Public Private Partnerships (PPP) in Urban Infrastructure and Service Delivery

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Session outline

1. Recent examples in PPP – Lessons

2. How to accelerate PPP to finance urban infrastructure
Envisioning Sustainable and competitive urban areas

**Vision**

**Efficient and World Class Cities**
- No water-borne Disease -- quality of life

**Outcomes**

**Public Health**
- World class infrastructure and high quality Municipal Services esp for the poor

**Local Economic Growth**
- Sustained GSDP Equitable Growth

**Output**

Effective governance
## Benchmarks: Water Supply

<table>
<thead>
<tr>
<th>Proposed Indicator</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coverage of Water Supply Connections</strong></td>
<td>100%</td>
</tr>
<tr>
<td>Per capita availability of water at consumer end</td>
<td>135 lpcd</td>
</tr>
<tr>
<td>Extent of metering of water connections</td>
<td>100%</td>
</tr>
<tr>
<td>Extent of non revenue water</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Continuity of Water Supply</strong></td>
<td>24X7</td>
</tr>
<tr>
<td>Efficiency in redressal of customer complaints</td>
<td>80%</td>
</tr>
<tr>
<td>Adequacy of Treatment and Disinfection and Quality of Water Supplied</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Cost recovery in water supply services</strong></td>
<td>100%</td>
</tr>
<tr>
<td>Efficiency in collection of water supply related charges</td>
<td>90%</td>
</tr>
<tr>
<td>Number of persons receiving less than 70 lpcd</td>
<td>0%</td>
</tr>
</tbody>
</table>
## Benchmarks: Sewerage

<table>
<thead>
<tr>
<th>Proposed Indicator</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage of Waste Water Network Services</td>
<td>100%</td>
</tr>
<tr>
<td>Collection Efficiency of Waste Water Network</td>
<td>100%</td>
</tr>
<tr>
<td>Adequacy of waste water treatment capacity</td>
<td>100%</td>
</tr>
<tr>
<td>Quality of waste water treatment</td>
<td>100%</td>
</tr>
<tr>
<td>Extent of reuse and recycling of treated waste water</td>
<td>20%</td>
</tr>
<tr>
<td>Extent of cost recovery in waste water management</td>
<td>100%</td>
</tr>
<tr>
<td>Efficiency in redressal of customer complaints</td>
<td>80%</td>
</tr>
<tr>
<td>Efficiency in collection of sewerage charges</td>
<td>90%</td>
</tr>
<tr>
<td>Extent of Sewer House Connection</td>
<td>100%</td>
</tr>
<tr>
<td>Coverage of Toilets</td>
<td>100%</td>
</tr>
</tbody>
</table>
### Benchmarks : Solid Waste Management

<table>
<thead>
<tr>
<th>Proposed Indicator</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household level coverage of Solid Waste Management services</td>
<td>100%</td>
</tr>
<tr>
<td>Efficiency of collection of municipal solid waste</td>
<td>100%</td>
</tr>
<tr>
<td>Extent of segregation of municipal solid waste</td>
<td>100%</td>
</tr>
<tr>
<td>Extent of municipal solid waste recovered/recycled</td>
<td>80%</td>
</tr>
<tr>
<td>Extent of scientific disposal of municipal solid waste</td>
<td>100%</td>
</tr>
<tr>
<td>Extent of cost recovery in solid waste management services</td>
<td>100%</td>
</tr>
<tr>
<td>Efficiency in redressal of customer complaints</td>
<td>80%</td>
</tr>
<tr>
<td>Efficiency in collection of user charges</td>
<td>90%</td>
</tr>
<tr>
<td>Extent of processing and treatment of MSW</td>
<td>100%</td>
</tr>
</tbody>
</table>
### Benchmarks : Storm Water Drainage

<table>
<thead>
<tr>
<th>Proposed Indicator</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage of Storm Water Drainage Network</td>
<td>100%</td>
</tr>
<tr>
<td>Incidence of water logging/ flooding</td>
<td>0%</td>
</tr>
</tbody>
</table>
# Water Supply

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Benchmarks</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water supply coverage</td>
<td>100%</td>
<td>53.0</td>
</tr>
<tr>
<td>Per capita supply of water</td>
<td>135 lpcd</td>
<td>69.0</td>
</tr>
<tr>
<td>Consumption metering</td>
<td>100%</td>
<td>0.0</td>
</tr>
<tr>
<td>Non-Revenue Water</td>
<td>20%</td>
<td>29.0</td>
</tr>
<tr>
<td>Continuity of water supply</td>
<td>24 Hrs</td>
<td>2.0</td>
</tr>
<tr>
<td>Complaints redressal</td>
<td>80%</td>
<td>75.0</td>
</tr>
<tr>
<td>Quality of water supplied</td>
<td>100%</td>
<td>94.0</td>
</tr>
<tr>
<td>Cost recovery: water supply</td>
<td>100%</td>
<td>32.0</td>
</tr>
<tr>
<td>Collection efficiency</td>
<td>90%</td>
<td>63.0</td>
</tr>
</tbody>
</table>
Various options

• Higher Investments
  • Accessing capital markets
  • Commercial project structures

• Operational Improvements
  • Reliable services
  • Reducing UFW
  • Consumer services
  • Collection efficiency

• Public Private Participation (PPP)
  • Management Contracts
  • BOT / Concessions
PPP in Urban Infrastructure

• Public Private Partnership is offering potential solutions for achieving service delivery goals in urban India

• PPP - Promising results so far
  – Financially viable and bankable
What is a PPP?

• A Public Private Partnership is an arrangement between a public (government) entity & a private (non-government) entity by which services that are the responsibility of a public entity have traditionally been delivered by the public entity are now to be provided by the private entity under a set of terms and conditions that are defined at the outset.

• Accountability to users - still remains with government.
Why PPPs?
How PPP will benefit municipal sector?

Current situation of municipal Sector

Financing Constraints
- help to meet financing needs

Availability of skills
- shall improve service levels & accountability

PPP Can
- provide required skills & technology

Service Levels
Accountability gap

Combined revenue efficiency of 43%

Data from a sample town of population around 9 lakhs. Most of the legal connections are metered. The actual percentage of functioning meters is not known.
Other Benefits

• Enhanced bankability – more rigorous project preparation
• Incentive to deliver whole life solution – not just asset creation
• Focus shifts to service delivery – integrated with construction, measurement of quality & payment linked to service delivery
• Acceleration of programme – time-bound implementation
• Better overall management of public services – transparency in prioritisation, selection and ongoing implementation
Competency Requirements

- 24-7 Water Supply
- Integrated Treatment and Disposal of Solid Waste Management
- STPs
• On a more practical note, while public-private partnerships may hold considerable potential, with the wrong partners or badly designed partnerships, they can also combine the worst features of the public and private sectors.

WHAT ARE PPP OPTIONS AND WHICH ONE TO USE IT?
PPP Options

Extent of private sector participation
WHICH OPTION IS BETTER?

Depends on your expectations through the contract
WHAT SHOULD BE THE DURATION OF THESE CONTRACTS?
Role of the Private Sector - PPP

Public Private Partnership Models

<table>
<thead>
<tr>
<th>Option</th>
<th>Asset Ownership</th>
<th>O&amp;M</th>
<th>Investment</th>
<th>Comm. Risk</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Contract</td>
<td>Public</td>
<td>Both</td>
<td>Public</td>
<td>Public</td>
<td>1-2 yrs</td>
</tr>
<tr>
<td>Management Contract</td>
<td>Public</td>
<td>Private</td>
<td>Public</td>
<td>Public</td>
<td>3-5 yrs</td>
</tr>
<tr>
<td>Lease</td>
<td>Public</td>
<td>Private</td>
<td>Shared</td>
<td>Shared</td>
<td>8-15 yrs</td>
</tr>
<tr>
<td>BOT/BOO</td>
<td>Public/Private</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>20-35 yrs</td>
</tr>
<tr>
<td>Annuity</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Public</td>
<td>10-15 yrs</td>
</tr>
</tbody>
</table>
Policy Framework for PPP
<table>
<thead>
<tr>
<th>Category</th>
<th>Grant Centre</th>
<th>Grant State</th>
<th>ULB/Para statals/ Loan from FI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities with 4 million plus population</td>
<td>35%</td>
<td>15%</td>
<td>50%</td>
</tr>
<tr>
<td>Cities with million plus but less than 4 million population</td>
<td>50%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>Cities in North Eastern States and J&amp;K</td>
<td>90%</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Other Cities</td>
<td>80%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Funding Pattern - Urban Infrastructure Investment Component*
Viability Gap Funding
Viability Gap Funding Scheme

Provides funding in the form of grant to meet gap for making a PPP project commercially viable

Funding of up to 20% of Project Cost. Additional 20% can be given by the sponsoring authority

Empowered Institution /Committee set up for quick processing of cases

➢ Seeks to cover PPPs where
  • Private sector creates public infrastructure assets and provides infrastructure services for a fee / user charges under a concession agreement
  • Concession granted on the basis of a transparent bidding process
  • Bidding parameter is the capital grant (VGF) sought
  • Bidder is assured of a stable environment through a concession agreement
Eligible Sectors

- Roads and bridges, railways, seaports, airports, inland waterways
- Power
- Urban transport, water supply, sewerage, solid waste management and other physical infrastructure in urban areas
- Infrastructure projects in SEZ
- International convention centres and other tourism infrastructure projects
Panel of Transaction Advisers

• Panel of *eleven* Transaction Advisers, drawn up through competitive bidding and technical short-listing, announced

• The panel facilitates provision of quality transaction management services from qualified firms having skills and experience to provide commercial/financial and legal services for PPP transactions

• These can be hired by the central ministries/state governments for project development process through limited financial bid without going through complex technical qualification process

• Sponsoring authorities can draw upon the IIPDF to incur expenditure on hiring of Transaction Advisers
Urban Sector PPPs
WHICH PPP OPTIONS IS SUITABLE?
Areas of Coverage

- Solid waste Management – Collection & Transportation, Treatment & Disposal Facilities
- Amusement parks
- Urban Transport Systems – Rail or Bus Based
- Urban Roads – Upgradation & Maintenance
- Bus Terminals & Parking Facilities
- Water Supply & Distribution Systems
- Bus Shelters & Civic Amenities
- Development of Parks and Leisure facilities
- Commercial Real Estate – tourism related facilities
Urban Water Management

– Management contracts
– Hybrid contract
– BOT
# Suitable PPP Model - Water Management

<table>
<thead>
<tr>
<th>Type of service</th>
<th>Service contract</th>
<th>Management &amp; maintenance contract</th>
<th>BOT and related models</th>
<th>Concessions</th>
<th>Duration of the contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulk water</td>
<td></td>
<td>XXX</td>
<td>xxx</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution mgmt</td>
<td></td>
<td>XXX (hybrid)</td>
<td></td>
<td>xx</td>
<td></td>
</tr>
<tr>
<td>Metering, billing and collection</td>
<td>xx</td>
<td>Xxx</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer service</td>
<td></td>
<td>xxx</td>
<td>Xx</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pumping stations maintenance</td>
<td>Xx</td>
<td>xxx</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Desalination</td>
<td></td>
<td></td>
<td>xxx</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Recent Experiences

• Hubli Dharward, Belgaum
• Nagpur
• Latur
• Mysore
• Salt lake Area – Kolkata
• Navi Mumbai
Karnataka – 24-7 Water

PPP (Management Contract)

- Management contract for 24x7 water supply in pilot zones in three towns (Hubli-Dharwad, Gulbarga and Belgaum) in Karnataka
  - Project awarded in April 2005 to CGE, a french company
  - The private operator is responsible for rehabilitation, O&M of the water supply system. The assets and staff continue to remain with the ULB.
  - The private operator will improve the quality of service against a fee based contract.
  - Tariff revision is the responsibility of the ULB and would be taken-up only after demonstration of service improvement.
- The pilot zones serve close to 20,000 households
Karnataka Project
Objectives

- Demonstrate the feasibility of continuous and pressurised water supply in 5 demonstration zones
- Scale up project for the other Cities based on the lessons learnt from current project
- Initiate reforms in water and sanitation sector at the state and ULB level
A Performance based Management Contract

Management fee divided into fixed and performance fee – 60:40

Performance fee only after achieving milestones for Performance Targets set in the Contract

Capital expenditure limited to a maximum ceiling (agreed after three pre-bid meetings)

If capital expenditure exceeded, Contractor to bear the additional expenditure; Bonus if saving is more than 25% of maximum ceiling

Bonus if real loss deductions is below stipulated limit

Bonus if increase in billed volume is above stipulated limit

Penalized if minimum stipulated Performance Targets not achieved in time – non payment of Performance Remuneration

Termination of Contract if achievement of Performance Targets beyond limits
1) **Continuous pressurized water supply** – Min. Pressure 6 Mtrs.

2) **Reduction in emergency stoppages** – 4 emergency stoppages per year

3) **Metering 100% property connections and PF**

4) **100% Billing every month on volumetric basis**

5) **Reduction of water losses** – 20 Ltrs. / connection / day / meter by end of O&M Period

6) **System connection requests to be completed within 7 days**

7) Round the clock customer service centre
### Karnataka - Pre Project Situation

<table>
<thead>
<tr>
<th>City</th>
<th>Bulk Supply in MLD</th>
<th>Service Level (LPCD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgaum</td>
<td>57</td>
<td>123</td>
</tr>
<tr>
<td>Gulbarga</td>
<td>25</td>
<td>46</td>
</tr>
<tr>
<td>Hubli-Dharwad</td>
<td>111</td>
<td>123</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>S.I. No</th>
<th>Item Description</th>
<th>Situation Before</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hours of supply</td>
<td>2 to 6 hrs; once in 3 to 5 days</td>
</tr>
<tr>
<td>2</td>
<td>Volume of water supplied to demo zone in Mld</td>
<td>5.8</td>
</tr>
<tr>
<td>3</td>
<td>Average pressure in distribution system in m</td>
<td>0-5m; very un-equitable distribution</td>
</tr>
<tr>
<td>4</td>
<td>Number of public fountains + Hand pumps + cisterns + Bore well with power pump</td>
<td>41+41+32+55=169</td>
</tr>
<tr>
<td>5</td>
<td>Customer service</td>
<td>Not really existed</td>
</tr>
</tbody>
</table>
24/7 water project gets thumbs up

BY ASHA KRISHNASWAMY
DH News Service

BANGALORE: Here is a bitter pill to swallow for the NGOs which have been vehemently protesting a private agency handling the operation and maintenance of water supply in four cities of North Karnataka.

The 24/7 water supply in the demonstration zones of Belgaum, Hubli-Dharwad has received a positive response from the consumers, according to officials. The corporations of these two cities have passed resolutions recommending to the urban development department to extend the service throughout the city. The Guwahati city corporation is yet to take a decision.

Resolution

The Belgaum city corporation in its resolution passed in December, 2007 has stated that in 10 wards, on an experimental basis the 24/7 water supply has been introduced.

This World Bank assisted project has been completed satisfactorily. The implementation of the project is also satisfactory. The consumers have expressed their happiness over the service.

The citizens of other wards are demanding that they too should get water round-the-clock. Keeping the public good in view, the government should permit the project to be extended throughout the city, the resolution says.

Possibilities

The Hubli-Dharwad corporation too has passed a similar resolution. It has suggested to the Urban Development department to explore the possibilities of extending the service as well as funding of the project.

Veolia, a French company, has been entrusted with the task of O & M of the water supply in the demo zones of five cities. The task is to provide water supply to select 7,600 houses in Belgaum, 7,000 in Hubli, 5,000 in Dharwad and 3,000 houses in Guwahati.

The supply is operationalised in Belgaum and Hubli demo zones, while it is nearing completion in Dharwad and Guwahati. The project began in April 2005 and it covered nearly 10 per cent of the total population of the cities.

The company has to maintain the work it has executed for two years after the completion. Belgaum Commissioner Megannavar says that the consumers are happy because they are getting water for 24 hours a day. The water leakage and wastage has drastically reduced. The people now have assured water supply. So, the wastage has come down.

We want the service to be extended to the entire city. But who should be doing it and how the scheme should be financed are left to the government,” he added.

He also said that the urban poor, those of whom were depending on the public taps, will now have to pay nominal charges.

“Any dedicated door step water supply has changed the mindset of the poor urban consumers. They are ready to pay. In the new system the water supply pressure is so high that it can reach III floor without the help of pumps. The replacement of old pipelines and valves have helped in plugging the water leakage by 30 per cent. The system is designed to supply 135 litres of water per day per individual,” he added.

Ready to pay

Similar views were expressed by Dr Ajay Nagabushan, Commissioner, Hubli-Dharwad Corporation. The citizens’ groups in the Corporation have found that the new system is working well. The consumers would not mind paying for the service they are getting, he added.

Now it is paying time for the consumers. The revised water tariff, connection and meter charges have to be paid.

Exempted

The meter charge has been fixed at Rs 900, the connection charges are Rs 2,000. The BPL families are exempted from paying the meter charges.

But even the poor has to pay the meter charges and the payment can be made in installments. The new tariff came into effect in Hubli on February 1. Other cities will soon switch over to the new tariff, according a KUIDFC official.

The government is yet to act upon the resolutions passed by the corporations to extend the 24/7 service. Sources said that the efficiency of the new system will be watched for next six months before fully accepting it.

Also, the consumers’ reaction to the revised tariff would have to be watched before deciding on next course of action.
Adequacy of available water

Per capita water supply:
- Before 24x7: 149 lpcd
- Estimated: 135 lpcd
- After 24x7: 100 lpcd

Volume of water Supplied for 25,295 Connections

<table>
<thead>
<tr>
<th>Details</th>
<th>A (as per contract)</th>
<th>B (Estimated)</th>
<th>C (After 24x7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of connections</td>
<td>16,399</td>
<td>25,056</td>
<td>25,056</td>
</tr>
<tr>
<td>Volume of water Required (MLD)</td>
<td>22.14</td>
<td>23.67792</td>
<td>19.23</td>
</tr>
<tr>
<td>Volume of water required (MLD) for 25,056</td>
<td>33.8276627</td>
<td>23.67792</td>
<td>19.23</td>
</tr>
<tr>
<td>connections</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage with respect to supply before 24x7</td>
<td></td>
<td>70%</td>
<td>57%</td>
</tr>
</tbody>
</table>
## Impact (Output and Outcomes)

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Item description</th>
<th>Situation before</th>
<th>Situation after</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hours of supply</td>
<td>2 to 6 hrs; once in 3 to 5 days</td>
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</tr>
<tr>
<td>2</td>
<td>Volume of water supplied to demo zone in Mld</td>
<td>5.8</td>
<td>5.4</td>
</tr>
<tr>
<td>3</td>
<td>Average pressure in distribution system in m</td>
<td>0-5m; very un-equitable distribution</td>
<td>6-22m</td>
</tr>
<tr>
<td>4</td>
<td>Number of public fountains + Hand pumps + cisterns + Bore well with power pump</td>
<td>41+41+32+55=169</td>
<td>Zero; all customers are provided with individual connections with meters</td>
</tr>
<tr>
<td>5</td>
<td>Customer service</td>
<td>Not really existed</td>
<td>24 x 7 customer service center</td>
</tr>
</tbody>
</table>

### Health Benefits
(As quoted by the Lady Medical Officer, Belgaum Corporation Maternity Hospital):

<table>
<thead>
<tr>
<th>Month</th>
<th>Year</th>
<th>No.of Diseases Diarrhea &amp; Dysentery</th>
</tr>
</thead>
<tbody>
<tr>
<td>April to March</td>
<td>2005-06</td>
<td>402</td>
</tr>
<tr>
<td>April to March</td>
<td>2006-07</td>
<td>192</td>
</tr>
<tr>
<td>April to March</td>
<td>2007-08</td>
<td>221</td>
</tr>
<tr>
<td>April to March</td>
<td>2008-09</td>
<td>177</td>
</tr>
</tbody>
</table>

The above information is validated.
Nagpur Experience

- Performance based long term contract
- Private Participation in capital cost from Operator
- Technology by operator for lower life cycle cost
- New assets to generate income rather than increase financial burden on NMC or at least reduce financial burden on NMC
- Better service to consumer and urban poor
- Asset ownership with NMC
- JNNURM funding for better viability of project and reduced cost of capital.
- No NMC employee for operating the New assets for Augmentation to water supply projects
Public Private Partnership in Water Sector - Nagpur

- Project Finalized Under JnNurm
  - Pench-I WTP Improvement & Upgradation (Rs 6.42 Crore)
    - 70% grant in aid, 30% by private operator
    - 5 Years O & M by operator
  - Water reuse For Power Plant (Rs 130 Crore)
    - 70% grant in aid, 30% by Mahagenco
    - 30% O & M by Mahagenco & pay to NMC the raw sewage charges @ Rs 3.0 – 3.50 per 1000 Ltr for 110 MLD. Annual revenue to NMC Rs 15 crore from sewage
  - 24/7 Water Supply (Rs 20 Crore)
    - 5 years O & M with performance based targets to reduce UFW and improvement in service level to customers in a pilot zone of 1.25 lakhs population.
  - Improvement to Kanhan Water Supply (Rs 65 Crore)
    - 70% grant in aid, 30% by private operator
    - 15 Years O & M by operator

- Upcoming Projects for Private Participation
  - Water production and distribution management of Nagpur City as a whole.
    - 2.5 million population, 585 mld of water supply, 2.0 lakhs connection
  - Water reuse for 200 mld of raw sewage for power, industrial and other non potable uses.
24x7 Pilot Project

• Feature
  – 15000 Connection including slum
  – 10 slum areas
  – Population 1.5 – 1.75 lakhs

• Contract
  – Study, Rehabilitate, Operate contract with Private operator.
  – Penalty /bonus for targets in UFW, Quality, Customer services and Continuity of supply
## Pilot 24x7 Project: Baseline for Private Operator

<table>
<thead>
<tr>
<th>KPI</th>
<th>Baseline KPI</th>
<th>Target KPI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UFW level</strong></td>
<td>The NRW is assessed at 50%</td>
<td>UFW below 30% for proportionate bonus</td>
</tr>
<tr>
<td><strong>Increase of volume billed compared to FY 2007-08</strong></td>
<td>Volume billed for FY 2006-07 = 21,7 MLD on average. This value shall be used for the cost-benefit analysis of the rehabilitation plan. The baseline KPI for the assessment of bonus/penalties during O&amp;M will be based on FY 2007-08 data.</td>
<td>Higher than baselines by 10% for bonus</td>
</tr>
<tr>
<td><strong>Continuity of supply</strong></td>
<td>2 to 24 hours depending on the area of supply</td>
<td>24/7 throughout the zone with minimum 2m pressure at customer tap</td>
</tr>
<tr>
<td><strong>Water Quality</strong></td>
<td>63% of samples tested had a residual chlorine level higher than 0.2 ppm</td>
<td>Residual chlorine higher than 0.2 ppm</td>
</tr>
<tr>
<td><strong>Time for handling customer complaints</strong></td>
<td>Not applicable</td>
<td>Within 3 days</td>
</tr>
</tbody>
</table>
Rehabilitation Plan for Pilot 24x7

- Replacement of 100% House service connection & Meters
- Replacement of old conservancy GI pipe
- Rehabilitation of Tertiary network
- Hydraulic modeling as per Master plan
- Installation of new billing system
Visible Project Benefits

• **Water Supply Hours**
  - Water supply hours was increased from 4.30 hours to 24 hours

• **Water Consumption:**
  - The water consumption was 440m³/day for a Bajiprabhu nagar with 4.30 hrs has increased to 24 hrs with 504m³/day of water consumption. With telescopic tariff and billing as per consumption will reduce.

• **Pressure :**
  - Before conversion the average pressure at consumer water taps was 2-5 meters and now it reaches to 10-12 m. It resulted in to energy saving for consumers as water reaches directly to overhead water tank.

• **Quality:**
  - The continuous pressurized network has avoided the contamination of water from leaking House service connections which were replaced under this project.
City Wide Scale up
Estimated Cost and Funding

Total cost – Rs 387.86 crores
JNNURM funding (50%) – Rs 193.94 crores
Govt. of Maharashtra (20%) – 77.57 crores
Private sector (30%) – Rs 116.35 crores
PPP Approach

- The PPP approach aimed at BOT/Lease Concession for 25 years
- Private operator would undertake necessary investments for system upgradation and operates and maintains the system
PPP - Water

PPP - Hybrid

- **Water supply cum sewerage project at Nabadiganta Industrial Township Authority (NITA) area** –
  - Development of water supply and sewerage system through PPP
  - Technical parameters for water supply and sewerage components specified
  - Lowest water-cum-sewerage charge per KL set as the financial parameter
  - Concession period set at 30 years
  - Evaluation by a team of independent experts
  - Grant support of 35% from JNNURM funds
  - Awarded to JUSCO and Voltas Consortium SPV
  - Bulk water supply from KMC to the project SPV at Rs. 5 per KL. NITA will make land for reservoir, STP and pumping station available free of cost
  - Project SPV will charge Rs. 25 per KL from industrial consumers and also charge Rs. 10 per sq.ft as connection charge
Operation and Maintenance of Water Supply System through Public-Private Partnership (Navi Mumbai Municipal Corporation)

City Profile:
- Navi Mumbai, a twin city of Mumbai Population 5.37 Million
- Area 108.6 sq km is
- Population is around 12 million
- Main economic activities in the area are industry, commerce, IT, services

Situation before the Initiative
1. Navi Mumbai corporation was managed by multiple agencies, which resulted in delay in the services. Treated sewage was discharged into the nearby watercourses
2. Lack of accountability and an inefficient water supply system.
3. Lack of co-ordination among these agencies
4. No system for communication and registering of complaints.
5. Lack of preventive maintenance and delays in repairs led to frequent breakdown of works.
Project Details:

1. Expert committee was appointed to study all the functions of O & M works

2. Expert committee set benchmarks for the O & M of water supply of NMMC. ‘Scope of work’ and ‘Bonus and Penalty clauses’ were defined for performance-based O & M contract. provision of penalty was made for inadequate performance and there were incentives for excellent performance

3. Based on these conditions, performance-based O & M contracts were invited, work was awarded to the contractor for a period of three years.

4. NMMC combined all functions of O&M works into a single contract to make the contractor responsible for entire water supply works. This initiative enabled the production of a single bill of O&M work of water supply every month and reduced paperwork significantly. NMMC officers has adequate time for contingency planning, 24 X 7 water supply planning, MIS etc
Results Achieved:

1. Performance based O&M contract has proved to be economical and more effective in Terms Of Quality and Service of water supply.
2. Reduced water born diseases
3. The corporation has earned indirect revenues through reduction in water wastage, illegal connections, water theft, power bills, break down of electrical components and mechanical machinery
4. The maintenance costs of motor and pumps reduced to 65%.
5. 80% reduction in complaints regarding water pressure.
6. Reduced paper work by computerizing all accounts
7. corporation has achieved 88% bill recovery and its annual revenue increased from Rs.44 crore to Rs.55 crore
Continuous water supply initiatives in India

2002/3

None
Continuous water supply initiatives in India

2008

Since 2002:
- 24-7 projects under way
- 24-7 early studies
- 24-7 under consideration

~63
SPOT BILLING
Potential opportunities for PPP in urban sanitation
<table>
<thead>
<tr>
<th>Type of service</th>
<th>Service contract</th>
<th>Management &amp; maintenance contract</th>
<th>BOT and related models</th>
<th>Concessions</th>
<th>Duration of the contract</th>
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</thead>
<tbody>
<tr>
<td>Waste water treatment</td>
<td></td>
<td></td>
<td></td>
<td>Xxx</td>
<td></td>
</tr>
<tr>
<td>Waste water recycling project (with tertiary treatment)</td>
<td></td>
<td></td>
<td></td>
<td>Xxx</td>
<td></td>
</tr>
<tr>
<td>Community toilets/public toilets</td>
<td></td>
<td></td>
<td></td>
<td>xxx</td>
<td></td>
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<tr>
<td>Septage disposal</td>
<td></td>
<td></td>
<td></td>
<td>Xxx</td>
<td></td>
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<tr>
<td>Industrial waste waters</td>
<td></td>
<td></td>
<td></td>
<td>Xxx</td>
<td></td>
</tr>
<tr>
<td>STP maintenance</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Alandur

- Pop – 2 lakhs
- Chairperson lead initiative
- Peoples’s participation
- PPP – STP (BOT)
- Services to the poor
- Cost reflective tariffs
- Successful and replicable
Community options
Pune Sanitation Drive

- Community toilets in low income areas
- More than 10,000 seats
- Capex by PMC
- O & M – community – Rs 15-20 /family /month
Toilets

- Pune
- Tiruchy
- Sangli
Wow!!! 2000 ATMs... and still growing! From Kashmir to Kanyakumari... NETWORKED ALL THE WAY!
PPP in septage control
The Correct Septic Tank

Dumaguete Wastewater Management Program

“Clean Water, Healthy Environment”

Right

Wrong

AIR SPACE

Scum

Liquid Effluent

Sludge

Outlet - soak away or drainage system

Access

Vent

20 meters

Liquid Effluent

Sludge
• PPP in collection and recycling
  – At a neighborhood level – Bangalore /Hyderabad
  – City level – Bangalore /Nagpur /?/?/Hyderabad/Surat /
PPPs in SWM in India

Service contracts

BOT & Hybrid contracts
PPPs in SWM in India
Street Sweeping Photos – Day & Night
New Delhi

- New Delhi Municipal Corporation
- Waste: 300 TPD
- Scope: Secondary Collection and Transportation of Municipal Waste from 12 circles of NDMC area to the dumpsite
  - Modifications of Masonry Dust Bins
  - Segregation at Garbage Stations
  - Undertake awareness campaign
  - Complaint handling cell
- Period of Operation: BOOT for 8 Years
- Revenue Model: Transport Charges @ Rs. 468 per ton (3% increase every year)
  - Advertisement Revenue from Dhalaos
- Commissioned: September, 2007
PPP in processing, treatment and disposal
Coimbatore SWM - PPP

- Triggered by JnNURM

- From Transfer station till disposal at SLF including Processing and closure of dump sites – Rs. 69 Cr
  - Grants to the extent of 70 % - Rs. 48 Cr
  - Balance capital (30%) to be brought by Private developer i.e. about Rs. 21 Cr
  - Tipping fee
Kottayam (Kerala)

- Kottayam Municipality
- Waste: 30 TPD (Assured Minimum)
- Scope: Remediation of existing site, Windrow Composting & Landfill (Develop, O&M)
- Period of Operation: BOOT for 15 Years
- Revenue Model: Tipping Fees @ Rs. 594 per ton of MSW supplied at site
- Commissioned: Jan, 2007
MSW Treatment Plant -1

- State capital - population of about 8 Lakhs; Estimated Waste Generation - of about 300 tons per day
  - 375 gm/capita/day
  - Various studies done to verify this estimate
- City Municipal Corporation (CMC) identified about 4 Ha of land in an adjacent rural area, 15 km away, for setting up a composting plant and a land fill
- Called for bids, and selected a Developer who had to
  - Pay lease rental of Rs. 1/- p.a./sq.m of land area leased for 30 years
  - Within 18 months achieve mechanical completion, and a further 3 months to achieve full load capacity of 300 TPD;
  - CMC would have to provide 300 TPD (±5%) of MSW at the Composting Facility;
  - CMC defaults on the supply of MSW for 10 days at a stretch, it would pay the Developer a penalty of Rs. 49,000/- per day; and
  - Developer to pay CMC a royalty of 2% of the basic sale price of compost
MSW Treatment Plant - 2

- SWM collected – stored in 4-5 transfer stations. Then loaded on tippers to take to the treatment plant
  - CMC **not** to supply building debris, industrial and toxic waste, hospital waste, bio-medical waste - Developer could reject deliveries containing such waste
  - Delivery to the SWM treatment facility was an obligation of the CMC
    - Weighed at site by Developer and CMC together
  - The CMC expected that its entire SWM disposal problem would be solved, and instead of spending money, it would make money on the deal
  - The 4 Ha land was in an undulating terrain, with a small stream at the valley bottom
- Capital investment financed by loans from a bank @ 15% interest, for 7 years
  - Estimated that the entire compost could be sold at between 4000-6000 Rs/ Ton
  - Estimated that around 25% of the SWM could be turned into compost
- Informal meetings between the Developer, Horticulture Department, CMC, Agriculture Department, indicated that the compost would be easily taken up by these departments for their parks, gardens, and rubber plantations
  - The Developer itself was a local company that had agri-based business, and could also take up the compost generated
• Municipal services
  – FOBs
  – Crematorium
  – Parking spaces
  – Bus terminals
  – Energy efficiency
Case study 2

Foot Over Bridges
On the occasion of Gandhi Jayanti
MCH dedicates 157 toilets
for the convenience of the citizens.

Let’s use them and make him proud.
Case study 3

Multi Level Car Parking
PPP Model for Underground Car Parking System - A case of Kolkata
PPP Model for Underground Car Parking System

- Kolkata City Population – 14.7 million
- Kolkata City Area - 1851 Sq.km
- Length of Kolkata City Roads - 500 kms
- Parking in central Kolkata has always been a hassle is the case with most inner city areas.
- Kolkata Municipal Corporation (KMC) decided to utilize the rights to underground space
- KMC undertake the parking project as a PPP project on a Build-Own-Operate-Transfer (BOOT) basis.
Implementation strategies

• The PPP parking project was conceptualized as a two-part BOOT project with two concession periods
  - Concession - Parking system
  - Concession - Commercial Complex (Both Underground)
• The overland portion was converted into a pedestrian plaza.
• There are two levels of basement in the system
  - Upper basement (Level 1) has been utilized for commercial development
  - Lower basement (Level 2) is exclusively used as a car parking area. This was a double-concession BOOT project.
Implementation strategies

**UG Level 1: Commercial Development**
- KMC granted permission to Simplex to construct and lease out the commercial blocks on a long-term basis
- Simplex pays the lease rent as well as basic rent.

**UG Level 2: Parking Lot**
The KMC and Simplex Projects entered into a BOOT agreement for 20 years for the parking system.
Results and Outcome

• Level-2: 250 parking slots in the underground parking system
• Level-1: Market complex with 200 shops on lease;
• The premium goes to the concessionaire as charged by him.
• First time in India that the two car lifts provide the added convenience to users for taking their cars to underground Level-2 and bring them out.
• This type of lift saves space by avoiding a meandering underground road.
• The KMC collects the basic rent from each of the shop owners at Rs. 25 quarterly/ sq.m as extra income with no investment.
• The pedestrian plaza on the ground is a bonus for pedestrians.
Case study 4

Bus Terminal
Central Bus Terminal Project - Thavakakra, Kannur
On Public Private Partnership (ppp) Model
Central Bus Terminal at Thavakkara, Kannur

- Project Outlay – Rs. 330 million (7 m USD)
- The terminal and its support commercial area built up on 6.35 acres of land
- Two approach roads upto 20 m wide, totaling 1.25 Km long connecting to the main link road
- Built up for commercial utility to sustain investment
- 450000 sq.ft. built up
Case study
Street Lighting
Street Lighting through ESCO
- Case Study of Vijayawada
Concept of ESCO

• An Energy Service Company (ESCO) is a business company that develops, installs and finances Projects designed to improve energy efficiency and reduce the maintenance costs for facilities for a period of time.

• ESCO generally acts as a Project Development Company for a wide range of tasks and assumes the technical and performance risk associated with the Project.
Concept of ESCO

• Typically, they offer the following services
  – Develops, design and finance energy efficiency projects
  – Install and maintain the energy efficient equipment
  – Assume that the project will save the amount of energy guaranteed.
• These services are included in the Project’s cost and are to be met from the saving generated
• The main features of the project besides saving of energy include installation of a central computerized control room through which operation of control boxes can be done remotely and the information of switched off lights, energy readings of different central boxes can be known
PPPs in India

• Islands of progress
  – Uneven across states
  – Heavier use in some sectors

• Several not successful initiatives
  – Poorly conceptualized
You'll get water soon, 24x7: Sheila

- Pragati Maidan must be shifted to an outlying area. This is a top priority
- Slums will be replaced by tenements. For this DDA must work in tandem with our Govt
- I want a police force for women. This will give our young women a lot of confidence

By Himanshi Dhawan
TIMES NEWS NETWORK

Water round the clock. Sounds like science fiction to Delhiites. But CM Sheila Dikshit says it'll happen—and soon. Power won't be a problem in two years' time, while traffic would move smoothly over elevated roads and flyovers. Welcome to the brave, new Delhi. In the words of Sheila Dikshit:

What is your vision of a modern city? Does Delhi match up, without water in its taps and power in its homes? These are basic prerequisites, aren’t they? Delhi has to be an international city. But it hasn’t reached there yet. The basic infrastructure should be accessible and visible to all. The power situation will settle in two years' time. Water remains a problem—not so much its availability as its mismanagement. We are working on providing water 24x7. At present, 200 litres of water is available per capita. That is about the best in the world, provided its distribution is rationalised, also its usage.

World-class cities don’t have slums. In Delhi, slums are proliferating...

Our biggest challenge is migration. And I think migration is there because of the affluence of the city. But housing, for which DDA is responsible, has been one of our biggest failings, especially for the lower section. There has been very lopsided planning that has ignored the marginalised. Slums have proliferated, as well as another category called the unauthorised colony. The land mafia has sold the land and there are some very posh and very poor colonies that are unauthorised. Unless we can solve the housing issue, we cannot expect to become an international city. Unfortunately, Delhi government has no role in DDA's decisions—DDA reports to the Lieutenant-Governor.

Now that Congress rules both at the Centre and in Delhi, these glitches should get sorted out. Yes. The central and state governments have to plan together. One thing is very clear: Delhi cannot have the same kind of statehood as other states. It is the country's capital. VIP's live here, as also diplomats. Their security is of utmost importance. But having said that, there can be greater coordination. There is no coordination. The L-G holds meetings of departments without the minister even knowing about it. He is running a parallel government.

Do you want the police under you?
They (the Centre) can keep the police and security, but I need a police force for the common man and for my own law and order. For instance, I have been trying very hard to build a police force for women. It'll give young women a sense of security if women constables are seen moving around.

What's your view on the NCR? It seems a hazy concept.
The NCR means Haryana, UP, Rajasthan, MP and Delhi. You have to deal with five different state governments. The only body that can do that is the central government. We must have a common economic zone. You can buy a car in Gurgaon and not be tempted to buy one in Punjab because the taxes there are lower. If Europe can have a common economic zone, I don't see why we cannot.

There are huge traffic jams in the city. Right in front of your house, for instance, traffic doesn't move whenever there is a trade fair...
You have touched a raw nerve of mine. Pragati Maidan, for instance, should be shifted out. It should be given about 100 acres of land on the boundaries of the city. It will be good for the economy of that area. All big exhibitions grounds the world over are not in the centre of town. It clogs the traffic, there is noise pollution. And the Metro, too, is coming up here. It has to be shifted out.

How crucial are flyovers in creating the free flow of traffic?
What are you planning?
We must have elevated roads that segregate traffic. IL&FS is conducting a study whether it will be around Delhi or cross-courses. Ten years down the line, you will need the Metro and the elevated ring road. I'm planning for the future.
Public Eye on Public Services

Delhi Water Reforms

Home | DJB Proposal | Analysis | Suggestions | Our Demands | Press Releasess | International Experience

DJB has undertaken a Delhi Water Supply and Sewerage Sector Reform Project partly funded by the World Bank. Ambitious claims are being made about the likely impact of proposed project. The Project has been named as Towards 24/7. DJB claims to be putting a Performance Improvement Plan, (PIP) in place through this Project. A number of Consultants have been hired under this Project. Some of them are Price Waterhouse Cooper, GKV, CURE, Trilegal etc.

The recommendations made by these consultants, are being implemented by the DJB now. Most of the claims about the positive impacts of this Project appear to be false. The entire process will neither lead to 24/7 water supply nor any improvement in the performance of DJB. On the contrary, we fear that its implementation could be harmful and may even lead to social unrest. The Project just ensures a financial bonanza for the Multinational Water Companies, which would be paid by the consumers in the form of higher tariffs. This Project is likely to have an irreversible impact on the water and sewerage sector in Delhi. But it is taking place in and its a non transparent manner. The entire road map has been drawn by the World Bank Consultants keeping the elected representatives and the people in the dark. This is certainly not acceptable.

A detailed analysis of the likely impact of the proposed project can be found on this website. The profiles and experiences of the four international water companies, which have been short listed for the PIP project to be implemented in two zones in South Delhi from December 2005 onwards, are also available.

For more detail contact:

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C-2/43, Sunder Nagar

Parth J Shah
Centre for Civil Society
K-24, Baba Kharak Singh Marg

NGO/Civil Society Activism

Media
Accelerating PPP in Urban Infrastructure
Lesson 1

• Goal of PPP is for service delivery improvement and not for laying infrastructure
Lesson 2

• Demand / appetite for PPP
  – Political leadership
  – Elected representatives are key target group
  – State and local government level (Ministers and mayors)
Lesson 3

• *Organizational capacities – very important*

  – Policy and legal frameworks, institutions involved and the processes
Legislative frameworks for PPP

- No provision for private sector participation and NGOs in Municipal Acts – A.P, Kerala, Tamilnadu, Karnataka, Maharastra, West Bengal.

  – Desirable to adopt the provisions as given in the MML
Municipal Regulatory Commission

• No provision for setting up a State Municipal Regulatory Commission – A.P, Kerala, Tamilnadu, Karnataka, West Bengal

• Desirable as given in the MML
Lesson 4

• At the city level,
  – quick wins are essential before embarking on ambitious projects
  – FOBs, Parks, Septage treatment

• Culture of PPP
Lesson 5

• Communications and consultations are important components of PPP – before and during implementation
• IEC is different from strategic communication
• Often neglected or taken up to deal with crisis
• Internal communication and external communication
NGO/Civil Society Activism

Media
What exactly the government plans to do with water supply and distribution remains unclear even though the official plan is to provide 24x7 water supply.

NGO alleges fudging in water deal

Water managers’ permanent beneficiaries of 24x7 project

24x7 water dream drying up

Rs 12-lakh Packages, Malleable Performance Standard. Ensure of Good Run

Plan anti-poor: NGO
“Delhi Jal Board ko videshi company ke haatho bechne ki saazish ko nakam karo! Akhri saas tak sangharsh”
Earlier, they welcomed the project, now they just don't want it

Sachin Deshpande

Two years ago, it was a dream-like situation for residents of Bajirao Bajirao Nagar. Their locality, with 390 odd houses, had been chosen by the Niagara Structural Corporation (NSC) as a model for the ambitious round-the-clock, water supply project. But two years later, the situation has changed completely. Those who welcomed the project earlier, now want it scrapped. They say the project has not lived up to expectations. Instead, they are now demanding equal water supply to all localities of the city.

“Former municipal commissioner Atul Gupta had met with our mandal regarding the project. He showed us old and rusty pipelines laid out by the civic body and assured us they will change them with high-quality ones,” a resident said. The residents of Bajirao Bajirao Nagar say the water project was not as effective as expected.

A Low After A High

The Civic body is now charging Rs 16 per month as rent towards the new water meter.

“My water meter was in very good condition. Guru and I were caught unawares,” said a resident. We have a well and use the water for non-drinking purposes. Despite this, good working order, the private contractors are cheating us,” he said.

Another resident of Bajirao Bajirao Nagar said, “I have noticed a drop of around 50% in water supply. It is a worrying trend.”

Several residents we spoke to said the water supply has decreased significantly.

Citizens participating in the march taken on out on Wednesday against 24x7 water supply project of NMC.

Bhavana Mathur

Citizens in the city, especially those living in the Dharwade area, are left in limbo. With the project being delayed, the residents have had to rely on other sources of water for their daily needs. The situation has worsened due to the ongoing monsoon season.

The residents of Dharwade are facing water scarcity, and they have been forced to rely on alternate sources of water.

The residents of Dharwade are demanding immediate action from the NMC so that they can have a consistent and reliable water supply.

Dharwade residents protest against raised water bills, demand to cancel 24x7

Sandeep Joshi, Chairman, NMC’s Standing Committee, said that the NMC has decided to implement the 24x7 project without any further delays.

The residents are hopeful that the 24x7 project will provide them with a reliable water supply. They have already started preparations to ensure the smooth transition to the new system.

The NMC has assured the residents that they will provide them with all the necessary support during the transition.

Maximum water bill is Rs 1650: Sandip Joshi

According to Joshi, the NMC’s Standing Committee has decided to implement the 24x7 project without any further delays.

The residents are hopeful that the 24x7 project will provide them with a reliable water supply. They have already started preparations to ensure the smooth transition to the new system.

The NMC has assured the residents that they will provide them with all the necessary support during the transition.
Jan Akrosh against rapid 24x7, welcomes Rs 5 per unit tariff

THE office-bearers of Jansamasya Nivaran Sangharsh Samiti have alleged that 24x7 Water Supply Project has claimed life of a person from Marartoli, Ramnagar.

In a press release issued here, General Secretary of the Organisation N L Sawarkar said, the deceased S Z.Nevare ran a small shop in Marartoli, Ramnagar. He received water bill of Rs 17,972 from Vedelia Company. Apparently shocked to see such a massive bill amount, Nevare lodged a complaint and also approached the organisation. Memorandums were submitted to Executive Engineer Shashikant Hastak, and office bearers in this regard. He again received bill of Rs 22,330 including Rs 17,972 as previous dues and water bills of Rs 4,358 for a period from January to March, 2010.

According to Samiti, Nevare was frustrated, took ill and was bedridden. He passed away on July 9. Taking serious note of the issue, the Samiti along with like minded organisations will launch intense agitation, he warned.

Sawarkar further said, Chief Minister Ashok Chavan has given approval to the proposal of NMC General Body to reduce the water tariff. It could be possible due to agitation’s and protests of people and social organisations. But the first slab should be from 1 unit to 30 unit and water tariff of Rs 5 per unit for reducing the burden of people, he demanded.

President of Nagpur City (District) Nationalist Congress Party Ajay Patil has thanked State Government for giving its consent for reduction in water tariff.

Patil and NCP City Unit in a letter sent to Chief Minister Ashok Chavan and Deputy Chief Minister Chaggan Bhujbal has expressed gratitude for reducing tariff burden. He alleged that BJP led NVA was taking anti-people decisions in Nagpur Municipal Corporation (NMC). NCP Corporators and party also agitated against the decision.

The agitation’s of Jan Akrosh and Jamnanch added to the pressure and BJP had to bow down and was forced to reduce the water tariff. The State Government has given approval to reduce water tariff from Rs 8 per unit to Rs 5 per unit.
Study thumbs up for 24x7 project

Sachin Davekar / TOI

Nagpur: The Administrative Staff College of India (ASC-I), the consultant appointed by Nagpur Municipal Corporation to undertake an impact assessment study of the 24x7 water supply project in Dharampeth zone, has suggested that while implementing the project across the city, only non-working meters be replaced. In a report submitted recently, ASCI also suggested that each meter be tested and certified by a third party to instill confidence in the consumer and there should not be any charges for doing this.

ASCI TIPS

- There should be rational tariff policy with the objectives of equity, sustainability and cost recovery.
- Slum households may need to be provided with metered connections.
- Pre-poor pricing policy should be adopted.
- ASCI has asked NMC to initiate corrective measures.

NMC had appointed ASCI to study and assess the effectiveness of 24x7 water supply in Dharampeth where the pilot project is on with public-private partnership. The purpose of the study was to verify the ground results of the pilot project prior to embarking on a city-wide initiative,” said Subhajit Joshi, head of NMC standing committee, informed.

ASCI report stated that the Dharampeth zone experienced some of the problems related to water leakages at customer end. However, most consumers were not aware of it and corrective measures needed to be taken up. The MDO should conduct a survey for identifying leakages and create awareness among consumers about them.

As per ASCI, continuous water supply had resulted in wastage of water due to leakages in pipeline and storage tanks at customer end which inflated the bills. Further, NMC has revised its tariff for consumers after initiating 100 per cent metering under the project. The tariff increase increased the bills across the city but more significantly in Dharampeth zone since now there was accurate meter reading there.

ASCI accepted that the problem was compounded due to delay in issue of bills by more than six months due to elections to the assembly and the council. Consumers received two to three bills at one go with increased meter reading and increased tariff. Some citizens from Dharampeth attributed this to miscalculation in the meter reading.

ASCI recommended a tariff rationalization study also. There should be a rational tariff policy with the objectives of equity, sustainability and cost recovery. Moreover, slum households may need to be provided with metered connections and in such a case a pre-poor pricing policy should be adopted. The key problem area in implementation of the project relates to road cutting and obstruction. Corporators and citizens have revealed that work was not satisfactory and ASCI has asked NMC to initiate corrective measures.

Listing key outcomes of the project, ASCI reported that the billed volume increased from around 22 MLD before the project to 30 MLD by March 2010. Project achieved the envisaged pressure in all areas. Some citizens from Dharampeth area reported copings cost have come down related to storage and electricity. The practice of attaching motor pumps to taps had also come down.

ASCI revealed that 24x7 project made a big impact with regard to slum policy implementation and customer service. Nearly 2500 connections in slum households resulted in reduction of public stand cost from 18 to 6.
Ruling Party leader Datke suggests implementation of the scheme from the areas facing water scarcity

NOW, 24x7 Water Supply project will be implemented in the entire city on public private participation (PPP) model, starting from areas facing water scarcity, as general body of Nagpur Municipal Corporation (NMC) has given its consent for draft agreement to be signed with selected private company for 25 long years to implement the scheme. Barraging three Corporators, no one protested against the proposal. NMC has implemented 24x7 Water Supply pilot project in Dharampeth Zone.

As per the draft, 24x7 scheme will be implemented at the cost of Rs 387 crore sanctioned by Union Government under Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The selected private company will implement the scheme by contributing 30 per cent share of NMC that is Rs 116 crore. With this, the company will maintain the entire water works of NMC- right from water treatment to distribution at door steps, for next 25 years.

Under the scheme, the existing water meters will be replaced followed by replacing of necessary old water network, removing all public taps, water connection to each and every household including those located in slum areas, reducing the water losses etc. The process to select a private company is almost nearing completion. On Friday, the agreement to be signed between NMC, Nagpur Environmental Services Limited (NESL) (special purpose vehicle of NMC for water works), and selected private company, is given approval by general body. If everything goes right, the work will be started as soon as the company is selected followed by agreement, may be in the current year.

When the proposal was placed before general body, Congress Corporator Praval Gudadhe said, he is in favour of 24x7 Water Supply project, but not privatisation of water works. NMC should do the work on its own. If any private company is given the work for 25 long years, the people will have to face severe problems and its fine example is Dharampeth Zone. Any private company has single motive to make profits from the work and so far PPP model has not succeeded anywhere in the country, he said.

Gudadhe said, the private company regulating pilot project of the scheme in Dharampeth Zone has failed to implement the scheme properly, leading to public backlash. He claimed that he was the only corporator who had protested the water tariff hike proposal. Learning lesson from this, Ruling Party should take the people into consideration before implementing the scheme, he advised.

NCP Group Leader Vedprakash Arya and Corporator Parinay Fuke also protested the proposal. BJP Corporator Chhaya Gade suggested not to sign agreement for long period with private contractor. Excluding them, no one protested against the proposal and Mayor Archana Dehankar declared it as passed.

Standing Committee Chairman Sandeep Joshi said, NMC office bearers including Ruling Party Leader Praveen Datke, Chairman of Dhantoli Zone Avinash Thakre, former Chairman of Dharampeth Zone Manjusha Bangale and NCP Corporator Pragati Patil organised a drive to solve problems of people from Dharampeth Zone. With the initiative of BJP City President and former Ruling Party Leader Anil Sole, workshops were organised.

(Contd on page 2)
Lesson 6

- Service delivery to the poor should be an integral component of PPP structuring
Lesson 7

- Staff skills in government for PPP
- Information support
Human Resources

• Gamut of skills required for an effective PPP program
  – Legal and financial skills
  – Communications skills

• Consultants can play a large role
• But certain core skills have to be remain with the government.
• Accountability is with the Government
CB Support Areas

• Advocacy /Policy advisory (eg Regulatory body for urban water sector....)

• Knowledge /Skills – through training

• Project development support

• Transaction advisory

• Information support /Guidance material
Urban Resource Link
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...accelerating urban reforms with information support