of 123 acres where about 1,800 industrial plots have been developed.

Construction of Common Effluent Treatment Plants (CETPs)

In order to minimise pollution in Delhi, the Supreme Court of India has directed DSIDC to construct 15 CETPs to cover 28 industrial estates of Delhi in consultation with National Environmental Research Institute (NEERI), Nagpur.

NEERI had estimated the cost of construction of the 15 CETPs to be Rs 90 crore. The Supreme Court directed that Delhi government and Government of India should share 50% of this cost equally and the balance 50% is to be borne by the industrial units. A CETP society is to be registered for each industrial estate. These societies would be responsible to construct, operate and maintain the plants and control the quality of effluent discharged within prescribed limits, as also for issuing notices and collecting payments and fines from individual units. Delhi government has come up with a CETP Act, 2000 for the recovery of the dues as well as capital and recurring costs of CETPs set up in the industrial estates. At present, three CETPs are in operation at Wazirpur, Mangolpuri and Mayapuri.

Construction of Community Work Centres (CWCs)

DSIDC constructed 29 CWCs in various *Jhuggi Jhopri* (JJ) colonies to provide self-employment opportunities to the weaker sections of the society. The Delhi government also transferred 25 other CWCs located in the various resettlement and JJ colonies to DSIDC. All these CWCs have workspace consisting of one room of varied size allotted to individuals belonging to the weaker sections either on outright-sale basis or on hire-purchase basis. In total, there are 54 community work centers wherein about 4,000 workspaces are available.

In reality, a large number of allotments have changed hands and allottees have transferred the workplaces to other individuals without the approval of DSIDC. Considering this, the DSIDC has offered various schemes to enable new purchasers to continue with their occupation by availing various facilities like loans from financial institutions, electricity connection directly from Delhi Vidyut Board and other such facilities. A Scheme for outright sale/transfer of workspaces in various CWCs has been formulated. All the original allottees in possession of these workspaces or the present occupants who have purchased these work spaces from the original allottees can get these workspaces transferred in their name after making full cost of the workspaces along with payment of transfer charges.

Marketing Assistance

DSIDC provides marketing assistance to many small scale, cottage, handicrafts, handloom, tiny and other industries to gain access particularly to government agencies, public sector undertakings as well as local and autonomous bodies on nominal service charges.

Commercial Activities

Liquor Distribution

DSIDC runs 83 liquor retail outlets to sell Indian made foreign liquor and country liquor. The rationale put forward for this is:

- Ensuring the availability of genuine liquor to the customers at approved rates
- Stopping the leakage of revenue accruable to the government by way of excise and sales tax
- Generating revenues for financing the developmental activities given to DSIDC

The gross turnover of this division was approximately Rs 260 crore during the financial year ending 2002. DSIDC plans to open more shops in the future.

Technology Consultancy Organisation (TCO)

DSIDC through its Technical Consultancy Organisation (TCO) helps entrepreneurs to identify projects, prepare project reports and feasibility reports. It also gives technical and marketing advice to prospective and existing entrepreneurs. TCO is also planning to function as a help-line to industries of Delhi by launching a website that will contain information of consultant agencies, details of industrial estates, information regarding product tests, along with the addresses, contact numbers, services offered by various departments, corporations, and financial institutions.

Quality Control Laboratory (QCL)

DSIDC has set up a testing laboratory in Okhla Industrial Complex, Phase-I to help entrepreneurs control the quality of products.

Business Centre Division

DSIDC provides facilities for holding seminars, conferences, meetings by the small entrepreneurs, at reasonable service charges. These services are available to private/public companies as well as individuals for holding conferences and meetings.

Overseas Manpower Bureau

Since 1986 the Overseas Manpower Bureau helps skilled and the semi-skilled persons to find overseas employment. The main objectives of the scheme are:

- Establishment of the computerised databank of more than 18,000 candidates under medical/para-medical /technical/ skilled/unskilled labour and other categories
- Arrange/conduct interviews and help foreign delegates in selecting the candidates
- Provide interview venue and secretarial help
- Arrange medical check-up of selected candidates
- Arrange visa endorsement of candidates from the concerned embassies
- Make air tickets available to the selected candidates
- Also obtain the visa, air tickets and complete other formalities for family members/dependents

- Authentication of educational testimonials and experience certificates of the selected candidates

Until the end of 2001, the Bureau had sent 1,031 candidates for overseas jobs.

Information and Technology Division

DSIDC has set up a cyber cafe and has plans to set up around 20 more under its franchise in prominent commercial markets. A franchise fee of Rs 30,000 per annum will be charged from the selected applicants.

Exhibition Division

DSIDC helps in promotion and sale of handlooms, cottage, handicrafts and other products produced by the persons engaged in small scale industries and trade in Delhi through participation in various trade fairs, exhibitions, India International Trade Fair, National Handloom Exposition. DSIDC has been organising the Delhi Trade Fair annually.

Mineral Division

The mining activities of DSIDC's mineral division were transferred to Delhi State Mineral Development Corporation (DSMDC) with effect from June 1985. In terms of the Memorandum of Understanding, all the assets and liabilities, rights and obligations relating to the mining activities were transferred to DSMDC. The main activities of the Corporation included stone mining, mining works in Bhatti Mines, and sand excavation in the Yamuna riverbed area. The Corporation's main activity of stone mining was stopped in 1994. The area of Bhatti mines has been declared as a wildlife sanctuary. After the cessation of its main activities, the Corporation earned income mainly from sale of sand from sand mines.

In 2000 the Board of Directors of DSIDC and DSMDC decided to merge DSMDC into DSIDC after completion of required legal formalities.[3] The Mineral Division in DSIDC was created in April 2000 and all the employees of DSMDC were transferred there. The expenditure on salaries to these employees was booked as an expenditure of DSIDC. The Mineral Division excavates the sand in the Yamuna riverbed area.

Financial Profile

The debt-to-equity ratio of the Corporation for the year 2001–02 was 0.08, which has remained the same for the three financial years 2001–

2003. The liquidity ratio was 1.24. Refer to Table 2 for the financial profile of the Corporation.

Table 2: Financial Profile of DSIDC (Rs in lac)

	2001–02	*2000–01*	*1999–2000*	*1998–99*	*1997–98*
Turnover	22,221.69	21,093.73	21,133.78	20,785.71	20,652.95
Income	26,586.81	23,569.16	22,718.25	22,617.40	21,906.31
Cost	25,191.20	22,575.43	22,591.96	22,582.47	21,827.41
Operational profit	1,395.62	993.73	126.29	34.93	78.90
Net profit after tax	685.62	591.73	111.29	30.93	12.31
Capital structure	3069.13	3028.16	3021.09	2994.01	3121.79
Share capital	2186.23	2186.23	2186.23	2186.23	2186.23
Loan	882.90	841.93	834.86	807.78	935.56

Source: Government of NCT Delhi. 2001-02, 2000-01. DSIDC Annual Report.

Future Vision

- It has applied for license for distribution of electricity at Narela Industrial Complex and Jhilmil Tahirpur Industrial Complex to Delhi Vidyut Board.
- DSIDC proposes to set up cyber cafes with franchises in different parts of Delhi.
- It plans to set up Information, Communication and Entertainment Technology Park in Narela Industrial Estate, Delhi.

Problems

The Comptroller and Auditor General (CAG) Report cites the following cases of inefficient working on part of the Corporation.

Construction of 33 Multipurpose Community Centres (MPCC)[4]

Loss due to deviations made from the original design and unauthorised expenditure of Rs 2.13 crore on additional works which were not part of the original design of the MPCC resulted in blockade of Rs 2.13 crore and consequent interest loss of Rs 1.06 crore at 12%. This project was entrusted to DSIDC by the Department of Rural Development in 1994 at the sanctioned cost of Rs 12.75 crore. The work on 29 MPCCs was completed in 1999 at a cost of Rs 14.41 crore and work of 4 MPCCs (sanctioned cost Rs 1.23 crore) was not taken up. The Executive Engineer attributed the reasons of additional expenditure to change in design and various other deviations from the original design. The excess expenditure due to deviations on these projects varied from 3% to 105%. Deviation from the sanctioned plan/

design without obtaining approval for extra work resulted in excess expenditure of Rs 2.13 crore. There were also complains about the deficiencies and inferior material used in the construction of MPCCs.

Infructuous expenditure of Rs 1.23 crore due to delay in construction of ETPs [5]

The contractor abandoned the construction of effluent treatment plant because of delay in issue of drawings and other excuses by the Company resulting in infructuous expenditure of Rs 1.23 crore. The Company contracted construction work of Waste Water Treatment Plant at Narela Industrial Area in January 1989 at a total cost of Rs 2.37 crore with the scheduled date of completion as April 1990. The work was not completed as stipulated and the contractor abandoned the work in November 1991 after incurring Rs 1.23 crore on construction. The arbitrator held the Company responsible for delay in settling the drawings of the layout, structures and other technicalities. The Narela Industrial Area, set up in 1989-90, still does not have an effluent treatment plant. In view of 1,500 more water polluting industrial units coming up at Narela Industrial Area, the Company decided in 2001 to abandon the existing partly completed plant and install a new plant. Thus, the delay of over 10 years in getting the aforesaid work completed not only defeated the very purpose of safeguarding the environment but also the expenditure of Rs 1.23 crore has become infructuous.

Extra expenditure due to avoidable payment of escalation charges [6]

Failure of the Company in timely handing over of site and signing of the agreement caused delay in execution of work leading to avoidable payment. The Company contracted the work relating to construction of storm water drains at Narela Industrial Area in 1993 at Rs 58.05 lac. The work was to be completed by August 1994. The terms of the contract included escalation charges for increase in rates of material and wages.

Audit scrutiny in January 2000 revealed that:

i) The site was handed over to the contractor in April 1994, i.e. after a delay of over six months.
ii) The formal agreement was entered into with the contractor only in April 1994.

Ultimately the work was completed in January 1995 after a delay of six months. The Company had to make avoidable payment of Rs 8.84 lac as escalation charges for the delayed period of completion of work.

Other instances of inefficiencies and wastage

- DSIDC's auditors point out several shortcomings in disclosure of information by the Corporation and also certain accounting malpractices, which lead to misstatement of profits by the Corporation. The Corporation despite earning profits has not declared dividends on the shares in the years 2001-02 and 2002-03.
- The Corporation, in the context of construction of sheds under its self-financing scheme and industrial work centers, is not separately disclosing the details of various expenditures like purchase of construction materials, payment to contractors and interest on loans. Accordingly, no turnover/change in work in progress is disclosed and net profit/loss is accounted for at the time of handing over the possession to the allottees.
- Industrialists complain that important aspects like the conveyance system to carry the effluents from industrial units to the plants have been ignored. According to NEERI, these costs have to be borne by the state government as an infrastructural requirement of the industrial estates.[7]
- Environmental activists feel that end-of-the-pipe interventions such as the CETP are not always the best solution. Data collected by the TERI suggest that since the sludge and acid/alkaline slurry from such plants form a major part of the total hazardous waste generated, efforts should be made to minimise waste generation.
- Industrialists have doubts about the expertise of DSIDC to install the CETPs and consider professionals managing sewage treatment plants to be more competent and experienced for the job.

Reforms

- The Corporation should not be in the business of liquor sale and cyber cafes. These activities should be left open for the private players by deregulating entry into these businesses. The Delhi government would collect more tax revenue when liquor vends are run privately than by government agencies and also the burden on the poor taxpayers' pocket to pay for running these shops would reduce. Moreover, the independent income from these activities makes the

Corporation less accountable to the elected representatives.

- The private sector should be involved in developing the industrial estates and the government should limit itself to policy-making and regulatory roles. Private participation would ensure commercial viability of the industrial estates as well as reduction in the liability on the exchequer. The role of DSIDC should be that of a regulator to ensure that the parties adhere to their commitments and function as per the guidelines, provide an effective dispute resolution and grievance redressal mechanism and impose penalties wherever necessary. It should also form an interface with the administrative agencies and take on the responsibility of obtaining the necessary approvals to proceed with project implementation. DSIDC should restrict itself to the stage of screening and verification of applications.
- The government does not need to subsidise the industries for setting up CETPs for the treatment of the effluent created by the industries. Common Effluent Treatment Plants should be paid for and built by the industrial estates themselves and industrial units should be made responsible for construction of the plants. The polluters must pay. The taxpayers of Delhi do not need to subsidise the polluters.
- DSIDC need not construct community work centres and the industrial sheds for employment generation among the weaker sections of society. Construction of industrial sheds for relocation of units and of work centres for the weaker sections of the society can be done by private parties on the basis of the subisidised loans given by the Cooperative Finance Department. As regards the Relocation Scheme, the Corporation has only temporary work to screen and verify applications for relocation of industrial units, and allocate space at the new site to these units.

—Prepared by Neha Sharma

Notes

[1] The Business Associates of DSIDC comprise the SSI units, entrepreneurs of the Corporation, artisans, other units located in community work centers of the Corporation and sole selling agents of SSI units.

[2] An industrial estate is a large tract of land, subdivided and developed for the use of several firms simultaneously, distinguished by its shareable infrastructure and the close proximity of firms. Two common characteristics of industrial estates: co-location of firms and a common management structure for the estate.

[3] Annual Report of Delhi State Industrial Development Corporation for the year 2000-01.

[4] Government of NCT Delhi. 2002. *CAG Report*

[5] Government of NCT Delhi. 2002. *CAG Report*

[6] Government of NCT Delhi. 2001. *CAG Report*

[7] *Financial Express*. 1998. *Delhi Entrepreneurs Speak Out Their Mind on Effluent Treatment Plants.* 6 October

Delhi SC/ST/OBC/Minorities/Handicapped Finance and Development Corporation

Delhi SC/ST/OBC/Minorities/Handicapped Finance and Development Corporation

At a Glance

Functions

The Delhi Scheduled Caste Finance and Development Corporation Limited (DSFDC) was established in 1983 to provide financial assistance for economic development of scheduled caste people living below poverty line in Delhi. Subsequently, the Corporation was nominated as a channelising agency for providing financial assistance to other backward classes, scheduled tribes, minorities and physically handicapped persons. Therefore the new name of the Corporation: Delhi SC/ST/OBC/ Minorities/ Handicapped Finance and Development Corporation Limited.

Findings

- The Corporation had extended a loan of Rs 1.58 crore to scheduled castes during the year 2002.
- Since 2001, scheduled tribes, minorities and disabled have also been included as the beneficiaries of the schemes.
- The Corporation released Rs 111 lac as advance for purchase of taxies without a proper agreement. Of this, Rs 82.45 lac have been blocked with a loss of interest of Rs 64 lac besides unnecessary litigation.
- No system of monitoring exists in the General Loan Scheme to see whether the subsidy has actually generated employment. There was no system to watch recovery of the margin money.

Reforms

- The Corporation provides grants, consumption loans, and enterprise loans. The grant schemes should be transferred to the newly proposed Individual and Family Welfare Services. The loan schemes would be taken over by the new Cooperative Finance Department.

- Sulabh International has developed a revolutionary two-pit pour flush toilet that costs Rs 500 a piece. Dry toilets can be eliminated completely with this flush toilet and all *safai karamcharis* can be freed from the task of human scavenging.

Delhi SC/ST/OBC/Minorities/Handicapped Finance and Development Corporation

The Delhi Scheduled Castes Finance and Development Corporation Limited (DSFDC) was established in 1983 for financing, facilitating, and promoting economic and educational activities of Scheduled Caste (SC) people of Delhi living Below Poverty Line (BPL). Later, the Corporation was nominated as a channelising agency for providing financial assistance to Other Backward Classes (OBCs), Scheduled Tribes (STs), minorities and the physically handicapped. Therefore, the new name of the Corporation: 'Delhi SC/ ST/OBC/Minorities/ Handicapped Finance and Development Corporation Limited.'

The main sources of funds for the Corporation are the Governments of India and NCT Delhi and other national level organizations. The authorised share capital of the Corporation is Rs 100 crore.

Organisational Structure

A Board of Directors appointed by the Lieutenant Governor of Delhi manages the affairs of the Corporation. There are nine Directors including the Chairperson. The Board of Directors consists of two representatives from the union government, four from state and central government agencies and three eminent public personalities recognised for their services to scheduled castes. The Corporation is headed by a full-time Managing Director who is assisted by a General Manager, one Company Secretary, and five Deputy Managers in its day-to-day affairs. As of 2002, there are about 163 employees working in the Department.[1]

Activities of the Corporation

The DSFDC runs several schemes for all-round development.

Formulation of economic development schemes

Mobilising institutional credit

Functioning as promoter and catalyst

Facilitating pursuit of higher/ technical professional education through interest free loans for the deprived sections of society

Basic Eligibility Criteria Common to All Schemes

a. Caste certificate issued by the Superintendent District Magistrate (SDM) of the area for SC/ST/OBC schemes.
b. The applicant should be a resident of Delhi for which a permanent ration card or voters identity card issued by the government of Delhi is to be submitted.
c. Income certificate issued by the concerned SDM.

Additional Eligibility Criteria

a. Bonafide driving licence and badge issued by the Transport Department in the transport sector schemes.
b. The applicant's age should be between 18-60 years except for the transport sector schemes for which the age limit is between 18-45 years.
c. Bonafide handicapped certificate for availing loan under handicapped schemes.
d. Project report in all schemes except for transport schemes.
e. Besides all the above, there are certain additional requirements, which vary from scheme to scheme and are informed at the time of publication of advertisement for inviting applications.

Schemes

Schemes for SC/ST

1. Economic development schemes
2. Composite loan scheme
3. Loans in collaboration with NSCFDC
4. Allotment and maintenance of work sheds
5. Training scheme
6. Interest free loan schemes for higher and technical study
7. Computer Footwear Design Centre
8. General loan scheme for self employment for *safai karamcharies*

Table 1 shows the targets and achievements for selected schemes of the DSFDC, over the Ninth Five Year Plan. It is clear that the corporation has failed to achieve its own targets and the targets set for the subsequent Tenth Five Year Plan do not correlate with its past performance. For instance, despite giving financial assistance to a mere 23 SC/ST persons (as against the Ninth Five Year Plan target of 600), the target for the Tenth Five Year Plan has been more than twofold.

Table 1: Physical Targets/ Achievements of Schemes/ Projects (No. of Persons)

Economic Development	*NFYP Target*	*NFYP Achievement*	*TFYP Target*
Financial assistance to SC/ ST for self employment through DSFDC (share capital)	16,255	8,908	54,350
Financial assistance to SC/ ST for self employment (for purchase of TSR) through DSFDC	600	23	1,250
Financial assistance to SC/ST for self employment (for purchase of buses) through DSFDC	150	5	250
Financial Assistance for scavengers	8,000	5,229	5,000
Training for scavengers	1,000	671	1,000
Persons trained in computerised foot wear design centre at Karol Bagh	300	972	750
Financial help to OBC for their economic upliftment through DSFDC	750	–	750

Source: *Government of NCT Delhi. 2003. Annual Plan 2003–04. Department of Planning*
NFYP: Ninth Five Year Plan, *TFYP:* Tenth Five Year Plan

Glaring Discrepancies

1. In March 1992, the Government of India introduced a new scheme known as 'National Scheme for Liberation and Rehabilitation of Scavengers and their Dependents.' The scheme envisaged providing alternative gainful/ dignified employment opportunities to those engaged in scavenging. It has not been successful as there are thousands of scavengers even today in Delhi.
2. The Corporation conducted a survey in 1993, to identify scavengers in Delhi, through four independent agencies at a cost of Rs 9.09 lac. The results of the surveys were highly inconsistent and the Corporation merely added the four sets of figures and reported that there were 17,420 scavengers in Delhi. This was done without analysing the reports received from the four agencies or examining the methodology adopted and area covered by them. The Corporation commissioned another survey in 1997 which identified 7,961 scavengers and treated it as a fair and final assessment of scavengers.
3. The CAG Report for the year ended March 2000 cited that out of

total margin money of Rs 140 lac disbursed from 1992-93 to March 2000 under the National Scheme for Liberation and Rehabilitation of Scavengers and Their Dependents, a meagre amount of Rs 19.47 lac was recovered.

4. Under the National Scheme for Liberation and Rehabilitation of Scavengers and their Dependants, the Corporation has handed over Rs 4.03 crore and the number of beneficiaries till March 2000 was 3,053. However, as per the estimates in November 1993 of Government of NCT Delhi/ Sulabh International there are three lac bucket privies or open latrines in Delhi. Scavengers would accept the grant, assistance, training but as the latrines will still require to be serviced, they or their children or relatives will continue to practice the same occupation. The above view is supported by the fact that out of 505 scavengers liberated on 2 October 1992 about 40 percent of them continue to be engaged in this occupation.

Thus, the Corporation though nominated as the nodal agency for monitoring and implementing the scheme in Delhi failed to fully utilise the funds received under the scheme and maintain proper records of the financial assistance provided to the beneficiaries. No follow-up monitoring was conducted to verify whether the beneficiaries returned to the same occupation after availing benefits and the overall success of the scheme. This is true also in the case of transport sector, where the autodrivers who availed of the loans have not paid back the loan due to extra expenditure incurred for conversion from petrol to CNG.

Reforms

Several other agencies such as the Delhi Financial Corporation and nationalised banks provide personal or commercial grants or loans to specified beneficiaries. The schemes for personal help can be grouped under the proposed Individual and Family Welfare Services. The schemes for business and vocational training can be administered efficiently by the Cooperatives Finance Department, as proposed in the introduction. This reorganisation will help disseminate information about various schemes, eliminate duplication of schemes and would make it easier for beneficiaries to apply.

Sulabh International has developed a revolutionary two-pit pour flush toilet that costs Rs 500 a piece. Dry toilets can be eliminated completely with this flush toilet and all *safai karamcharis* can be freed from the task of human scavenging.

—Prepared by Sabith Khan

Notes

[1] Government of NCT Delhi. *2002. Report on Classification of Employees in Delhi Government, Autonomous/ Local bodies and Delhi Police*

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MLA Local Area Development Scheme

Health Centre for body-building?

MLA Local Area Development Scheme

At a Glance

Functions

This scheme enables each MLA to undertake small developmental works in his/her constituency through the allocated funds of Rs 2 crore per year.

Findings

- Widespread occurrence of 'storming,' i.e expenditure spree in the final years of the five-year plan period.
- The percentage of expenditure to allocated funds was 3.6% during 1999-2000 which rose to 52.2% in 2002-03.
- In the year 2002-03, the Municipal Corporation of Delhi (MCD) failed to spend even 50% of the funds at its disposal from the MLA Local Area Development Scheme.

Reforms

- The requirement that all works under this scheme can be done only through government agencies should be removed.
- Government agencies can compete along with private parties in an open competitive bid.
- MLAs should be authorised to invite tenders, contract for the work, and oversee completion of the work. All the details of the contract and payments along with monthly progress reports should be made available on the website of the MLA.
- The Urban Development Department (UDD) should assist in the process by putting up all tender notices, submitted bids, and the selected bid on its website. The selected bid will specify the nature of the work, time schedule, and payment details. The UDD should update the progress report on the work as and when one-fifth of the total payment is made.

MLA Local Area Development Scheme

Following the Member of Parliament (MP) Local Area Development Scheme (LADS), the Delhi government framed MLA LADS where a MLA could recommend works to be carried out in his/her constituency. The Scheme was started in the year 1994-95 with an allocated fund of Rs 1 crore per MLA per year. The amount was increased to Rs 1.40 core in 1999 and then to Rs 2 crore in 2001, where each individual project cannot exceed Rs 70 lac. In special cases, the limit can be relaxed, but not more than Rs 70 lac can be utilised in a project per year. Bigger projects can spill over to the coming years.[1] Due to overallocation during the election years, each MLA is allocated Rs 1.90 crore at present.

Despite the fact that most constituencies in the Capital are invariably waiting for improvement in civic amenities, only 50% of the available funds are generally spent.

Procedure

All MLAs are required to give Rs 1 crore per year to the Municipal Corporation of Delhi (MCD). The Urban Development Department releases this fund at the beginning of the year to the MCD. MLAs can allocate the remaining Rs 90 lac among the following civic agencies:

1. Department of Flood Control
2. Public Works Department
3. DISCOMS—Distribution Companies of the Delhi Vidyut Board
4. Delhi Jal Board
5. Delhi Tourism and Transport Development Corporation
6. Delhi State Industrial Development Corporation
7. Slum & *Jhuggi Jhopri,* MCD

However in the year 2002-03, out of 70 MLAs, 33 allotted the remaining Rs 90 lac also to MCD. The MCD gets more than 70% of the total MLA LADS funds.

When a MLA wants to get a work done, h/she sends a request to the agency chosen for the job. The agency gets back with an estimate for the consent of the MLA. On obtaining the consent certificate from the MLA, the agency gets the money released from the Urban Development Department. If the work is worth Rs 2 lac and above, the agency is required to place a newspaper advertisement and conduct an open bid.

Features

The works recommended under this scheme should conform to the general pattern of programmes and projects being implemented by the local bodies. These works will be sanctioned and implemented in the same manner as the other works. Wherever required, technical and administrative sanctions are given after following the departmental procedures applicable to the local bodies and other government departments. The actual expenditure should in no case exceed the sanction.

The works under this scheme are primarily asset creation works and no purchase of inventory, equipment or revenue expenditure is allowed. Only those works which can be completed in one or two years and lead to the creation of durable assets should be executed where each individual work should not normally exceed Rs 70 lac.

Choice of the Projects

The works to be undertaken under MLA fund scheme should be for a public purpose only and not a private purpose. The works that can be taken up under this scheme fall under the following broad categories:

1. Construction of school buildings
2. Construction of community halls/ *barat ghars/ chaupals*
3. Construction of subways wherever found technically feasible
4. Hostels specially for working women or girl schools
5. Public libraries
6. Construction of culverts, bridges/ foot bridges
7. Public toilets at different locations
8. Sports complexes
9. Crematoriums or development of burial grounds
10. Construction of tube wells and water tanks for providing drinking water to the people in the villages, towns or cities, or execution of other works which may help in this respect

11. Construction of roads and drains including part roads, approach roads, link roads, approved by lay-outs
12. Sanitation
13. Parks
14. Computers in school
15. Street lighting
16. Provision of common services/ community services including maintenance of group toilets, courtyard, common path and similar other services.

The following works are not be allowed under the scheme:

1. Office buildings, residential buildings and other buildings relating to central or state governments, departments, agencies and organisations
2. Works pertaining to commercial organisations, trusts, registered societies, private institutions or cooperative institutions
3. Repair and maintenance works of any type other than special repairs for restoration/ upgradation of any durable asset
4. Grants and loans
5. Memorials or memorial buildings
6. Purchase of inventory or stock of any type
7. Acquisition of land or any compensation for land acquired
8. Assets for an individual benefit, except those which are part of approved schemes
9. Places of worship

Problems

Table 1 speaks volumes about the problem of 'storming.' During the five-year tenure, MLAs as a rule spend the most in the last two years and the least in the first year after their election. It is difficult to decipher whether this is due to delays on the part of MCD and other civic agencies or due to lack of initiative from MLAs. Table 2 gives the agency-wise break up of the funds available and the expenditure as a percentage of that figure. In the year 2002-03, MCD failed to spend almost half the funds at its disposal. In total, only 50.59% of the available funds were spent.

Two main problems that MLAs seem to face are the difficulties in getting any MCD Junior Engineer to work out the estimates and prepare tenders, and then abandonment of work by contractors. Every

Table 1: Consolidated Statement of MLA Funds (Rs in lac)

Year	*Total Balance/ Release*	*Expenditure Incurred*	*Unspent Balance*	*Expenditure as % of Total Balance*
1999–2000	776.78	28.22	748.56	3.63
2000–2001	2,032.11	381.24	1,650.87	18.76
2001–2002	3,969.80	2,914.95	1,054.85	73.42
2002–2003	11,956.09	6,241.73	5,714.36	52.20
Total	**18,734.78**	**9,566.14**	**9,168.64**	**48.93**

Source: Government of NCT Delhi. 2003. Consolidated MLA Statement 2002-03. Department of Urban Development

Table 2 gives the tentative progress report for the year 2002-03 as on 31 March 2003.

Table 2: Agency-wise Expenditures (Rs in lac)

Name of the Agency	*Funds Released for 2002-03*	*Unspent Balance of Earlier Years*	*Total Fund Available*	*Expr*	*Unspent Balance*	*Expr as % of Total Fund Available*
MCD	11,919.27	6,778.69	18,697.96	9,566.14	9,131.82	51.16
NDMC	435.00	261.46	696.46	425.92	270.54	61.15
DJB	158.23	246.96	405.19	242.71	162.48	59.90
I&FC	326.90	72.94	399.84	212.08	187.76	53.04
DDA	47.50	—	47.50	—	47.5	0.0
PWD	4.70	—	4.70	—	4.70	0.0
S&JJ	65.11	—	65.11	#[2]	65.11	0.0
DVB	4.23	NR	343.29	4.23	339.06	1.23
Discom	339.06[3]	—	—	—	—	—
Total	**13,300.00**	**7,360.05**	**20,660.05**	**10,451.08**	**10,208.97**	**50.59**

Source: Government of NCT Delhi. 2003. Consolidated MLA Statement 2002-03. Department of Urban Development

Expr: Expenditure, *MCD:* Municipal Corporation of Delhi, *NDMC:* New Delhi Municipal Council, *DJB:* Delhi Jal Board, *I&FC:* Irrigation and Flood Control, *DDA:* Delhi Development Authority, *PWD:* Public and Works Department, *S&JJ:* Slums & *Jhuggi Jhopri*, *DVB Discoms:* Delhi Vidyut Board Distribution Companies; *NR:* Not Reported

time the contractor walks out, re-tendering of the work is done, which delays the work by another several months. Moreover the bidding process in MCD is very opaque and frequently leads to conflicts between contractors, which at times results in violence and even death.

Reforms

- The requirement that all works under this scheme can be done only through government agencies should be removed.
- Government agencies can compete along with private parties in an open competitive bid.
- MLAs should be authorised to invite tenders, contract for the work, and oversee completion of the work. All the details of the contract and payments along with monthly progress report should be made available on the website of the MLA.
- The Urban Development Department (UDD) should assist in the process by putting up all tender notices, submitted bids, and the selected bid on its website. The selected bid will specify the nature of the work, time schedule, and the payment details. The UDD should update the progress report on the work as and when one-fifth of the total payment is made.

—Prepared by Sruthijith K K

Notes

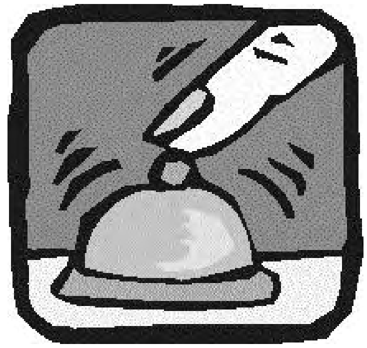
[1] Government of NCT Delhi. 2003. *Revised Guidelines, Delhi MLA LADS 2002-03.* Department of Urban Development

[2] #Work of Rs 21 lac awarded. Rs 31 lac tenders in process and works of Rs 13 lac will be executed after taking over site from the Education Department

[3] Funds released include Rs 223.79 lac to Bombay Suburban Electricity Supply Rajdhani Power Limited, Rs 50.24 lac to Bombay Suburban Electricity Supply Yamuna Power Limited and Rs 50.98 lac to North Delhi Power Limited

References

Government of NCT Delhi. 2003. *Revised Guidelines, Delhi MLA LADS 2002-03.* Department of Urban Development



Holiday Homes for Industrial Workers

Holiday Homes for Industrial Workers

At a Glance

Functions

'Setting up of Holiday Homes for Industrial Workers' is a plan scheme under the Department of Labour. This scheme was initiated as a part of welfare scheme for industrial workers in 1970. Under this scheme Holiday Homes at various places of tourist interest are to be opened so that industrial workers and their families can stay there during visits to these places at nominal rent.

Findings

- In 1997–98, the expenditure on Holiday Homes was nearly four times the approved outlay. On the other hand in 1998-99, the expenditure was merely ten percent of the approved outlay. This shows the skewness in the expenditure and outlay of the scheme.
- The booking/occupancy rate in these Holiday Homes is very poor all through the year, because of poor quality.
- The amount of subsidy per visitor given through these Holiday Homes (in 2000-01) is between Rs 1,545 (for Mussoorie Holiday Home) and Rs 2,612 (for Haridwar Holiday Home).
- After studying the working of these Holiday Homes, the Evaluation Unit of the Planning Department, NCT Delhi produces an Evaluation Study Report in June 2001. The Report concluded that the Labour Department is not in a position to manage these Holiday Homes that have been functioning for the past 20–25 years, and that they should be shut down immediately. However, no action has been taken on the recommendations of the Report. The Holiday Homes continue to operate.

Reforms

- The government should immediately act upon the recommendations of the Planning Department Report and terminate this scheme which is wasting the government's already meagre resources.

Holiday Homes for Industrial Workers

The Department of Labour has a plan scheme called 'Setting up of Holiday Homes for Industrial Workers.' This Scheme was initiated as a part of welfare scheme for industrial workers in 1970. Under this scheme Holiday Homes at various places of tourist interest are to be opened so that industrial workers and their families can stay there during visits to these places at nominal rent. Employees of Delhi government have also been allowed to stay in these Holiday Homes but rates fixed for these employees are higher than those for industrial workers. The tariff rates per day per room for the Holiday Homes are Rs 25 and Rs 150 for industrial workers and employees of Delhi government respectively. The tariff rates include only rent of the room. Four Holiday Homes are operating under this scheme in the cities of Haridwar, Mussoorie, Simla and Allahabad.

The budget allocations and expenditure under this scheme under the plan head are given in Table 1.

Table 1: Budget Allocations Under Plan Head (Rs in lac)

Year	*Approved Outlay*	*Expenditure*
1997–98	13.00	55.98 *
1998–99	40.00	10.00 *
1999–00	40.00	4.12 **
2000–01	2.50	

Source: *Government of NCT Delhi. 2001. Evaluation Study Report on Holiday Homes for Industrial Workers. Evaluation Unit, Department of Planning*

Note: * *The expenditure incurred for the purchase of Flats of Holiday Homes at Simla and Allahabad,*
** *Out of this, an expenditure of Rs 87,950 was incurred for purchase of fabric items for Holiday Homes at Haridwar and Mussoorie. The remaining amount pertains to Holiday Homes at Simla and Allahabad.*

The budget allocations and total expenditure under the non-plan head for the Holiday Home in Haridwar are given in Table 2.

Table 2: Budget Allocations Non-Plan Head Haridwar (Rs)

Year	Budget Allocation	Total Expenditure	Expenditure on Salary	Rent	Electricity and Telephone	Repair and Maintenance	Other items
1992-97	20,43,000	8,58,261	3,23,327	1,65,696	37,208	48,487	2,83,543
1997-98	4,56,000	1,82,723	1,17,295	27,912	2,031	-	35,485
1998-99	5,99,000	2,80,358	1,27,989	-	7,273	-	1,45,096
1999-00	7,79,000	3,37,580	1,45,426	-	5,595	-	1,86,559
2000-01	7,10,000	1,17,546	1,10,168	-	4,793	-	2,585

Source: Government of NCT Delhi. 2001. Evaluation Study Report on Holiday Homes for Industrial Workers. Evaluation Unit, Department of Planning

The income earned from bookings and the number of bookings for the Holiday Homes in Haridwar and Mussorie are given in Tables 3 and 4 respectively.

Table 3: Income from Bookings (Rs)

Holiday Homes	Category of Visitors	1997–98	1998–99	1999–00	2000–01
Haridwar	Industrial workers	425	130	335	1,300
	Delhi government employees	2,745	950	1,170	3,930
	Total	**3,170**	**1,080**	**1,505**	**5,230**
Mussoorie	Industrial workers	525	640	650	3,525
	Delhi government employees	4,500	4,100	2,010	15,590
	Total	**5,025**	**4,740**	**2,660**	**19,115**
Total Income		**8,195**	**5,820**	**4,165**	**24,345**

Source: Government of NCT Delhi. 2001. Evaluation Study Report on Holiday Homes for Industrial Workers. Evaluation Unit, Department of Planning

Table 4: Number of Bookings (In persons)

Holiday Homes	Category of Visitors	1997–98	1998–99	1999–00	2000–01
Haridwar	Industrial workers	24	14	20	30
	Delhi government employees	68	41	29	13
	Total	**92**	**55**	**49**	**43**
Mussoorie	Industrial workers	29	3	27	36
	Delhi government employees	74	53	39	40
	Total	**103**	**87**	**66**	**76**
Grand Total		**195**	**142**	**115**	**119**

Source: Government of NCT Delhi. 2001. Evaluation Study Report on Holiday Homes for Industrial Workers. Evaluation Unit, Department of Planning

The number of employees in the Haridwar and Mussoorie in **the year** 2001 are given in Table 5.

Table 5: Number of Employees (In persons)

Designation	*Haridwar*		*Mussoorie*	
	Sanctioned	*In Position*	*Sanctioned*	*In Position*
Manager	1	1	1	1
Peon/*Chowkidar*	1	1	1	1
Part Time Sweeper	1	1	1	1

Source: Government of NCT Delhi. 2001. Evaluation Study Report on Holiday Homes for Industrial Workers. Evaluation Unit, Department of Planning

Problems

From Tables 1 and 2 it is evident that the scheme of Holiday Homes for industrial workers has inherent problems.

First, vast sums of money are being spent on this scheme. Apart from the working expenditures of salaries, rent, electricity and maintenance, a lot of money is being spent on the unspecified 'other items.' For example, during the Eighth Five Year Plan the expenditure on 'other items' for Mussoorie and Haridwar was Rs 3.86 lac and Rs 2.84 lac respectively.

Second, in 1997–98, the expenditure on the Holiday Homes was nearly four times the approved outlay. On the other hand in 1998–99, the expenditure was merely ten percent of the approved outlay. This indicates skewness in expenditure and outlay of the scheme and the inherent inefficiency.

Third, a comparison of the expenditures and earnings shows that the earnings are far less than the expenditure incurred. The Holiday Homes do not even reach the break-even point. They are not able to cover even their running costs. Table 6 gives the average cost per person of running the Holiday Homes and the actual amount paid by the visitors.

Fourth, even the managers of these Holiday Homes agree to the mismanagement. They agree that the Holiday Homes are ill maintained and have not been renovated and updated for years. They have also voiced the lack of attention shown by the Department of Labour towards these issues.

Fifth, if attention is paid to the booking table it can be observed that more Delhi government employees make use of these Holiday Homes than industrial workers. This may be because of lack of awareness among the industrial workers regarding this scheme. Hence the whole purpose of the scheme has been defeated.

Table 6: Running Costs per Visitor (Rs)

Holiday Homes and Year		*No. of Visitors**	*Running Costs***	*Running Costs/Person*	*Income/ Person*	*Amount of Subsidy/ Person*
Haridwar	1997-98	92	1,82,723	1,986	35	1,951
	1998-99	55	2,80,358	5,097	20	5,077
	1999-00	49	3,37,580	6,890	31	6,859
	2000-01	43	1,17,546	2,734	122	2,612
Mussoorie	1997-98	103	2,73,147	2,652	49	2,603
	1998-99	87	3,18,513	3,661	55	3,606
	1999-00	66	4,41,212	6,685	40	6,645
	2000-01	76	1,36,592	1,797	252	1,545

Source: Government of NCT Delhi. 2001. Evaluation Study Report on Holiday Homes for Industrial Workers. Evaluation Unit, Department of Planning

** No. of Visitors = industrial workers + Delhi government employees*

*** Running Costs = salary + rent + electricity and telephone + repair and maintenance + other items.*

Sixth, the booking/occupancy rate in these Holiday Homes is very poor all through the year. This is because of the poor quality of these Holiday Homes. In order to explore the possibility of running these Holiday Homes on private management contract basis, a study team from the Planning Department contacted some local operators in these cities. However, the condition of these Holiday Homes is so poor that local private hotel operators have refused to operate them on a contract basis. According to them they can think of operating them only if they are renovated and fully furnished.

After studying in detail into the working of these Holiday Homes, the Evaluation Unit of the Planning Department, NCT Delhi produced an Evaluation Study Report in June 2001. The Report concluded that the Labour Department is not in a position to manage these Holiday Homes that have been functioning for the past 20-25 years. Also according to the Report, since the Holiday Homes are not achieving any social objective, given the negligible number of industrial workers visiting these Holiday Homes, the ones at Haridwar and Mussoorie should be closed forthwith. The property purchased at Simla and Allahabad for setting up new Holiday Homes should also be disposed off without incurring any further expenditure. However, no action has been taken on the recommendations of the Report. The Holiday Homes continue to operate.

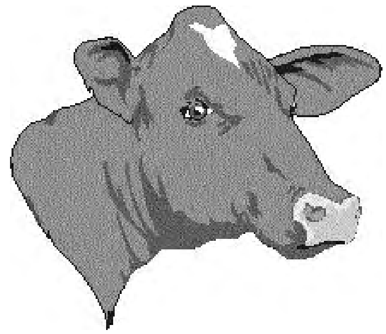
Reforms

The government should immediately act upon the recommendations of the Planning Department Report and terminate this scheme which is wasting government's already meagre resources.

—Prepared by Anupriya Singhal

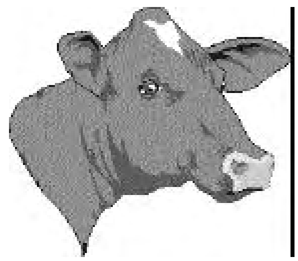
References

Government of NCT Delhi. 2001. *Evaluation Study Report on Holiday Homes for Industrial Workers. Evaluation Unit.* Department of Planning



Gau Sadan Scheme

So where are the Gau Sadans?



Gau Sadan Scheme

At a Glance

Functions

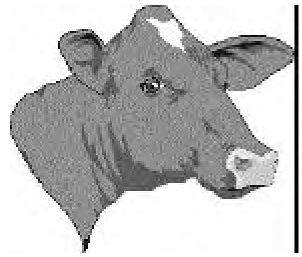
Following the Delhi Agricultural Cattle Preservation Act, 1994 that prohibited slaughter of cattle, the Delhi government provided subsidies to NGOs to establish 10 Gau Sadans in Delhi.

Findings

- According to the Animal Husbandry Department, 251 acres of land had been allotted for the construction of Gau Sadans. Around 50% of the allotted land is lying unutilised.
- A survey conducted by the Planning Department of the Delhi government revealed that the number of cattle in seven Gau Sadans put together was less than the capacity of three Gau Sadans.
- In 2001, the government spent total of Rs 1,49,22,164 for the 3,379 cattle. The expenditure per cow is Rs 4,416, more than the per student expenditure in a government school.
- A large number of stray cattle can still be seen roaming on roads, and within the Sadans, the mortality rate of cattle continues to be high.

Reforms

- Many of the stray cattle in Delhi are healthy, productive cattle left in the city for free fodder. The government should pick them up and auction them off. Also all cattle should be registered, so that owners can be fined on the spot if their animals are found stray. This would reduce the number of 'stray' cattle significantly.



Gau Sadan Scheme

Delhi government has given top priority to ban cow slaughter and their proper maintenance. Keeping in view this objective, the Delhi Agricultural Cattle Prevention Act was passed in 1994. Accordingly a plan scheme 'Setting up of Ten Gau Sadans' was framed during the 1994 Annual Plan. Under this, Gau Sadans were established by various NGOs in different localities of Delhi.

Functions

The Gau Sadans were set up to provide shelter and proper care to stray or unclaimed animals as well as those which are no longer productive. The basic objective was to stop accidents and loss due to these animals. The functions of the Gau Sadans are:

- To take measures to ensure the well-being of cows and its progeny
- To provide proper shelter, maintenance and food to stray animals
- To control the problem of stray cattle on the roads and streets in the city

Refer to Table 1 for the allocation of funds to Gau Sadans.

Table 1: Budget Allocations (Rs in lac)

Year	*Plan Outlay*	*Revised Outlay*	*Expenditure*
1994–95	5.00	Nil	Nil
1995–96	55.00	Nil	23.88
1996–97	65.00	34.00	5.43
1997–98	66.00	Nil	Nil
1998–99	66.00	66.00	Nil
1999–00	56.00	60.10	60.00
2000–01	66.00	-	-

Source: Government of NCT Delhi. 2001. Evaluation Study Report on Seven Gau Sadans Functioning in Delhi. Evaluation Unit, Department of Planning

Gau Sadans in Delhi

1. PFA Gau Sadan, Bawana
2. Gopal Gau Sadan, Hareweli
3. Surbhi Gau Sadan, Sultanpur Dabas
4. Dabar Hari Krishan Gau Sadan, Surhera
5. Manav Gau Sadan, Rewla Khanpur
6. Krishan Kanhaiya Gau Sadan, Malikpur
7. Acharya Sushil Muni Gau Sadan, Ghummenhera

The financial position of these seven Gau Sadans is given in Table 2.

Table 2: Financial Statement (Rs)

Name of Gau Sadan	*Income*	*Expenditure*	*Surplus (+)/ Deficit (-)*
PFA Gau Sadan, Bawana	40,29,733	43,74,940	(-) 3,45,207
Dabar Hari Krishan Gau Sadan, Surhera	37,13,819	34,37,757	(+) 2,76,062
Manav Gau Sadan, Rewla Khanpur	27,28,305	26,45,179	(+) 83,126
Gopal Gau Sadan, Hareweli	19,89,836	22,00,399	(-) 2,10,563
Surbhi Gau-Sadan, Sultanpur Dabas	15,66,599	14,27,216	(+) 1,39,383
Acharya Sushil Muni Gau Sadan, Ghummenhera	13,86,115	8,36,673	(+) 5,49,442

Source: Government of NCT Delhi. 2001. Evaluation Study Report on Seven Gau Sadans Functioning in Delhi. Evaluation Unit, Department of Planning

The old NGO namely Krishnan Gau Sambhardhan Sansthan, Surhera misutilised the grant released from Delhi Kalyan Samiti and the account was seized. The new NGO was changed in June 1998.

For the operations of the Gau Sadans, the Delhi government allotted the NGOs *gram sabha* land. According to the Animal Husbandry Department, 251 acres of land have been allotted for the construction of Gau Sadans. However, according to a survey conducted among NGOs the allotted land is 273.43 acres. Out of this, about 18 acres is under litigation or encroachment. Out of the total land allotted, around 131.49 acres is unutilised, which is around 50% of the total allotted land.

Problems

Most of the Gau Sadans are not working properly and are inefficient. They suffer from many problems that can be blamed on the inefficiency of the government and the NGOs in charge of them. These NGOs do not have any prior experience and thus prove out to be very inefficient.

First, the land utilisation is inefficient. Most NGOs have utilised only about 50% of the land allotted to them. This is sheer wastage of land resources, which are already scarce. Also, there is a lot of discrepancy regarding the allocation of land because the official sources and the survey done with NGOs show different figures. To top it all, a large amount of land allotted to Gau Sadans is under litigation.

Second, a survey conducted by the Planning Department of the Delhi government revealed that the cattle in seven Gau Sadans put together was less than the capacity of three Gau Sadans, which shows that three Gau Sadans are enough to give shelter to the present number of stray cattle and hence seven are not needed. In totality, around 3,379 cattle have been taken care of by the Gau Sadans. If we look at the cost per cow it works out to Rs 4,416 per cow. (Total expenditure of Rs 1,49,22,164 divided by a total number of cattle of 3,379).

The Gau Sadans are also not so effective because only 13.46% cattle of the target capacity were present in all the seven Gau Sadans, even after a lapse of 4-5 years. The Gau Sadans have failed to achieve the purpose for which they were set up. A large number of stray cattle can still be seen roaming on roads and mortality rate continued to be high in these Gau Sadans. As already mentioned earlier only 2 out of 7 NGOs, i.e. PFA Gau Sadan, Bawana and Surbhi Gau Sadan, Sultanpur Dabas are experienced in the field of animal welfare activities.

The most crucial question which comes up is whether we need the government to take care of stray animals for us: whether it is feasible or even justifiable to spend Rs 4,416 on one cow when much less is spent by way of welfare activities on people. Also the basis on which the government decides to give the contract of such Gau Sadans is unclear as some of them are not qualified to run such institutions.

Reforms

Since the Gau Sadans have failed to achieve their purpose and also are highly inefficient they should be shut down. More importantly even if they continue to operate, the government should stop spending the taxpayer's money on such useless and unprofitable ventures.

Many of the cattle roaming in Delhi are not really stray cattle. They are healthy, productive cattle left in the city for free fodder. The government should pick them up and auction them off. This would reduce the number of 'stray' cattle significantly.

What is required is an incentive structure that makes it *expensive* for cattle owners to let even unproductive cattle go astray. A system of registering and recording ownership of cattle for the lifespan of the animal, (by say, having a 'livestock registration number' marked on each animal) would make the owners accountable for the well being of the cattle. (In fact there is already a system in place for keeping track of cattle ownership, as per the Delhi Municipal Corporation Act, 1957, there is a provision for levying of tax on each buffalo/ cow kept for milking.) The owners would be traceable and spot fines could be charged from the owners whose animals are found stray.

—Prepared by Anupriya Singhal

References

Government of NCT Delhi. 2001. *Evaluation Study Report on Seven Gau Sadans Functioning in Delhi.* Department of Planning

Delhi's Fiscal Marksmanship

The government spends a great deal of time, money and effort in preparing the annual budget. Each department is asked to craft its budget which goes through several layers of the bureaucracy before it is finally approved. Midway through the year, the department is asked to revise its estimates based on the spending in the first part of the year. Thus it has ample opportunity to correct the course. Despite all this, gross under and over spending is more the rule than the exception. The mismatch is not just for a year but over five year plan period. This reflects a failing in budget planning and implementation. We term this as a failure in fiscal marksmanship by the government.

Using the data of the last five year plan—Ninth Five Year Plan 1997-2002—we present the top ten examples of Delhi's poor fiscal marksmanship.

—Prepared by Gaurav Tiwari

Source: Government of NCT Delhi. 2003. Annual Plan 2003-2004. Vol 3. Scheme-Wise Outlay. Department of Planning. *pp 119, 124, 130, 135, 142, 147, 165, 183.*

Delhi's Fiscal Marksmanship

1. 'Conversion of Dry Latrines into Water Borne for Liberation of Scavengers' scheme under Department of Social Welfare had an outlay of Rs 1,900 lac and the actual expenditure was only Rs 71,000.
2. The Department of Health and Family Welfare's 'Jan Arogaya Bima Policy for Poor Children' had actual expenditure of only Rs 5,000. The approved outlay was Rs 1,150 lac.
3. The Directorate of Health Services had an approved outlay of Rs 150 lac for the 'Establishment Cell for Implementation and Monitoring of Health Programmes/Special Programmes of Delhi Government' whereas the amount spent was only Rs 50,000.
4. Rs 8,000 lac was set aside as approved outlay for the 'Opening of New Middle Schools' scheme by the Education Department. Only Rs 1,086 lac were spent in the five years.
5. The Transport Department's scheme of 'Development of Alternative Mode of Transport including Electric Trolley Buses' had an NFYP approved Outlay of Rs 2,500 lac with no figure for the NFYP expenditure given. The approved outlay for the Tenth Five Year Plan is Rs 28,200 lac.
6. The MCD's 'Strengthening of the Inspectorate Staff' scheme had an outlay of Rs 100 lac and the corresponding expenditure was Rs 5,476 lac .
7. The Education Department's outlay of Rs 14,100 lac for the 'Provision of Additional Schooling Facilities in the Age Group 14-17 Years' had a corresponding expenditure of only Rs 1,737 lac.
8. The total approved outlay of the Tourism Department was Rs 3,200 lac and the expenditure only 789 lac. The outlay for the Tenth Five Year Plan is Rs 6,000 lac.
9. The Department of Archaeology's scheme of 'Setting up of Delhi City Museum' had an approved outlay of Rs 1,325 lac and the actual expenditure was only Rs 46 lac.
10. The MCD's scheme of 'Improvement of Science Teaching' had an approved outlay of Rs 150 lac and the actual expenditure incurred was Rs 6,849 lac.

Appendix A

List of Competent Authorities

Departments of Delhi Government

SN	*Name of the Department*	*Competent Authority*
1.	Administrative Reforms	Deputy Director (AR)
2.	Archaeology & Delhi Gazetteer	Deputy Director
3.	Aruna Asaf Ali Hospital	Deputy Medical Superintendent
4.	Archives	Deputy Director
5.	Audit	Deputy Secretary Finance (Accounts)
6.	Central Jail	DIG (Prison)
7.	Chit Fund	Registrar (Chit Fund)
8.	Chief Electoral Officer	Joint Chief Electoral Officer (Administration)
9.	College of Art	Professor (Painting-MFA)
10.	Conservator of Forest	Deputy Conservator of Forest (Head Quarter)
11.	Consumer Affairs	Director (Consumer Affairs)
12.	Cooperative Societies	Joint Registrar (Administration)
13.	Deen Dayal Upadhyay Hospital	Deputy Medical Superintendent (Administration)
14.	Delhi College of Engineering	Project Officer
15.	Delhi Fire Service	Assistant Commissioner (Fire)

SN	*Name of the Department*	*Competent Authority*
16.	Development Department & its Units	Deputy Development Commissioner
17.	Drug Control	Deputy Drug Controller (Administration)
18.	Directorate of Agricultural Marketing	Joint Director
19.	Directorate of Training, UTCS	Joint Director
20.	Directorate of Economics & Statistics	Director
21.	Directorate of Family Welfare	Deputy Director
22.	Directorate of Health Services	Additional Director
23.	Directorate of Small Savings	Joint Director
24.	Education Department	Deputy Director of Education District East in respect of matters relating to East District
		Deputy Director of Education District North in respect of matters relating to North District
		Deputy Director of Education District North-East in respect of matters relating to North-East District
		Deputy Director of Education District North-West(A) in respect of matters relating to North-West(A) District
		Deputy Director of Education District North-West(B) in respect of matters relating to North-West(B) District
		Deputy Director of Education District South in respect of matters relating to South District
		Deputy Director of Education District

SN	Name of the Department	Competent Authority
		South-West(A) in respect of matters relating to West(A) District.
		Deputy Director of Education District South-West(B) in respect of matters relating to South-West(B) District.
		Deputy Director of Education District West(A) in respect of matters relating to West(A) District.
		Deputy Director of Education District West(B) in respect of matters relating to West(B) District.
		Deputy Director of Education District Central in respect of matters relating to Central District.
		Deputy Director of Education District New Delhi in respect of matters relating to New Delhi District.
		Deputy Director of Education (Act) in respect of matters relating to aided and un-aided schools.
		Additional Director of Education (Computer) in respect of matters elating to Head Quarter, Patrachar, Science & TV, Sports, Physical Education and issues other than those covered by respective Districts.
25.	Employment	Joint Director
26.	Environment	Deputy Secretary
27.	Excise	Deputy Commissioner
28.	Finance	Additional Secretary
29.	Food & Supplies	Deputy Commissioner (Administration)
30.	Forensic Science Laboratory	Director, In-charge

SN	Name of the Department	Competent Authority
31.	General Administration Department	Deputy Secretary
32.	Govind Ballabh Pant Hospital	Medical Superintendent
33.	Guru Nanak Eye Centre	Deputy Medical Superintendent
34.	Gurudwara Election	Election Officer
35.	Guru Teg Bahadur Hospital	Additional Medical Superintendent
36.	Health & Family Welfare	Additional Secretary (Health-I)
37.	Higher Education	Deputy Director
38.	Home Department	Additional Secretary (Home-I)
39.	Home Guards & Civil Defence	Deputy Commandant General Home Guard cum Deputy Director Civil Defence.
40.	Directorate of Indian System of Medicine and Homoeopathy	Joint Director
41.	Industries	Joint Director of Industries (Administration)
42.	Information & Publicity	Deputy Director(Administration)
43.	Information & Technology	Additional Secretary
44.	Irrigation & Flood Control	SSW to Chief Engineer
45.	Labour Department	Joint Labour Commissioner (Administration)
46.	Language, Art & Culture Department including its Academies and other Units.	Joint Secretary
47.	Law & Judicial Department	Joint Secretary
48.	Delhi Legislative Assembly Secretariat	Secretary (LAS)
49.	Lok Nayak Hospital	Director (Administration)

SN	Name of the Department	Competent Authority
50.	Mahila Institute of Technology	Principal
51.	Manpower & Employment	Joint Director
52.	Maulana Azad Medical College	Deputy Director (Administration)
53.	National Cadet Core	Deputy Director General
54.	Nehru Homoeopathy Medical College and Hospital	Principal
55.	Dr. B .R. Sur Homeopathy Medical College and Hospital	Principal
56.	Planning Department	Joint Director
57.	Power Department	Additional Secretary
58.	Prevention of Food Adulteration	Joint Director
59.	Public Works Department	Engineer Officer to Chief Engineer in respect of matters pertaining to PWD Zone-I.
		Engineer Officer to Chief Engineer in respect of matters pertaining to PWD Zone-II.
		Engineer Officer to Chief Engineer in respect of matters pertaining to PWD Zone-III.
		Engineer Officer to Chief Engineer in respect of matters pertaining to PWD Zone-IV.
		Director (Personnel) in respect of matters other than Zone-I, II, III & IV.
60.	Principal Pay and Accounts Office	Deputy Controller of Accounts (Administration)
61.	Prohibition	Joint Director
62.	Prosecution	Chief Prosecutor (North District)

SN	*Name of the Department*	*Competent Authority*
63.	Divisional Commissioner Office (Head Quarter)	Additional District Magistrate (HQ)
	Offices of the Deputy Commissioners, East.	Deputy Commissioner, East
	Offices of the Deputy Commissioners, North-East	Deputy Commissioner, North-East
	Offices of the Deputy Commissioners, West	Deputy Commissioner, West
	Offices of the Deputy Commissioners, South-West	Deputy Commissioner, South-West
	Offices of the Deputy Commissioners, North	Deputy Commissioner, North
	Offices of the Deputy Commissioners, North-West	Deputy Commissioner, North-West
	Offices of the Deputy Commissioners, South	Deputy Commissioner, South
	Offices of the Deputy Commissioners, New Delhi	Deputy Commissioner,New Delhi
	Offices of the Deputy Commissioners, Central	Deputy Commissioner, Central
64.	Sales Tax Department	Additional Commissioner (Administration)
65.	Sanjay Gandhi Memorial Hospital	Deputy Medical Superintendent
66.	Services Department	Joint Secretary (Services)
67.	Social Welfare Department / Rehabilitation Services	Joint Director (Administration)
68.	Tourism Department	Deputy Director
69.	Training & Technical Education	Joint Director (Administration)
70.	Transport Department	Joint Director (Administration)

SN	Name of the Department	Competent Authority
71.	Weight & Measures	Controller
72.	Welfare of Scheduled Caste / Scheduled Tribes	Deputy Director (SCP)
73.	Urban Development	Additional Secretary
74.	Land & Building Department	Additional Secretary (Administration)
75.	Public Works Department (Secretariat) and Housing Department	Additional Secretary (PWD)
76.	Vigilance Department including Anti Corruption Department	Joint Secretary (Vigilance)

List of Competent Authorities Notified for in Respect of Autonomous Bodies / Undertakings / Local Bodies

SN	Name	CompetentAuthority
1.	Ayurvedic and Unani Tibbia College and Allied Units	Principal
2.	Board of Ayurvedic and Unani System of Medicine	Registrar
3.	Central Accident and Trauma Service	Project Administrator
4.	College of Pharmacy	Principal
5.	Commission for Other Backward Classes	Member Secretary
6.	Delhi State Civil Supplies Corporation Limited	Managing Director
7.	Delhi Tourism and Transport Development Corporation	Managing Director
8.	Delhi State Industrial Development Corporation Limited	General Manager (Head Quarter)
9.	Delhi Agricultural Marketing Board	Joint Secretary (Marketing)

SN	*Name of the Department*	*Competent Authority*
10.	Delhi Bhartiya Chikitsa Parishad	Registrar
11.	Delhi Cantonment Board	Deputy Cantonment Executive Officer
12.	Delhi Commission for Women	Member Secretary to Commissioner
13.	Delhi Consumers Cooperative Wholesale Stores Limited	Administrator
14.	Delhi Cooperative Housing Finance Corporation Limited	General Manager
15.	Delhi Energy Development Agency	Project Director
16.	Delhi Electricity Regulation Commission	Director (Administration)
17.	Delhi Financial Corporation	Chief General Manager
18.	Tool Room & Training Centre	General Manager
19.	Delhi Homoeopathy Anusandhan Parishad	Assistant Director (Homoeopathy)
20.	Delhi Institute of Hotel Management and Catering Technology	Assistant Administrative Officer
21.	Delhi Jal Board	Additional Chief Executive Officer
22.	Delhi Khadi and Village Industries Board	Deputy Director
23.	Delhi Legal Services Authority	Member Secretary
24.	Delhi Minorities Commission	Deputy Secretary
25.	Delhi Pharmacy Council	Registrar
26.	Delhi Pollution Control Committee	Assistant Environmental Engineer (Planning)
27.	Delhi Schedule Castes Financial and Development Corporation Limited	Deputy Manager (Personnel)
28.	Delhi State Aids Control Society	Joint Director

SN	*Name of the Department*	*Competent Authority*
29.	Delhi State Co-operative Bank Limited	Managing Director
30.	Delhi State Haj Committee	Secretary
31.	Delhi Subordinate Services Selection Board	Secretary
32.	Delhi Transport Corporation	Regional Manager (South) in respect of matters relating to Sriniwaspuri Depot, Sukhdev Vihar Depot, Kalkaji Depot, Sarojini Nagar Depot, Vasant Vihar Depot.
		Regional Manager (East) in respect of matters relating to Noida Depot, Hasanpur Depot, Nandnagri Depot, IP Depot.
		Regional Manager (West) in respect of matters relating to Hari Nagar Depot-I, Hari Nagar Depot-II, Hari Nagar Depot-III, Keshopur Depot, Naraina Depot, Mayapuri Depot.
		Regional Manager (North) in respect of matters relating to Rohini Depot-I, BBM Depot-I, BBM Depot-II, Wazirpur Depot-III.
		Regional Manager (Rural) in respect of matters relating to Bawana Depot, GTK. Depot, Nangloi Depot, Dichau Kalan Depot.
		Regional Manager (Interstate) in respect of matters relating to Peeragarhi Depot, Rohini Depot-III, Dilshad Garden Depot, Seemapuri Depot, Yamuna Vihar Depot, Ghazipur Depot, Ambedkar Nagar Depot, Shadipur Depot, Wazirpur Depot-II.
		Deputy Chief General Manager

SN	*Name of the Department*	*Competent Authority*
		(Publicity) (Traffic) in respect of matters relating to Scindia House, Training School, Nand Nagri Depot.
		Deputy Chief General Manager (MS-I) in respect of matters relating to Central Workshop-I, Store & Purchase.
		Deputy Chief General Manager (MS-II) in respect of matters relating to Central Workshop-II, Printing Press.
		Manager (PR) in respect of matters relating to DTC Head Quarter and issues other than those covered by rest of the Competent Authorities of DTC.
33.	Delhi Power Supply Company Ltd (TRANSCO)	Chief Engineer (Comm.) in respect of matters relating to Power Purchase, Agreement, Bulk Supply Tariff, Bulk Billing of DISCOMS and other Licenses such as NDMC and MES.
		Additional Director (Finance) in respect of matters relating to Finance including Transco and Holding Company, Revenue & Expenditure.
	Delhi Power Supply Company Ltd. (TRANSCO)	Additional General Manager (Administration) in respect of matters relating to all Administration, Establishment and Vigilance and issues other than those covered by rest of the Competent Authorities of TRANSCO.
33A	Indraprastha Power Generation Company Ltd (GENCO)	Chief Engineer(RPH) in respect of matters relating to O&M works of RPH, IPGCL (Genco), IPGP Plant Timarpur
		Finance Officer (RPH) in respect of

SN	Name of the Department	Competent Authority
		matters relating to Finance including Sale of Energy, Expenditure of GENCO
		Additional General Manager (Administration) in respect of matters relating to Administration, Establishment and Vigilance and issues other than those covered by rest of the Competent Authorities of GENCO
34.	Delhi Waqf Board	Chief Executive Officer
35.	District and Session Judge Office	Additional District and Session Judge (Administration)
36.	Guru Govind Singh Indraprastha University	Registrar (Administration)
37.	Institute of Human Behaviour and Allied Sciences	Joint Director
38.	Municipal Corporation of Delhi	Additional Commissioner (S&JJ) in respect of matters relating to Slum & JJ Department.
		Additional Commissioner (Engineering in respect of matters relating to Central Establishment Department.
		Additional Commissioner (Revenue) in respect of matters relating to Land & Estate Department, Factory Licensing Department, Remunerative Projects Cell, Toll Tax Department, Advertisement Department.
		Engineer-in-Chief in respect of matters relating to Engineering Department.
		Municipal Health Officer in respect of matters relating to Health Department.
		Director(Primary Education) in respect

SN	Name of the Department	Competent Authority
		of matters relating to Education Department.
		Director (CSE) in respect of matters relating to Sanitation Department.
		Assessor & Collector in respect of matters relating to Assessment & Collection Department.
		Chief Law Officer in respect of matters relating to Law Department.
		Director (Horticulture) in respect of matters relating to Horticulture Department.
		Chief Accountant-cum-Financial Advisor in respect of matters relating to Finance Department.
		Chief Town Planner in respect of matters relating to Town Planning Department.
		Chief Architect in respect of matters relating to Architecture Department.
		Deputy Commissioner in respect of matters relating to South Zone.
		Deputy Commissioner in respect of matters relating to Central Zone.
		Deputy Commissioner in respect of matters relating to City Zone.
		Deputy Commissioner in respect of matters relating to Civil Lines Zone.
		Deputy Commissioner in respect of matters relating to Sadar Pahar Ganj Zone.
		Deputy Commissioner in respect of

SN	*Name of the Department*	*Competent Authority*
		matters relating to Karol Bagh Zone.
		Deputy Commissioner in respect of matters relating to Rohini Zone.
		Deputy Commissioner in respect of matters relating to West Zone.s
		Deputy Commissioner in respect of matters relating to Najafgarh Zone.
		Deputy Commissioner in respect of matters relating to Narela Zone.
		Deputy Commissioner in respect of matters relating to Shahdara-South Zone
		Deputy Commissioner in respect of matters relating to Shahdara-North Zone.
		Additional Commissioner (HQ) in respect of matters relating to Labour Welfare Department, Community Services Department and issues other than those covered by rest of the Competent Authorities of MCD.
39.	Netaji Subhash Institute of Technology	Dean (Administration)
40.	New Delhi Municipal Council	Director (Public Relation)
41.	State Council of Educational Research and Training	Joint Director
42.	Delhi State Election Commission	Deputy Election Commissioner
43.	Rajya Sainik Board	Secretary

Appendix B

Form 'A'

Form of application for seeking information

(See rule 3)

I.D. No._______.

(For official use)

To

The Competent authority,

……………………….........

…………………………………

1. Name of the Applicant

2. Address

3. Particulars of information. –

Concerned department :

Particulars of information required :

i. Details of information required :

ii. Period for which information asked for :

iii. Other details :

4. I state that the information sought does not fall within the restrictions contained in Section 6 of the Act and to the best of my knowledge it pertains to your office.

5. A fee of Rs.______ has been deposited in the office of the Competent authority vide No.________ dated ________.

Place:
Date:

Signature of Applicant
E-mail address, if any:
Tel. No.(Office)___________
(Residence)_______________

Note :- (i) Reasonable assistance can be provided by the Competent authority in filling up the Form A.

(ii) Please ensure that the Form A is complete in all respect and there is no ambiguity in providing the details of information required.

Acknowledgement of Application in Form - A

I. D. No.______________ Dated:

1. Received an application in Form A from Shri/Ms. ________________ resident of ________________________________ under Section 5(1) of the Delhi Right to Information Act, 2001.
2. The information is proposed to be given normally within 15 days and in any case within 30 days from the date of receipt of application and in case it is found that the information asked for can not be supplied, the rejection letter shall be issued stating reason thereof.
3. The applicant is advised to contact the undersigned on _______________ between 11 A.M. to 1 P.M.
4. In case the applicant fails to turn up on the scheduled date(s), the Competent authority shall not be responsible for delay, if any.
5. The applicant shall have to deposit the balance fee, if any, with the authorized person before collection of information.
6. The applicant may also consult Web-site of the department from time to time to ascertain the status of his application.

Signature and Stamp of the
Competent Authority

E-mail address:
Web-site:
Tel. No.______________

Dated ....

Form 'B'

Outside the Jurisdiction of Competent authority

(See rule 4 (1))

From _________________________.

No. F.___________________________.   Date :

To,

_________________________________,

_________________________________,

_________________________________,

_________________________________.

Sir / Madam,

Please refer to your application, I.D. No.__________ dated __________ addressed to the undersigned regarding supply of information on ____.

2. The requested information does not fall within the jurisdiction of this Competent Authority and, therefore, your application is being returned herewith.

* 3. This is in supersession of the acknowledgement given to you on __________.

4. You are requested to apply to the concerned Competent authority:

Yours faithfully,

Competent Authority.
E-mail address :
Web-site:
Tel. No.______________

Form 'C'
Rejection Order
(See rule 4(2))

From _________________________.

No. F.___________________________. Date:

To,

________________________________,

________________________________,

________________________________,

________________________________.

Sir / Madam,

Please refer to your application, I.D. No.__________ dated __________ addressed to the undersigned regarding supply of information on ____.

2. The information asked for cannot be supplied due to following reasons:-
   i)
   ii)

3. As per Section 7 of Delhi Right to Information Act, 2001, you may file an appeal to the Public Grievances Commission, Government of Delhi, within 30 days of the issue of this order.

Yours faithfully,

Competent Authority.
E-mail address:
Web-site:
Tel. No.______________

Form 'D'

Form of supply of information to the applicant.

(See rule 4(3))

From _________________________.

No. F.__________________________. Date :

To,

_______________________________,

_______________________________,

_______________________________,

_______________________________.

Sir / Madam,

Please refer to your application, I.D. No.________ dated _______ addressed to the undersigned regarding supply of information on ____.

2. The information asked for is enclosed for reference. *

Or

The following partly information is being enclosed. *

i)

ii)

The remaining information about the other aspects cannot be supplied due to following reasons- *

i)

ii)

iii)

3. The requested information does not fall within the jurisdiction of this Competent Authority. *

4. As per Section 7 of Delhi Right to Information Act, 2001, you may file an appeal to the Public Grievances Commission, Government of Delhi, within 30 days of the issue of this order. *

Yours faithfully,

Competent Authority.
E-mail address :
Web-site :
Tel. No._____________

* Strike out if not applicable.

Form 'E'

Appeal under Section 7(1) of the Delhi Right to Information Act, 2001
(See rule 5(1))

I.D. No.___________
(For official use)

To,

The Secretary,
Public Grievances Commission
M Block , Vikas Bhawan
New Delhi, 110002

1. Name of the appellant :

2. Address :

3. Particulars of the Competent authority :

   (a) Name :

   (b) Address :

4. Date of submission of application in Form-A :

5. Date on which 30 days from submission of Form A is over :

6. Reasons for appeal :

   (a) No response received in Form B, or C within 30 days of submission of Form A (Rule 5(1)(a)
   (b) Aggrieved by the response received within prescribed period (Rule 5(1)(b))
   (A copy of the reply receipt be attached)
   (c) Grounds for appeal.

7. Last date for filing the appeal. (please see Rule 5 (3) :

8. Particulars of Information –

   (i) Information requested :

   (ii) Subject :

   (iii) Period :

9. A fee of Rs.50/- for appeal has been deposited in P.G.C. vide receipt No.____________ dated __________.

Place:
Date:

Signature of Appellant
E-mail address, if any:
Tel. No.(Office)___________
(Residence)_______________

Cut from here

Acknowledgement

I.D.No.____________. Dated:

Received Appeal application from Shri _________________________________ resident of________________________________under Section 7(1) of the Delhi Right to Information Act, 2001.

Signature of the Receipt Clerk,
Public Grievances Commission.

Tel.No.______________________.
E-mail Address _________________.
Web-site ______________________.

By order and in the name of the Lt. Governor of the National Capital Territory of Delhi.

The Centre for Civil Society is an independent, nonprofit, research and educational think-tank devoted to improving the quality of life for all people of India by reviving and reinvigorating civil society. The motivation behind the Centre is the poignant paradox of intelligent and industrious people of India living in the state of destitution and despondency. But we don't run primary schools, or health clinics, or garbage collection programmes. We do it differently: we try to change people's ideas, opinions, mode of thinking, the mindset by research, seminars, and publications.

We champion limited government, rule of law, free trade, and individual rights. These principles promote civil society—peace, harmony, and prosperity.

The Centre was inaugurated on 15 August 1997, signifying the necessity for achieving economic, social, and cultural independence from the Indian state after attaining political independence from an alien state.

WHAT IS CIVIL SOCIETY?

Civil society is an evolving network of associations and institutions of family and community, of production and trade, and of piety and compassion. Individuals enter into these relationships as much by consent as by obligation but never under coercion. Civil society is premised on individual freedom and responsibility, and on limited and accountable government. It protects the individual from the intrusive state, and connects the individual to the larger social and economic order. Civil society is what keeps individualism from becoming atomistic and communitarianism from becoming collectivist. Political society, on the other hand, is distinguished by its legalised power of coercion. Its primary purpose should be to protect, and not to undermine, civil society by upholding individual rights and the rule of law.

RELATIONSHIP BETWEEN CIVIL AND POLITICAL SOCIETY

The 'principle of subsidiarity' demarcates the proper arenas for civil and political society, and for local, state, and central government within the political society. The principle suggests that the state should undertake those tasks that people cannot undertake for themselves through voluntary associations of civil society. The functions thus assigned to the state must be entrusted first to local governments. The functions that local govern-that state governments are unable to undertake should be delegated to the central government.

The rampant growth of the political society—the institutions of government—since independence has hindered the flourishing of civil society in India. It is only by rethinking and reconfiguring the political society that India will be able to achieve economic prosperity, social peace and cohesion, and genuine political democracy. The focus on civil society enables one to work from both directions; it provides a 'mortar' programme of building or rebuilding the institutions of civil society and a "hammer" programme of readjusting the size and scope of the political society. Both programmes are equally critical and must be pursued simultaneously. Weeds of the political society must be uprooted and seeds of a civil society must be sown.

SUPPORT

In accordance with its purpose, the Centre accepts support only from individuals and institutions of civil society.

RESEARCH AGENDA

- Law, Liberty, and Livelihood
- Education: Choice and Competition
- Market-based Initiatives for Environmental Concerns
- Good Governance: Laws, Budgets, and Performance
- Provision of Social Services: The Role of Civil Society
- Assuring Quality and Safety: Self Regulation or State Regulation?
- Birth to Death Certification
- Radio Privatisation
- Role of the Private Sector in Provision of Infrastructure
- Farmers and Consumers: Is the State or Market a Better Intermediary?
- Protecting and Creating Jobs: De-regulation of Labour Markets
- Government as Manager or Supervisor of Financial Markets?
- India in the Global Market: Liberalisation of Trade
- Corporatisation and Privatisation of Public Sector Units

PUBLICATIONS

- *Economic Freedom & Development* by Wolfgang Kasper. Rs 200
- *Free Your Mind: A Beginner's Guide to Political Economy* by Sauvik Chakraverti. Rs. 100
- *Profiles in Courage: Dissent on Indian Socialism* edited by Parth J Shah. Rs. 350
- *Money, Market, Marketwallahs* by R K Amin. Rs 125

- *Research Internship Papers 2001* edited by H B Soumya. Rs 150
- *Friedman on India* edited by Parth J Shah. Rs 75
- *Kissan Bole Chhe* (Gujarati) by R K Amin. Rs 200
- *How Markets Work: Disequilibrium, Entrepreneurship and Discovery* by Israel Kirzner. Rs 50
- *Agenda for Change* edited by Bibek Debroy & Parth J Shah.
- *Self-Regulation in the Civil Society* edited by Ashok V Desai. Rs. 100

ViewPoint Series

- *New Public Management: Escape from Babudom* by Sauvik Chakraverti. Rs 30
- *Do Corporations Have Social Responsibility?* edited by Parth J Shah. Rs. 30
- *Population Causes Prosperity* by Sauvik Chakraverti. Rs 30
- *Indian Financial Sector after a Decade of Reforms* by Jayanth R Varma. Rs. 50
- *Peter Bauer: A True Friend of the World's Poor* by Sauvik Chakraverti. Rs. 30

Forthcoming Publications

- *Terracotta Reader*
- *Morality in Markets*
- *Law, Liberty, and Livelihood*
- *B R Shenoy Reader*

EDUCATION PROGRAMMES

- Liberty & Society Seminar
- Economics in One Lesson Seminar
- Liberty, Art, Culture Seminar
- Research Internship Program
- School Lecture Series
- Business Journalism Workshop

JEEVIKA 2003: A National Livelihood Documentary Competition

The Centre invites documentaries on the struggles and triumphs of livelihood in India. Young film-makers are particularly encouraged to participate.

DIALOGUES & PANEL DISCUSSIONS

The Centre holds regular Dialogues to provide a discussion forum for topical issues. Some Dialogues held:

- IPR: CopyLeft, CopyRight, CopyConsent?
- Fighting Poverty Diseases
- Corporate Social Responsibility?
- Should We Ban Quacks?
- Liberalisation & Livelihood
- Economics Curriculum in Schools
- Education Policy: Choice and Competition

FRIENDS OF FREEDOM

To provide a platform for self-development and deeper understanding of the principles and policies of liberalism, graduates of our seminars come together to form Friends of Freedom (FoF). Young professionals and others interested in liberal values also become members.

PUBLIC INTEREST LITIGATIONS

- BALCO: With the help of advocates Parag Tripathi and Suranya Aiyar, the Centre filed an intervention PIL in the Bharat Aluminium Company (BALCO) privatisation case to support that the privatisation of public sector companies is in the public interest; its opposition serves only parochial interests.
- VIP Security: To stop the harassment and inconvenience under the guise of VIP Security to ordinary citizens of Delhi in using roads.

LEGISLATIVE ALERT

A bill pending in the Parliament is analysed, clause by clause and an alternate bill is drafted. The changes are then discussed with interested Members of Parliament, formally and informally.

SWAMINOMICS

The Centre maintains www.swaminomics.org and www.swamin omics.com to house the popular Sunday column 'Swaminomics' in *Times of India* by Swaminathan S Anklesaria Aiyar.

RESOURCE CENTRE

The Centre maintains a library of several thousand books, publications of a large number of public policy research institutes and computers with internet access. It is open to the public for use but borrowing privileges require membership. The Centre plans to open similar resource centres throughout India.

Serious public policy debates and progressive reforms are antidote to public cynicism and catalyst to vigorous participation of citizenry in a democracy. Good governance requires periodic critical examination of the role and scope of government. With the evolution of modern administrative practices and technologies and increasing importance of civil society institutions, it is imperative that government's complementary role in the society evolves with the new paradigm.

State of Governance: Delhi Citizen Handbook 2003 is a compilation of our studies of 25 agencies, boards, corporations, and departments (ABCDs) of the government of Delhi. With this path-breaking comprehensive study, Centre for Civil Society hopes to further citizens' understanding of the workings of the government. The *Handbook* also makes constructive recommendations for improving the quality and effectiveness of public governance. The policy reforms are based on the concepts of New Public Management: subsidiarity, government provision and private production, expansion of choice and competition, reliance on user fees and not on general taxes, clean subsidies, and result-oriented management.

It is hoped that the ideas and policies presented in the *Handbook* will become the seeds for constructive debate about good governance in Delhi. Reform minded politicians, public servants, and citizens are sure to find the contents of the *Handbook* innovative, refreshing and bold. The *Handbook* is an imaginative step towards building a prosperous and vibrant Delhi.

Centre for Civil Society

The Centre for Civil Society is a think-tank for public policy solutions within the framework of limited government, rule of law, and competitive markets.