

**Impact of Infrastructure and Governance Transformations on
Small, Medium and Big Cities in India**

**Governance and Infrastructure
Transformations in Bhubaneswar via the
JNNURM**

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Contents

Page no.

- I. Introduction
- II. Bhubaneswar: A city with Multiple Legacies
- III. Bhubaneswar Municipal Corporation (BMC) and the Urban Governance Ecosystem
- IV. JNNURM in Bhubaneswar: The Official Picture
- V. Case 1: City Transport Service
- VI. Case 2: Integrated Sewerage System
- VII. Case 3: Basic Services for Urban Poor
- VIII. Conclusion

List of tables

- Table 1: Population, decadal growth and density of Bhubaneswar, 1951-2011
- Table 2: Functions and tasks of the Bhubaneswar Development Authority
- Table 3: : Staff position in the BMC as reported (A) in 2006 CDP and (B) by the Corporation
- Table 4: Status of Projects sanctioned under JnNURM
- Table 5: Status of transfer of 12th Schedule functions to ULBs
- Table 6: Modal Share of Trips in Bhubaneswar – vehicular and non-vehicular
- Table 7: Vehicle Ownership in Bhubaneswar
- Table 8: Board of Directors, BPTSL
- Table 9 : Details of Operation of City Bus Service, Bhubaneswar
- Table 10: Sewerage related problems and the areas affected
- Table 11: Summary Funding Pattern for Integrated Sewerage Project in Bhubaneswar
- Table 12: Issues faced by various stakeholders in the process of implementing BSUP project

List of figures

Figure 1: Map of Bhubaneswar

Figure 2: City Bus Routes in Bhubaneswar

Figure 3: Existing Sewerage Systems in Bhubaneswar and the areas of coverage

Figure 4: Percentage distribution of category of housing supplied by OSHB from 1971 to 2010 in Odisha

Abbreviations

BMC: Bhubaneswar Municipal Corporation

BDA: Bhubaneswar Development Authority

BJD: Biju Janata Dal

BPTSL: Bhubaneswar- Puri Transport Services Limited

BSUP: Basic Services for Urban Poor

CAG: Comptroller and Auditor General

CBS: City Bus Service

CDP: Comprehensive Development Plan

CSMC: Central Sanctioning and Monitoring Committee

DTP: Directorate of Town Planning

DTS: Directorate of Transport Services

GAD: General Administration Department

GoO: Government of Odisha

GoI: Government of India

H&UD: Housing and Urban Development Department

ISS: Integrated Sewage System

JNNURM: Jawaharlal Nehru National Urban Renewal Mission

NAC: Notified Area Committees

NRCP: National river Control Programme

OWSSB: Odisha Water and Sewerage Board

OSHB; Odisha State Housing Board

PHEO: Public Health Engineering Organization

PIS: Passenger Intelligence System

PIU: Project Implementing Unit

PMU: Project Monitoring Unit

PSU: Public Sector Unit

SC: Scheduled Castes

SLNA: State Level Nodal Agency

ST: Scheduled Tribes

UDRC: Urban Development and Resource Centre

ULB: Urban Local Body

WATCON: Water Administration and Technical Consultancy

I. Introduction

Odisha is one of the least urbanized states in India; the Census of India 2011 ranks the state at 24th position in a descending order of urbanization at 16.68 per cent. There are 107 (statutory) urban areas in the state, but just about one-seventh of people reside in these *and* the 116 “census towns” *taken together*, compared to the all-India average of a third. Of the 107, only three cities have more than 3 lakh residents (Mishra, 2014). However, it is also a state where the last decade has registered a rapid increase in urbanization. The decadal growth of urbanization stands at 26.80 per cent with the urban population rising from 37 million to 42 million between 2001 and 2011. The state, thus, stands at the cusp of a demographic transition. This demographic transition represents the culmination and accentuation of several other transitional paths: an economic resurgence based on foreign investment in mineral extraction and processing, centralization of politics over a decade, and accentuation of regional and caste based disparities.

At the time of independence, Gandhiji had remarked – Orissa is the epitome of India’s poverty. A state with less than half of the per capita income of Bengal and less than one third of Bombay (Pathy, 1977) and high malnourishment levels;¹ it is also a state with considerable forest resources and mineral deposits. In the immediate wake of independence, the state became the site of extensive public sector expansion linked to the mining economy. Odisha thus has 66 Notified area committees (NACs) where Public sector units (PSUs) largely form the governance entity. The capital city of Bhubaneswar was the pinnacle of this expansion of the state realm and its power over the political economy of the state.

The public sector dominated economy underwent a significant transformation in the 1990s. In Odisha, the budget deficit in the late 1990s was critical, around 30 per cent of net output (Meher, 2002). In 2003, the ratio of interest payments to current income was 32 per cent, higher than the Indian average of 29 per cent and well above the 15 per cent limit recommended by the 12th Finance Commission (ibid). The situation was so critical that the government was in a difficulty to pay its own employees. This crisis triggered the path of reform in Odisha a path that was formalised through an agreement with the Government of India in 2003² and one that has been closely followed by the World Bank. Policies in the state have thus closely mirrored the central government. The Odisha government’s principal economic strategy in the post reform period has been to take advantage of its considerable mineral resources and attracting investors to bring in their extraction and processing knowhow (Kennedy, 2013). In 2008, there were twenty seven infrastructure projects executed through a public private partnership (PPP), for a total of 2,855 billion USD (World Bank, 2008). More than ten Special Economic Zones (SEZs) dedicated to the metallurgy industry and information technology have already been approved. Despite these moves, Odisha ranks in the bottom third of Indian states in terms of investment climate according to a recent World Bank study (Iarossi, 2009). This illustrates the particular

¹ Bengal and Bombay in this case study refer to the names of the provinces during the British period.

² See Kennedy (2013) for more details

character of the political economy of the state – one where the legacy of state control still looms large and where attempts to transit into private sector investment has unleashed a wave of corruption and considerable dependence on state largesse remains. Politically, the transition has been accompanied by the rule of a single party –ie the BJD and functionally by centralization around a single leader³. This centralization of politics also had implications for the institutional relations in the state where in any case, local governance institutions were weak, from point of view of financial resources, capacities and political agency.(Mishra, 2014)

The post reform period has seen a widening of social inequalities in Odisha (de Haan and Dubey, 2005). First, the tribals and dalits represent 22 per cent and 16 per cent respectively in the total population of the state. However, these two groups are over-represented among the poor; STs represent 41 per cent of the poor and SCs 23 per cent. Small political elite composed of high castes (Brahmins and Karnas) representing less than 8 per cent of the population, dominate the political life, its impact accenuated by a bureaucracy that is dominated by these castes too (Kumar, 2004). Second, these social inequalities also have a regional dimension. The gap between coastal Odisha, which had a legacy of being more developed since colonial times and the rest of the state has widened even more; and urbanization is locused around the coastal districts with sharp regional differences. For instance, the Census of India 2011 shows that while the coastal Khorda district has an urbanization of 48 per cent; Boudh district in the South Central Odisha is only 5 per cent urbanized. The growth of the ‘red corridor’ is a vehement testimony to the developmental neglect of the southern and western parts of the state (Mishra, 2014) The Bhubaneswar–Puri–Cuttuck triangle is emerging as the politico-economic centre of the state, which is inclined to be increasingly facilitative of foreign investments in its mineral rich regions. Thus, urbanization in Odisha is contoured by these factors and the conflicts around this rural–urban transition also mirror those in the state where migrants from the ‘development’ affected and neglected districts settle and increasingly threaten the ‘planned expansion’ of the capital city.

Municipal governance in Orissa has a history spanning nearly 150 years when municipalities were constituted in a few towns under the Municipal Act (1864) of Bengal Presidency. There were eight municipal towns when the state was constituted in 1822. Several of the erstwhile princely states had their own statutes. These were all homogenized through a common framework vide the Orissa Municipalities Act, 1950 and subsequently amended as the Orissa Municipalities Act, 1993 and then 2003 in response to the 74th Constitutional Amendment and subsequent changes. The trajectory of a state with more public sector industry dominated towns accompanied with a end towards generation of parallel structures of institutions such as the development authorities , housing board, water and sewerage boards meant that municipal governance remained weak(Mishra, 2014, Vikash,2013) While a detailed study of devolution is out of place here, it needs to be mentioned that the Odisha Second Finance Commission report, takes note of the limited extent of devolution of funds and financés to urban local bodies. The

³ Interviews with ex Mayor, Bhubaneswar as well as state bureaucrats

overall dependence of ULBs on state grants has increased further since the 1990s with the abolition of local and buoyant sources like octroi. While the revenues to the state government vide entry tax have consistently increased and amounted to over Rs 300 crore in 2004-05; the revenue shared with ULBs remained at Rs 118.05 crore ie a little more than a third of the revenue. The ULBs thus remained primarily dependent on property (holding) tax and grants from the state government.

The state government is the locus of urban governance and it functions through the Housing and Urban Development Department (HUD). The key urban governance institution in the state is thus the HUD which discharges its role through three directorates and the various sectoral organizations. Until very recent times, however, the HUD was not seen as an important department. Thus, the budgetary allocation for Housing and Urban Development in 2001-02 was only Rs. 326.02 crore. It was only in 2011-12 that it increased to Rs, 1592 crore, an increase of nearly five times (Annual Activities Report, Housing and Urban Development Department, 2012). The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) has been a substantial contributor in facilitating the infrastructural, institutional and governance transformations involved in the transition from urbanization as a low priority subject to one of substantive importance.

I. Bhubaneswar: A city with Multiple Legacies

Bhubaneswar, the capital city of Odisha, is a city of multiple legacies. It is a cultural centre with ancient legacies and temples. Its second legacy is that of being a planned city created in the immediate aftermath of Indian independence. Its current growth trajectory is that of a new age city in India. These multiple legacies—each with their own set of contradictions, inclusions and exclusions—intersect to produce a complex cityscape that is linked to the neighboring cities of Puri and Cuttack.

Bhubaneswar is also called the ‘cathedral city’ of India. Historical references of the area are traced back as far as the 6th century BCE. Within the modern city limits of Bhubaneswar lie the ruins of Sisupalgarh, a fort city believed to have flourished between 3rd century BCE and 4th century CE. This area, under a variety of names, served as the capital of the region under a variety of rulers before the capital shifted to Puri in the medieval times. It is believed that the area has over a hundred medieval era temples constructed between the 3rd to the 16th century. The famous Ashokan edicts dated to 261 BCE at Dhauri also lie in the north of the city. There are 74 state protected monuments in the city.(CDP, Bhubaneswar) This cultural legacy is much more evident in the neighbouring townships of Puri and Cuttack, which are seen as the cultural capitals of the state. Nonetheless, Bhubaneswar itself represents an important node for the tourist circuit that significantly contributes to the state and city economy.

The idea for a new capital for Odisha was mooted when it was constituted as a state in 1936 and took root in the post- independence era. The new capital was conceptualized as a medium-sized

settlement that would be an extension to the old town. Its initial vision was, thus, more modest in relation to the scale at which other capital cities such as Chandigarh were envisaged. In 1947 when the German architect, Otto Koneigsberger, prepared a plan, it was that of a settlements that would house 10,000-20,000 population with largely state government headquarters within a 10 sq. km. area. This was revised within the next 3-4 years with plans of locating several large institutions in the vicinity, taking advantage of the large tracts of *khas-mahal*⁴ lands available to the state government. A master plan exercise that envisaged a 24,000 population city expanded to 200,000 was initiated in 1964 and completed in 1968. The master plan signaled a wave of concentration of institutional activity in the Bhubaneswar area and a consistent expansion of the city. Sivaramkrishnan (1976) points out that the city epitomizes several contradictions specific to that of these new towns. These include the following:

- The failure of the ‘new’ town to substantially alter the colonial spatial structure of towns i.e., the civil lines with their individual plots, wide roads, bazaar area which was congested, winding roads and the native town where little planning effort was applied. In the case of Bhubaneswar, the division between the old town which was subsumed within the city and the new city was untouched.
- Less than optimal and almost wasteful use of land: the following table illustrates that while the density in Bhubaneswar has been rising; it is matched by a rise in land area unlike several other Indian cities. The cumulative result is a city with densities even less than Chandigarh. Further, these densities are distributed unequally; thereby generating congested parts such as the old town, marginal settlements which contrast with sprawling individual homes.

Table 1: Population, decadal growth and density of Bhubaneswar, 1951-2011

Census Year	Population	Decadal Growth (per cent)	Area (in sq. km.)	Rise in Area (per cent)	Density	Rise in Density (per cent)
1951	16512	-	25.9		638	
1961	38211	131.41	50.25	94.0	760	19.1
1971	105491	176.07	65.03	29.4	1622	113.4
1981	219211	107.8	92.92	42.8	2359	45.4
1991	411542	87.74	124.74	34.2	3299	39.8
2001	648032	57.46	135	8.2	4800	45.49
2011	837737	29.27	135	0	6205	29.27

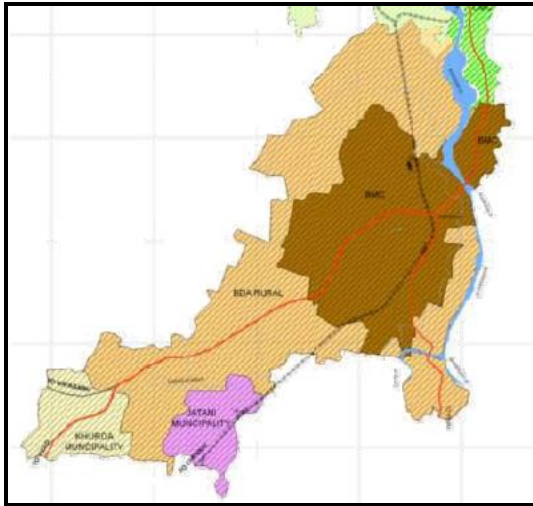
Source: Census tables and own calculations

⁴ Khasmahal lands are a legacy of the erstwhile Bengal Presidency. It refers to lands belonging to the state are given on lease by governments to certain private parties.

- High cost of technology: the choice of technologies such as sewage, road design have been high cost and subsidized by public resources. These services are also available only to a part of the city. The cumulative impact of such partial services has been pollution of natural resources such as water bodies and the environment.
- Exclusion of marginal populations and unsecured employees from the planning fabric: governed by a mentality of self containment, several new towns did not consider marginal populations and unsecured employees to even be a part of the urban fabric. Bhubaneswar presents a slightly different case in this context as it cognized a more expanded notion of citizenry beyond the state government establishment. However, here too, the marginal populations have been almost totally excluded from the urban fabric. Services for these segments have thus developed in the informal arena and have been gradually accepted through an evolving acceptance of slums.

The new age Bhubaneswar also emerged as the major centre for education, with the establishment of Utkal University, Odisha University of Agricultural Technology (OUAT), BJB College and Rama Devi Women's College, which were the premier educational institutions in the state. In more recent years education sector has seen significant growth. Numerous universities, engineering colleges and management colleges can be found in and around the city. Today, other than the Utkal University and OUAT, the city hosts a number of universities like the Utkal University of Culture, IIT Bhubaneswar, NISER Bhubaneswar, KIIT University, SOA University, Xavier University Odisha. The city also has a very large number of engineering and management colleges which have sprung up in the last decade and attract students from all over the country as well as the state. The last decade has also seen the growth of the IT industry in the city, especially with the setting up of the Info-City SEZ by the Industrial Development Corporation of Odisha. The setting up of Info-City 2 is also likely to give this sector a further push. Spatially, these developments are largely located on the periphery along the airport transit. These changes in the economic base and the aspirations of the city are also reflected in new spatial signs like malls, multiplexes and the move to improve the aesthetics of the streets and old markets.

Figure 1: Map of Bhubaneswar with BMC and BDA areas



Source: Kajri Mishra(2014) pp 30

These multiple legacies of the city express themselves in spatially distinctive, though often overlapping parts. Thus the old city area with the Lingaraj temple, master canteen is highly congested and has several overlapping uses. It is a bustling shopping area with significant amount of vendors. The planned city is largely characterised by administrative buildings and residential uses. The roads here are wide (internal roads are more than 40 metres) and are the most serviced part of the city. The rapidly growing peripheries epitomize two kinds of developments – slums and informal developments that have clustered around previous relocations carried out by the city and new institutional and industrial developments. The low density of the city and the fairly moderate rate of growth has meant that the city has been able to respond to conflicting demands on land through maintenance of spatial distinction without major conflicts. The divisions are expressed through the high levels of inequities in the services available to these distinct spatial entities and the impacts of such partial response on the environment. A study by Centre for Youth and Social Development (2005) found that East Bhubaneswar has better access and residents record higher satisfaction levels with the various service providers as against those living in West Bhubaneswar.

II. Bhubaneswar Municipal Corporation (BMC) and the Urban Governance Ecosystem

Odisha, as a state where mining and thus industries played a major role in initiating urban centres is characterized by several Notified Area Councils (NAC). NACs built the towns, with the industry as the central point and the town conceptualized as a township of employees. The larger framework for governance was laid down by the state government. The state government was

also in charge of the major infrastructure providing institutions of water supply, sewage, sanitation.

Bhubaneswar was initially established in 1948 as a Notified Area Committee, under the Bihar-Orissa Municipal Act, 1922. In 1952 it became a Notified Area Council under the Orissa Municipal Act of 1950. With the subsequent growth in population it was granted the status of a Municipality in 1979, and then of a Municipal Corporation in 1994. In 2003, the state government passed the Odisha Municipal Corporation Act, with Bhubaneswar Municipal Corporation (BMC) being recognised under it from 1 October 2003.

As a Notified Area Council, Bhubaneswar had certain novel features. For example, unlike several other industrial townships where the state/central government continued to hold a major chunk of land, Bhubaneswar incorporated private development and use of property. It also taxed use of land by government institutions as well (Sivaramkrishnan, 1976), thereby lending a certain corporate-ness to the institutional entities, and their land development and disposal practices. However, the BMC as a body has been, like the NACs, completely subjected to the state government control, only with a few functions completely in its domain.

The BMC discharges a variety of functions as per the provisions of the Odisha Municipal Corporation Act, 2003. Apart from the BMC, there are a number of other state departments and parastatal agencies, working under the overall direction of the Housing and Urban development department, which function as part of the governance structure of the city. These agencies along with their functions are as given below:

1. **Bhubaneswar Development Authority (BDA):** Responsible for all the planning functions like Master Plans, Zonal Development Plans etc. Also responsible for the enforcement of plans by way of building bye laws, zoning regulations etc. and for the development of housing, commercial complexes, parks and plantations etc.
2. **Public Health Engineering Organisation (PHEO), GoO:** Responsible for the operation and maintenance of water supply system, sewerage and sanitation systems in the city.
3. **Works Department (R&B Division), GoO:** Responsible for the construction and maintenance of all major roads and bridges within the city. Most major arterial roads are under the control of the Works Department.
4. **Orissa Water Supply and Sewerage Board (OWSSB):** Construction of water supply, sanitation and sewerage schemes for the Municipal Corporation or the PHEO.
5. **Water Resources Department (WRD), GoO:** Construction and maintenance of major storm water drains in the city.
6. **General Administration Department (GAD), GoO:** General land management in the city. Also controls large number of government owned building and estates in the city.
7. **Directorate of Town Planning (DTP), GoO:** An advisory body to the government of Odisha on urban planning.

Apart from these some other agencies, like the Tourism Department, Odisha Tourism Development Corporation, Industries Department, Industrial Development Corporation of Odisha, Archaeological Survey of India, State Archaeology Department, City Afforestation Division of the Forest Department also are part of the governance structure of the city within their respective domains.

Table 2: Functions and tasks of the Bhubaneswar Development Authority

Planning functions	Regulatory functions
• Business plan for implementation of CDP'2010	• Building permission
• Zonal Development Plan	• Appeal cases
• BDA Projects and lay outs	• Regularisation of unauthorized and deviated constructions
• Govt. project and lay outs	• R.T.I.
• Area Development plans	• Empanelment of Technical persons/ Builders
• Formulation of Regulations	• Post approval monitoring of compliance of conditions.
• Planning for Modern Integrated township	
• Preparation of CDP/IDP for new Areas	

Source: Kajri Mishra(2014) pp 39

The 74th Constitutional Amendment Act (CAA) proposed the transfer of 18 essential functions to the urban local bodies (ULBs). A study of functional devolution to the ULBs in Odisha (Vikash, 2013) reveals the following:

1. Urban planning and town planning including construction of building is not done by local body but by a separate authority, in this case the BDA.
2. Regulation of land use is also not under the control of the local bodies.
3. The functions like construction of roads and bridges are partly done by the ULBs. The roads coming under the jurisdiction of the ULB are done by that body and the rest by the parastatal bodies i.e., Roads and Bridges and Public Works Department.

4. Water supply is partly done by a parastatal body. Piped water supply connection, installation and maintenance are done by Public Health and Engineering Department (PHED). Even Tube well installation and maintenance are also done by Public Health and Engineering Department (PHED). Overall monitoring and supervision is the responsibility of the ULB.
5. The entire responsibility of birth and death registration is done by the urban bodies.
6. ULBs organize health camps and awareness generation programmes in wards and slums.
7. Garbage collection and disposal work is normally done either through the urban body directly or through private agency. Dumping yard space is not demarcated.
8. There is no proper/planned drainage system. It is undertaken by sewerage board without taking consent/consultation of ULB regarding planning of drainage system
9. Odisha Forest Department is responsible for urban forestry, protection of environment and promotion of ecological aspects except some urban bodies taking plantation work.
10. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded is partly done by the ULBs and partly by the government (District Social Welfare Office).
11. Slum improvement and poverty alleviation is done by ULBs.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds is normally discharged by the urban bodies.
13. Most urban bodies do not have their own educational institutions.
14. The functions like the regulation of slaughter houses and tanneries, the operation of burials and burial grounds and cremation grounds, the maintenance of cattle ponds and prevention of cruelty to animals, are not discharged by urban bodies.
15. Maintenance and supervision for most services and public amenities is undertaken by ULBs except that of street lights which is undertaken by the Odisha State Electricity Board.

The review of these functions thus highlights that very few functions envisaged by the 74th CAA are fully undertaken by the ULBs in Odisha. In fact the Odisha Municipalities Act, 2003, places six of the critical functions (urban planning, planning for social and economic development, urban forestry and protection of environment, safeguarding interests of weaker sections, urban poverty alleviation and slum improvement) under a special clause 26 ,distinguishing them from the obligatory or discrete functions of the ULBs . According to the act, these powers are transferred to ULBs subject to certain conditions. This may be interpreted as a commitment to decentralize, however over a much longer time span.

Mishra (2014) observes that the state government is the defacto primary and substantive locus of governance in the case of Bhubaneswar. Further, while BMC is bigger and has more officials than other cities in Odisha; its capacity to negotiate these discussions is very limited. Thus, the fragmentation of governance, which is a common feature of several cities in India, reinforces the dependence of BMC for most policy decisions on the state government; execution in a lot of matters is also entrusted to the state government. This is because all resources- financial, human

and functional flow from the state. Thus even in cases where the functions have been explicitly allotted to the municipal corporation; the poor tax and revenue bases, the lack of personnel or lack of technically qualified personnel, the fact that most officials of the BMC are posted or deputed from state government mean that approval or notification with higher government is an established practice. At the higher level, the appointment of a single person to posts in the corporation and the parastatal translate into an overlapping of domains. Mishra(ibid) points out the case of building approval. The notification for transfer of building approval functions from the BDA to the BMC was issued in 2010; the BMC immediately requested the BDA (officially) to continue to perform this function as the required capabilities did not exist with the BMC. That the same officer held the position of Commissioner BMC and Vice-Chairman BDA only made this process all the more smooth.⁵

Table 3: Staff position in the BMC as reported (A) in 2006 CDP and (B) by the Corporation

Classification	Grade I	Grade II	Grade III	Grade IV	Total
Deputation	20	35	24	26	96
Local Fund Service	--	2	145	--	147
Non-Local Fund Service	--	--	345	951	1296
Total	20	37	514	967	1538

As reported on RTI ...

L.F.S (Group-C)	122
Non-LFS (Group - C)	85
Non-LFS (Group - D)	930
Totals	1137
NMR	72 (Conservancy - 67 + General - 5)
DLR	552 (Conservancy - 260 + General - 292)

⁵ The actual transfer of the function is being planned in January 2015; the sticky issue of the related staff transfers is currently being negotiated

CLR	790 (Conservancy - 700 + General - 90)
Total	1414 (Conservancy - 1027 + General - 387)
Grand Total	2551 (Regular - 1137 + Other- 1414)

Source: Kajri Mishra(2014) pp 38

The tables show the large number of persons on deputation from various arms of the state government. They also show the large number of persons in irregular posts. All these factors serve to bring the state government via the BDA and the H&UD in several matters of local governance in the city, as a matter of routine functioning.

The lack of decentralization is heightened by the lack of a strong city politics. The political wing of the BMC consists of a number of elected members and each of them represents a ward in the city. The city has a Mayor-in-council system where the mayor is elected by the corporators. The number of corporators has increased over time starting with 47 in the council between 2004 and 2009, 60 between 2009 and 2014, and 67 from 2014 onwards. However, the continued decade long regime of a single regional state- focused party at the state as well as city level has meant that the city politics in Bhubaneswar continues to be dominated by the state government in spite of some demands to devolve powers.⁶

III. JNNURM in Bhubaneswar: The Official Picture

As a state with low proportion of urbanization, Odisha was not a major beneficiary of JNNURM funding. Rs. 759.20 crore (1.14 per cent of the total central government allocation) was allocated to it and Rs. 479.36 crore (63 per cent of the allocation) was actually released (CAG, 2013). On the other hand, for the BMC whose annual budget was less than Rs. 100 crore⁷, the allocation of Rs for UIG and BSUP was significant; and in keeping with the overall idea of the mission to use these funds as a lever for changes in governance, planning, and execution of infrastructure projects.

Though the JNNURM project was launched in 2005 by the GoI, it was not till 2007-08 that it impinged visibly on the urban governance and development trajectory of Odisha. In the launch year of the JNNURM launch (2005) the DH&UD was named the State Level Nodal Agency for implementation of the JNNURM in Odisha, with the then Principal Secretary as Mission Director; currently the Special Secretary holds that responsibility. Preparation of CDPs for the

⁶ Interview with ex- mayor of the BMC on 31 October 2014.

⁷ The annual income was rs 82 cr in 2009-10 and expenditure around Rs 99 cr.

two JNNURM cities were contracted out to private consultants⁸ in late 2005, and the report for Bhubaneswar was submitted in July 2006. An implementation structure comprising a state-level Project Monitoring Unit (PMU) within the nodal agency – DH&UD - and Project Implementation Units (PIUs) at the Municipal levels were envisaged. However, this was fully developed only by the time the first project was sanctioned and ready to start. Formation and staffing of the PIU, which reported directly to the Head of the SLNA (DH&UD) and technical-advisory support to the PIU and nodal agency was contracted from ASCI, Hyderabad, through a negotiated process. Formation and staffing of the PIU, however, was assigned to a private organization through a tendering process. The PIU reports to the nodal officers in the BMC and PMU; in the former a special Project Officer reporting to the Commissioner, and in the latter the Executive Officer who heads the Municipality. However, the Project Officer in the BMC has overall responsibility for monitoring of work both cities. The CAG audit, 2013 observes that the PMU in Odisha had vacancies in technical and other posts, attributed to the fact of the initial delay and therefore the uncertainty over use of funds available for the same in the initial years of the mission⁹. The CAG report further observes that the PIU was not set up in Bhubaneswar at all.

⁸ Bhubaneswar – Community Consulting Pvt Ltd, Chennai; Puri - City Managers Association of Odisha (CMAO), Bhubaneswar.

⁹ Funds to set up PMUs were available for the first three years ie till 2008

Table 4: Status of projects sanctioned under JNNURM

Sl. No.	Name of ULBs	Name of Project	Date of CSMC Meeting	Project Cost	ACA received	Funds released				Expenditure ending March (provisional)	U.C. Submitted	Physical progress achieved
						Central share	State share	ULB share	Total			
1	2	3	4	5	10	11	12	13	14	15	16	17
1	BMC, Bhubaneswar	Integrated sewerage project	22-02-2007	49891.35	9978.27	9978.27	1247.28		11225.55	4999.00	2243.00	(1) Out of 193KM of sewers of Sewerage District-III for which work order is issued, 36KM laid. Additional machineries, manpower are mobilised. (2) Present level of expenditure is targeted to increase to Rs.85 crore by June-2010. (3) PMC for JICA and JNNURM has started to work. (4) Tender for balance works such as STPs, pumping stations will be invited progressively after completion of detailed engineering and design by the PMC. (5) Land acquisition process has been expedited on a war footing basis to take possession.

2	BMC, Bhubaneswar	Bindusagar lake conservation	9/2/2007	601.3	120.26	120.26	15.03	15.03	150.32	150.32	102.88	Peripheral works and bioremediation work under progress.	
3	Puri Municipality	City Bus Services, Puri	20-02-2009	330.00	132.00	132.00	16.50		148.50	75.31		Funds received during March-2009. Standard buses procured. Purchase order for Mini Buses placed. SPV formed. Operationalisation expected by beginning of June 2010.	
4	BMC, Bhubaneswar	City Bus Services, Bhubaneswar	20-02-2009	1650.00	660.00	660.00	82.50		742.50	742.5		Funds received during March-2009. Standard buses procured. Purchase order for Mini Buses placed. SPV formed. Operationalisation expected by beginning of June 2010.	
TOTAL					83177.65	16720.13	16720.13	3245.46	15.03	19980.62	6976.13	2345.88	

Note:

1: For Sewerage project, the state share for the project has been released as an interim arrangement. However, the state's matching share will be availed from JICA as a soft loan.

2: For Water supply, drainage and bus services, the matching share of 20 per cent (both State and ULB share) will be contributed by the state Government.

As part of the Mission the central government outlined a number of reforms, which had to be implemented for the improvement of the overall urban governance scenario. These reforms were classified in three parts, mandatory state-level reforms, mandatory ULB-level reforms and optional reforms. According to a score card produced by the central government with regard to performance of the states and cities towards achieving these reforms, Odisha scored 55 out of 70 in the state-level reforms, and Bhubaneswar scored 46.3 out of 60 in the ULB-level reforms while scoring 80 out of 100 in the optional reforms. Overall, Bhubaneswar scored 181.3 out of 230 or 79 per cent in achieving the reforms. So, we can say that a large number of the mandated reforms have been achieved in Bhubaneswar, as per the data available on the JNNURM website. These scores do not necessarily portray the actual scenario in Bhubaneswar.

Probably the most important of all the reforms was the completion of the process of decentralisation as mandated under the 74th CAA. Accordingly, the state government or its agencies had to transfer a number of service delivery functions to the control of Bhubaneswar Municipal Corporation (BMC). According to the JNNURM website, all functions as listed in the 12th Schedule have also been transferred to the BMC. But in reality, while the government orders have been issued to that effect actual transfer of functions is yet to be done. For example, water supply is an important function which is to be transferred to the ULB. But the corporation has itself transferred the function back to the PHEO with the BMC stating that it did not have the capacity or ability to supply water. Another interesting case is when recently the state government initiated the process of transfer of building approvals to the local body along with a transfer of key employees from BDA to BMC, which would enable the BMC to directly handle those functions. But this has again met with resistance from employees at the BDA who, according to news reports (Express news service, 6.1.2015), do not want to move to the BMC citing poor financial position of the corporation.

Table 5: Status of transfer of 12th Schedule functions to ULBs

#	74 th Amendment Components	Timeline as per resolution no. 25566/ HUD.03.11.06 (Decision of Govt)	Present Status (<i>de jure</i>)	<i>De facto</i>
1	Urban planning including town planning	Complete transfer along with requisite personnel to ULBs during 2008-09.	Notified - Odisha Gazette. Order No. 412/30.03.2010	ULBs requested the DAs to continue doing this as they did not have technical capacities
2	Regulation of land-use & construction of buildings	The function would be transferred to ULBs during 2008-09	Notified - Odisha Gazette Order. No. 412/ 30.03.2010	As above
3	Planning for economic and social development	ULBs will continue to discharge this function	Was only in the Municipal Act, not the Municipal Corporations Act)	Not specifically notified, BDA continues to undertake this to an extent
4	Roads and bridges	The functions of management and control would be transferred to ULBs along with personnel on deputation basis in 2010-11	NO	Powers remain with Irrigation Dept & PWD

5	Water supply for domestic, industrial and, commercial purposes	The operation, maintenance of the water supply system and collection of water tariff would be transferred to ULBs along with personnel on deputation basis in 2009-10.	Notified - Odisha Gazette Resolution No.385, dated – 22.03.2010	Undertaken by OSWSSB till date
6	Public health, sanitation conservancy and solid waste management	ULBs will continue to discharge these functions	Was already in the Municipal Act (conservancy and SWM)	Already performed conservancy & SWM, public health not added
7	Fire services	The District Fire Officer will also report to ULBs within the jurisdiction. This will be transferred in 2007-08	NO	Powers with Home Ministry
8	Urban forestry protection of the environment. and promotion of ecology	Forest and Environment Department would transfer these functions to the ULBs in 2007-08 along with personnel on deputation basis	NO	Powers with Forest Dept
9	Safeguarding the interests of weaker sections of society	The DSWO will report to the concerned Urban Local Body. For the programs under ICDS in the ULB area, the field staff would be deputed to ULBs by W & C.D. Deptt. by 2006-07	Notified by Circular no. 142/ SWCD, March 31 st , 2008, Directed from GOI to HUD, Odisha	Still remains with W&CD, Health, SC & ST etc
10	Slum improvement and up gradation	-	Already with Municipal bodies	Municipal bodies already performed this function
11	Urban poverty alleviation	-	Already with Municipal bodies	Municipal bodies already performed this function
12	Provision of urban amenities and facilities	-	Already with Municipal bodies	Many organizations incl Municipal bodies undertake this
13	Promotion of cultural, educational and aesthetic aspects	-	No explicit allocation of this function to any local body;	Many organizations including Municipal bodies undertake this
14	Burials and burial grounds	-	Already with Municipal bodies	Municipal bodies already performed this function
15	Cattle ponds; prevention of cruelty to animals	-	Already with Municipal bodies	Municipal bodies already performed this function
16	Vital statistics including registration of births and deaths	-	Already with Municipal bodies	Municipal bodies already performed this function
17	Public amenities including street lighting, parking lots, bus stops and public conveniences	-	Already with Municipal bodies	Municipal bodies already performed this function
18	Regulation of slaughter houses and tanneries	-	Already with Municipal bodies	Municipal bodies already performed this function

Source: Kajri Mishra(2014) pp 36

The questions then are: how do we comprehend the change, if any that JNNURM has brought in the governance ecosystem of Bhubaneswar? How has it impacted the role of BMC in various

sectors of service provision? Does the BMC now have more substantive role? Has it expanded the capacity of BMC to deal with particular infrastructure issues – cognizing issues, planning projects, execution, and management of finances? It is evident that changes in structures of governments are not just slow but may be difficult to be seen in the realm of outcomes. On the other hand, the lens of sectors enables one to link service delivery to the changes in institutional domains; these also enable the perspectives of multiple actors who are affected by these changes and are involved in shaping the same. We thus ask - Has JNNURM been able to impact the embedded exclusion in the city? Has it become more inclusive? We attempt to respond to some of these questions through a detailed study of three sectors, that is, transport, drainage and housing in the subsequent sections of this case study. The case study primarily employs qualitative research methods with a mix of key informant interviews, site visits and study of relevant documents such as the CDP, minutes of meetings, reports etc.

IV. Case 1: City Transport Service

Bhubaneswar did not have any organised transport system till late 2010. The Orissa State Road Transport Corporation (OSRTC), which only operates inter-city bus services, was the only public system for road travel in the State; and under the Department of Transport (DoT). There was (and is) no state level policy for urban transport. Town bus services were run by private operators licensed by the Corporation. Till the early 1990s, the city of Bhubaneswar had a few city buses operating, through a private contractor licensed by the OSRTC. However, these buses ceased operation sometime in the early '90s. After that there was no organised transport in the city. Public transport was limited to intermediate public transport systems, i.e., cycle rickshaws and auto-rickshaws. By late 1990s and early 2000s cycle rickshaws became limited to very short distances on internal roads. By early 2000s, the proliferation of auto-rickshaws had started pretty much eliminating cycle rickshaws from the scenario; and auto-rickshaws became the primary mode of public transport in the city.

In the mid 2000s, the state government, through the Public Works department, undertook a massive road widening programme within the city. Most major roads in Bhubaneswar went up from 4 or even 2 lanes to as wide as 6 or even 8 lanes. This road widening combined with the economic boom (linked to mining) of the mid-2000s in the state also allowed for a significant increase in the privately owned vehicular population in the city. By 2008, work trips were 5.5 km and took 20 minutes on an average, car ownership had grown to 18.2 (per 1000) in Bhubaneswar and 38 per cent of trips were on motorized private vehicles, and only 24 per cent were on bicycle and 17 per cent by walking. The only modes of public transit were private town buses (11 per cent share) and para-transit modes—autos and cycle-rickshaws—were used on 16.2 per cent of the trips. The modal share of vehicular trips is in Table 2. The number of registered vehicles in Bhubaneswar was also rising at an overall rate of about 17-20 per cent, with private cars and two-wheelers comprising almost 90 per cent, and autos and taxis barely 7-8 per cent.

Table 6 : Modal Share of Trips in Bhubaneswar – vehicular and non-vehicular

S. No.	TRIP CATEGORY	Trips	Percentage
1	Walk	221225	21.54
2	Non-walk	805918	78.46
2a	Private Mode	565041	55.01
2b	Para-transit Mode (IPT)	119283	11.61
2c	Public Mode	121594	11.84
TOTAL		1027143	100.00

Source: RITES Survey, October-November 2004

Table 7 : Vehicle Ownership in Bhubaneswar

Mode	Registered in 2011-12		Registered in 2012-13		Total registered up to March, 2013	
	Count	Percentage	Count	Percentage	Count	Percentage
Two wheeler	56,430	73%	49,476	72%	4,89,064	74%
Car	14,226	18%	12,446	18%	1,07,680	16%
Taxi	413	1%	890	1%	2,039	0%
Auto rickshaw	2,965	4%	3,392	5%	30,176	5%
Bus	232	0%	148	0%	2,212	0%
Carriers/ Trucks	1,387	2%	958	1%	14,962	2%
Other	1,634	2%	1,558	2%	15,265	2%
Total	77,287	100%	68,868	100%	6,61,398	100%

Source: RTO, Bhubaneswar

It is worth noting that in the decades before 2010, there were very few town buses in Bhubaneswar, and among the para-transit modes available auto-rickshaws had grown to be the most preferred. They catered to the whole demand at the time. Autos are licensed by the RTO, but neither routes nor fares are regulated. Nonetheless, within the BMC area, fixed auto rickshaw routes (@ 10) cover all the major corridors of the city.

When on 2 January 2009 the GoI announced grants for the purchase of buses for urban transport systems, the DH&UD quickly submitted a Detailed Project Report in February 2009 for the purchase of 203 buses for a public transport system in Bhubaneswar and Puri. Assistance was sought for the procurement of 203 buses at an estimated cost of Rs. 40.85 crores, 100 buses for Bhubaneswar and 25 for Puri were approved. Subsequently, 25 more buses were approved in 2013. The project was designed in a PPP mode, and the major components included procurement of buses and construction of bus bays, depots, and terminals.

Till the CBS was introduced, public road transport in the state was being handled by the Department of Transport (DoT) through OSRTC. For operationalizing the City Bus Services in

both cities, a Special Purpose Vehicle (SPV) was set up under the Department of Housing and Urban Development (DH&UD), that is, the Bhubaneswar Puri Transport Services Limited (BPTSL). A private operator, Dream Team Sahara (DTS), was selected as the partner through a negotiated process, and the CBS now runs as a public-private partnership between BPTSL and DTS.

The city bus system took about 18 months to be introduced – funds were received for the Bhubaneswar service in March 2009, a Special Purpose Vehicle (BPTSL) was set up in December 2009, funds received for the Puri service in December 2009 and January 2010, and the systems in both cities were inaugurated in October 2010. According to the General Manager of BPTSL, the entity responsible for managing the systems, the entire fleet (125 buses) was to be in service by January 31, 2011 but was done by mid-2011, and the subsequent buses were added by the end of 2013 (Mishra 2014).

The Bhubaneswar-Puri Transport Services Limited (BPTSL) was constituted with the Bhubaneswar Municipal Corporation (BMC), the Bhubaneswar Development Authority (BDA), the Orissa State Road Transport Corporation (OSRTC), the Puri-Konark Development Authority (PKDA) and the Puri Municipality (PM) as stakeholders, and a 10-member Board of Directors (See Table 3). As per the MoU, the state government was to provide BPTSL with the infrastructure such as bus terminals at the origin and destination of every route, bus stops and other facilities. DTS was to run the services in and around Bhubaneswar and Puri, as per the agreement, and was to pay the 10 per cent ULB contribution towards the purchase of buses. The major responsibilities of BPTSL are coordination between the private player (DTS) and DH&UD, ensuring proper functioning of the CBS, organising training and capacity building workshops for the officials, workers and drivers of the private player, and providing technical assistance to DTS as required.

Table 8 : Board of Directors, BPTSL

Sl. No.	Board of Directors	Designation
1	Hon'ble Mayor, BMC	Chairman, Board of Directors, BPTSL
2	Chairman, Puri Municipality	Vice Chairman, Board of Directors, BPTSL
3	Chief Managing Director, OSRTC	Director, BPTSL
4	Vice Chairman, BDA	Director, BPTSL
5	Transport Commissioner, Orissa	Director, BPTSL
6	Municipal Commissioner, BMC	Director, BPTSL
7	Vice Chairman, PKDA	Director, BPTSL
8	Dy. Commissioner of Police,	Director, BPTSL

	Bhubaneswar	
9	Addl. Secretary to Govt. and H&UD Dept.	Director, BPTSL
10	Chief Engineer-cum-Engineer Member, BDA, Bhubaneswar	Director, BPTSL
11	Executive Officer, Puri Municipality	Director, BPTSL

Source: Project Proposal BPTSL, Government of Odisha

The selection of the operator was done through an open bidding process, but eventually the partnership had to be negotiated with DTS as no other operators were willing. The tender was floated twice without resulting in eligible bids. Initial consultations had been held by the DH&UD, DoT and BDA Commissioner with a number of potential operators in the state, even as the proposal was developed, but the task was too large—and the anticipated transaction costs with the DoT too deterring—for the small operators existing in the state¹⁰. DTS was formed by a group of promoters with experience in diverse sectors and not in full-scale city-wide bus systems, though the main promoter had a brief experience of inter-city transport between Cuttack and Bhubaneswar. The company was registered on 16 April 2010, signed the MoU with BPTSL on 31 August 31 and began full operations in October 2010. The contract period is of 7 years.

The financials of the arrangement have worked out differently from that envisaged. Originally, the amount from JNNURM, which worked out to 70 per cent of the total project costs (including the construction of infrastructure such as bus shelters etc.), was to be expended for procurement of buses, and the government of Odisha was to bear the 30 per cent required for the provision of all infrastructure facilities needed for the operation. The latter included the 10 per cent shares committed respectively from the GoO and the implementing agencies (the two ULBs, through the BPTSL), and the cost of constructing the necessary infrastructure amounting to 10 per cent of project costs. Instead the private operator, DTS, has paid Rs. 3.40 crores as up-front fee, an amount equal to 20 per cent of the cost of the buses, and almost borne the entire GoO share. The operator also pays to BPTSL the Route Authorization Fee (RAF) on a monthly basis, an amount varying from Rs. 2.52 lakh to Rs. 2.79 lakh. Total amount to be received by BPTSL towards RAF is Rs. 218.16 lakhs within the 7 years of the contract period. The operator has also paid Rs. 57.41 lakhs towards motor vehicle tax, insurance, permit fees and registration fees. BPTSL has the right to advertise on buses but the same is managed by the operator. 20 per cent of the revenue generated from such advertisement goes to BPTSL and the rest 80 per cent to the operator. The operator provides all the equipment, fuel, consumables, machine or material that is required for the uninterrupted and continuous operation of the bus service. It enforces a dress and appearance code, approved by BPTSL in writing, for on-board staff and adopts a proper grievance redressal mechanism.

¹⁰ Interviews with . also minutes of meetings of CSMC

DTS maintains¹¹ that it has undertaken a much higher financial load, thereby delaying the breakeven point. The Director of DTS also argues that critically essential facilities, such as areas for depots at both ends of the city where bus routes end, have not been provided by the GoO as promised. This has increased the rolling costs substantially. On the one hand overnight parking issues have to be handled, and on the other hand fuel costs go up because buses have to return to the one parking point developed. Further, the fare revisions are not done regularly as promised, and to lesser extent eventually. Pressures to divert routes through specific wards or localities—and between Bhubaneswar and Puri, specific villages—are common from the local political representatives. DTS itself has had to learn to manage efficient operations while struggling with numerous issues. For example, of finding reliable drivers, checking on-board pilferage from fare amounts and similar other personnel issues. Therefore, though the daily O&M cost recovery is about Rs. 2.50 lakhs, the operator has yet to breakeven on the whole enterprise. The lack of infrastructure provision by the GoO and other issues has made DTS refuse the GoO's request to take up the development of CBS in Berhampur and Sambalpur.¹²

Table 9: Details of Operations of City Bus Service, Bhubaneswar

Particulars	Details
Cities Covered	Bhubaneswar, Puri, Khurda & Cuttack
No. of Routes covered	21
Total number of buses operating	142
Total Number of stoppages covered	483
Total no of Staff	500
Total length covering by all buses in one trip	393.5 km
Total distance covered in a day	20,000 km
No. of commuters availing CBS	60,000 / day

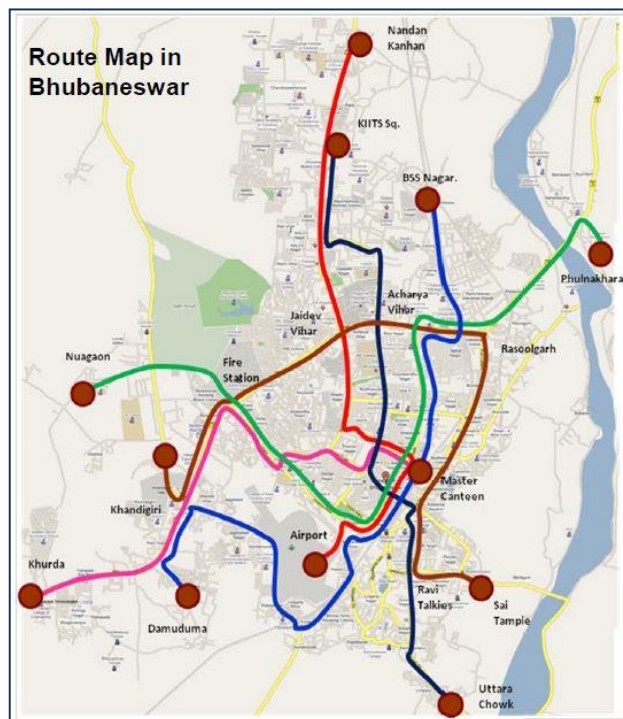
Source: DTS, Bhubaneswar

The system was rolled out in phases after its introduction in October 2010, and reached its full extent by May 2012. 10 routes were initially developed within Bhubaneswar, covering all parts of the city(see figure below), including areas with large slums and informal housing pockets (e.g., Saliasahi, Dumduma, etc). Services started first along the two most heavy-commuter routes

¹¹ & 11 Interview with the Directors of Dream Team Sahara

with 25 buses.¹³ Subsequently, three more routes have been added as important medical and other institutions came up in other parts, such as the AIIMS. Currently, 50 standard and 50 mini buses are running on these 13 routes within Bhubaneswar, carrying about 40,000 commuters every day, and others in the Capital region including Cuttack, Puri, and Khordha carrying about 10,000 more. The extended fleet of 142 buses now also includes Jatni in its coverage, since late 2014.¹⁴ Details of the operation as furnished by DTS are in Table . Fares were fixed on kilometer basis as shown alongside, with a periodic revision clause tied to fuel price escalations.

Figure 2: Map of Proposed City Bus Routes in Bhubaneswar



Source: DPR, City Bus Service, Government of Odisha

Overall, all the GoO entities—DH&UD, BDA, BPTSL—are very happy with the successful implementation of the CBS. Payment from the operator as upfront fees towards the cost of buses relieved financial burden of the state government and the ULBs concerned. The operation of the city bus service, it is assumed, has resulted in reduction of environmental pollution. The system has contributed to easing and increasing mobility between the two Mission Cities—Bhubaneswar and Puri—as well as Cuttack and the smaller municipal areas of Khurdha and Jatni within the BDA limits. A full assessment of the CBS performance is under study, but by inference from vehicle ownership patterns in the last two years, after the introduction of the CBS ,there appears

¹³ Nandan Kanan to Airport and VSS Nagar to Dumduma

¹⁴ In Puri, 5 standard and 20 mini buses are running in 3 routes carrying about 4,000 commuters every day. The daily O&M cost recovery is to the tune of about Rs. 36,000.

to be little shift from personal vehicles to the public system. The overall slight fall in registration of vehicles, specifically of cars and two wheelers, could be for reasons other than change in travel mode; and the slight rise in auto registration and more substantially taxis suggests the same (Mishra, 2014)

BPTSL officers are satisfied with the CBS, but admit to significant issues. While CBSs are an imperative in medium-size but rapidly growing cities, the institutional frameworks are yet to be firmed up so that private operators can undertake it smoothly and viably – necessary as instituting CBSs in the other sizeable cities in the state is being attempted. The prime issue faced by BPTSL (and the operator, DTS) is fare revision. The decisive authority for fare revisions rests with the state government (DH&UD), and so far it has been uneven and irrational, being subject to political pressures among other factors. BPTSL does not have the authority to perform fare revision and specific guidelines or formula has not been laid down. This often creates political issues and leads to DTS suffering losses; a situation that deters it from any further investments and also keeps away other potential operators. Nevertheless the GoO has decided to increase the fleet by 60 more buses from its own funds, including 12 air-conditioned buses, to augment frequency on current routes and add more routes. Moreover, it is planned that under JnNURM Phase II, new features such as Intelligence Transport Systems (ITS) and Passenger Information Systems (PIS) will be added to the existing system. A proposal to upgrade the CBS to BRTS corridors is on the anvil; and the RFP is under process

There are significant contestations about the nature of design of the city bus service, its financial terms and its impact on the transport scenario. The auto-rickshaw federations and associations of city bus operators felt highly aggrieved by the change of city bus concept to one that was inter-city. The auto-rickshaw federation in fact alleges that in their initial negotiations with the DOT, the bus service was conceptualized as one that would connect the distant peripheries of the city with the city centre, leaving the more proximate routes to the auto-rickshaw service. A public interest litigation filed by the private bus operators association in 2012 accused the GoO of showing undue favour to the DTS by granting it access to the inter-city route. The court dismissed the plea of the private bus operators, upholding the public interest argument(Privte Bus Owners Association vs Gov of Orissa, 2012)

Currently, autos, private bus operators and the CBS are all operating in an overlapping space, and often overlapping routes, with autos ferrying about 1.6 lakh passengers, i.e., about three times that of the CBS. The routes, which were originally seen to be the heavy commuter ones and underserved, i.e., those that connect the peripheral slums like Saliyasahi and Dumduma to the city centre are more connected than earlier but the frequency of services by all three modes is very less and costs too remain more or less the same, with auto travel being marginally cheaper than the CBS. The benefits from the institution of public transport thus remain limited. The groups that have benefitted the most are the middle-class groups who regularly commute between the above mentioned towns in the capital region. Users in this latter group testify

enthusiastically about the much better service—on time, regular, systematic, clean and safe—than that available before on private carriers. Intra-city commuters also respond positively, though over-crowding during peak hours is a common complaint. The operator, DTS, who is already making noises about unanticipated costs and delayed breakeven point, has been guaranteed an automatic fare revision at regular intervals; and this has set in a new benchmark for other operators as well who are now demanding that they undergo automatic fare revision as well. The future scenario seems set for a higher inter-linking for an expanded Bhubaneswar capital region, accomplished through higher quality bus transport services that cater to resident groups located in the proximity to the city centre and those that travel between cities. Para-transit operators and marginally located groups may find themselves overlooked and out-priced.

BMC had no role in the city transport prior to the JNNURM. The state government also basically acted as a regulator that too confined to licensing, route allocation and price fixing. The JNNURM agenda of public transport has thereby considerably expanded the role of the state government in taking on a critical service delivery. The presence of the ULBs in BPTSL is marginal. The Commissioner of BMC and the Chief Executive Officer of Puri are represented in the Board of Directors in a 12 member body. The body is also overwhelmingly dominated by the executive wing with a ceremonial role to the mayor of BMC as the chairperson. In these circumstances, it is unlikely that the city has a strong voice in the conduct of its affairs. Some features that are being incorporated into the institutional design of the system deserve attention:

- The body itself is conceptualized in an ‘inter-city’ manner. It thus overcomes some of the challenges faced by several city governments in India with public transport systems in responding to transport needs beyond their boundaries. On the other hand, the extent to which it can be responsive to the ‘city’ agenda or will be subservient to the larger state level agendas is an open ended question at present.
- ‘Outsourcing’ has been built into the system, which is an essential and continuing service with huge demand (current and potential). The political challenge of ‘limiting costs’ offset against the financial challenge of ‘ensuring reasonable profit’ for the provider is one that is formidable. The BPTSL merges the roles of a provider with that of a regulator and this may be a tough rope-walk.
- An opportunity to redesign and realign the city along more inclusive principles seems to have been lost in this design that perpetuates the benefits to the middle-class in the name of public interest while not expanding the access options for the poor. This is particularly in light of the experiments in Bogota and Curitiba in Brazil where the institution of public transport became a mode of making the city more inclusive by reversing the principle of ‘greater the distance, more the cost’ (Curitiba Transport Planning Department,2007)

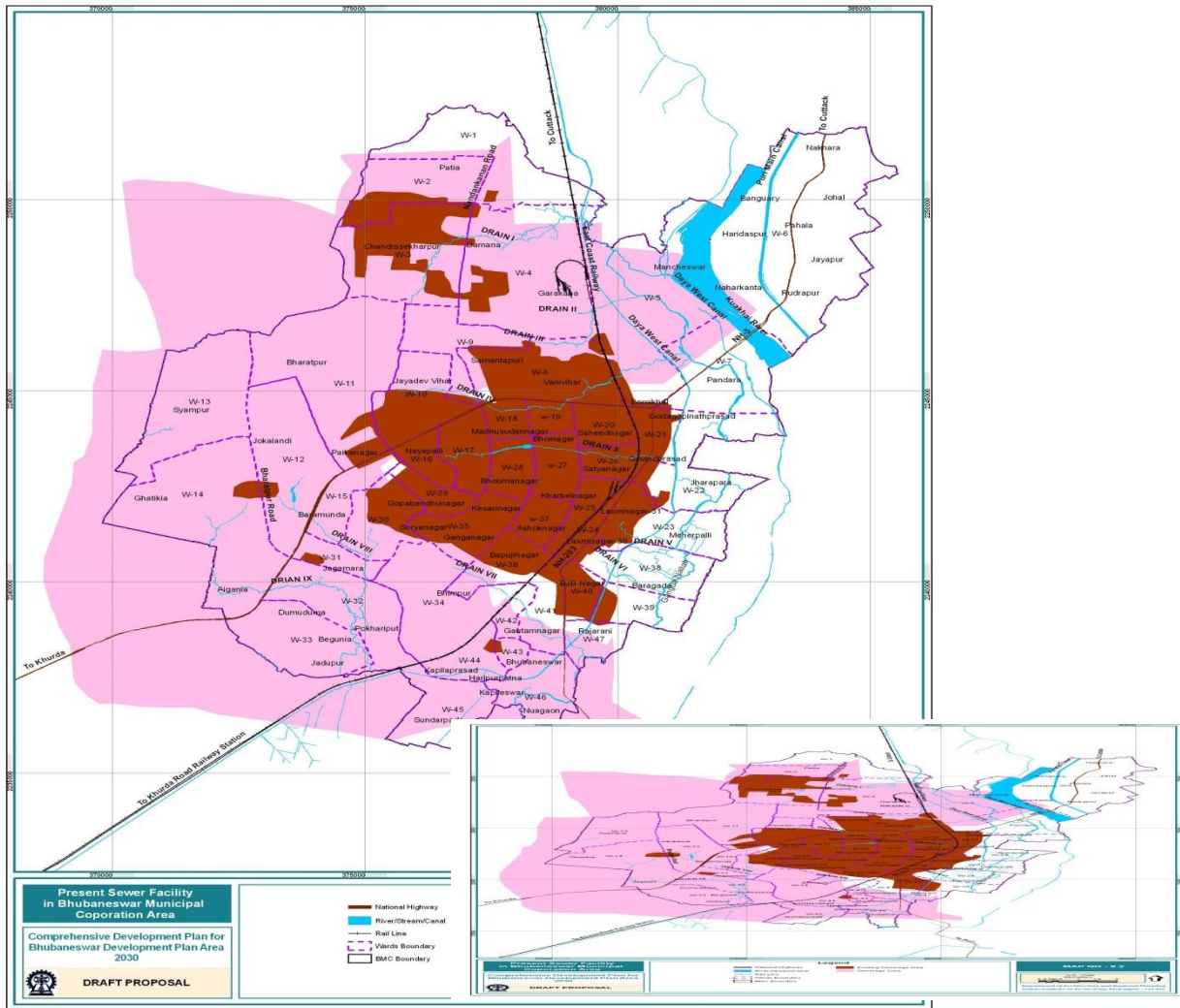
Thus, a public transport system is being put in place in Bhubaneswar, perhaps with a re-interpretation of the ‘public’ness. The emergent understanding of public transport is one of a system, which is being operated by private operators at terms that remain facilitative to the

operators with the support of a state government that seeks to reduce its own liabilities while expanding its domain in a critical service arena.

V. Case 2: Integrated Sewerage System

Bhubaneswar has no centralized underground sewerage system as the state had limited financial capacities in relation to the requirements of this largest and fast-growing city. Only the central part of the city, “Koeningsber’s Bhubaneswar” built in a curved grid before the 1980s (called Units 1 to 9), and the first mass-housing projects developed by the Housing Board and the BDA in Chandrasekharpur in the north (in 1984-86) are covered with a sewage collection network (See Figure 4). Most of these lines have been executed in piecemeal manner, and the sewage is discharged into ten open (natural) storm water drains. This leads to backing up, overflow and stagnation of sewage in the road side ditches and pits. For waste water disposal, in many areas the city has open surface drains and a number of soak pits. Seepage from the sewage in open ditches and natural channels, and the waste water soak pits contaminates the ground water, and the open ditches and drains are also excellent breeding spots for flies, mosquito and weeds. With growth in population and densities, these systems have become even more dangerous public health hazards than earlier.

Figure 2: Existing Sewerage Systems in Bhubaneswar and the areas of coverage



The sewerage collection in Bhubaneswar is estimated to be about 75 per cent, though sewerage networks cover only about 35 per cent of the municipal area; this is because the rest of the area is much less densely populated. Only about 88 MLD of the 118 MLD of sewerage is therefore estimated to be generated daily in the municipal area of Bhubaneswar, which is being collected through the existing systems.¹⁵ In the absence of an integrated sewage treatment facility, this is treated locally by septic tanks, aerated lagoons, oxidation ponds etc. The effluent is discharged to different *nallahs* which join the streams that flow into the Chilka Lake about a 100 kms away. A

¹⁵ Though the PHEO-OWSSB provide these figures, it doesn't appear consistent with the development observed – residents who know the city well estimate that substantially more than 25% of the population reside outside the area covered by the sewerage networks.

recent survey of the conditions in different areas by a private Consultant revealed the specific issues in the existing systems in different parts of Bhubaneswar (See Table 5).¹⁶

Table 10 : Sewerage related problems and the areas affected

Sewerage System	Areas Affected
Areas where discharge is through septic tanks to the open drains but the septic tanks are overloaded	Unit-1 (except Bapuji Nagar, forest Park and parts of Ashok nagar), Unit-2 (except Kesari nagar) Unit-3, unit-4, Unit-5 Unit-6, Unit-7, Unit-8, Unit-9, Jharpada, Jaydev Vihar, Bhauma Nagar, Old Town
Areas where discharge is through oxidation ponds to open drains but the oxidation ponds are overloaded	Unit-3, Unit-8, Unit-9, Bhdeswari area, Bargarh, Asok Nagar Malishahi area, Satya Nagar, Shahid Nagar, Madhusudan Nagar, Gautam Nagar, Regional College of Education, parts of Vani Vihar, Gridco Colony, Kharvela Nagar, Nayapalli
Areas without a proper disposal system where sewage is discharged into open drains/ open areas	Parts of Wards No.1, 2,16,17,19,20,24,26,27,28,29 and 30

The current governance and development set-up for sewerage service in the state has evolved over time. Till 1958, the Public Works Organization under the administrative control of the Works Department, Odisha and headed by a Chief Engineer, was responsible for the construction and maintenance of water supply, drainage and sewerage facilities in the state, as also roads, buildings, irrigation and flood control structures. With increased need for PHE works in the state, the state government appointed a Chief Engineer, Public Health in July 1958. Two years later it created a permanent PHE wing in the PWD (PHEO) for planning, design, execution, implementation and maintenance of water supply and sewerage schemes, after the National Water Supply and Sanitation Committee recommended independent Public Health Engineering Departments in every state. Ten years later (June 1970), the PHEO was transferred from the Works Department to the Urban Development Department; subsequently, the Odisha Water Supply and Sewerage Board (OWSSB) was constituted under the same department to plan, design and execute water supply and sewerage systems (WS&SS), and hand them over to the PHEO for operation, maintenance and service delivery. This pattern continues today.

The PHEO provides WS&S services and undertakes activities, including planning, operation, maintenance, management, monitoring and quality control of WS&S as well as construction of minor capital works for WS&S in all urban areas of Odisha, including Bhubaneswar city. In

¹⁶ Construction Stage report for INTEGRATED SEWERAGE system for Bhubaneswar City, prepared by NCPE Infrastructure India Pvt. Limited, Hyderabad

addition, PHEO carries out “deposit works” for ULBs, new suburban colonies, etc., and maintains all state-owned buildings and staff quarters, including important buildings such as Raj Bhavan (the Governor’s Residence), the State Assembly and Secretariat, etc. The Orissa Water Supply and Sewerage Board (OWSSB) executes major water supply and sewerage augmentation projects and hands over the completed projects to PHEO for operation and maintenance (O&M).

The fund requirements of OWSSB for preparation of DPRs and execution of projects are generally met from the budgetary allocation of GoO, grants of GoI (JNNURM, National River Conservation Directorate), and funding (loan) from multilateral funding agencies/financial institutions, like Housing and Urban Development Corporation Limited and Japan International Cooperation Agency, etc. It has no independent source of income to meet its administrative and other expenses. These expenses are generally borne out of the contingency of the projects, expressed in terms of a percentage of the total project cost.

Reforms in Urban Water Supply and Sewerage Services were among the time-bound reform initiatives committed by the state government to the GoI, to access central funds under the JNNURM. The water supply function currently handled by the PHEO was to be transferred to the state’s local bodies by 2009-10. GoO took the decision to transfer the assets and liabilities to the BMC, corporatize the PHEO by setting up a state-owned Water Utility Corporation, and provide WS&S services through a performance-based management contract (PMC) with the ULBs which opt for such an arrangement. On a pilot basis, the GoO has decided to implement the corporatization arrangement in Bhubaneswar Municipal Corporation (BMC). Accordingly, the GoO has accorded in-principle approval to create the Orissa Water Corporation (WATCO) under the provisions of the Companies Act, 1956. Hence, the WATCO would provide WS&S services to the citizens of Bhubaneswar city, under a performance-based management contract (PMC) with BMC. Various options were discussed with the concerned stakeholders, including PHEO and BMC to implement this and address the issues of service conditions of government employees due to their deputation to WATCO.

In Bhubaneswar, as elsewhere, the OWSSB is responsible for development of an integrated sewerage system, including networks and treatment plants. The Integrated Sewerage System for Bhubaneswar City is not a newly conceptualized project but has been envisaged by the GoO as part of its Vision 2020. The Vision 2020 of the Odisha Water Supply & Sewerage Board is to cover all municipal areas in Odisha with sewerage or low cost sanitation systems, in a phased manner as below:

1. Phase I – 21 cities and towns having water supply of 100 litres per capita per day,
2. Phase II – 18 district-headquarter towns,
3. Phase III – 11 towns having a population of 50,000 or more in each,
4. Phase IV – 34 towns having population of 20,000 to 50,000
5. Phase V – the remaining 19 towns with population of less than 20,000.

It is estimated that these projects would require around Rs. 2727 crores at present rates (Rs. 1497, Rs. 469, Rs. 282, Rs. 344 and Rs. 136 crores each for Phases 1 to 5 respectively). External funding is being contemplated, in addition to the state's own resources. These works are funded under the JNNURM (Bhubaneswar and Puri), the National River Conservation Program (NRCP) and by the Japan International Cooperation Agency (JICA). A project is also under implementation at Talcher under NRCP.

Development of an “Integrated Sewerage System for Bhubaneswar City” (ISS) was proposed under the JNNURM in 2006, and following approval, the Orissa Water Supply and Sewerage Board is implementing the project, with a sanctioned amount of Rs. 49891.35 lakhs. The objectives of the project are: (1) abatement of the pollution in the rivers Kuakhai and Daya so as to bring the BOD to 2 mg/litre and conserve the biodiversity of the river, (2) implementation of an integrated sewerage system for collection of sewage, (3) conveying it to a designated treatment plant, and (4) ultimate disposal of the treated sewage into inland water bodies. The integrated sewerage system for Bhubaneswar city was designed to achieve these by:

- (a) Laying 412 Km length of underground gravity sewer to collect sewage in presently uncovered areas
- (b) Replacing and/or renovating of all existing old sewers
- (c) Constructing main, intermediate & lift Pumping Stations (34 Nos.)
- (d) Constructing Sewage Treatment Plants (6 Nos. with total capacity of 190 MLD in 2021)

In the ISS design, Bhubaneswar city has been divided into six sewerage districts for implementation so that the total work could be projectized in parts and separate sources of funding could be accessed for various areas. Out of the 6, only districts III, IV and V are being implemented under JNNURM; districts I and II are being taken up with the 12th finance commission funds and district VI is being implemented with support from JICA.

Table 11: Summary Funding Pattern for Integrated Sewerage Project in Bhubaneswar

Cost Details of the Project	Total DPR Estimated Cost	CSMC Approved Cost
	Rs. 75422.96 lakhs	Rs. 49891.35 lakhs
Government of India share as per approved	Government of Orissa share as per approved cost	Implementing Agency (OWSSB) share as per
80%	10%	10%
Rs. 39913.08 lakhs	Rs. 4989.135 lakhs	Rs. 49891.35 lakhs

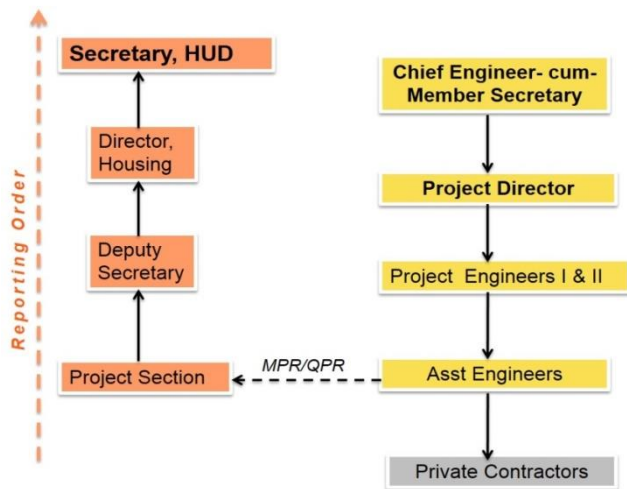
Source: Mishra(2014)

In 2006, IIT Roorkee was awarded the assignment of preparing the DPR for the project. The Project was approved by the CSMC in February 2007, and the project review was conducted in July 2010. In district III, the laying of sewer had been awarded to ECCIL through tender, and sewer laying for a length of 56 km has been completed by the end of January 2011. Expenditure of Rs. 90.50 crores has been incurred out of received grant of Rs.112.26 crores under JNNURM. By the end of October 2014, 50 per cent of the sewer lines have been completed in district III.

The ISS project has been hamstrung by a number of administrative and implementation problems. Delay in DPR submission by IIT Roorkee (the Consultants) and approval from the GoI initially delayed the funds from the Centre. Of the three districts funded by JNNURM, work has commenced only in district III. Tendering for districts IV and V has been delayed due to legal issues in the earlier bidding process—a disqualified bidder has put a hold on the bidding process by securing a stay order from the Court—and it has now been started afresh. Tendering for district III has been completed and the work of topographic survey, design of the sewerage system and laying of sewer lines has been awarded to East Coast Construction and Industries Limited (ECCI), Chennai; and M/s. Meinhardt Singapore Pvt. Ltd. has been appointed as the Project Management Consultant. The contract with M/s. Meinhardt Singapore ended in 2013 and since then the OWSSB has been managing the project. No implementation action has been taken in respect of the Pumping Stations and STPs. Staff in OWSSB (and some officers too) feel that the work of the PMC is not being properly monitored by the Board and the Consultants are therefore not keeping the process to schedule. Nor has any revised scheduling or planning done to overcome the delay which has already happened in the project. Mistakes in construction are apparently rampant as the contractors are not systematically performing the necessary quality checks during the execution of the project.

OWSSB is currently responsible for execution and management of the sewerage system work in district III, *though a separate institutional mechanism was envisaged in the plan* – a Project Implementation Unit (PIU) in the DH&UD, to implement the Sewerage Project. It was to be headed by an IAS officer, assisted by a team of technical and accounts personnel. This PIU had been expected to serve as a nodal agency for projects under JNNURM, other programmes of the Government of India and externally funded projects. It was to be responsible for the procurement of different components of the project, evaluation and award of contracts, fund/cash flow planning and management, and interaction with the project preparation and Design Cell. A Project Monitoring and Reform Cell (PMRC) was also to function independently under DH&UD to co-ordinate/liaison with the other related state departments, Ministry of Urban Development, government of India and consultants. Administrative expenses of these cells were earmarked in the DPR.

Figure 3: PMU structure Proposed for ISS



As the PIU-PMRC structure was not instituted, *the BMC* does not have any role or reach at present – the implementation process remains the same as for non-JNNURM projects before. The current set up is shown alongside. Though the Government of Odisha has already approved the reform memorandum by which BMC will be responsible for O&M of the Integrated Sewerage System, and all the PHEO staff (in Bhubaneswar) will be transferred to BMC for this purpose, it has not been operationalized. The BMC on its part, appears unconcerned,

even relieved, as there is no experience and inadequate capabilities for this task; and the lack of operationalization of the reform is also taken to be a “normal” situation. Also, in the reform spirit of encouraging PPP in the O&M of public utilities, the GoO had indicated that sewage treatment plants (STPs) would be maintained by private organizations with annual O&M contracts; but this is not applicable as STPs are not completed.

The case of the Integrated Sewage Project is an interesting case for studying changes in the governance ecosystem. For one, the machinery for this sector was long since instituted in the state and has been evolving. Secondly, the project was conceptualized way before the JNNURM and some parts of the project were already being funded through the JICA and other agencies. Third, reforms linked to the sector, including the creation of a corporatized body (WATCO), which would sign a performance contract with the BMC and the handing over of these functions to the ULBs was also being conceptualized in parallel. The change that the JNNURM sought to bring in was the creation of PMUs and PIUs which would also involve the BMC. It is the inability to form a PMU or a PIU that has seriously affected the advancing of the project. The CAG appraisal (2013) observes that there are a number of vacancies in the PMU in Odisha and the PIU was not even formed. Thus, the BMC was only peripherally involved. According to one of the councilors, BMC only acted as a nodal agency for approving the project while having nothing to do with its implementation. Its small involvement in implementation came only when land owned by the BMC was involved. Fourth, significant dimension of the emerging governance ecosystem is the role of consultants. Consultants were not just expected to fill in major capacity gaps but also push the project at multiple levels. Yet, critical gaps remain and the principal of these is the ability to negotiate a project across different groups of stakeholders. This is what seems to have fallen through in the case of ISS. The DPR for the project did not even look into land acquisition which is a major issue that has affected the project. Even the little extent of execution has already caused a threat to the vendors who operate along the streets. In

these evictions, there is no evidence of the operationalisation of the street vendor policy. Given that a lot of poorer settlements in the city are located along drains and *nullahs* that are ‘less value’ land in this planned city, the sewage plan, if executed completely may further relegate slums to the periphery of the city.

This sector demonstrates the difficulty of attributing any governance transformations to the JNNURM. Hardly anything seems to have changed. On the other hand, the notional addition of BMC to the set-up of sewerage may introduce new dynamics in the future. This sector reiterates the almost deterministic approach to keep away politics from decision-making and reinforce the role of the ‘technocratic expert’. It also exposes the weakness of this model in governing the city. The dimension of public private partnerships in finances, user charges have not entered the picture nor have the more citizen centric reforms such as public disclosure or community participation law which remain paper exercises in Bhubaneswar.

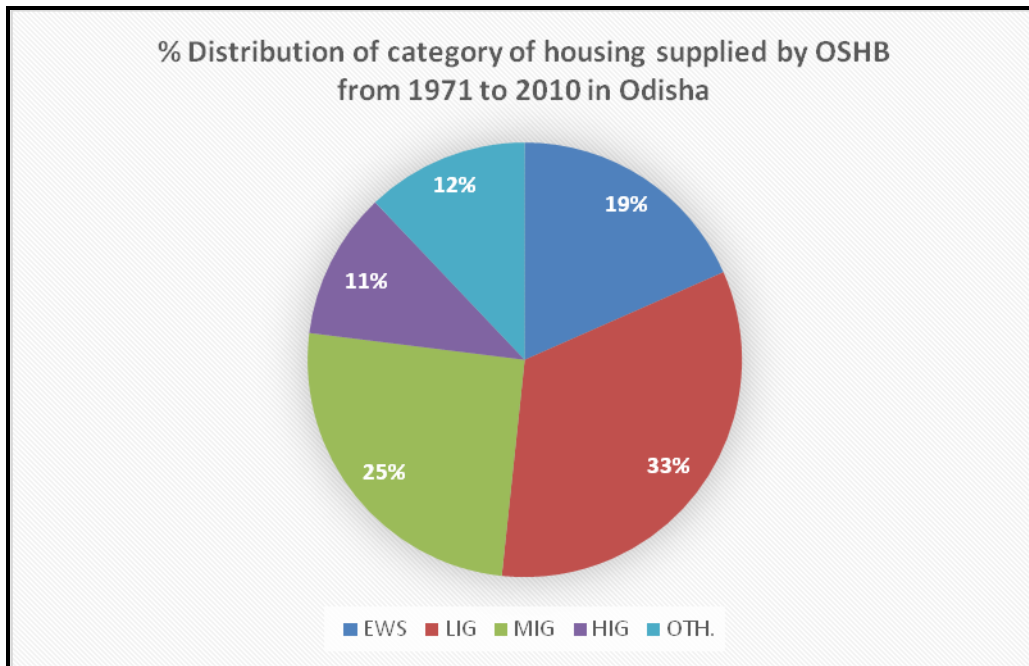
VI. Basic Services for Urban Poor

The public sector and in particular the state government have historically played a significant role in shaping the land and housing market of Bhubaneswar. Like several other ‘planned townships’, Bhubaneswar has significant proportions of land owned by the government departments. However, one of the innovations in the development of this planned city has been that land allocation to the private sector and the monetization of government estates have been incorporated into the governance system. The city has significantly developed through planned allocation of lands and construction of housing using public funds.

After the formation of the BDA, as per information on its website, it has created over 11,000 units within its jurisdiction. Of these about 6,000 have been units for housing EWS/LIG. The OSHB has also generated significant amounts of housing. Only 19 per cent of these housing units were for EWS, as shown in the Figure 4. Some of the more important and well recognised housing projects of the BDA are the Laxmi Sagar Housing Scheme, Baragarh Housing Scheme, Chandrashekarapur Housing Scheme and Kalinga Nagar Housing Schemes. Similarly, the OSHB has also taken up a number of housing schemes in Bhubaneswar; the important ones being those at VSS Nagar, Baramunda, Chandrashekarapur and Dumduma. Till the 1990s, it was these two para-statal institutions, which primarily developed housing in the city of Bhubaneswar and played a very important role in how the city grew spatially. It is only after the turn of the millennium that the role of these public housing agencies became secondary to the private market. The inadequacy of the efforts to address housing issues of poor migrants and the urban poor is thus even more striking. As some housing officials admit, beneficiary selection processes are inadequate and more often than not the housing units meant for the EWS are actually appropriated by the well to do.¹⁷

¹⁷ Interview

Figure 4 : Percentage distribution of category of housing supplied by OSHB from 1971 to 2010 in Odisha



Source: BDA website

The economic development of the state at the turn of the millennium led to a booming in the prices of both land and housing in the city, effectively pricing most houses out of the range for most of the society. The market also saw the entry of private developers from out of the state and construction of premium houses in Bhubaneswar. Some of them are Mani Group from Kolkata, Assotech Realty and SJ Developers from Delhi, and Tata Housing from Mumbai. Simultaneously, the number of houses created by the public institutions dwindled. There were almost no major housing projects for Economically Weaker Sections (EWS) or Lower Income Group (LIG) in the last decade. It is in this backdrop as well as that of enhanced migration that the issue of slums in the city is to be located. There seems to be some course of correction in the last few years with more and more houses in the Rs. 10-20 lakh range that are now being built in the city.¹⁸ These houses are mostly coming up on the outskirts of the city, like the areas of Sundarpada, Uttara, Ranga Bazar etc. But these areas as yet do not enjoy many of the standard municipal services like sanitation, solid waste management, and so on. There have also been concerns about the Sunderpada area as it is flood prone and many projects do not have clearance from the BDA.

¹⁸ Interview with Real Estate Developers Association

The governance structure in the housing sector evolved during the 1970s and 1980s at the height of the expansion of public sector involvement in housing and land markets. The major institutions involved in the same in Odisha are as follows:

- a. **Housing and Urban Development Department:** the highest policy making and coordinating body on housing and urban development to provide overall administrative supervision to the key housing agencies.
- b. **Development Authorities:** earmarking of land for development of housing projects in the master plan/ comprehensive development plans and planning and implementation of housing schemes under the PPP mode.
- c. **State Housing Board:** to provide affordable accommodation both in urban and rural areas, to alleviate the acute shortage of housing in the state. Besides, the Board has also undertaken: Turnkey housing projects under self-financing schemes, Rental housing schemes for government employees at Bhubaneswar and Sundergarh, Rehabilitation of slum dwellers and various deposit works of state government.
- d. **Urban Local Bodies:** responsible for the implementation of various housing schemes implemented by the state and central government.
- e. **Housing and Urban Development Corporation:** Providing technical and financial support for implementing the housing projects.
- f. **State Urban Development Agency:** enhancing capacity of the staff of ULBs and other parastatal agencies involved in housing through conducting training programmes, workshops and exposure visits.

The proportion of slums in the city has increased gradually and the 1999 super-cyclone has been a major contributor to the same. A survey by the BMC after the cyclone identified 190 slums of which 59 were located on own land or government land while 131 were in the nature of encroachments. The number of slums doubled from 2000-01 to 2007-08 with a 1.62 times rise in population (USAID, 2012). As per the profile prepared by BMC in 2008, there were 377 slums in the city of which 99 were authorized (ibid). The proportion of people staying in slums is highly contested. NGOs like Ruchika claimed that over 40% population stayed in 486 slums (Rout, 2008)

The largest slums in the city are Saliyasahi and Dumduma which have over 20,000 populations. One of the other critical issues in the city is the definition of slum itself. Several of these settlements were small revenue villages where people continue to hold land for generations; and such areas have absorbed the brunt of new migrations by the poor and become large slums. Some include relocations done in the past. In both these situations, a fair number of people actually possess a *patta*. It is the quality of housing, services and overall poverty that qualifies them as 'slums'. USAID (2012) reports that over a third of the slums are not serviced by water in spite of the fact that the city receives more than double its requirement of water. In the central area of the city, slums resemble 'encroachments' on public lands but they are usually small in size. The

fact that only 99 slums are authorized is thus reflective of the state government's neglect of these issues; and the level of basic amenities even in these authorized slums is extremely poor.

The prime responsibility of service provision to slums conventionally lies with the OSHB. The changed legislative framework for response to the issue of slums is the Odisha Municipalities Act of 2003. This act provides for ongoing registration and issue of identity cards to slum dwellers, the provision of basic minimum services as an entitlement to all slum dwellers irrespective of land tenure, the entitlement to schemes of special assistance or welfare, including health, education, financial services, prohibition of child labour and integration into master plan. The statistics quoted above thus illustrate that there is very little translation of the seemingly progressive provisions in the Act. In several cities, municipal councilors have been a major source of patronage and services to slums. In case of Bhubaneswar, municipal councilors do not have access to substantive funds. Councilors obtained Rs. 30,000 as discretionary funds in 2014. The paucity of funds has meant that there is little that can be done, in spite of the fact that the slums form a major political base for the BMC. Since the 1990s, the central government schemes have been the major source of funds for services to slums. Parallel to the JNNURM, the state government has prepared a State Slum Rehabilitation and Development Policy in 2011 in line with the Rajiv Awas Yojana.

Four DPRs were prepared under BSUP for Bhubaneswar by the BMC; these were approved by the SLNC and forwarded to the central government. Within the BMC, work was coordinated by the engineering division. Some of the implementation was given to Urban Development Resource Centre (UDRC), which is an affiliate of SPARC (Society for Promotion of Area Resource Centres), while some was done by the contractors appointed by the BMC.

Under this scheme, over 2100 houses were sanctioned to be built in four clusters in Bhubaneswar, i.e., Nayapalli Sabar Sahi, Dumduma, Bharatpur-Jolakandi and Damana-Gadakana. Of these clusters, Dumduma and Bharatpur-Jolakandi were bigger clusters while the other two were comparatively smaller. All these projects involved in-situ redevelopment of the selected houses. The choice of these settlements itself is interesting. The primary criterion for the selection was that these settlements had several households with *patta*; and they were past relocation sites. The rationale for selection, according to several interviews with the officials, was 'since their housing condition was very poor'. Further, beneficiaries were selected on the basis of their having a secure *patta*. Other parameters of vulnerability were applied as well but the primary criterion remained the possession of a *patta*.

The overall design of the scheme was a comprehensive development of settlements, which included water supply, toilets, street lights, drains, community development centres, roads, etc. Houses were either constructed by the contractors or in the case of UDRC by the beneficiaries themselves. This was one of the few projects not designed as a PPP project and follows the contours of conventional government interventions.

Physical progress on these projects is limited with difficulties experienced by all agencies involved in the implementation. The following is a listing of the issues faced:

Table 12: Issues faced by various stakeholders in the process of implementing BSUP project

Stakeholder Group	Issues Faced	Response
BMC engineers	<ul style="list-style-type: none"> No dedicated team for the project 	<ul style="list-style-type: none"> Delays in approvals Delays in payments to contractors, beneficiaries and NGOs
Contractors	<ul style="list-style-type: none"> Significant cost escalation during course of implementation not allowed by project 	<ul style="list-style-type: none"> Quality of materials compromised Stopped work
NGOs	<ul style="list-style-type: none"> Burden of cost escalation passed onto NGOs Beneficiary contribution cut through NGO payments 	<ul style="list-style-type: none"> Absorbed some of the burdens and used own funds to complete houses Consistent advocacy with Central and state government Transformed their role into recovery agents
Beneficiaries	<ul style="list-style-type: none"> Land issues not resolved before implementation Design emphasized demolish and rebuild rather than improvement Delayed payments, repeated visits to BMC 	<ul style="list-style-type: none"> Ended with bigger but incomplete houses Indebtedness experienced by few Houses demolished but unable to reconstruct, thus worse off than before

Source: Interviews of all these segments.

A case study of the Dumduma project that follows indicates the way in which the project evolved.

Dumuduma Project area comes under Dumuduma Mouza in Bhubaneswar Municipal Corporation area and the slum settlement was in 5 segments/ clusters. The beneficiaries belong to economically weaker section and the state government had relocated them in this area by providing 600 Sqft. of Govt. land with ownership in their name in 1985-93. Its legal status is that of a notified slum.

Under the BSUP, it was proposed to construct 647 new houses and 106 houses for up gradation. All Kutcha houses was planned to be demolished and there was plan for the provision of road, water supply, drainage, sewerage (Septic Tank & Soak pit), electrification, community toilet and multipurpose community centre. The DPR for the project was submitted in 2005 but it was approved by the CSMC only in 2008. Government of Odisha formed the PIU when the project was in about midway through its execution. Only 30 per cent of the project is completed (Burra, 2012).

The overall outcomes of the BSUP project are disappointing. It has not only served the less vulnerable but also heightened the uncertainty in a settlement, which had obtained land leases

through a relocation process in 1963. Its approach of demolition and reconstruction is one that is wasteful of resources. Its most commonly spread benefit i.e., community infrastructure remained most neglected. Delays and cost overruns affected several people in tragic ways. Several people in Dumduma complained of having been asked to demolish their houses in anticipation of the programme but still awaiting the benefit, after years. Many have invested their own money in reconstructing the houses and keep on making repeated trips to the BMC offices to ask for their cheques.¹⁹ In the meantime, contractors have run away.

The most important impact of housing through BSUP section of JNNURM is the involvement of the Bhubaneswar Municipal Corporation in the housing sector. Earlier it was the BDA and the OSHB, which were primarily responsible for creation of housing, especially for the EWS/LIG sector. This is a significant shift in the housing sector of the city. This shift has brought the BMC into direct contact with the slum dwellers. Many of the selected beneficiaries have come to know the engineers while their earlier contact was mediated through the political representatives. This could potentially result in a higher accountability over a period of time. As reported by the UDRC, women have already learnt to negotiate with the BMC officials about their rightful demands.²⁰

The involvement of BMC in the implementation of the programme has been a significant transition with several teething troubles. The programme was introduced as an additional responsibility to the engineering department, thereby affecting their ability to give time to the same. The transition also implied significant investment in capacity building by the GoO. While the implementation of the programme was handed over to the BMC, the real control vested with the DH&UD. The decision to allocate some part of implementation to NGOs was also a DH&UD decision. Both the BMC and the NGO reported to the DH&UD, which approved the DPRs, channelized the funds and monitored the project.

The project also saw the introduction of a new entity i.e., NGOs into the housing governance. The presence of the same is too small (470 beneficiaries out of 2100), however it needs some study. The NGO, UDRC, claims that it has made a qualitative difference to the project by: a) influencing the selection process, ensuring that deserving households receive benefits; b) incorporating a design and construction process based on self-help; c) providing stop gap assistance to few households to ensure construction goes on in spite of delay in payments; d) working to ensure that the discourse of improvement/resettlement/rehabilitation enters slum policy in the place of eviction. The NGO expects to be treated differently from other contractors while the government, especially the BMC, regards them as yet another contractor. The current situation is that the NGO has a front door access to some of the highest policy-making levels in the state as opposed to the contractors who largely dealt with the BMC. The qualitative difference in the work of NGOs and contractors is not clearly evident on the ground as a lot

¹⁹ Interviews with the 'beneficiaries' of BSUP.

²⁰ Interview with the representatives of UDRC on

remains incomplete. However, those households who worked with the contractors are left completely high and dry and those who worked with the NGO continue to engage with various authorities on the issues faced by them. On the other hand, the aspect of self help has meant that several households working with the NGO have been rendered more vulnerable as a result of the project.

VII. Conclusion

The experience of the three sectors: a) transport, where the state lacked experience and the BMC was minimally involved; b) sewerage, where there were pre-existing institutions and projects and reforms were set in their path; and c) housing, where state level institutions had experience but the BMC was significantly involved, indicates the diverse ways in which the state of Odisha, and the BMC in particular, encountered JNNURM.

Features of JNNURM in Odisha:

- An interesting feature of the Odisha experience is the involvement of academic institutions in the preparation of plans and DPRs (XIMB for street vendor policy, IIT Kharagpur for CDP, IIT Roorkee for sewerage plan) as opposed to the consultants seen more commonly in such projects. It is not clear whether this is due to lack of consultants' interest in the city or a conscious move by the Odisha government to tap capacities in the educational domain. This definitely created some additional difficulties for Odisha in getting approvals from the Central government.²¹ Operationally, some of the work has been faulty, for example, DPRs have failed to consider certain costs.
- There is no PPP in any project other than transport. The transport partnership is also beset with several issues where the state government has failed to comply with its part of the agreement. The capacity to handle the terms and execution of a complex project such as this is evidently lacking as seen in the management of the same. A similar experience is that of the NGO, which finds itself unduly burdened by the lack of due diligence by the BMC. State organizations in Odisha seem to lack the preparedness to deal with the private sector in a partnership mode. A contractor mode that navigates various scales and nature of interests is much more suited to the character of state organizations. Given that PPPs represent the future trajectory of urban governance, there is a distinct need to induct people who can understand these sectors, the nature of resources involved in them, and are attentive to the public interests embedded within the same.
- Refusal/reluctance/inability of the local contractors to participate and implement the projects fully has characterised several projects. Similarly, foreign firms have also withdrawn from the contracts as seen in the sewerage project. The reasons for this seem to

²¹ It is observed that consultants in several cases have been expected to play the role of a lobbyists and getting sanctions from the Central government; and the academic institutions did not play the same role.

be located in the way these arrangements are structured and the inability to estimate the details, risks and uncertainties involved in the projects and work them into the same.

- Governance terminology has changed to ‘comprehensiveness’ from partial and piece meal plans and projects. It is interesting to note that there is a mandatory process of consultation in preparation of city plans but the preparation of CDPs which claim to be even more comprehensive did not involve any consultation or ‘public’ process. Even the notion of ‘comprehensiveness’ is thin in that its realization in actuality remains partial and is not informed by any sense of priority. Other than the sewerage system, there is no sense of integration in the future as well.
- Most projects other than transport are incomplete, highly delayed and only partially implemented. This alone should be an assessment of the ‘efficiency’ objective of the JNNURM. The effort to introduce a logic of ‘coherence’, ‘coordination’ and the resultant ‘efficiency’ have been subsumed by the varied contradictions, contestations and alienation from the ground realities that characterize urban local governance.

Outcomes of JNNURM in Odisha

- Marginal improvement of transport service, given other options available to intra-city commuters. No other impact so far on service levels in other sectors. With a base line that indicates that the service levels in Bhubaneswar have been much better than benchmarks for the ‘planned city’, and an almost total exclusion of poor from networked services along with no prioritisation to the peripheral areas in the projects, their service levels stay unchanged except in areas where housing projects have been implemented. There seems to be only lip service paid to the agenda of ‘inclusion’. Further, if housing projects are seen as inclusion, then they have created more uncertainty in the fairly settled areas and thereby generated more fragmentation and unsettledness rather than enabling them to consolidate their footholds in the city.
- JNNURM in Odisha has further consolidated the gap between the ‘planned’ supremacy of Bhubaneswar and the messy mining towns where production/extraction actually happens and the vast tribal hinterlands. Even as a baseline, the city was receiving a disproportionate share of state government funding. It has also captured a lion’s share of JNNURM funding.
- BMC has an extremely marginal role in all the sectors. There has been some expansion of the BMC’s role in housing but it has not been institutionalized and is thus tenuous. In other aspects of expansion, such as the relation to the PHEO, the link is new and not at critical levels of decision-making. State government continues to be dominant in all the spheres but the institutional vehicles relating to the city of Bhubaneswar have been conducted through the BMC.
- All the infrastructure projects operate in a sphere that is distinct from local politics other than in the matters of land acquisition. Thus, it becomes possible that the city which has taken a lead in implementing town vending zones does not involve itself in the politics of siting infrastructure. Citizens’ politics is rather invisible in the city of Bhubaneswar. As a

planned city, with administration as its dominant function, bureaucrats – past and present occupy every sphere. This has remained the same, post-JNNURM as well. There is no evidence of an effective implementation of citizen-centric reforms, such as the community participation law, public disclosure law etc., and there is no effective demand for the same.

- New corporatized institutions, such as BPTSL and WATCO, created seem to be without functionality at the current moment. They still carry the imprints of legacies of the past through the incorporation of earlier officials, governance practices of the past, and largely operate as government institutions; but this can change.

Annexure I: List of interviews conducted***Interviews with government officials:***

Sl. No	Name	Designation	Date of Interview	Place of Interview
1	Mr. Nishikant Mishra	Director, Dream Team Sahara	27.02.2014	DTS Office, BBSR
2	Mr. Srimanta Mishra	Project Officer- JnNURM, BMC	10.03.2014	BMC Office, BBSR
3	Mr. P.K Pattnaik	Ex Director, DTP, Odisha	18.06.2014	XIMB, BBSR
			19.06.2014	XIMB, BBSR
			05.08.2014	His Residence
4	Mr. Sangram Mohapatra	Ex-Social Development Officer, PIU-JnNURM, BMC	19.06.2014	XIMB, BBSR
5	Mr. Sanjib Mishra	DMA, HUD	19.06.2014	Odisha Secretariat
6	Mr. Sishir Ratho	Special Secretary, HUD	19.06.2014	Odisha Secretariat
7	Mr. Bishweshar Panda	MIS Expert, RAY SLTC	04.08.2014	PMU Cell, HUD
8	Ms. Sirisha	Community Development Specialist, RAY SLTC	04.08.2014	PMU Cell, HUD
9	Mr. Chandan Mishra	Young Professional, Urban Transport, HUD	04.08.2014	PMU Cell, HUD
10	Ms. Mamita	Section officer, Project Cell, HUD	04.08.2014	Project Section, HUD
11	Mr. Nilamani Panigrahi	Junior Engineer, Puri Municipality	08.08.2014	Puri Municipality Office
12	Mr. Sailendra Barik	Assistant to JE, Puri Municipality	08.08.2014	Puri Municipality Office
13	Mr. Gadadhar Sahu	Social Development Officer, RAY CLTC PURI	06.08.2014	Puri Municipality Office
14	Mr. A.K. Parida	Exec. Engineer, BMC	07.08.2014	BMC Office, BBSR
15	Mr. Nasurulla	Asst Engineer, BMC	07.08.2014	BMC Office, BBSR
16	Mr. Sayan Roy	Transport Planner, BPTSL, BMC	07.08.2014	BMC Office, BBSR
17	Mr. Jagabandhu Sahu	Managing Director, BPTSL, BMC	07.08.2014	BMC Office, BBSR
18	Mr. Abani Kumar Nayak	Ex Team Lead, PIU- JnNURM, BMC	11.08.2014	Telephonic
19	Mr. Ranjit Karanam	Urban Planner, PMU JnNURM, HUD	12.08.2014	PMU Cell, HUD
20	Mr. Subashish Khatua	IT Expert, PIU PURI	12.08.2014	PMU Cell, HUD

21	Mr. Pradeep Chandra Sahu	Chief engineer, OSHB	22.08.2014	OSHB Office, BBSR
23	Mr. Buddhimanta Hota	Retired member secretary, OWSSB	26.08.2014	Telephonic
24	Mr. Jagannath Mahapatra	Ex-Mayor of BMC, Congress(I)	31.10.2014	His residence
25	Ms. Anjana Panda		15 Sep 2014	Telephonic
26	Mr. R.N. Mallik	Exec. Engineer BMC		
27	Mr. Satyadarshi Mishra	Chief Technical officer, SPARC		

Interviews with representatives of NGOs and CBOs, social activists, and other stakeholders:

Sl. No	Name	Designation	Date of Interview	Place of Interview
1	Ms. Shibani Mahante	Project Coordinator (BSUP), SPARC	26.08.2014	SPARC Office, BBSR
2	Ms. Sujata Samant	UDRC-SPARC	31.10.2014	SPARC Office, BBSR
3	Mr. Pratap Kumar Sahoo	Social activist, community organiser, and President of All Odisha Roadside Vendors' Association	31.10.2014	
4	Mr. Govinda		31.10.2014	
5	Mr. Pradip Pradhan	Social activist, involved with the Right to Food movement in Odisha	1.11.2014	

Interviews with residents related to BSUP projects in Bhubaneswar:

Sl. No.	Name	Plot No.
1	K. Apparao	
2	G. Arnapurna	895
3	Y.Chandrasekhar	
4	Narendra Nayak	1011
5	Sauri Das	1044
6	Trinath Das	1045

7	Chandra Sekhar Patra	1050
8	Ghana Das	1076
9	Jogendra Das	1080
10	Ramachandra Das	1114
11	Radha Sethi	1150
12	Gurabara Das	1164
13	Lokonath Das	1225
14	Nanda Kishore Goswami	1316
15	Sarat samantray	1352
16	Suryamani Patra	1368
17	Sanyasi Patra	1372
18	Ranga Reddy	1429
1	Gajendra Naik	527
2	Muralidhar Naik	527
3	Asha Naik	527
4	Dukhishyam Behera	518
5	Darpani Behera	518
6	Bapi Naik	515
7	Ranjan Naik	472
8	Niranjan Naik	472
9	Laxmidhar Naik	472
10	Tukuna Naik	472
11	Ajit Naik	509
12	Arat Naik	509
1	Md. Ajar	1154/1249
2	Rabindra Pradhan	1154/1659
3	Sibani Jena	1154/1604
4	Geetanjali Routray	1154/1506
5	Rajeswari Behera	1154/1580
6	G. Uttam Raju	1154/1227
7	Jyoti Ranjan Pradhan	1154/1657

8	Manas Ku Sahoo	1154/1456
9	Tamala Sahu	1154/1864
10	Sasmita Sahoo	1154/1296
11	Urmila Muduli	1154/1600
12	Chandra Kala Sahu	1154/1427
13	DuLintel Levelav Kumar Routray	1154/1561
14	Gayadhar Khatua	1149/1642
15	Kailash Ch Sahu	1155/1922
16	Sangeeta Subudhi	1154/1846
17	Basanti MaLintel Levelick	1154/1871
18	Rabindra Maharana	1154/1756
19	Abhi Das	1148
20	Ankura Mahalik	1245
21	Bideshi Das	1386
22	Maheswar Sahu	1388

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