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PROJECT OVERVIEW

1.1 ASSIGNMENT BACKGROUND

The World Bank has been a partner in urban reform program of Government of Tamil Nadu (GoTN) with engagement through Tamil Nadu Urban Development Project (TNUDP) - TNUDP-I, TNUDP-II and TNUDP-III (in progress). Towards taking forward the urban reform agenda, the GoTN is now implementing the TNUDP-III with focus on furthering the reforms initiated under TNUDP-II.

The Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL), as a financial intermediary, intends to assist the Commissioner of Municipal Administration (CMA) in strengthening and improving the financial position of its Municipalities for effective capital investment management and urban service delivery. These towns possess a good potential for implementation of such financial reforms for which it is essential to formulate a City Corporate Cum Business Plan. The CMA has started the process of capacity building in Municipalities through this process to enhance the vision of the ULBs in growth of their towns.

The TNUIFSL has appointed M/s. Community Consulting India Private Limited (CCI) to prepare City Corporate Cum Business Plan (CCBP) for **Kuzhithurai Municipality**.

1.1.1 CITY CORPORATE PLAN

A City Corporate Plan (CCP) is the ULB's corporate strategy that presents both a vision of a desired future perspective for the city and the ULB's organization, and mission statements on how the ULB, together with other stakeholders, intends to work towards achieving their long-term vision in the next ten years. A CCP translates mission into actions and actions into outcomes. When a CCP is developed in close consultation with, and endorsed by all relevant local stakeholders, a ULB and others who commit themselves to action can be held accountable for their mission statements, actions and expected outcomes. The CCP will make economic development and improved quality of life the long-term objective for all of the actions defined in the plan. The full set of proposed regulations, tax policies, infrastructure and other local government program expenditures will be framed with long-term economic development and improved quality of life, especially for the poor, firmly in mind.

City Corporate Plan

A City Corporate Plan (CCP) helps a city take stock of its opportunities and endowments, gauge its place in relation to its hopes for the future, and to link these objectives to choices for improving its competitive position, for instance in producing tradable, identifying critical investments, mobilizing private sector partnerships, and to reduce poverty. A CCP is visualized as a document that would provide a perspective and a vision for the future development of a city. It should present the current status of city's development; set out the directions of change; identify the thrust areas; and suggest alternative routes, strategies and interventions for bringing about the change. It should establish a logical and consistent framework for evaluation of investment decisions. A CCP will specifically comprise of the following:

- Situation analysis, with regard to the context i.e., demographic and economic trends, city governance, service provision & delivery including systems & structures, financial status

of the city government and agencies concerned with service provision including an analysis of their creditworthiness; and effectiveness and efficiency of the institutional frameworks;

- Perspective and a vision for the city;
- Strategy identifying key strategic issues, risks and opportunities facing the city, with focus on reform and reform priorities; and
- City Investment Plan, referring to order of investment needed to implement the perspective and alternative financing strategies.

A CCP clearly defines how a ULB will a) serve its customers (businesses and citizens), e.g. how it intends to guarantee basic level of urban services to all citizens, make urban planning responsive to emerging needs, become responsive to the needs of, and improve its services, to local businesses; b) run its business, e.g. how it intends to manage public finance in a modern and transparent way, execute urban planning and governance in line with an established framework, become more responsive, cost and time efficient through integrating technology in their governance and service delivery processes; and c) manage its resources, e.g. how it intends to increase revenues and expand its tax base to allow for self-sustaining urban service delivery, improve its creditworthiness, but also how it intends to recruit and retain a skilled workforce.

Context of a City Corporate Plan

Past efforts to produce this kind of broad, integrated approach have been fraught with coordination problems and multiple implementation agencies, which have lead to confusion and wasted resources. Moreover, past planning, like city master plans, have been excessively technical and unresponsive to citizen input and demand. The CCP is different from master planning as cities are now more open to outside influences in a globalized economy, and more able to act on opportunities for growth. At the same time, decentralization is giving cities more scope for action, and democratization is opening the planning and political process to much greater participation and accountability. A CCP is geared to respond to these new circumstances.

1.1.2 OBJECTIVES OF THE ASSIGNMENT

The aim of the assignment is to prepare consensus-based city corporate plan for a period of 10 years (2007-2017 with 5 yearly updates and if desired, the annual plans) indicating policies, programmes, strategies and funding mechanisms to meet the development requirements. The corporate plan would be formed as shared vision for the city involving various stakeholders with a long-term development perspective. The coverage of the CCP should focus on the following:

- What does the analysis of town's profile show? Where are the opportunities and where are the key constraints?
- Given the opportunities and constraints, where does the town wishes to move in a medium-term perspective? While the vision is forward-looking, it is also a realistic vision, achievable with a given time frame.
- What strategic options are available to achieve the vision? What are the costs and benefits of alternative strategic options? Which of the strategies will help the town achieve the vision at least cost or maximum impact?
- What would be the aggregate investment needed to implement the vision? What are the options for mobilizing resources for implementing the City Corporate Plan (CCP)?
- What reforms other than those embodied in the JNNURM, UIDSSMT & IHSDP are necessary for effectively implementing the City Corporate Plan (CCP)?

The specific objective of this exercise is to visualize the town in the next 10 years and to–

- Define the growth directions and service up-gradations in relation to the activity mix / growth;
- Look at the demand for the projects specified by the ULBs, and come out with gap in services with respect to the vision;
- Broadly outline the infrastructure needs;
- Define specific rehabilitation and capital improvement needs with regard to priority city infrastructure in both slums and other areas;
- Define revenue enhancement and revenue management improvements required to sustain the rehabilitation proposed;
- Reforms required in local administration and service delivery;
- Management changes required at the local level to improve O&M of assets, and
- Measures to address common growth and infrastructure issues.

1.1.3 SCOPE OF WORK OF THE ASSIGNMENT

The general scope of work for the assignment covers following three key stages:

- **City Assessment & Optional Strategy Formulation Stage:** This stage of the assignment will focus on fact finding and analysis with regards key development elements of the city and will be based on secondary data and extensive consultation with relevant stakeholders at the disaggregate level. Following are the components:
 - Demography, Economic Development & Growth Assessment;
 - Institutional Arrangements;
 - Infrastructure - Housing and Urban Basic Services ;
 - Physical and Environmental Aspects; and
 - Financial Assessment covering a detailed financial assessment of key stakeholder agencies and a preliminary Financial Operating Plan and Project Cash Flows
- **Stakeholder Consultation:** A City-level Stakeholder Consultation Workshop to discuss the “State of the City Report” covering elements of growth and economic development; institutional framework for service delivery; current service levels, gaps and future requirements in terms of services and investments; and key financial issues; optional strategy elements for service delivery enhancement and financial sustainability. This stage would articulate stakeholders’ expectations and formulate city’s development vision, prioritize city development issues, strategy / action consensus and choice of strategy options
- **Finalization of City Corporate Plan:** This stage would finalize and recommend strategies to achieve the city’s development vision, in consultation with the concerned stakeholder agencies. The strategies will be supported with specific projects and action points as relevant, phased over a 10-year horizon, with specific annual action plans for the first five years, indicating stakeholder roles and responsibilities.

The scope of work specifically covers but not limited to the following:

1. Assess the demand for the projects listed out by these Municipalities and analyze demand for the next 10 years
2. Financial assessment of the ULBs- an assessment of local finances (past 5 years) in terms of sources and uses of funds, base and basis of levy, revision history and impacts, State assignments and transfers- base and basis of transfer and its predictability; uses of funds outstanding liabilities (loans, power dues, pension etc) and, a review of revenue and service management arrangements. Levels of service, coverage and quality of municipal services in both poor and non-poor localities. Staffing and management arrangements in delivery of services
3. Outline issues in revenue realizations, quality of existing assets in relation to service levels and coverage, and institutional constraints. Develop quick indicators of performance, based on -

- Current coverage and additional population in the medium term (10 years) and unit costs, indicate city level investment requirement for upgradation of city wide infrastructure.
 - to improve service coverage and asset quality:
 - prepare a comprehensive Asset Management Plan and use fiscal notes and policy analysis to assist in making informed investment choices to achieve sector/ city goals
 - define priority assets and indicative costs of rehabilitation
 - conduct fiscal impact analysis of investments: life- cycle O&M costs, revenues from project, and costs/ impacts on finances and of not doing the project
 - explore funding options for rehabilitation of facilities
4. Prepare a financial and operating plan (FOP). The FOP is a medium term framework of the ULBs, and shall present the following–
- A. Additional data to be collected
 - Break up of energy cost on UG, WS etc.
 - Salary for all the departments including staff and payments to private operators
 - Finding out the benchmark cost i.e. at ideal condition what will be the cost of the identified investments, a table indicating the investment plan for next 5 years with identified source of finance.
 - B. Areas of reduction in expenditure
 - Energy audit resulting in savings in energy.
 - Leak detection resulting either in connections or in the tariff (or) maintaining the same supply and achieving a reduction in energy cost.
 - Privatizing the MSW collection and identifying a BoT operator for eliminating, composting etc, items of revenue can be identified.
 - Laying of Cement concrete road / Fly ash and savings on maintenance cost resulting in increasing operating surplus.
 - Water recycling / reuse
 - Rejuvenation of tanks and reduction of cost / liters of water produced
 - Privatization & option for revenue rising.
 - C. Options for increasing the revenues through non-traditional methods
 - Land development for raising revenue (not the traditional commercial complexes)
 - Suggestion for improvement of revenues
5. Prepare a draft Memorandum of Association between ULB and TNUIFSL. The MoA will outline the base line (based on the Situation Analysis) and the Performance Benchmarks to be monitored, apart from other financial and loan covenants. The targets will be based on service development targets and outputs of the financial and operating plan.
6. Initiate consultations with council and local stakeholders on the priorities; redefine priorities (rerun FOP if required) and work with the Council to resolve on adoption of the City's FOP and CCP actions.
7. Finalize Action Plan for the City, with a resolution from the council on the priorities and commitment to implement revenue and management improvement measures.

1.2 OUTLINE APPROACH AND METHODOLOGY

The whole approach for this assignment would be both a process and a product and the focus would be to identify ways of creating the conditions for improved service delivery with appropriate and suitable management action plan for the service provision and delivery including operation and maintenance of existing services on a sustainable manner. The proposed approach is expected to involve four broad phases.

1. Framing the Process will provide the essential assessment of the readiness of the ULB to take forward this process and would identify stakeholders and come to consensus on how the CCBP preparation process will be managed, agreeing a structured programme to take forward the process. This phase of the assignment will also draw out initial

conclusions as to the chief concerns of the various stakeholders. This phase of the assignment would also provide basic inputs for preparing the draft template of the CCBP addressing key issues on the ULB, governance, service provision & delivery and finances;

2. CCBP Preparatory Phase would include preparing the CCBP for the select ULB based on the template and integrate the findings of the phase with a more in-depth participative analysis of the situation. This will identify the structure and trends in the local economy, the dimensions of poverty in the city, gaps in infrastructure, the constraints and obstacles to progress-institutional, financial, environmental and social. This will require the collation and analysis of previous study findings, and may require some particular primary research. This phase will focus on coming to a consensus on the strategic options derived using the CCBP;
3. Strategic Consensus Phase would focus on preparing the CCBP and building capacity among the officials of the ULBs to prepare CCBPs for their administrative jurisdictions and deriving strategic options. This phase will also provide inputs for refining the outputs of the CCBP if required along with identifying the sources of assistance. This will also address how the local and other national international partners can help the ULB to achieve its goals;
4. Initiating Implementation Phase would involve providing both onsite and back-office support to the ULBs for preparing the CCBP and advising these ULBs to generate all necessary strategic outputs and make use of such outputs in implementation.

1.3 TASKS INVOLVED

The aim of the assignment is to prepare consensus-based city corporate plan indicating policies, programmes, strategies and funding mechanisms to meet the development requirements. The corporate plan would be formed as shared vision for the city involving various stakeholders with a long-term development perspective. The assignment is split into a number of following defined tasks:

- | | |
|----|--|
| 1. | Project Commissioning, Start-up and Mobilization |
| 2. | Framing the Process for Developing the CCBP |
| 3. | Rapid Assessment Report |
| 4. | Analytical Framework for Preparing CCBP for the ULBs |
| 5. | Development Options and Suggestions |
| 6. | Implementation, Monitoring, Evaluation and Review Arrangements |
| 7. | Report on CCBP for the ULBs |
| 8. | Project Costing and Determination of Funding Sources |

1.3.1 DELIVERABLES COMPLETED

- Rapid Urban Assessment (RUA) Report, including demand assessment of Identified Projects and Strategies towards preparation of the CCBP for Kuzhithurai Municipality was submitted. The report comprised of a review of town's economic development, physical planning and growth management issues, physical and social infrastructure status and municipal fiscal status.
- The aforementioned deliverable was reviewed by the Technical Review Committee comprising the officials of TNUIFSL, Commissionerate of Municipal Administration (CMA) and Executive and Elected Representatives from the study town and approved for proceeding to the subsequent stages of the assignment.
- In continuation, the study team formulated a vision statement through stakeholders' consultations, strategies to achieve the vision, Capital Investment Plan (CIP) and the

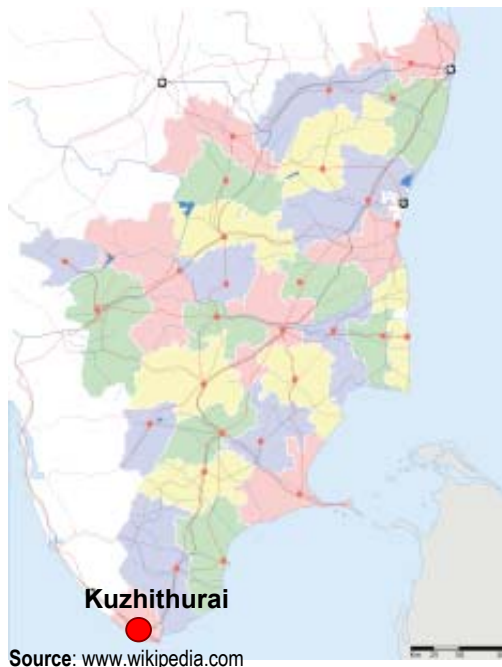
same were submitted as part of the revised deliverable schedule in the form of “Strategic Plan” and “Interim Report”.

- Draft Final Report was prepared covering all the project tasks and consultation with Stakeholders were also performed for finalizing the priorities and investment sizing and funding options.
- The Draft Final Report was reviewed by the above mentioned Technical Review Committee and accorded the approval for submission of Final CCBP Report with Draft MoA and Council Resolution.

2

PROFILE OF KUZHITHURAI

2.1. REGIONAL SETTING



Kuzhithurai is a Municipal town under the revenue administration of Kanyakumari District. It is a Grade - II Municipal town situated on the Salem-Kanyakumari NH -47. It was earlier under the province of erstwhile Thiruvithankur Samasthanam. The kings used to take bath in the Thamiraparani River at this place whenever they pass through this place. Hence this place is called Kulithurai. Later kuli-thurai was renamed as Kuzhithurai.

The town is bounded by Pacode village on the north and part Nallore village on the north-east & south and Vilavankode village on the west. Thamiraparani River passes through the centre of the town from north to south direction. Nagercoil, the headquarters of Kanyakumari District is situated 33-km northwest of the ULB. This town is also a centre for the annual Vavu Bhali Ceremony held during July and along with that ceremony a grand exhibition also takes place. People of this town are fluent in both Tamil and Malayalam languages, because of its proximity to the Kerala State.

2.2. LOCATION AND LINKAGES

Table 2.1 Salient Features of Kuzhithurai Town	
TOWN	KUZHITHURAI
District	Kanyakumari
Area	5.15 sq. km.
Geographic Location	8.15° N 77.15° E and an average elevation of 23 meters (80 ft)
Census Population	20,503 (year 2001)
Connectivity	Road: Frequent bus services connect the town with Nagercoil and other major towns of the state
Climate	Tropical - Max. 30°C Min. 24°C; Winter- Max. 28.3°C Min. 20.6°C; Annual Precipitation: 1420-mm.

Kuzhithurai is the Headquarters of Vilavancode taluk in Kanyakumari District.

Roads: The town is well connected with all parts of the state through roads. The National Highways NH-47 between Salem and Thiruvananthapuram passes through the town.

Railways: The broad gauge rail link between Thiruvananthapuram and Kanyakumari passes through this town. Kuzhithurai railway station lies outside the municipal limit on the north.

Airways: The nearest Air Terminal to the town is Thiruvananthapuram which is located 38-km away from Kuzhithurai on the Northwest.

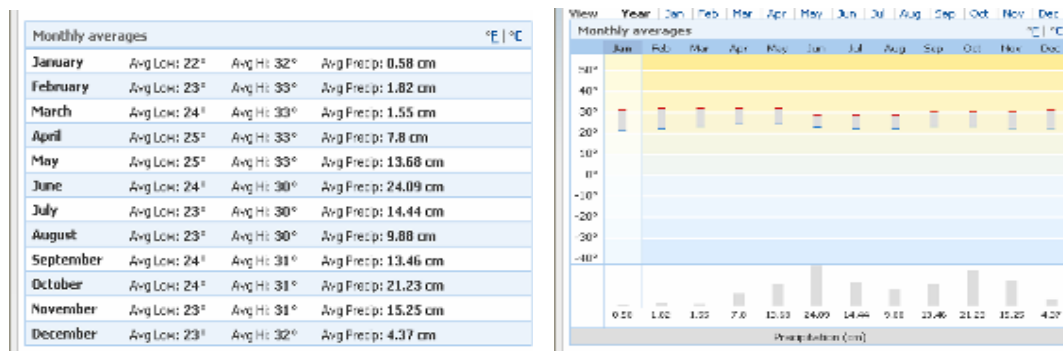
2.3 PHYSICAL CHARACTERISTICS

2.3.1 GEOGRAPHY

The town is located on the western side of Kanyakumari District and falls in the coordinates of 8°15' North Latitude and 77°15' East Longitude. The elevation of the town is 23 meters (80 ft) above MSL. The town's terrain is mostly characterized by ups and downs with gentle slopes here and there. Kothaiaru and Paraliyaru merge near Thiruvattor situated 10-km north of ULB and the merged river passes through the centre of the town towards south with the name Thamiraparani River.

2.3.2 CLIMATE

Temperature: The Climate is favorable and pleasant for living. The maximum and minimum temperatures are 33°C and 22°C in this region.



Source: www.msn.com

Rainfall: The town receives rainfall from Northeast and southwest monsoons. The average annual rainfall for the town is 1,420 mm. The maximum rainfall occurs during the period from October to December.

2.3.3 SOIL TYPE

The soil is predominately red loam in the region and in some parts of Vilavancode taluk the gravel content is low. Major area around the town is covered by Coconut plantation, rubber trees with some pockets of paddy fields.

2.4 POPULATION

As per 2001 census, population of ULB was 20,503. The ward wise population details of the town is given in the table given below. The town consists of 21 wards. Males constitute 49% of the population and females are 51%. 11% of the population is under 6 years of age.

Table 2.2: Ward-wise Population – Kuzhithurai Municipality

Ward	Total Households	Total Population	Male Population	Female Population	Gender Ratio
1	254	1181	566	615	1087
2	245	1078	499	579	1160
3	215	1055	501	554	1106
4	201	833	436	397	911
5	175	789	391	398	1018
6	158	726	357	369	1034
7	212	963	454	509	1121

Ward	Total Households	Total Population	Male Population	Female Population	Gender Ratio
8	222	983	500	483	966
9	234	1018	518	500	965
10	282	1266	656	610	930
11	221	995	487	508	1043
12	219	995	498	497	998
13	135	593	283	310	1095
14	165	814	369	445	1206
15	290	1221	616	605	982
16	218	1176	473	703	1486
17	281	1327	668	659	987
18	231	1193	604	589	975
19	173	959	507	452	892
20	154	726	368	358	973
21	152	612	318	294	925
Total	4437	20503	10069	10434	1036

Source: Census of India 2001

Table 2.3: Population and Growth Trend in Kuzhithurai Municipality

Year	Population		Growth rate in %	
	Total Population	Variation	Decadal	Annual
1951	10,860	--	--	--
1961	13,708	2,848	26.22%	2.6
1971	16,198	2,490	18.16%	1.8
1981	18,427	2,229	13.76%	1.4
1991	19,226	799	4.34%	0.4
2001	20,503	1,277	6.64%	0.7

Source: Census of India 1951, 61, 71, 81, 91 and 2001

Though the population growth rate of the town is on the lower side, the population density of the town has increased from 3,578 persons/sq. km in the year 1971 to 3,981 persons / sq. km in the year 2001 as per Census. This is mainly due to the limited area available for urban use (Refer land use management chapter), i.e., 46% of land available for urban development is already developed and rest 54% of the land lying under non-urban use.

2.4.1 GENDER RATIO

ULB has an average higher gender ratio of 1036 females to 1000 males. The maximum ratio, among the total 21 wards is in ward sixteen (16), where the females are about 1,486 for every 1000 males. The minimal ratio of 892 females for 100 males is found in ward nineteen (19).

Table 2.4 Gender Ratio- Kuzhithurai Municipality

Year	Total Population	Male	Female	Females per Thousand Males
1991	19,226	9467	9759	1031
2001	20,503	10069	10434	1036

Source: Census of India 1991 and 2001.

2.4.2 LITERACY RATE

The ULB has an average literacy rate of 82%, much higher than the national average of 59.5%. Male literacy rate is 84%, and Female literacy rate is 79%.

Table 2.5: Literacy Rate- Kuzhithurai Municipality

Year	Parameters	Male	Female	Total
1991	Population	9,467	9,759	19,226
	Literates	7,513	7,227	14,740
	% of Literates	79.36%	74.05%	76.67%
2001	Population	10,069	10,434	20,503

Year	Parameters	Male	Female	Total
	Literates	8,419	8,293	16,712
	% of Literates	83.61%	79.48%	81.51%

Source: Census of India 1991 and 2001.

2.5 TOWN MANAGEMENT AND GOVERNANCE

The ULB was formed as a Third grade Municipality in 1913. It is one of the oldest municipalities formulated in the state. The chronological order of the activities in formulation of the urban local body and its up-gradation is detailed below:

- Constituted as *Third Grade Municipality in 1913*
- Constituted as Local Planning Authority (LPA) in G.O. Ms. No. 650& 651 RDLA Dt. 20.09.1971
- Up-graded as *Second Grade Municipality* with effect from 1998 vide the MAWS Department Government Order No.85 Dt: 22-05-1998.

The Municipality consists of three revenue villages within its jurisdiction and in its LPA.

Revenue Villages: Vilavangadu, Nallore and Pakode

The ULB comprises 21 wards and the elected representatives from each ward constitute the council. The organizational structure of the Municipality is given in the following chart.

Functional Departments

Kuzhithurai Municipality consists of five functional departments. Each department consists of Head who reports to the Municipal Commissioner and functions as per the responsibilities prescribed in the Act and as delegated by the Commissioner.

Department	Functions
General Administration	Establishment, Accounts, Records, Correspondence, Treasury
Engineering	Works, Water supply, Operations and maintenance
Revenue	Billing and collection of taxes, charges and fees
Public Health	Preventive Health care, Conservancy, Vital Statistics
Town Planning	Issue of building license, eviction of encroachments, urban planning

The Commissioner is at the apex of this structure and is responsible for all activities carried out by the ULB. The Commissioner is responsible for preparation and certification of all periodical records, returns and furnishes all information as may from time to time be required by the Municipal Council or the Standing committees. He is also responsible for preparation of accounts. At each general meeting, the Commissioner along with some other key officials, discuss various issues with the elected representatives. The functions of various officials/departments, under the Administrative wing, are elucidated hereunder:

(i) General Administration Department: The department is headed by the Commissioner and assisted by Manager, Head Clerk, Public relation officer, Superintendent and other officers. This department is responsible for establishment, other essential matters relating to office, officers, staff and their welfare like preparation of staff pay bills, maintenance of registers for advances, GPF, pension, PF's etc.

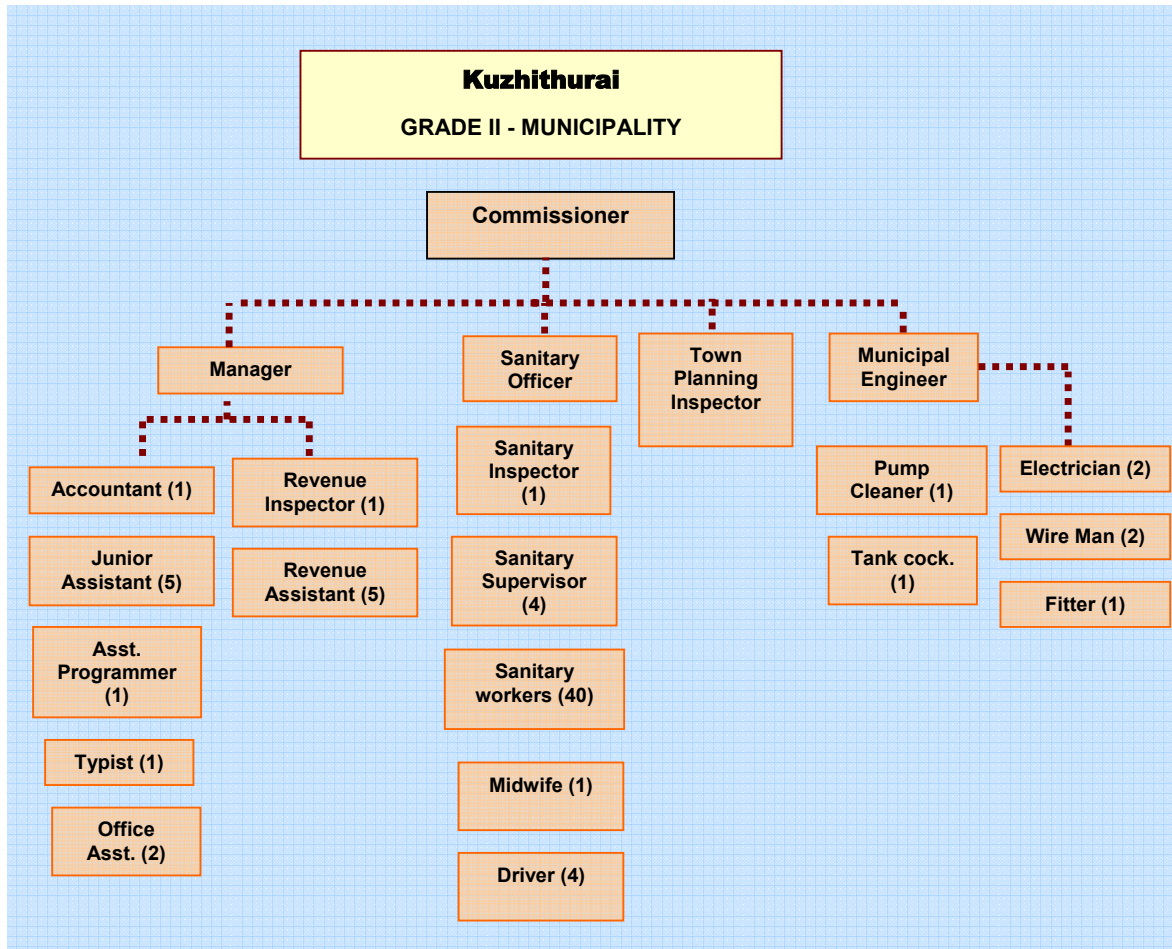
(ii) Engineering Department: The Municipal Engineer heads the engineering department, and is assisted by Assistant Engineer, Junior Engineer and other staff. With regards to fieldwork, Scheme works are delegated to one Junior Engineer who also looks after regular works, related to Public Works, Drains, Street Lighting. The Assistant Engineer looks after the water supply and is assisted by electrician, operators and other staff. The Department is responsible for ensuring the quality and quantity of water supply to the municipality. A major function of the Municipality is formulation and execution of Works- like construction and maintenance of roads, buildings and other infrastructure systems.

(iii) Revenue and Accounts Department: The department is headed by Revenue Inspector and assisted by junior assistant. The Accounts Section is responsible for supervising all financial transactions related to the ULB, advising the Revenue Officers on all internal financial matters, updating financial receipts and expenditure details in accordance with the utilization of funds, reporting deviations in expenditure of funds in any of the allocated schemes, assisting preparation of the ULB budget, maintenance of accounts regarding stamp duty, SFC Grants, MP Grants, maintenance of petty cash book and general cash book and attending to audit requirements and other such accounts-related duties. Revenue Officer, heading the Revenue Section, is responsible for collecting taxes such as, trade tax, house tax, advertisement tax, and entertainment tax; development charges; transfer of properties collection of duty; issuing notices for recovery of tax; and monitoring revenue collections of the ULB.

(iv) Public Health Department: The department is headed by Sanitary Officer, and is responsible for ULB services such as Solid waste management, public health related works like malaria control, family planning, mother and child health care, birth and death registration etc, and other government assisted programs related to health and poverty reduction and awareness programs. The Sanitary Officer assisted by the Sanitary Inspectors and Sanitary Supervisors, is responsible for services of Solid waste management and Malaria Control activities. Sanitary Supervisors are in-charge of works execution at the field level, which includes monitoring and supervising the work of sanitary workers in the wards under their charge and attending to specific local complaints. Besides, this department is responsible for the enforcement of the Public Health Act. The Public Health Department is vested with the responsibility of ensuring safe sanitation and cleanliness of the town. The department is also responsible for the maintenance of Municipal Dispensaries, Burial Grounds and slaughterhouses. One of the most crucial services of the municipality is maintenance of sanitation and cleanliness in the town. This involves mainly conservancy works involving sweeping of roads, garbage collection and disposal, cleaning of drains, and disinfecting of drains.

(v) Town Planning Department: A town-planning inspector heads this department, assisted by building inspectors, surveyors and junior assistants and other staff. The major function of this department is issue of building license, preparation and implementation of development plans and eviction of encroachments, urban planning and building regulation. The Town-Planning Department's main function is to implement the master plan proposals, ensure orderly growth in the town and avoid unauthorized constructions and to formulate projects.

The organization structure of the Municipality is represented in the following chart.



3

PROJECTION OF FUTURE POPULATION

3.1 BASIS AND METHODS

A critical factor in estimating the requirement of the urban infrastructure for future planning, project formulation, capital investment estimation and outlay is the projection of population. Projection of the future population for the ULB is based on the following factors:

- Past census population and relevant details;
- Decadal growth and growth rates of the country, state (TN) and the ULB;
- Population density pattern and availability of land for the future development;
- Socio-economic characteristics and economic base along with employment generating potential;
- Development (Master) Plan for the region considering the contextual issues stated and growth pattern in terms of land-use and land availability for growth including proposed plans and potential for significant change in land-use (within project period/ design life);
- Positioning of the hinterland, linkages with core of region and connectivity, importance and contribution as an economic base for the region;
- Availability of resources to facilitate provision and delivery of services and facilities;
- Implications of the ongoing and proposed projects towards improving the provision and delivery of services;
- Other external and internal growth dynamics responsible for migration; and
- Other factors - tourism, natural disasters and related.

The impact of the above factors was considered while performing the projection. Population projection has been performed based on CPHEEO guidelines that are generally acceptable for urban planning and infrastructure development related projects. The base criteria adopted for the projection of future population are listed below:

- Year of Study - 2008
- Census Years – 2011 to 2061
- Design Stages - 2010 (Commissioning/Present Stage), 2025 (Intermediate Stage) and 2040 (Ultimate Stage)

Population Projection Methods

Numerical Methods

- Arithmetic Increase
- Incremental Increase
- Geometric Increase

Graphical Methods

- Exponential Series
- Polynomial 2nd Order Series
- Power Series
- Logarithmic Series
- Linear Series

Per CPHEEO guidelines and general construction practices, civil works/structures in the case of urban infrastructure projects such as water supply and sewerage are designed for a service life of 30 years and mechanical/electrical equipment for 15 years. Therefore, design stages essentially reflect the period/duration for which projection is required to design the replacements, renewals and reconstruction activities. Projection of future population has been performed for the vision period exceeding 50 years (2008 - 2061).

3.2 METHODOLOGY AND EVALUATION OF PROJECTION METHODS

The methodology used to project growth of population is outlined below:

- A pilot projection was performed to evaluate the past trend of decadal growth, i.e. the population of 2001 was projected by utilizing available census data from 1961 to 1991. The projected value (by numerical and graphical methods) was then compared with the actual census population to identify the method that resulted in the minimum variation (nominal - +/- 10%);

- Projection of future population (2008 - 2061) was then performed by utilizing the method(s) that resulted in the minimum variation (< 10 percent). In cases where the variation was found to be significant (> 10 percent), the appropriate methods were utilized for comparison;
- Results from the aforementioned methods were compared, average decadal growth rates estimated and submitted for review and approval by the Review Committee.

Details of the past and present census population as provided by the ULB and verified with the Department of Census are furnished in Table 3.1.

Table 3.1: Census Population (1961 - 2001)

Year	Area	Census Population	Decadal Growth Rate	Density
	sq. km.	pers.	%	pers./sq. km.
1951	5.18	10,860		2,097
1961	5.18	13,708	26.22%	2,646
1971	5.18	16,198	18.16%	3,127
1981	5.18	18,427	13.76%	3,557
1991	5.18	19,226	4.34%	3,712
2001	5.18	20,503	6.64%	3,958

Source: Analysis based on the Data provided by ULB & Census of India.

3.3 PROJECTION OF FUTURE POPULATION

Based on the aforementioned methodology and evaluation performed, population has been projected for the ULB for the specified stages based on numerical and graphical methods. Details of the comparison of population projection by the aforementioned methods for the ULB and evaluation of projection methods (pilot projection) are enclosed as Annexure – 1. A comparison of results of population projection is shown below in Table 3.2.

Table 3.2: Population Projection Comparison

Year	Census	Arithmetic Increase	Geometric Increase	Incremental Increase	Logarithmic Increase
1951	10,860				
1961	13,708				
1971	16,198				
1981	18,427				
1991	19,226				
2001	20,503				
2008		21,853	22,106	21,619	21,672
2010		22,239	22,587	21,903	21,813
2011		22,432	22,831	22,039	21,882
2021		24,360	25,424	23,182	22,528
2025		25,132	26,541	23,529	22,767
2031		26,289	28,311	23,932	23,107
2040		28,025	31,188	24,272	23,579
2041		28,217	31,525	24,290	23,630
2051		30,146	35,105	24,255	24,107
2057		31,303	37,445	24,045	24,375
2061		32,075	39,091	23,827	24,546

3.4 APPROVED POPULATION

The projection of future population has been performed for the ULB based on the pertinent factors, potential impacts, related aspects and the applicable methods.

Table 3.3: Projected Population by TWAD Board for UGS

Year / Stage	Population Proposed
Base Year – 2010	23,100
Intermediate Stage – 2025	26,700
Ultimate Stage - 2040	31,000

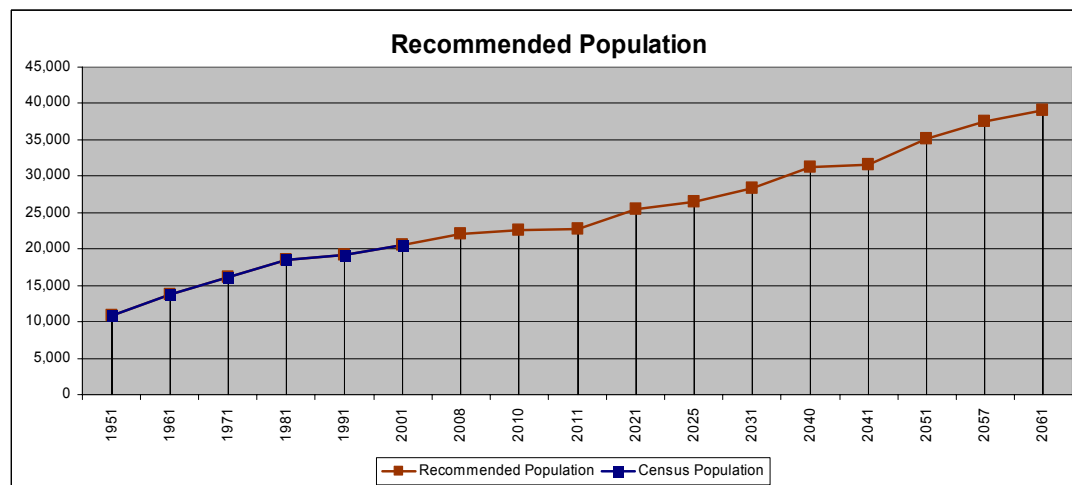
The TWAD Board also projected the population of the town considering the 'Semi-log Method' for the design of Underground Sewerage Scheme under TNUDP. The projected population of the town is given in the Table 3.3.

DPR on Underground Sewerage Scheme for Kuzhithurai town is in investigation stage. Thus, it is recommended to adopt the population projected for UGS scheme as the design population for the respective project design stages and vision period for the preparation of CCBP for Kuzhithurai town.

From the population projection performed is observed that 'Geometric Increase Method' is the optimal projections for the purposes of planning for urban infrastructure projects. Thus, it is recommended to select the projected value of 'Geometric Increase Method' considering 2001 census as the design population for the respective project design stages and vision period. The recommended projected population, given in the adjacent table is approved for further analysis.

Table 3.4 Approved Projected Population

Year / Stage	Census Population	Recommended Projected Population
1951	10,860	
1961	13,708	
1971	16,198	
1981	18,427	
1991	19,226	
2001	20,503	
2008		22,106
2010		22,587
2011		22,831
2021		25,424
2025		26,541
2031		28,311
2040		31,188
2041		31,525
2051		35,105
2057		37,445
2061		39,091



3.5 PROJECTION FOR PROJECT FORMULATION/DETAILED DESIGN

The aforementioned projection has been performed only for the purpose of assessment of the demand versus the supply gap in urban infrastructure provision and delivery. It is recommended to conduct a detailed projection during the Detailed Project Report preparation stage by considering the below listed factors:

- Project-specific requirements and characteristics;
- Present and past population, area and density of each ward in the Corporation;
- Classification of wards as high, medium and low-density zones (relative grading) to assess the localized development and growth pattern of population;
- Potential for future development in each ward based on proximity to city/town center, its position/location in the District, established road network and access to related infrastructure and transport facilities; and
- Present land use pattern and possible significant change in land use over the project period (generally 30 years); and
- Growth rates published by the Department of Census, GoI, and are characteristic/specific to similar cities.

4

AREAS OF DEVELOPMENT NEEDS

4.1 ASSESSMENT OF NEEDS

The Rapid Assessment report was discussed in detail about the key issues in each sector like water supply, drainage, social infrastructure, economic base, etc. The assessment was performed to evaluate the existing status of the town and to have a clear perspective of each sector. The report was reviewed by the Technical Review Committee comprising pertinent authorities and approved.

The mission areas and sectors are identified to achieve the vision which is far from the present scenario of each sector and the need of improvement across the identified mission areas and sectors is a lot. The need was not only revealed during the analyses, but was also brought out, by the stakeholders and beneficiaries during field visits, discussions and consultations conducted by the study team. Therefore, it is imperative to assess the potential for future development and evolve strategies to set the ULB on the road to well planned development.

The objective of the Strategic Plan for Kuzhithurai is to develop a long term vision and short term strategic plan covering the priority sectors over the next five years. A City Corporate Plan (CCP) is the corporate strategy of the ULB that presents both a vision of a desired future perspective for the town and the ULB's organization, and mission statements on how the ULB, together with other stakeholders, intends to work towards achieving their long-term vision in the next five years. Thus, a CCP preparation process is essentially a consultative process and therefore identification of stakeholders to be involved in the process is of crucial importance. The Strategic Plan has been developed in partnership with various stakeholders and interest group dedicated to the town's well being. Areas considered for development in the future are given below:

- Physical Development
- Social Development
- Slum Improvement
- Economic Development
- Urban Governance
- Finance Improvement

Accordingly, an assessment on the problems, performance and potentials of the areas of development was carried out which served as the critical input for evolving the desired framework for the Strategic Plan. The sectors covered under this assessment and an overview of the sectors including the prevailing issues is illustrated in the following sections.

4.2 PHYSICAL DEVELOPMENT

Services and utilities form the backbone of all development related activities that are planned for economic improvement of a town. Urban growth both spatially and population wise puts heavy pressure on infrastructure, particularly water supply, sewerage, solid waste, sanitation, road network, traffic and transportation etc., unless infrastructure facility is improved, quality of life suffers. Most importantly, it impacts economic development of the city and investment climate. The existing system of civic services and utilities in ULBs and its related issues requires seamless integration of all development activities in tune with the availability of

existing infrastructure and relevant co-development to ensure sustainability. This poses a complex situation to the City Managers who are directly responsible for provision of utilities to the normative level, addressing development issues, identification of key concerns and problems with the existing system and accordingly proposing necessary improvements. Analysis of existing utility systems based on field visits, discussion and related information furnished by the ULBs is outlined in the following sections. The sectors covered under this assignment are listed below:

- Land Use;
- Water Supply;
- Sewerage and Sanitation;
- Storm Water Drainage;
- Solid Waste Management;
- Traffic and Transportation; and
- Street Lighting.

4.2.1 LAND USE

OUTLINE OF MASTER PLAN

The GoTN has constituted a Local Planning Area (LPA) for Kuzhithurai, extending over an area of 515 hectares under the Town and Country Planning Act, 1971 under section 11(3) by Government of Tamil Nadu in their G.O. Ms. No. 650 & 651 RD & LA Dept. dated 20.09.1971. This LPA area exclusively consists of Kuzhithurai Municipality alone. A First Master Plan for Kuzhithurai was prepared by the Directorate of Town and Country Planning (DTCP). Given the trends in development and spatial growth, a Master Plan for Kuzhithurai town, for 2011, was prepared by DTCP and submitted to GoTN for approval during the year 2001.

LAND USE MANAGEMENT

The total area of the town is 5.15 sq. km. faster pace of developments are happening in 49% of the total land available for development as the remaining 51% of the land is under non-urban use, which is an important aspect of this town. The land under non-urban use includes agricultural lands both wet and dry, and water bodies. This indicates that the urban growth in the town is confined within the 49% of the available land increasing the density in the developed areas.

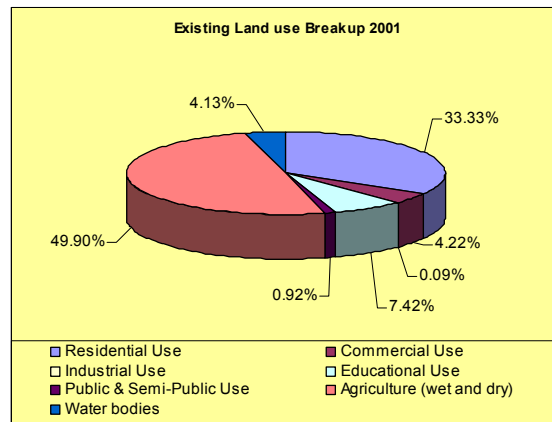


Table No. 4.1: Existing Land Use Pattern

Land Use	Area in Ha.	% to Total
Residential Use	171.66	33.35
Commercial Use	21.72	4.21
Industrial Use	0.45	0.08
Educational Use	38.19	7.41
Public & Semi-Public Use	4.75	0.92
<i>Sub Total (Developed Area)</i>	236.77	45.97
Agriculture (wet and dry)	256.98	49.90
Water bodies	21.25	4.13
<i>Sub Total (Undeveloped Area)</i>	278.23	54.03
Total	515.00	100.00

The characteristics of various land uses are discussed in the following sections:

RESIDENTIAL USE

The residential use covers one-third (33%) of the total town area. Residential area developed on both sides of all existing roads and on certain pockets like Pammam, Thoduvetti and Nariyanvila. There is no approved layout as such in this municipality. In general the development is restricted in view of high prices of land, uneven ground and also lack of proper inner road network. The average population density in the town is around 119 persons/ hectare.

COMMERCIAL USE

About 4% of the land is under Commercial use. The commercial activities are concentrated in the core area of the town such as Toduvetty, Marthandam Junction and also on the Karungal Road. There is one daily market located on the Karungal Road. The total area developed under this zone is 21.72 hectares.

INDUSTRIAL USE

Industrial growth of the town is seemed to be very low. 4 rice hulling factories, 2 match factories and one cashew nut factory are distributed in the town. Other than these industries there are 33 smaller units located in the commercial areas with a connected load of less than 10 HP each. These industries occupy less than 1% area of the town.

PUBLIC AND SEMI PUBLIC USE

The total public and semi-public use in the town is about 1%. 5 Elementary schools, 1 High school and 7 Higher secondary schools and 2 colleges are functioning in the town. Taluk Office, Sub-treasury Office, Commercial Tax Office are also functioning in the town. The area under educational use zone is 38.19 Ha.

NON URBAN USE

The non-urban use accounts for 54% of the total land use. This use comprises of Agriculture - Wet and Dry and Water Bodies. The greater extent of non urban use puts constant pressure on the land available for urban development.

PROPOSED LAND USE

Due to physical and topographical feature of the land within the municipal limit such as river water courses, water bodies and the low level of wet lands, the scope for proposing the land uses for future development in the Master Plan is less. However, additional areas have been proposed in and around the existing built-up area of the town to a certain extent taking into account the anticipated increase in population.

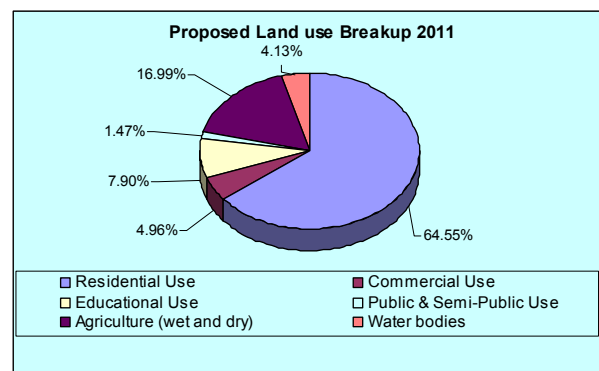


Table No. 4.2: Proposed Land use Pattern

Land Use	Area in Ha.	% to Total
Residential Use	332.42	64.55
Commercial Use	25.55	4.96
Industrial Use	-	-
Educational Use	40.69	7.90
Public & Semi-Public Use	7.59	1.47
<i>Sub Total (Developed Area)</i>	406.25	78.88
Agriculture (wet and dry)	87.5	16.99
Water bodies	21.25	4.13
<i>Sub Total (Undeveloped Area)</i>	108.75	21.12
Total	515.00	100.00

Source: Master Plan, 2005

RESIDENTIAL USE

Additional area proposed in the Master Plan is about 160 hectares (64%) and the additional population anticipated can be accommodated in the proposed land use pattern.

COMMERCIAL USE

The town has areas for shopping needs of the population of the town and its hinterlands. Additional commercial areas have been proposed and marked in the proposed land use map.

INDUSTRIAL USE

Scope for industrial development in this town is limited due to the non-availability of vacant land or urbanizable land within LPA. Unemployment problem of local people and outward migration of the people can be controlled to some extent by establishing additional industries utilizing the raw materials such as coconut fibers and cashew crop cultivation.

PRESERVATION OF PROTECTED AREAS

Normally wet lands are not used for any urban development and only dry land will be taken for urban developments proposals. Hence, dry lands have been considered for future needs.

DEVELOPMENT PATTERN

Like any settlement, which gets originated on the banks of rivers, Kuzhithurai is also on the bank of the river Thamiraparani and the growth of the town also occurs parallel to the direction of the river. The ULB was formed in the year 1913. The town is emerging as the important nodal urban centre for the nearby villages at a faster pace in the last few decades.

GROWTH AREA AND DIRECTION

Salem –Thiruvananthapuram National Highways (NH-47) corridor passes through the town from northwest to southeast. The town's location and the configuration of roads in the town in a radial manner enhance and direct growth along three sides except southern side wherein more agricultural activities take place.

DEVELOPMENTAL POTENTIALS & CONSTRAINTS

Development Potentials: Growth potential of the town is more pronounced at the regional level, for the town is the nodal centre for nearby towns and villages. The location of the town on the National highways and availability of a rail link with a railway station make it easily accessible and support the town's economic potential. The well established connectivity in

the town also enables faster growth of the town. More Growth is found in the region which has more connectivity to the nearby villages.

Constraints: The development of the town is constrained by two main factors. They are:

- The town consists of more dry land and lesser wet lands in southern side. Most of the dry lands are used as groves which yield regular income and conversion to other use is also very minimal.
- Lack of scope of major industries also restricts the scope of development.
- Limited Availability of land for development within the town limit.

The Kuzhithurai LPA is surrounded by Kodumkulam Hamlet on the eastern side, Vilvancode village on the western side, Chennithottam, Mathilakam, Nanthancodu hamlets on the southern side and Palamkattu hamlet on the northern side. Very close to the town developments and growth take place on the north, east and west sides where as in south it is slower due to agriculture fields. The people living in the above mentioned hamlets are coming to the town for all their needs.

Hence, it is suggested that the above hamlets situated in revenue villages of Nallore, Vilavancode and Pacode shall be merged with LPA and upgraded as composite LPA.

4.2.2 WATER SUPPLY – EXISTING STATUS

The town has been provided with a protected water supply scheme in 1978.



Table No. 4.3: Existing Water Sources

Type of Sources	Quantity (Nos.)
Infiltration wells at Thamiraparani River	04
Deep Bore wells	18
Open wells	30
Hand pumps	13

Source: Kuzhithurai Municipality

Source: Four Infiltration wells located along the Thamiraparani River and located at a distance of 40-km from the town, serve as the main source of water supply to this town. This source supplies 25 lakh litres daily. These wells are fitted with 20-H.P submersible pumps each and water is pumped through pumping main to a length of 40 km. There are 7 Over Head Tanks (OHTs) and 3 Ground Level Reservoirs (GLRs) provided for storing the pumped water. The list of water supply facilities in the town is given in Table 4.3.

Table No. 4.4: Existing Service Reservoirs

No.	Type of Reservoirs (OHT)	Quantity (nos.)	Capacity (LL)
1	Pammam	1	1.00
2	Panniayani	1	1.00
3	Market	1	2.00
4	Kazhuvanthattai old	1	0.90
5	Kazhuvanthattai new	1	2.50
6	Kattuvilai	1	0.90
7	Thiruthuvapuram	1	1.00
Sub – Total (GLR)		7	9.30
1	Pammam	1	1.35
2	Panniayani	1	1.00
3	Market	1	1.00
Sub-Total		3	3.35
Total		10	12.65

Service Reservoirs: At present there are 7 OHTs and 3 GLRs with a combined storage capacity of 12.65 lakh litres. Table 4.4 presents the storage capacity of the existing service reservoirs, with their location details, in the distribution system.

Source: Kuzhithurai Municipality

Distribution System: The town is provided with 3,190 service connections out of which 190 connections are commercial and one connection is industrial and the remaining are residential connections. Distribution mains laid are of PVC pipes with 6 inch diameter for a length of 7.6 km. The total length of pipeline for distribution is about 40 km.

Supply of Water: The ULB covers all the areas of the town except the newly developed areas which are currently provided with water supply through public fountains. There are 75 public fountains in the town. At present 100 LPCD of water is supplied to people on alternate days. 5 mini Water Tanker Lorries are engaged for water supply to the areas not covered by water distribution lines.

Water Charges: All the connections in the town are un-metered. Flat charges are collected from the users. The tariff and deposit charges collected by the ULB are provided in the table 4.5.

Table No.4.5: Water Supply Charges

Type of Connections	No. of Connections	Deposit Charges	Tariff Charges
Residential	3049	2000	34
Commercial	190	5000	81
Industrial	1	5000	121

Source: ULB

System Coverage & Per Capita Supply: The existing system of distribution covers all the wards in Kuzhithurai. Water is supplied on alternate days for a period of 3 hours. Considering the coverage based on the distribution pipe length vs. road length ratio, the existing network of 40 km translates to coverage of approximately 55 percent of the total road length of 71 km which is less than the normative standard. It is also observed that almost 80% of the existing D-system was laid 30 years back. Based on the present population and the total quantum supplied, the per capita water supply works out to 58 lpcd which is less than the normative standard of 100 lpcd (w/o sewerage scheme) as per CPHEEO guidelines.

Non-Revenue Water: No proper investigation and study have been conducted to determine a reasonable figure of Non-Revenue Water (NRW) / Unaccounted for Water (UFW) in Kuzhithurai. The ULB could however agree from their day to day experiences that line and production losses of water may be up to the extent of about 30%. The actual UFW may however be more than this. Some of the major reasons for high UFW are as given below:

- Open zone boundaries allowing water to flow free from high pressure zones to low pressure zones resulting in some areas getting water supply for long hours beyond supply period developing a tendency of wastage and misuse of water.
- Some of the existing old pipelines have the potential to frequent breakdown and leakages.
- General leakage from joints and valves in the distribution system.
- Production losses due to reduction in efficiencies of old aging equipment and filter beds in the water works.
- Unauthorized tapping and duplicate connections.
- Wastage through the stand posts by removal of taps.
- Non recording of connections and consumption.
- Missing revenue collection from certain consumers.
- Tampering with the ferrule sizes (i.e. changing a smaller ferrule by an unauthorized bigger ferrule).

Considering all these major causes that are prevalent, the total NRW is estimated to be not less than 30%.

ADEQUACY OF SERVICES

An index of performance of the existing water supply system parameters benchmarked against the normative/standard requirements or service levels as prescribed by reference guidelines/standards such as CPHEEO guidelines, pertinent manuals/publication and nominally prevalent level of services in similar towns with functional (good) urban infrastructure is furnished in the table below. It is imperative to mention that the nominal standard/benchmark is the requisite level of provision/delivery that is to be achieved by the ULB under this assignment. Table 4.6 shows key service indicators of the existing water supply system.

Table No. 4.6: Performance Indicators - Existing Water Supply System

Sl. No.	Service Indicator	Unit	Current status	Norm
1.	Daily per capita supply (2007/2008)	Litres	100	70
2.	Roads covered with distribution network	Percent	55	> 100
3.	Storage capacity with respect to supply	Percent	61.08	33
4.	Treatment capacity available with respect to supply	Percent	NA	100
5.	Property tax assessments covered by service connections	Percent	37	85
6.	Proportion of non-domestic service connections	percent	1	> 5.00
7.	Slum population per public stand post	persons	93	150

Source: ULB and Analysis

ISSUES

On discussion with the officials of the ULB and other stakeholders of the town and field visits performed it was observed that a water treatment plant is under construction by the ULB at an investment of Rs. 109 lakhs under TNUDP-III. Further, the issues and scope for improvement of services are identified and outlined below:

- **Lack of Sustainable Source:** Present water supply need of the town is fulfilled by infiltration galleries (7 nos), of which only 2 are functioning at present. Hence in long-term period sustainable water supply source need to be augmented.
- **Refurbishment of Distribution System:** The existing water supply distribution system is laid during 1970 and in many areas the pipeline is reported to be corroded and leakages are plenty in the system. The tail end areas suffer water shortage due to the long distance from the service OHTs and due to undulating terrain. The distribution need to be replaced to improve the efficiency of the system.
- **Water Supply Rate:** Currently water is supplied once in two days for a period of 6 hours. Even though water supply rate in the town is 100 lpcd on an average (which is slightly higher side as per the norm of 90 LPCD for towns without UGS), but considering the on-going study on provision of UGS to Kuzhithurai town, the demand would further increase to 135 lpcd. Hence ULB need to augment additional source to meet the future demand. In the present supply system, recently developed areas in the fringes are not provided with adequate water supply.
- **Need for Asset Management Action Plan:** It is required to maintain an effective O&M Schedule, for water supply assets, for regular maintenance and energy optimization.

POTENTIAL FOR DEVELOPMENT

In order to appreciate and articulate the current situation and present future possibilities, the water supply system was analyzed from all perspectives. The objective of this analysis is to essentially demarcate potentials and drawbacks of the existing system, weigh the possibilities and prepare the roadmap for an improved, effectively planned, designed, operated and maintained system:

- **Assured source – Thamiraparani Rivers** ensures assured supply of water to Kuzhithurai at a supply rate of 25 LL per day for a period of at least 10 months in a year.
- The town has a storage capacity of 12.65 LL against the estimated supply of 25.00 LL, estimates 61% of storage capacity which is more than the normative standard of 33%.
- Continuous power supply in the booster stations will ensure reliable and equitable water supply in the town.
- Introduction of metering system will help to identify non-revenue water supply and to collect water charges based on differential tariff.

4.2.3 SEWERAGE AND SANITATION – EXISTING STATUS

Underground Sewerage System: The ULB has not provided any Underground Sewerage Scheme. At present excess sewage water is let into the storm water drains, which ultimately drains into the waste land fields in the down stream areas.

Sanitation Facilities: Part of the households sewage generated is being treated (through septic tanks and soak pits) and the rest of the households sewage and sullages are let out raw into the storm water drains. Part of the population especially in slum and low income settlements depend on community toilets and open defecation is common in this part of the town.

There are 10 number of public toilets of which 6 is specifically earmarked for women and the remaining 4 are 'pay and use' type.



Table No 4.7: Existing Public Conveniences Complex

No. of toilets	Male / Female
Free 6 Nos (40 seating capacity)	female
Pay & Use 4 Nos (20 seating capacity)	Male/ female
Total 10 Nos. (60 seating capacity)	

Source: ULB

ADEQUACY OF SERVICES

An index of performance of the existing facility parameters benchmarked against the normative/standard requirements as prescribed by reference guidelines/standards such as CPHEEO guidelines, pertinent manuals/publication and nominally prevalent level of services in similar cities with functional (good) urban infrastructure is furnished in the table 4.8.

It is imperative to mention that the nominal standard/benchmark is the requisite level of provision/delivery that is to be achieved by the ULB under this assignment.

Table 4.8: Key Performance Indicators - Sewerage and Sanitation

Sl. No.	Service Indicator	Unit	Current Status	Normative Standard
1.	Roads covered by UGSS network	Percent	NA	85
2.	Sewage treatment capacity with respect to water supplied	Percent	--	80
3.	Water supply connection having access to UGSS	Percent	--	85
4.	Assessment having access to UGSS facility	Percent	--	70
5.	Population covered by UGSS (Year 2007/2008)	Percent	--	85
6.	Assessment covered with septic tanks	Percent	51	--
7.	Assessment covered with LCS	Percent	5	--
8.	Assessment covered with safe disposal facility - Total	Percent	--	--
9.	Slum population per seat of public convenience	Persons	53	--
10.	Seats under pay & use category	Percent	20	--

Source: ULB and Analysis

KEY ISSUES

On discussion with the officials of ULB and other stakeholders of the ULB and field visits, key issues in the present drainage system and its scope for improvement are assessed and following are the issues identified:

- Absence of Sewerage System: The town does not have UGS facility for the safe collection and disposal of sewage. In all the areas, sewage and sullage are let into to the Street drains / Natural Drains which flows into the low lying areas and water bodies exists in the town.
- Absence Treatment Facility: The sewage collected through the drains is not treated scientifically which leads to ground water contamination.

- **Poor Drainage conditions in Slums:** In case of slums such as Nariyan vila, RC street and Kodumkulam area the sewage is drained into the streets causing unhealthy environment.

POTENTIAL FOR DEVELOPMENT

In order to appreciate and articulate the current situation and present future possibilities, the Sewerage and Sanitation sector was analyzed from all perspectives. The objective of this analysis is to essentially demarcate potentials and drawbacks of the existing system, weigh the possibilities and prepare the roadmap for an improved, effectively planned, designed, operated and maintained system:

- It has the potential to set up Underground sewerage system since town is rapidly growing in recent times and lots of residential activities are taking place.
- From the discussion with the TWAD officials the UGS scheme is still in investigation stage and yet to finalize the site for Sewage Treatment Plant (STP).

4.2.4 STORM WATER DRAINS

Drainage system: The terrain of the town is undulating with a gentle slope towards the northwest direction. The town has a numerous irrigation channels traversing the town across north to south direction. The existing storm water drains are utilized to carry and dispose the wastewater into the low lying areas, which create environmental problems and the ULB needs to regularly attend the maintenance works than normally required.

Table 4.9: Existing Storm Water drains

Type of Drains	Length (km.)
Pucca Drains	2.40
Pucca Drains (closed)	0.30
Kutchra Drains	17.54
Main Roads	9.30
Total	29.54

Source: ULB

Drains: The total length of the drains maintained by the ULB within the town is 29.54 km. The type and length of the drains are shown in the table 4.9 for references. Storm water from near by villages (agriculture fields) gets into the town causing sanitation problems. During the rainy season, the wards 2, 8 & 20 experiences inundation problems along the Thamiraparani River course area.

ADEQUACY OF SERVICES

An index of performance of the existing storm water drainage system parameters benchmarked against the normative/standard requirements or service levels as prescribed by reference guidelines/standards such as PWD/CPHEEO guidelines, pertinent manuals/publication and nominally prevalent level of services in similar cities with functional (good) urban infrastructure is furnished in the table below. It is imperative to mention that the nominal standard/benchmark is the requisite level of provision/delivery that is to be achieved by the ULB under this assignment.

Table No. 4.10: Key Performance Indicators - Storm Water Drains

Sl. No.	Service Indicator	Unit	Current Status	Normative Standard
1.	Road length covered with storm water drainage	Percent	57.59%	130
2.	Pucca Drains (Open & Closed)	Percent	20.83%	100
3.	Road length covered with Pucca drains	Percent	20.83%	130

Source: ULB and Analysis

KEY ISSUES

On discussion with the officials of ULB and other stakeholders of the town, field visits and service analysis of the present system of Strom Water Drainage, the following issues were identified.

- **Poor Conditions of the Drains:** Existing drains in the low lying areas are damaged during the recent floods. Total length of the Kutchra drains is 17.54-km, which is 58% of the length of the drains available in the town. The conditions of the drains are further

worsened by the recent floods and the adjacent areas to the Kodungulam, RC street drains are damaged and non-functional

- Areas without Drains: Slum areas in the town do not have storm water drainage facility, wherein the sewage and storm water get mixed up and stagnate in the low lying areas affecting the environment.
- Natural Channels and Drains: The existing natural channels have to be rejuvenated to avoid damages during further flooding, if any occurs in the town. Encroachments by way of urban developments along the channel stretch reduce the carrying capacity.
- Silting and Solid Waste Accumulation: Silting and uncontrolled garbage dumping causes blockage and stagnation of water channels/wastewater runoff. Consequently, drains choke and overflow into neighboring areas.

POTENTIAL FOR DEVELOPMENT

In order to appreciate and articulate the current situation and present future possibilities, the Storm Water facility was analyzed from all perspectives. The objective of this analysis is to essentially demarcate potentials and drawbacks of the existing system, weigh the possibilities and prepare the roadmap for an improved, effectively planned, designed, operated and maintained system:

- Major drains are available for conveyance of storm water away from residential dwellings and low-lying areas. The town has natural slope towards north, south and east direction which allows the easy disposal of storm water runoff into the disposal points.
- Kuzhithurai has the potential to recycle and reuse the storm waters since most of the storm water leads to Thamiraparani River.
- Adequate natural gradients are available for achieving self cleansing velocities for open drainage system.
- Existence of good basic infrastructure of drainage system.
- 60 % of the roads in the town are covered with storm water drains.

4.2.5 SOLID WASTE MANAGEMENT

Waste Generated: The Town generates about 5 MT of waste daily. The wastes generated comprise of waste from Households, Markets, Commercial Establishments, Hotels and Industries. The waste generated is found to be higher in the core area of the town, where basic amenities such as Bus Stands, Markets, Shandys and Hospitals are concentrated. The town is also the urban centre for the nearby villages, which causes increase in the number of commercial establishments thereby the waste generated, is also increased.

Table 4.11: Vehicles used for collection of waste

Type of Vehicles	Nos
Push carts	12
Tipplers	2
Power tillers	-
Mini-lorries	1
Total	15

Source: ULB

Collection System: Of the total 5-MT of waste generated, ULB collects 4-MT daily. Door to door daily collection of the waste is yet to be implemented in the town. The list of vehicles used for collection of waste is furnished in Table 4.11. A total of 40 sanitary workers are involved daily in collection of solid waste. Sanitary workers are monitored by 4 sanitary supervisors and one sanitary inspector.



Disposal method: The waste collected from the town is dumped in Pammam dump yard which is located 3 kms away from the centre of the town extending over an area of 2.07 acres.

Adequacy of Services: Table 4.12 given below examines the adequacy of available solid waste management service level in the town.

Table 4.12: Key Performance Indicators - Solid Waste Management

S. No.	Service Indicator	Unit	Current Status	Normative Standard
1.	Estimated waste generation per capita per day	grams	200	300
2.	Waste collected as estimated by ULB (w.r.t. waste generation)	percent	80	100
3.	Waste collected as per the available capacity (w.r.t. waste generation)	percent	3	--
4.	Road length per conservancy staff	m	1300	500

Source: ULB and Analysis

KEY ISSUES

On discussion with the officials of ULB and other stakeholders of Kuzhithurai Town coupled with filed visits, following key issues in the present Solid Waste Management system and its scope for improvement are identified:

- **Absence of Effective Primary Collection Mechanism:** The absence of full fledged door-to-door solid waste collection system in the town is basically leading to unhealthy conditions in the town. The practice of throwing of the waste onto the streets is exaggerating the problem. Segregation of waste at source is not being practiced in the town. Source segregation and primary collection of waste through private participation, is under active consideration by the ULB.
- **Plastic Waste Handling:** Since this town acts as a commercial and marketing town for its hinter lands plastic waste generation is comparatively higher lead to occupational difficulties in handling the same.
- **Waste Collection Performance:** At present the ULB collects only 4 MT of the solid waste on an average per day, which is only 80% of the total waste generated. The collection level needs to be raised to 100%.
- **Inadequate number of Sanitary Workers:** The number of sanitary workers involved in the primary collection need to be increased sufficiently to attain service efficiency.
- **Scientific disposal method:** The waste is being dumped in the existing site which remains there for quite a long time and a lot of residential areas near by this site developed over the years are affected. Hence an alternate site is to be identified for the safe disposal of municipal wastes. The suitable area already identified by the ULB for dump yard outside municipal limit is yet to be procured.

POTENTIAL FOR DEVELOPMENT

The objective of this study is to identify the potentials based on the primary collection system, coverage, waste segregation, recycling of wastes, transportation and disposal methods:

- Land is available and has been procured for a techno-economically feasible alternative of solid waste treatment and disposal.
- Support available from GoTN for scientific treatment and disposal of solid wastes.
- It has the potential to involve the private sector to increase efficiency in service delivery in rest of the wards.
- Desire of citizens for a clean town.

4.2.6 ROADS, TRAFFIC AND TRANSPORTATION

The ULB has a well established road network. The NHs, SHs and MDRs connect the town with the adjoining villages and towns. There is a National Highway NH-47 running within the town limits. The lengths of National and State Highways Roads are furnished in Table. 4.14.



Municipality Roads: The ULB maintains various types of roads for a length of 38.76 km. The length and type of roads maintained by the municipality are listed in the table 4.13. The traffic found in these roads is normally in terms of slow moving vehicles such as cycles, carts and three wheelers. These roads are generally found to support the residential activities within the town.

Table 4.13: Municipality Roads

Type of Roads	Length (in km)
BT Roads	22.347
CC Roads	15.014
WBM	0.04
Gravel Roads	0.653
Others	0.706
Total	38.760

Source: ULB

Other Major Roads: The other roads which run within the town account for a length of 12.95-km. These roads are maintained by the Highways Department. Details are indicated in Table 4.14.

Table 4.14: Other Roads -Existing

Name of the Roads	Length (km)
National Highways	4.65
State Highways	8.30
Total	12.95

Source: ULB

Among the major roads in the town, National Highway (NH) 4.65 kms, Pammam Road, Kulasekaram Road and Kodungalam Road within the Town, carry higher traffic volume.

Traffic & Transportation: Traffic flow is found to be high on National Highway NH-47 (Salem - Thiruvananthapuram) when compared with other roads. This road is the major spine, from which the other roads branch off. All the major roads that meet this NH-47 cause heavy traffic congestion at their junctions during the peak hours.

Bus Stand: The Town has one Bus Stand under C-category. More than 120 buses daily pass through the town. It is located along the Salem - Thiruvananthapuram National Highway in T.S.No. 3166-B2 / 3166A-1B, A-2B & A - 3B at an extent of 0.16 acres.

Adequacy of Services: Table 4.15 given below examines the adequacy of available road and transport service level in the town.

Table No. 4.15: Key Performance of Road related Service Indicators

Sl. No.	Service Indicator	Unit	Current Status
1.	Road density	km/sq. km	10.05
2.	Per capita road length	meters	2.52
3.	Proportion of surfaced municipal roads	percent	97

Source: ULB and Analysis

KEY ISSUES

On discussion with the officials of the ULB and other stakeholders of Kuzhithurai coupled with field visits and service analysis, the key issues in the present road network and traffic pattern of the town and the scope for improvement are identified as below:

- **Improvement of Junctions:** The Junction in ward No. 6 & 9, Marthandam Junction, the junction in wards 21 & 15 and Vettuveni Junction in ward No. 11 & 21 require improvement measures to regulate the heavy traffic flow of the town, wherein all other major roads meet, require improvement measures to regulate the traffic flow of the town.
- **Absence of road hierarchy and traffic carrying corridors.** Most of the internal town roads are single lane. Rapid growth in vehicles and population (both permanent as well as floating) has far exceeded the carrying capacity on the road network.
- **Bus Stand:** Bus stand located along NH-47 lacks paved surface, adequate lighting facility, drinking water supply etc. Because of its location along busy road in the town entry & exit to bus stand was highlighted as a major issue by the stakeholders. Bus stand lacks commuter friendly facilities like waiting hall, seating arrangements, rest rooms. Bus stands handling capacity was not sufficient to handle the incoming buses hence it was suggested to construct new bus stand at an appropriate location.
- The capacity of many intersections has been saturated. Many areas mainly the core areas (around Marthandam Junction) of the town are experiencing parking problems, low-speed travel, and increased congestion.

- Major roads lack footpaths and pedestrian facilities; those available are encroached upon by informal activities and street hawkers.
- Encroachment: The margins of roads are encroached upon in several sections of major roads of the town by small time street vendors, illegal parking and other informal activities. With no margins left on the roads, the effective carriageway of the road is reduced drastically leading to congestion and accidents; and
- Absence of Street Furniture/Signage: The roads/junctions lack signals, signage, and footpaths. Improper road sweeping results in most roads being covered with top-soil, mud and granular particles which further reduces the driving safety.

POTENTIAL FOR DEVELOPMENT

In order to appreciate and articulate the current situation and present future possibilities, the Roads, Traffic and Transportation sector was analyzed from all perspectives. The objective of this analysis is to essentially demarcate potentials and drawbacks of the existing system, weigh the possibilities and prepare the roadmap for an improved, effectively planned, designed, operated and maintained system:

- Kuzhithurai town has good road connectivity with major urban centres in the region through well established regional roads like NH-47 and rail network.
- An extensive network of roads such as NH - 47 & MDR providing for internal and radial connectivity is available which can be streamlined and enhanced for improved traffic management.
- GoTN is committed to improve the roads and transportation.
- The master plan proposals (scheme roads) of Kuzhithurai towards improving regional connectivity with other urban nodes reveals the potential for sustenance of the present and potential industrial/ commercial and residential activities in the town.

4.2.7 STREET LIGHTING

Street Lights: The town is provided with 1,426 lighting fixtures at an average interval of 36-m approximately as against the normative standard of 30-m. All the lights are in working condition. The types of fixtures installed are listed in Table 4.16. The key issues in Street lighting are improvements needed to provide better lighting facilities in the road junctions and Weekly Market Complex. The existing system of street lighting can be improved by providing modern energy saving lights.

Table 4.16: Street Lighting - Existing

Type of Lights	Nos
Tube Lights	1,193
Sodium Vapour Lamps	230
High Mast Light	03
Total	1,426

Source: ULB

Table No.4.17: Key Performance of Street Lighting Service Indicators

Sl. No.	Service Indicator	Unit	Current Status	Normative Standards
1.	Spacing between lamp posts	m	36	30
2.	Proportion of fluorescent lamps (tube lights) w.r.t. total fixtures	percent	83	60
3.	Proportion of high power fixtures w.r.t. total fixtures	percent	0.2	40

Source: ULB and Analysis

POTENTIAL FOR DEVELOPMENT

In order to appreciate and articulate the current situation and present future possibilities, the Street Lighting facility was analyzed from all perspectives. The objective of this analysis is to essentially demarcate potentials and drawbacks of the existing system, weigh the possibilities and prepare the roadmap for an improved, effectively planned, designed, operated and maintained system:

- Most of the street lights are in the working condition
- ULB is already initiated the energy saving measures in street lights.
- Spacing between the light posts is within the normative standard of 30m.
- Proportion of fluorescent lamps are more than 83% of total lights exist in the town.

4.3 SOCIAL DEVELOPMENT

Education: There are 11 Primary schools, 2 High schools, 6 Hr. Sec schools and 2 colleges in the town.

Health: There is a 125 bed Government Hospital in the town and 1 maternity centre with 50 bed capacity. The town also has 12 nos. of private clinics in operation for providing health service to the inhabitants of the town.

Library: There are 2 public libraries in the town, maintained by District Library Council, Kanyakumari.

Markets: The ULB maintains two daily markets, one at Marthandam constructed during the year 1994 and the other one at Karungal which is constructed 40 years back is in a dilapidated condition. These markets cater to the need of the town and surrounding rural areas from Kerala State also. The Municipal market at Marthandam consists of different types of shops like Vegetable Shops, Mutton Shops, Fish Stalls, Petty Shops and grocery Shops. Municipal Market is one of the important commercial centers in the town and it adds to the revenue of the ULB considerably. This market has 146 shops under the ownership of municipality at an area of 0.3 acres.

Noon Meal Centers: There are 5 noon meal centers functioning in the town.

Parks & Play Ground: There are 2 parks, 1 community hall maintained by the ULB. There are 12 play grounds and 11 open spaces maintained by the public and school authorities

Community Hall: ULB owned V.L.C. Auditorium cum marriage hall located in the town near NH-47 along the banks of Thamiraparani River. The total area of the community hall is 10,000 sq.ft.



Burial Ground: ULB owned burial ground located in the Pacode in T.S.No. 3096 at an area of 0.50 acres.

KEY ISSUES

The key issues identified through discussions, field visits and service analysis are outlined below:

- **Education:** The infrastructure facilities in the schools are very poor and in a dilapidated condition. Lack of sanitation and water supply facilities were highlighted by the stakeholders. Existing schools are operated in tiled/thatched roof which requires Upgradation to RCC roof. All the Schools lack playground facility. There are no adequate higher educational and professional institutions in this region.
- **Health:** Maternity Centre requires improvement of basic infrastructure facilities and number of doctors available is not sufficient to meet the present demand. Maternity centre requires modernized treatment facility.
- **Karungal Daily Market:** Market shops are aged and building is in damaged condition requires reconstruction to accommodate more shops with improved infrastructure facilities.
- **Parks & Play Fields:** Parks in the town lacks basic infrastructure facilities like lighting, walk ways, water supply, paved roads, green cover etc.
- **Burial Ground:** Burial ground lacks access roads, water supply facility, lighting, compound wall, prayer hall, burning shed etc.

4.4 SLUM IMPROVEMENT

AN OVERVIEW

The unplanned urbanization forced poor to settle for informal solutions resulting in mushrooming of slums and squatter settlements in the town. The problem of slums has been faced at some point of time by almost all the towns and cities throughout the nation. Kuzhithurai is also not an exception. The nodal character of the town in the region attracts people from the neighboring villages and these migrants along with the urban poor are found to have been distributed in all regions of the town. They are normally found in pockets, referred as slums. The town comprises of 11 such pockets. The list of these pockets and their population details are furnished in the table 4.18.

Table No 4.18: Slum Area & Population

S. No	Name of the Slum	Area	Population
1	Nariyan vilai W. No. 1	0.18	1320
2	R.C. Street W. No.3	0.05	343
3	Palavar W. No. 10	0.11	152
4	Parampu vilai W. No. 9	0.17	312
5	R. C. street Marthanadam W. No. 19	0.09	575
6	Kodumkulam W. No. 17	0.11	465
	Total	0.71	3167

Source: ULB; 2007

The total slum population constitutes 3,167 persons which have been constantly increasing, over the past decades. Of the existing population, 42% are urban poor. In spite of ULB's strenuous efforts, quality of life in these slums – as in many other slums in other parts of the country, is extremely pathetic. Lack of protected water supply, clogged drains, bad conditions of roads and ill- ventilated dwellings present a very low standard of living in these areas.

SERVICE PROVISION

The levels of services provided in slums are discussed in the following paragraphs.

- **Housing:** The Conditions of the houses in the slums are poor. Most of the houses are less than 100 sq.ft in extent. Most of the houses are ill ventilated and not properly designed to the prevailing climatic conditions. Majority of the houses are in temporary and in Kutcha state, while a very small number are of pucca construction. Many of the houses are in dilapidated state and require immediate action to be taken by the ULB.
- **Water Supply:** Most of the slums are found in the extended areas and they do not have proper water supply connections. Water supply is provided through Open wells, Hand pumps and Power pumps. The water supply is provided daily and the hours of supply are variable, making the conditions of slum dwellers more pathetic.
- **Sanitation:** Almost all the slums are provided with Public Convenience separately for male and female. These facilities are regularly used and properly maintained by the ULB.
- **Solid Waste Management:** Primary collection of the waste is done. Most of the slums are provided with the waste collection bins. Though waste collection is done, the waste collected is not segregated at source. The wastes are collected only on alternate days.
- **Roads:** The condition of the roads in the slums is bad. They are very narrow and also unable to handle the increasing volume of traffic daily. The total length of the roads in slums accounts for 10% of the total length of the roads within the town.
- **Strom Water Drains:** There is no proper Strom water drain network in the Town. The drains in the slums are only earthen and are also under bad state causing stagnation of water. The slums on the banks of the river and canals were the most affected during recent floods due to the improper network of drains there.
- **Street lighting:** The slums are provided with streetlights at a distance greater than the average distance in the town. Some slums do not have any lighting facilities at all.

Key Indicators and Issues: Following are a set of indicators, against which the current situation and the desired values are compared. The desired values can be used as benchmarks by the ULB to check its performance periodically (annually) and set targets for itself to be achieved in the next financial year. Details are furnished in table below.

Table No. 4.19: Performance Indicators for Slums

Sl. No.	Service Indicators	Unit	Current Situation	Benchmark/ Standards
1.	Proportion of slum population to total city population (2007/2008)	percent	42	< 10
2.	Household size in slums (per HH)	persons	5.21	--
3.	Distribution network reach (against road length in slums) in slums	percent	NA	> 100
4.	Slum population per public stand post	persons	260	75
5.	Slum population per seat of public convenience/ ISP Complex	persons	202	60

Source: ULB and Analysis

Key Issues: Following are some of the key issues identified pertaining to provision and delivery of services to urban poor:

- Major population in slums is with less access to basic infrastructure facilities;
- Poor roads and Storm water drainage is a major concern. Some of the slums are not provided with any network of storm water drains and also the culverts connecting these slums are in bad condition.
- Housing with poor standards, requiring immediate attention for improvement.

4.5 ECONOMIC DEVELOPMENT

4.5.1 ECONOMIC BASE

Kuzhithurai having been located on the plain side, particularly in Vilavangadu Taluk, red loamy soil is predominant with very low gravel content and with fair vegetation cover. The Thamiraparani River passes through the centre of the town from North to South direction, which is the main irrigation source for this region. The Master Plan 2005 and the Land Use 2001 Survey of this town clearly spells out that 49% of area of the town is under agriculture wet and dry use.

Town's geographical conditions support agriculture activities to a greater extent in the area. Rubber, Paddy, Banana and Coconut are the major crops cultivated in this region with Rubber being the chief crop cultivated. The town is a marketing centre for the whole sale and retail trade of the crops cultivated in the surrounding areas. The town is also a nodal centre for the agro-related activities happening around the town. Rubber Plantation is the main agricultural activity and rubber estates are extensively spread around the town.

4.5.2 OCCUPATIONAL PATTERN

As per 2001 census the total workers in the town are 6,291 persons which constitute 31% of the town's total population with 5038 male workers and 1253 female workers. Of the total workforce in the town, the maximum percentage is identified with the Tertiary sector which constitutes 88.68% and the minimum is in the Secondary sector, accounting for 4.69% of total workers.

Table 4.20: Occupation Pattern - 1991 & 2001

Year	Total Population	Total Workers		Primary Sector		Secondary Sector		Tertiary Sector	
		No. of Workers	% of Workers	No. of Workers	% of Workers	No of Workers	% of Workers	No. of Workers	% of Workers
1991	19226	5150	26.79%	1758	34.14%	273	5.30%	3119	60.56%
2001	20503	6291	30.68%	417	6.63%	295	4.69%	5579	88.68%

Source: Census of India 1991 and 2001

Only about 6.63% of the total work force of the town is found to be engaged in the primary sector activities. Soil conditions support agricultural activities particularly cash crops in the town, which is in the declining trend due to changing land use. Employment generating opportunities are lesser in this town as town does not have any major industrial establishments or other employment centers.

4.5.3 TOURISM IMPORTANCE

As far as the tourist attraction is concerned, Kuzhithurai has no tourist place within its town limit. But there are few tourist places within the radius of 50 km distance. Following are the well known tourist places in the region:

MUKKUDAL: T. Chithirai Maharaja constructed this natural dam. It supplies water to Nagercoil, Suchindram and Kanyakumari. It is a beautiful picnic spot.

PECHIPARAI DAM: About 43 km. from Nagercoil this dam has been constructed. This dam in Kalkulam Taluk, was built during the days of the Maharaja Sri Moolam Thirunal across the River Kodayar. The construction of the dam was designed on the pattern of the Periyar dam in the Madurai district. The length of the dam is 425.1 m. It has a catchment area of 204.8 sq.km. The weather is very pleasant and attracts a large number of tourists. The reservoir is surrounded by dense forests and famous for valuable trees and rich wild life such as tiger, elephants, deer etc.



THIRUPARAPPU WATER FALLS: The English term for this Thiruparappu is a pavilion of beauty and holiness. This place is fascinating to watch. There is a shrine, wherein the green hills are located at the back drop of the shrine, and the Kodayur perennial river running in front of the shrine.



There is a waterfall near the shrine which is really wonderful. This is 70 km far from Kanyakumari.

MATHUR AQUEDUCT OR MATHUR HANGING TROUGH is an Aqueduct in Southern India, in Kanyakumari District of Tamil Nadu state. Built over the Pahruli River (also called Parazhiyar), it takes its name from Mathur, a hamlet near the Aqueduct, which is at a distance of about 3 km from Thiruvattar town and about 60 km from Kanyakumari. It is one of the longest and highest aqueducts in South Asia and is also a popular tourist spot in Kanyakumari District.



VAVU BHALI CEREMONY: This town is also a centre for the annual *Vavu Bhali ceremony* held during July along with that Ceremony a great exhibition also take place.

5

STAKEHOLDERS CONSULTATIONS

5.1 IDENTIFICATION OF STAKEHOLDERS

Preparation of a City Corporate cum Business Plan (CCBP) is essentially a consultative process and therefore identification of stakeholders to be involved in the process is of crucial importance. The identified stakeholders may be broadly categorized as under:

- Elected Representatives;
- Service Providers/ GoTN Departments; and
- NGOs/ CBOs and Resource Persons

The identified stakeholders are involved in a proactive manner through all stages of the consultative process.

5.2 CONSULTATION PROCESS

5.2.1 GENERAL

Phase 1 of the assignment involved extensive consultations with the Stakeholders at the ULB and Departmental levels. Pursuant to the Rapid Assessment Report submission, a workshop was conducted including a wider list of stakeholders comprising non government and other representatives.

In Phase II stage of this assignment, detailed consultations were also held with the elected representatives and other non-governmental entities at the ULB level to obtain necessary feedback and development requirements. In this Phase vision of the town was also formulated through consultation process. Subsequently, development strategies, proposals, projects, estimated capital investment plan and scheduling have been formulated and included in this Interim Report.

The Draft Final Report for the town was submitted under Phase III of the assignment. The report was submitted subsequent to the meeting with the ULB Council & Client to finalize the identified projects, their priorities and capital investments. The Draft Final Report submitted was also reviewed by the Review Committee and accorded the approval to submit Final City Corporate cum Business Plan for Kuzhithurai Municipality. This **Final City Corporate cum Business Plan** submitted towards this assignment addresses the findings and recommendations of the study.

5.2.2 FORMATION OF OWG

Operational Working Group (OWG) was formed involving Chairperson, Commissioner, Municipal Engineer, Town Planning Inspector and Sanitary Inspector of Kuzhithurai Municipality. Prior to the Phase II stage of the assignment, findings of the Rapid Assessment Report were discussed in detail with the members of the OWG.

The recommendations of Working Group have been consolidated to evolve a vision for the town. After the meetings held from time to time, working group has come out with various recommendations in their respective sectors. Minutes of the working group discussion are enclosed in Annexure - 4.

5.2.3 INDIVIDUAL / SECTOR-SPECIFIC DISCUSSIONS

The Consulting Team had a series of individual and sector-specific discussions with various stakeholders, representing both government and non-government sectors. Broadly, individual consultations were held for discussing the existing constraints / weaknesses, felt needs, opportunities and focus areas for the proposed CCBP. Sector-specific discussions were also held with service providing agencies to understand the current situation, system details, technical and administrative issues, prospects, and their preparedness to meet the emerging challenges. These discussions also focused on the town's strengths and weaknesses in facilitating economic growth and improving quality of life for all citizens.

5.2.4 CONSULTATION WORKSHOPS AND REVIEW MEETINGS

Each phase of the study was culminated with a workshop followed by a review meeting, to endorse the findings with specific remarks and suggestions. All these workshops were organized with a plenary session in which the Consulting Team presented the findings of the consultations, relevant data analysis and findings for discussions, clearly specifying the objective, agenda and expected outcome of the workshop.

The First Workshop (Workshop 1) was organized on Dec 19, 2008 to commence the study, discuss the initial aspects of the proposed study and key issues such as the logistics and data collection involved. This workshop was convened by the Chairperson of Kuzhithurai Municipality and attended by Commissioner and other Officials of Kuzhithurai Municipality, representatives from other key stake holding departments and service providing agencies.

Subsequent to the submission of Rapid Assessment Report a review meeting was held on March 5, 2008 in the office of TNUIFSL. Aforementioned report was reviewed by the Technical Review Committee comprising the TNUIFSL, CMA and executive and elected representatives from the ULB and the same had been approved.

Followed by a review meeting, a Second Workshop was organized on April 23, 2008 to discuss the findings of the Rapid Assessment Report. The study team presented the Rapid Assessment Report and the vision for the town and development strategies to achieve the vision was formulated during this workshop.

In continuation to the assignment, the study team prepared the Strategic Plan and Interim Report for the town highlighting the vision evolved during the consultation workshop, development proposals, projects identified and proposed capital investment. These deliverables were then reviewed by the Technical Review Committee members on July 7th and 8th, 2008 and approved the same.

In continuation to the Review Meeting, the study team performed wide range of stakeholder consultation (Workshop 3) in order to prioritize the identified capital investments. During the consultation process, projects identified during the rapid assessment stage were briefed to the participants and ranking of sectors based on their need/demand was performed considering short-term and long-term plan period. The prioritized sector wise investment for the town is elaborated in the following sections of this report.

The sector wise priority recommended by the stakeholders has been incorporated in the Draft Final report and submitted for approval. Review meeting was held in the office of TNUIFSL on September 23rd & 24th, 2008. The meeting was attended by officials of TNUIFSL and CMA, elected representatives and officials of respective ULBs. During the Review Meeting, the study team presented the Draft Final Report and committee raised few points for clarification.

Subsequently, the study team submitted the Annexure to Draft Final Report by addressing the review comments and related. Technical Review Committee reviewed the Annexure to DFR and accorded the approval of Draft Final Report and recommended to submit Final City Corporate Plan with Council approval.

On approval of the Draft Final Report, the same was then presented to the ULB council and for finalization of CCBP covering identified investment requirements and the priority & phasing of the identified projects for the short term and long term periods. In continuation to the stakeholders meeting, this Final City Corporate cum Business Plan was submitted with council's resolution.

Minutes of the consultations workshops and review meetings held are enclosed as Annexure – 2, 3, 4, 5, 7, 8, 9 and 10.

5.3 CITY OPINION SURVEY

The objective of the City Opinion survey is to understand the perceptions of the citizens of Kuzhithurai regarding the overall image of ULB and the services rendered by the ULB. The output of the above survey was an important input to the CCP as these were considered as perceptions of the citizens.

Broad Objectives

- Assess existing standards of service delivery
- Determine need for higher standards
- Priorities and preferences
- Bring out inequities across space and across category of respondents

This survey also highlighted the key concern areas of citizens and thereby helped the ULB to focus its attention on such issues. Finally, the survey also provided key reference points for determining the strategies to achieve the vision. It may be noted that all the information captured and the inferences drawn from this section are based on perceptions of the respondents.

5.3.1 SURVEY METHODOLOGY

The survey was conducted in areas/pockets located within the administrative jurisdiction of the ULB. The survey covered various aspects on provision and delivery of urban/civic services, aspects related to citizen representation such as presence of citizen associations, involvement of citizens in managing urban services, etc. The survey also gathered socio-economic data relating to the respondents in order to draw suitable conclusions regarding different categories of respondents. Various aspects covered under the surveys are given in the box above.

Aspects/Sectors Covered in Demand Assessment Surveys

- Water supply
- Sewerage and drainage
- Solid waste management
- Road network and transportation
- Parking facilities
- Street lighting
- Social infrastructure / community facilities
- Public opinion

The sample size for the survey was selected based on the geographical coverage of the town and various income groups. Broadly, the samples are categorized as follows:

- Households;
- Urban Poor (Slum Dwellers);
- Small Commercial Establishments; and
- Large Commercial Establishments.

Questionnaire was designed to perform the City Opinion Survey. A copy of the above questionnaire is given as Annexure - 6. The methodology adopted for selection of samples and sample size for each of the categories is given in the table below:

Table 5.1: Sample Selection Methodology and Sample Size

Sl.	Category	Rationale	Size (Nos.)
1.	Households	<ul style="list-style-type: none"> Sampling based on electoral rolls, using systematic random sampling method; Selection of about 25 pockets with about 2 interviews per pocket; Pockets distributed across the wards. More pockets in high density wards; Pockets preferably covered areas with known inequities in service provision; Monitoring socio-economic categories in pocket interviews during fieldwork & conducting booster interviews (purposive) to achieve shortfall (if any) in a particular category to arrive at a quota of about 50 in each of the four categories; Booster interviews (purposive), covered at least one-third of women respondents; Conduct 1 household interview per every 25 buildings (skip 25 buildings for the next interview). 	50
2.	Urban Poor (Slum Dwellers)	<ul style="list-style-type: none"> Slums categorized into 4 categories by population and about 5 slums selected for ensuring geographical spread as well as coverage across slum settlements of different sizes; Number of interviews conducted per slum is proportional to the population of the slum - depending upon the size, 2-4 interviews conducted per slum; and Cluster sampling followed to conduct interviews in each slum - each slum is divided into 3-4 clusters (that ensures geographical coverage within the slum settlement) and 2-3 interviews conducted in each cluster. 	20
3.	Small Commercial Establishments	<ul style="list-style-type: none"> Purposive sampling followed; Geographical coverage is ensured while selecting establishments - interviews conducted in different areas across the town; Covered areas/establishments located outside municipal limits (but within urban agglomeration), which are functionally connected to the city (if required); and Owner / Manager of the establishment interviewed. 	15
4.	Large Commercial and Trading Establishments	<ul style="list-style-type: none"> Purposive sampling followed; Geographical coverage is ensured while selecting establishments - interviews conducted in different areas across the town; Covered areas/establishments located outside municipal limits (but within urban agglomeration), which are functionally connected to the town (if required); and More than one person within an establishment is interviewed for eliciting correct response to all the questions. 	15
All Categories of Representation			100

Note: In all categories, about two-third of total sample size were selected on random basis as per above suggested methodology, while remaining one-third of the sample size were covered through purposive booster interviews to achieve balance of different types of respondents within each category.

The surveyors were provided with on-field training for conducting the survey and the supervisors were made responsible for maintaining the desired level of quality of the survey. Pilot test was carried out before the commencement of the survey to ascertain:

- whether the identified/specified respondent is able to answer the questions,
- whether the questions were properly understood by the respondents and all appropriate responses were listed, and
- Whether any key aspects had been left out of the questionnaire. The pilot tests were successful.

5.3.2 ANALYTICAL FRAMEWORK

The City Opinion Survey analysis was carried out separately for each category viz., households, urban poor, small commercial establishments and large commercial establishments. Apart from the category-wise analysis, certain results have been analyzed across all categories of consumers to highlight the key findings for Kuzhithurai as a whole. The broad framework adopted for the analysis is given below:

- Coverage:** Analysis of the coverage has been done separately for each customer category to ascertain category-specific issues. Finally, a cumulative analysis was carried out across all categories to have an overall picture.
- Public Opinion/Public Awareness:** Two aspects relating to public opinion/awareness were analyzed as part of the survey:

- Awareness of various aspects relating to ULB service delivery, citizens perception of a good city, vision of citizens.
 - Overall rating of municipal services on a categorical scale reflecting the satisfaction level of the citizens. Citizens were also questioned about the most important service that needs to be improved. This input was required to prioritize the action plans of the ULB.
- **Cross-Tabulations:** Each question typically captures responses to one variable or a particular category. Cross-tabulation is a method that helps highlight findings in one variable and further analyze of the responses. In one category, cross-tabulation primarily involves tabulating responses to a dependent variable vis-à-vis an independent variable.
 - **Conclusions:** The conclusions and implications of the survey findings have been drawn at both levels, viz. for operational decisions and for strategic/policy decisions. Both have been taken into account as inputs for CCP preparation.

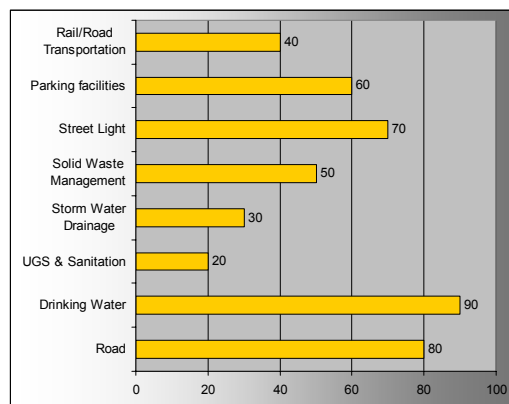
5.3.3 SURVEY RESULTS, ANALYSIS AND INFERENCES

The respondents expressed their interest in the provision of an improved level of civic services. The survey, evaluated the perception of citizens on services presently provided by the ULB. Analysis of the data collected through the City Opinion Survey on several aspects of the identified Focus Areas is presented in the following sections.

- In basic amenities, water supply was highlighted as a key sector requires improvement and rehabilitation works. Thamiraparani Scheme was also discussed during opinion survey.
- It is followed by implementation of underground sewerage scheme and by-pass road to decongest traffic in the town.
- Respondents also suggested new bus stand in Kuzhithurai area to provide better transport facility.
- Most of the respondents reflected the need of rubber and coir based industries to provide economic opportunities in the region.
- Protection of eco system like wet agricultural lands, water bodies was mentioned by majority of respondents.
- Provision of recreational facilities like Park, improvement of VLC auditorium was also envisaged.
- Provision of foot paths along major roads and traffic regulation measures like sub-ways at major junction was suggested by the majority of respondents.

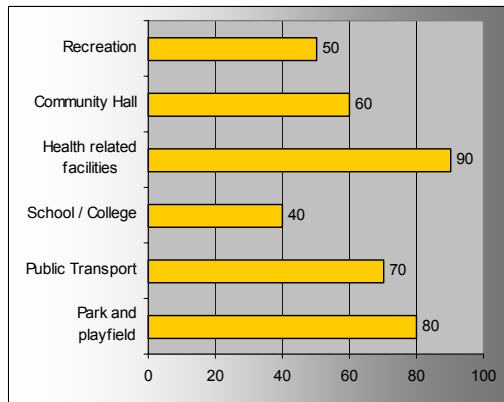
Analysis of the information collected through the City Opinion Survey (COS) on several aspects of the identified Focus Areas is presented in the following sections:

Perception of Public

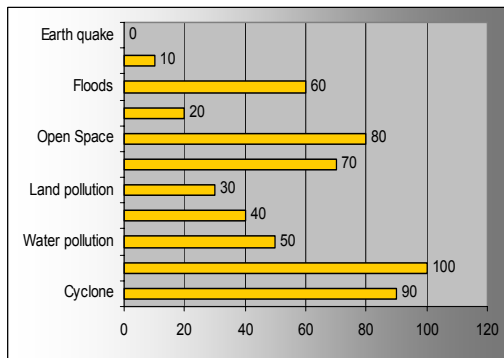


Priority of Public

	Sector	Priority Rank
Infrastructure	Road	2
	Drinking Water	1
	Under Ground Drainage & Sanitation	8
	Storm Water Drainage	7
	Solid Waste Management	5
	Street Light	3
	Parking facilities	4
	Rail/Road Transportation	6



Public Facilities	Sector	Priority Rank
	Park and playfield	2
	Public Transport	3
	School / College	6
	Health related facilities	1
	Community Hall	4
	Recreation	5



Public Facilities	Sector	Priority Rank
	River / Lake	2
	Air pollution	1
	Water pollution	6
	Land pollution	7
	Noise pollution	8
	Open drain	4
	Open Space	3
	Floods	9
	Earth quake	5
	Cyclone	10
	Drought	11

6

VISION AND STRATEGIC PLANNING

6.1 VISION OF KUZHITHURAI TOWN

The vision statement of the town sets the direction and the yardstick by which the town would be judged to achieve the goals formulated for its development. The proposed vision for the development of the town of Kuzhithurai, have been perceived around the following core ideas.

- Expand Kuzhithurai's regional identity and encourage developments as a important commercial and trading destination of the region by identifying the areas of core competencies of the town.
- Develop **Kuzithurai and Marthandam as a "twin city"** with improved infrastructure facilities to attract commercial and trade based activities.
- To preserve the pleasant environment of the town by planning sustainable development plan.
- To ensure safe, healthy, attractive and sustainable destination for the people to reside in.
- Inspire and strive for excellence, innovation and achievement of better living conditions for the people. and
- To enhance the participation of people in decision making and administration activities by making administration participative and responsive to people's need.

Vision Statement For Kuzhithurai

Kuzhithurai as a Market town by providing better access and infrastructure facilities through an sustainable approach

The overall vision for the town paved the way to formulate sector specific vision and strategies. This sector specific approach with year wise strategies and corresponding year wise investments will be instrumental in framing the action plan/ implementation plan. The sector specific reforms and investments are an integral part of the year wise strategies.

Based on the above 'Vision Statement', the following broad focus Areas were identified:

- Primary Focus Areas
 - Economic & Urban Development;
 - Infrastructure Development (Provision & Delivery);
 - Environment Improvement;
 - Urban Poor and Slum Upgrading;
 - Urban Management and Sectoral Reforms; and
 - Urban Governance.
- Secondary Focus Areas
 - Public-Private-People-Partnerships;
 - Community Interface; and
 - Social Development.

6.1.1 SECTOR SPECIFIC VISION STATEMENTS

Extensive consultations were held with various stakeholders to identify the inputs for the aforementioned focus Areas. These consultations formed the basis for the 'Vision Statements' for each of the focus Areas. Following table presents such focus Areas and the 'Vision Statements'.

Table 6.1: Focus Areas and Vision Statements

Sl.	Focus Areas	Vision Statements
1.	Economic and Urban Development	Strengthen the town's economy by creating conducive environment for development in the town and the hinterland
2.	Infrastructure Development (Provision & Delivery)	Achieve adequate and equitable distribution of all services coupled with efficiency enhancement and sustainability
3.	Environment Improvement	Prevent pollution in all respects, which affects the safety of the inhabitants of the town along with protecting the existing natural resources from man-made intervention to maintain the environment balance in the region
4.	Urban Poor and Slum Upgrading	Improve overall living conditions of urban poor through improved housing, proper tenure and equitable basic services to bring them into the main stream
5.	Urban Management and Reforms	Strengthen the finances & resources through reform driven urban management initiatives
6.	Urban Governance	Bring transparency and accountability in the town administration through technology interface, human resource development and citizen orientation

The CCP process of Kuzhithurai has undergone extensive consultative process with its key stakeholders in prioritizing the key sectors for development. The list of stakeholders consulted and the outcome of such consultations are enclosed in Annexure 2 to 10. The priorities of the central and state governments development goals have been considered in prioritizing these critical sectors, presented below.

- Water Supply
- Sewerage
- Solid Waste Management
- Traffic and Transportation
- Storm Water Drainage
- Urban Poverty

Selection and formulation of strategies are made on the basis of judgment of "outcomes" not on the bases of "inputs".

6.2 STRATEGIC PLAN

A strategy is a set of actions, policies and programs/projects designed to achieve a specific goal. Strategies provide a direction that takes advantage of the unique conditions that exist in a location. Thinking strategically creates not only a shared vision for the future, but also a framework for decision-making and the allocation of limited resources.

The essence of the process of strategic plan for physical development is the involvement and participation of the target population or the beneficiary. Strategic plan starts from the conception of the idea of business mechanism in planning to the completion and maintenance of the plan in a sustainable mode.

The strategic plan also suggests a ten year phasing of the proposals of the plan and it intends to address the 'essential' need in terms of services, in order of micro level priority, so that a sound base would be built at the end of ten years as a take-off point, when the citizens and citizen groups will be prepared to spare their attention without pre-occupation or reservation from the priority, needs at individual locality level (i.e ward level), to the town level and consciously involve themselves in the city building process. For this there should

be a target or vision at town level to pursue and accordingly channelise the efforts in their thinking, saying and doing. To arrive the future vision of the town in its perspective few relevant queries relating to resource generation management, project feasibility with sustainability and other support pre-requisites will be put across to the concillors and other stakeholders.

6.2.1 STRATEGIC FRAMEWORK

The Strategic Framework organizes actions and policies suggested by the community to achieve the community vision. The Strategy Framework provides a way to organize goals and specific actions as part of the town's future growth and vision.

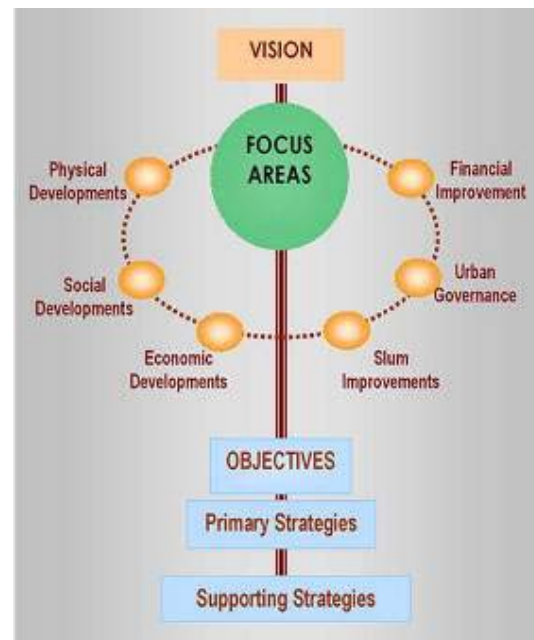
The strategic framework proposed for Kuzhithurai is comprised of six focus areas, for each focus areas an objective is arrived to achieve the vision of the town by means of formulating primary and supporting strategies. The Implementation Matrix summarizes these strategies in a series of proposed actions.

Primary Strategies – Primary strategies for the town include major new development initiatives based on town and region-wide trends, and the unique position. Primary Strategies are those initiatives that are expected to have the greatest influence to redirect the role of the town in the region.

Supporting Strategies – Supporting strategies are activities and programs that would enhance the overall environment and support the primary strategies. Although these strategies are shown on a second tier, it should be understood that in many cases, they are the projects that are necessary in order to implement the primary strategies.

The strategies adopted primarily have three dimensions; improving the service delivery by higher efficiency, improving service delivery by creating infrastructure assets and improving the governance aspects of the Municipality. In order to tackle the issues of basic, economic and social infrastructure and to achieve the vision statement, the study team in consultation with the stakeholders has identified the following broad strategies under the following sectors:

- Land Use -- Compatible land use, Development Control rules to promote and support economic activities, development of transport links.
- Core Municipal Infrastructure-- Adequacy, reliability and accessibility to core municipal services for all citizens with ULB as the prime service provider.
- Traffic & Transportation-- Road widening, dedicated bus lanes, cycle tracks and improvement of the public transport system in the short run; exploring the possibility of regional linkages in the long run.
- Urban Environment-- Conservation of rivers, water bodies, and natural environment of the town; making environment an integral part of every decision-making process.
- Urban Poor-- Affordable housing,



tenure security, integrated service provision, access to basic infrastructure needs and social amenities

- Culture & Heritage– Preservation of heritage structures, promotion and facilitation of cultural activities, and encouragement of tourism appropriate to the town environs.
- Economic Development-- Improving infrastructure, service delivery and governance by attracting public private partnerships (PPP), creating coordination for implementing economic policies in the urban region, developing collaborations between industries and institutions to further establish Kuzhithurai as a dynamic town of the Region.
- Urban Governance-- Redefining the roles of administration, making it accountable and transparent and empowering and involving citizens.

The Strategic framework for development has been evolved based on the outcome of the Rapid Assessments and stakeholders consultations carried for this town earlier. Issues and Potentials for development have been the main product of such assessment and the same has been considered for evolving sector specific development objectives, primary and supporting strategies and appropriate action plan. The following table illustrates the Strategic Framework evolved for Kuzhithurai Municipality.

Table 6.2: Strategic Framework for Identification of Actions – Kuzhithurai

No.	Sector Specific Objective	Primary Strategies	Supporting Strategies / Actions
PHYSICAL DEVELOPMENT			
Land use Management			
1	To Decongest core area.	<ol style="list-style-type: none"> 1. Prevent/regulate further construction of high-rise buildings in old town with adequate development control measures. 2. Develop available open spaces as organized parking lots to decongest narrow roads. 	<ol style="list-style-type: none"> 1. Identification of potential areas for residential development through implementation of DDPs identified in the Master Plan. 2. Expansion of the present administrative boundary of the ULB by merging neighboring villages.
2	To achieve Optimum Utilization of land	<ol style="list-style-type: none"> 1. Channelizing the developments considering the policies and programmes of the government. 	<ol style="list-style-type: none"> 3. Provision of urban open spaces and higher order facilities within the LPA. 4. Implementation of Scheme roads as per Master Plan Proposal.
3	To promote a spatial structure of the town that caters to the emerging economic activities and population growth.	<ol style="list-style-type: none"> 1. Addition of commercial infrastructure in the potential wards. 2. Promotion of neighborhood schemes to meet the future housing demand under private partnership. 3. Improvements to public domain areas - road space and institutions. 	<ol style="list-style-type: none"> 5. Protection of wet land and agricultural land by implementing Development Control Regulation (DCR). 6. Zoning of land uses specifically for Industrial purposes to attract economic activities within the LPA.
4	To Integrate land use and transport development.	<ol style="list-style-type: none"> 1. Improve more road open space on major arterial roads to improve the traffic flow. 2. Regulate mixed land use based road widths. 	<ol style="list-style-type: none"> 7. In order to meet the space requirement for future, commercial and mixed residential zoning shall be earmarked within the LPA. 8. Assessment of feasibility of establishment of regional linkages like high ways.
5	To Preserve natural assets and heritage elements in the town.	<ol style="list-style-type: none"> 1. Specific guidelines for building permission to match with road width. 2. Conservation of environmental resources & heritage. 3. Generate more urban land through market friendly mechanisms. 4. Formulate water bodies' networking programme to supply integrated open spaces to support physical and economic infrastructure. 	<ol style="list-style-type: none"> 9. Resolving conflicting land uses with reference to Master Plan Proposal. 10. Promotion of activities in the peripheral/outskirts in a phased manner. 11. Removal of encroachments and widening of roads wherever feasible/ required.
Water Supply			
1	To provide water supply at the prescribed rate of supply	<ol style="list-style-type: none"> 1. Comprehensive Water Sector Development / Augmentation Plan. 2. Water Supply Operation & Maintenance Plan. 	<ol style="list-style-type: none"> 1. Water supply system to meet the 30-year demand (2010-2040). 2. Identification of individual water supply scheme to fulfill the future demand.
2	To ensure daily supply of water to the users	<ol style="list-style-type: none"> 1. Planning and capacity augmentation for adequate and equitable water supply. 	<ol style="list-style-type: none"> 3. Impose regulation for the use of ground water by means of erecting deep bore wells. 4. Implementing the continuous system of water supply.
3	To provide 100% Coverage	<ol style="list-style-type: none"> 1. Water supply system for uncovered and extension areas to ensure 100% coverage. 	<ol style="list-style-type: none"> 5. Developing efficient operation and management of water supply systems. 6. Provision of generator facility in all booster stations and head works.
4	To Minimize NRW component	<ol style="list-style-type: none"> 1. Performance monitoring - energy audit, leak detection, NRW studies, water quality, etc. 2. Creation of public awareness. 	<ol style="list-style-type: none"> 7. Rehabilitation of existing sources to increase the present
5	To achieve cost recovery	<ol style="list-style-type: none"> 1. Comprehensive Asset management plan. 2. Institutional strengthening and capacity building. 	

No.	Sector Specific Objective	Primary Strategies	Supporting Strategies / Actions
		3. Revenue enhancement through collection drives, metering and tariff rationalization to raise annual collection. 4. Establishment of GIS based assessment mechanism.	supply rate. 8. Redistribution/re-zoning of distribution system in existing areas. 9. Rehabilitation of existing service reservoirs if applicable. 10. Construction of additional service reservoirs / sumps if applicable. 11. Proposed distribution system in uncovered / extension areas. 12. Rehabilitation and upgrading of pump / booster stations and transmission systems. 13. Provision of generator facility in booster stations. 14. Maximizing of cost recovery from system beneficiaries/users of the services. 15. Drive against illegal connection. 16. Promote individual House Service Connections (HSCs) in slum locations and discourage Public Stand Posts (PSPs) as a policy measure and to increase accountability. 17. Developing technically feasible and financially viable projects for implementation. 18. Prepare an asset inventory and map the water supply systems for effective monitoring. 19. Capacity Building of the ULB staff to undertake efficient management and administrative decisions. 20. Creating Public Awareness with regards water conservation activities. 21. Assessment of gaps and investment needs in the urban poor/ slum locations.
Sewerage and Sanitation			
1	To provide sewerage system	1. Comprehensive Sewer Master Plan. 2. Prevent discharge of sewage and sullage to storm water drains.	1. Prepare a comprehensive UGS master plan to explore the possibility of the decentralization of the system of operations for effective service delivery.
2	To provide proper sewage disposal facility	1. Treatment of sewage - decentralized advanced systems. 2. Development of waste water treatment and re-use systems.	2. Sewage collection and conveyance system for unsewered areas considering ultimate stage sewage generation. 3. Ensure 100% coverage. 4. Plan the UGS system and ensure the location of STPs in unobjectionable location.
3	To provide sanitation facilities to low income groups	1. Identification of beneficiaries under various Central and State funded schemes to establish sanitation facility. 2. Expanding sanitation program to low income communities. 3. Providing subsidies to poorer communities for setting	5. Improve and ensure access to sanitary facilities for the urban poor and slum dwellers. 6. Encourage pay & use category of public conveniences with community involvement in the maintenance of the

No.	Sector Specific Objective	Primary Strategies	Supporting Strategies / Actions
		<p>LCS facility in slum areas.</p> <p>4. Integration of existing and proposed LCS & community toilets to proposed UGSS.</p>	<p>same.</p> <p>7. Performance monitoring - energy audit, quality, etc.</p> <p>8. Assessment of possibilities of recycle and reuse of sewage water.</p> <p>9. De-silting of existing water bodies and development of the bed lining.</p> <p>10. Re-development of tank/lake bunds through slab lining.</p> <p>11. Re-development of perimeter area - paved walkway, area lighting, compound wall/fencing, access control and landscaping;</p> <p>12. Water treatment and recirculation including passive aeration systems;</p> <p>13. Reconstruction and restoration of drains leading into and out of the water bodies including by-pass and flood control;</p> <p>14. Installation of water quality monitoring stations.</p> <p>15. Mosquito and fly control measures to have better living environment for the citizens.</p> <p>16. Safe disposal facility for slaughter house wastes.</p> <p>17. Assessment of gaps and investment needs in the urban poor/ slum locations.</p>
4	To protect water bodies	<p>1. Identification of water bodies within town limits for conservation.</p> <p>2. Manage and control developmental activities along water front areas.</p> <p>3. Rehabilitation of existing water bodies.</p> <p>4. Re-development of area adjoining water bodies for community use, if available.</p> <p>5. Improvements to supply channel / catchment facilities, water quality maintenance and groundwater recharge in water bodies.</p> <p>6. Inventory measures to control the pollution of water bodies.</p> <p>7. Frequent testing of water samples.</p>	
Storm Water Drainage			
1	To ensure network coverage	<p>1. Storm Water Drainage Master Plan / Pilot Project</p> <p>2. Removal of encroachments along major and minor drains.</p> <p>3. Rehabilitation of existing drains.</p> <p>4. Expansion of drain network to uncovered areas.</p>	<p>1. Identification of hierarchy of drains in the town.</p> <p>2. Improve drainage network on a priority basis in flood-prone areas.</p> <p>3. De-silting of existing storm water drains.</p> <p>4. Perimeter protection of major drains.</p> <p>5. Re-grading/re-surfacing of drains as required.</p> <p>6. New drain network for uncovered areas.</p> <p>7. Construction of new roads integrated with construction of drains.</p>
2	To achieve efficient Management of natural system	<p>1. Identify, delineate, sanitize and protect the natural drainage system of the town.</p> <p>2. Awareness programs to prevent solid/liquid waste dumping into drains.</p>	<p>8. Exploring Rain water harvesting measures to recharge ground water.</p> <p>9. Assessment of gaps and investment needs in the urban poor/ slum locations.</p> <p>10. Rainwater harvesting system needs to be developed to conserve/ recharge underground water by making rainwater harvesting structures, construction of ponds and lakes, and plantation etc. and making it mandatory for the big commercial and institutional establishments.</p>
3	To Recharge / Reuse storm water	<p>1. Assessment of possibilities for recharge/ reuse of waste water in the town.</p> <p>2. Expansion of Rain water harvesting system/structures town wide.</p>	

No.	Sector Specific Objective	Primary Strategies	Supporting Strategies / Actions
Solid Waste Management			
1	To comply with MSW handling rules, 2000	<ol style="list-style-type: none"> 1. Scientific approach for Sweeping. 2. Minimization of generation of Solid Waste. 3. Source segregation of municipal solid waste. 4. Augmentation and expansion of primary collection of waste. 5. Modernization and expansion of existing waste transportation system. 6. Municipal solid waste treatment and disposal. 7. Regulation of recyclable wastes handling and re-use. 8. Proper handling and disposal of slaughter house and other categories of wastes. 	<ol style="list-style-type: none"> 1. Phased implementation of 'Door to Door collection System' through community organisations by mobilising, facilitating, organising and supporting community activities with the help of local NGOs. 2. Create a separate multi-disciplinary SWM cell with expertise in engineering, human resources/personnel management, awareness generation/ health. 3. Installation of 'Community Storage Bins' in areas where door-to-door collection cannot be implemented. 4. Implementation of TWO BIN System of solid waste collection.
2	To ensure effective processing of waste through composting.	<ol style="list-style-type: none"> 1. Increase the ambit of Solid Waste Management to include "recycling" and to facilitate and regulate the sector accordingly. 2. Encouraging local level aerobic vermin composting. 3. Compost the organic fraction of the waste. 4. Sanitary land filling of inorganic fraction of waste and the compost rejects. 5. Ensuring cost recovery/return from compost processing. 6. Implementation through PPP mode. 	<ol style="list-style-type: none"> 5. Placement of dumper bins sufficient in number at market and commercial areas. 6. Ensure optimum utilization of existing fleet. 7. Develop integrated waste processing and disposal facility in a scientific, eco-friendly manner – for different types of material by combining two or three towns. 8. Initiate Information-Education-Communication (I-E-C) campaigns to raise awareness among the urban poor and slum dwellers of better SWM practices. 9. Initiate steps towards sharing the responsibility of primary collection of segregated garbage with citizens.
3	To achieve Human resource development goals	<ol style="list-style-type: none"> 1. Work shops and training program to educate staff 2. Entrusting responsibilities to the authorities to hold them accountable for any non conformation. 3. Encourage performance based incentives to enhance efficiency and output. 	<ol style="list-style-type: none"> 10. Expanding the 'Voluntary Garbage Disposal Scheme' for more number of restaurants/hotels and commercial establishments and collecting user charges. 11. Increase present staff strength based on CPHEEO norms. 12. Persuading the hospitals to be part of the existing bio-medical waste management facility.
Roads, Traffic and Transportation			
1	To ensure adequate road network facility / coverage	<ol style="list-style-type: none"> 1. Comprehensive Traffic Study for entire town. 2. Augmentation and rehabilitation of roads. 3. Widening and strengthening of road structure and removal of encroachments. 	<ol style="list-style-type: none"> 1. Improvements to the existing roads. 2. ULB maintained roads - upgradation of existing earthen / gravel road to BT / CC roads based on the incidental traffic volume count.
2	To ease traffic congestion in the town	<ol style="list-style-type: none"> 1. Study of city-wide parking requirements and development of parking infrastructure. 2. Improvement of Pedestrian Facilities. 3. Traffic streamlining. 4. Segregation of slow and fast moving vehicular traffic. 5. Construction of underpass/ over bridges at crossings. 	<ol style="list-style-type: none"> 3. Departmental roads - widening of major roads to 2/4/6 lanes with provision of service road (pedestrians, two- and three-wheelers) within town limit. 4. Upgradation of State Highway to National Highway and linking with other existing National Highways in the town to achieve better linkages.

No.	Sector Specific Objective	Primary Strategies	Supporting Strategies / Actions
3	To offer regional linkages	6. Proper re-alignment of road furniture and utilities 1. Establishment of regional linkages considering the future growth potentials.	5. Provision of bus shelters at the appropriate locations. 6. Construction of New bus stand in Kuzhithurai area and improvement of existing bus stand at Marthandam. 7. Provision of signals, pedestrian crossings, median, traffic island, roundabout and signage's. 8. Pedestrian Footpaths to be provided in all the major roads for better movement. 9. Construction of By-pass Road to ease traffic congestion. 10. Construction of flyovers/ROB/FOB and pedestrian subways at major intersections including widening of the embankment and ramp landing (access and main) areas.
Street Lighting			
1	To ensure adequate street lighting facility	1. Comprehensive Street light management plan. 2. Development/updation of Asset Register.	1. Upgradation of existing street lights. 2. Installation of high-mast cluster lighting at important junctions. 3. New street lights for uncovered and extension areas. 4. Power consumption management and implementation of energy efficiency measures. 5. Use of energy saving equipment. 6. Establishment of wind mills at the appropriate place to utilize alternate energy sources. 7. Identification of possibilities of underground cabling. 8. Encouraging private operators for O&M.
2	To Reduce/minimize energy cost	1. Energy audit studies. 2. Innovation of new technologies. 3. Utilization of alternate renewable energy sources.	
3	To Establish PPP	1. Exploration of possibilities of public private partnerships.	
SOCIAL DEVELOPMENT			
1	To enhance quality of life.	1. Ensure a safe, healthy environment for the residents. 2. Inter- sectoral convergence for Urban Health Care. 3. Establish a successful and sustainable living environment.	1. Expansion of existing educational facility. 2. Expansion of existing health care facility. 3. Establishment of new educational institutions based on future need. 4. Establishment of new health care institutions based on future need. 5. Establishment of community hall / Marriage hall under PPP mode. 6. Improvement of infrastructure facilities in Burial grounds. 7. Provision of parks, play fields and community facilities based on the demand.
2	To achieve universal access to social facilities	1. Increasing private sector and NGO participation.	
SLUM IMPROVEMENT			
1	To ensure all poor will have access to qualitative and affordable basic services	1. Development of Comprehensive data base. 2. Community empowerment. 3. Institutional Strengthening and Capacity Building. 4. Relocation of slums located in vulnerable Areas.	1. Comprehensive listing of slums. 2. Preparation of a database on socio-economic characteristics of all slum dwellers in the listed slums. 3. Mapping and assessment of physical characteristics of

No.	Sector Specific Objective	Primary Strategies	Supporting Strategies / Actions
		5. Channelize all programs and activities of various government agencies for the urban poor through the special purpose vehicle.	4. slums (housing and services) for all tenable slums. 4. Preparation of DPRs for each of the slums as an integrated scheme covering both housing and services.
2	To confirm 100 % literacy	1. Evolving a comprehensive education system. 2. Improving Educational facilities.	5. Provision of basic infrastructure - both physical (water, roads, sanitation and sewerage) and social infrastructure (clinics, schools, training facilities, etc). Construction of EWS housing schemes & fixing priorities to BPL.
3	To achieve Universal access to primary health care and no one should die of preventable diseases	1. Evolving a comprehensive health care policy. 2. Improving health facilities. 3. Improving Access to Social Services.	6. Identify Target Beneficiaries. 7. Integrate Community Development -Provide economic generation activities.
4	Livelihood to all urban poor	1. Evolving a comprehensive Livelihood Policy. 2. Linking livelihoods to city's economy. 3. Community Based Approach. 4. Target women and children. 5. Economic Support/Enterprise Development.	8. Improving living condition of slum dwellers. 9. Conduct livelihood Training Program. 10. Identification of land parcels for resettlement of slum dwellers of all non-tenable slums and involvement of NGOs/CBOs in the process.
5	Security of tenure and Affordable Housing	1. Development of housing through partnerships – PPP. 2. Provision of land tenure security. 3. Formulation of Notification and De-notification Policy.	11. Awareness on health and hygiene shall be created among slum dwellers in line with the long-term goal of moving towards individual toilets and doing away with public convenience systems.
ECONOMIC DEVELOPMENT			
1	To provide employment opportunities to all	1. Formation of Integrated tourism development plan. 2. Creation of organized commercial centres for retail and wholesale trade. 3. Encouraging service sector by implementation of training programmes.	1. Developing civic infrastructure like water supply, drainage, sewerage, waste management etc. 2. Making available serviced land for industries, and real estate development.
2	To encourage setting up of IT and ITES	1. Allocation of land for setting up of IT Parks. 2. Provision of road linkages and basic infrastructure facilities considering the future demand.	3. Promotion of rubber and coconut based industries. 4. Establishment of hotel and lodging facility under PPP. 5. Creating amusement parks and other entertainment facilities especially for local citizens and tourists.
3	To encourage economic activity	1. Expansion of daily and weekly markets in the town. 2. Exploring possibilities of promoting commercial activities. 3. Active promotion of public- private partnership (PPP) for development and operation of infrastructure and utilities. 4. Initiate collaborative arrangements with other departments and economic development agencies to facilitate implementation. 5. Facilitate assistance for enterprises to improve export supply chains thereby increasing competitiveness through enhanced supplier and customer relationships	6. Encourage private sector to develop shopping complexes and multiplexes to meet the growing demands of the expanding middle class in the region. 7. Promote non-polluting small scale and cottage industries. 8. Promote coconut processing unit, coir industries. 9. Establishment of Cold Storage unit in the existing market. 10. Encourage development and growth of housing complexes in the private sector or joint venture. 11. Construction of shopping complex at Nallore Village. 12. Creating infrastructure including making availability of land to attract educational and research institutes. 13. Encourage small scale and house hold industries by

No.	Sector Specific Objective	Primary Strategies	Supporting Strategies / Actions
		and reduced operating costs.	<p>means of offering training programs.</p> <p>14. Encourage formation of SHGs by means of conducting women self employment / training programs.</p> <p>15. Relaxation of policies and procedures in order to attract investors.</p> <p>16. Facilitate assistance for enterprises to build export capabilities and access global markets.</p>
URBAN GOVERNANCE			
1	Greater local participation and involvement	<ol style="list-style-type: none"> 1. Capacity Building Program. 2. Full adoption of 74th CAA Model. 3. Conduct citizen satisfaction surveys & analysis on annual basis to assess citizen needs and demands including satisfaction levels. 4. PR strategies to enhance community participation and create awareness. 5. Innovative citizen complaint redressal system including e-Governance. 6. Augment and strengthen new initiatives on citizen interface and orientation. 7. Regular interface with citizen associations/forum to understand public needs. 	<ol style="list-style-type: none"> 1. Promotion of town identity and a sense of citizenship for all 2. Public meetings, participatory planning and budgeting. 3. Involvement of marginalised groups in the city systems. 4. Efficient investment in infrastructure. 5. Delegation of decision taking to the lowest appropriate level. 6. Collaboration and partnerships, rather than competition 7. Appropriate training to improve capacity of ULB officials 8. Using information technology to best advantage 9. Environmental planning and management carried out in co-operation with the citizens 10. Disaster preparedness and crime control for safer environments.
2	Efficient urban management	<ol style="list-style-type: none"> 1. Establishment of town-wide framework for planning and governance 2. Functional Restructuring. 3. Proposal to develop the GIS as a tool for development planning. 4. Exposure to innovative practices of service delivery followed across the country. 5. Establishing a Project Monitoring Unit. 6. Tax Reforms. 7. Credit enhancement options other than state guarantees need to be adopted. 	<ol style="list-style-type: none"> 11. Monitoring of government activities by coalitions of organizations. 12. Rigorous accounting procedures 13. Clear guidelines on conduct for leaders and officials that are enforced 14. Open procurement and contracting systems 15. Ensuring transparency in financial arrangements. 16. Disclosure of information. 17. Fair and predictable regulatory frameworks. 18. Independent and accessible complaints procedures. 19. Regular flow of information on key issues.
3	Accountability/ Transparency/ Accessibility	<ol style="list-style-type: none"> 1. Formation of Standing Co-ordination Committee. 2. Private Sector Participation. 3. Specific code of conduct for municipal executives and elected representatives. 4. Public education, resource mobilization, good leadership and transparent processes applied to municipal finance and development work. 	<ol style="list-style-type: none"> 20. Regular and structured consultation with representative bodies from all sectors of society including individuals in the decision making processes. 21. Access to government by all individuals and organizations. 22. Instruments to improve efficiency through enhanced technical, administrative and financial capacities. 23. Setting in place an active and online public Grievances'

No.	Sector Specific Objective	Primary Strategies	Supporting Strategies / Actions
		5. Closer networking with media and their engagement in creating public awareness and creating demand for good governance. Cautious engagement of private sector with continuous monitoring is necessary. 6. Modern and transparent budgeting, accounting, financial management system for all urban services and governance functions.	Redressal System, with automated department-wise complaint loading and monitoring system. 24. Implementation of GIS technology in the fields of asset management, land administration, assessment of property taxes etc., 25. Preparation of annual Environmental Status Report through a multi-stakeholder consultation process.
FINANCIAL IMPROVEMENT			
1	Computerization Initiatives.	1. Billing and collection of taxes and user charges through e-services. 2. Speed up development of e-Governance system and accounting system. 3. Database management of assets, records, lands, properties, etc.	1. Implementation of MIS to provide relevant information on accounts, commercial and operating systems for better decision-making and information dissemination to citizens; 2. Application of e-Governance is equally important for municipal finance. 3. Mapping of properties and developing GIS-enabled property tax management system for enhancing property tax net/coverage and better administration.
2	Reforms.	1. Innovations both at policy and project levels to speed up the urban reform process. 2. Accounting reforms - shifting from single entry cash based accounting system to accrual based double entry accounting system. 3. Reforms to have in-built mechanism of participation and commitment. 4. Institutional strengthening and financial capacity building to be an integral part of the reform measures. 5. Establishment of financially self-sustaining agency for urban governance service delivery through reforms.	4. Areas of reform measures include property tax, accounting and auditing and resource mobilization and revenue enhancement. 5. Bringing transparency and uniformity in taxation policies. 6. Tax policy and operational procedures should be simple and clear. 7. Development of templates for property tax (for self-assessment) to increase tax collection (without levying fresh taxes), including implementation strategies.
3	Privatization Initiatives.	1. Exploring areas of privatization. 2. Formulation of framework for attracting private investors.	8. Property tax base should be de-linked from rental value method and should be linked to unit area or capital value method.
4	Resource Mobilization Initiatives.	1. Collection of arrears through innovative ideas and approaches using tools for community participation and fast track litigation methods. 2. Strengthen the fiscal powers of ULB to fix tax rates, fee structure and user charges through specific guidelines and notifications, which should find a place in the Municipal Rules. Prepare model guidelines for the city to allow greater flexibility in levying taxes, fees and user charges, borrowing funds and incurring expenditures;	9. Legislative changes in the accounting systems and reporting requirements. 10. Designing of accounting procedures. 11. Standardized recognition norms for municipal assets and revenues. 12. Auditing of accounts should be carried out effectively and regularly to promote transparency and accountability. 13. Increasing revenue through measures for better coverage, assessment, billing, collection and enforcement.
5	Capacity Building	1. Staffing pattern, organizational restructuring and performance appraisal.	14. Controlling growth of expenditure. 15. Improving the organization and efficiency of the tax administration system.

No.	Sector Specific Objective	Primary Strategies	Supporting Strategies / Actions
		<ul style="list-style-type: none"> 2. Development of MIS for effective and efficient management & decision-making. 3. Publication of newsletters for creating awareness and participation. 4. Prepare and conduct capacity building programmes for elected representatives, especially women representatives, with a view to enable them to focus on gender based issues. 5. Promote the creation of interactive platforms for sharing municipal innovations, and experiences among municipal managers. 6. Better human resources management through assessment of the training needs of personnel involved in urban administration to enhance management and organizational capabilities. 	<ul style="list-style-type: none"> 16. Augmentation of resource mobilization/revenue generation from properties belonging to ULB for improving the overall financial health. 17. Energy audit to minimize expenditure and increase useful service life of equipment 18. Staff training, exposure visits and motivation programs to bring about awareness on recent developments and technologies. 19. Development of training material in the local language and impact and evaluation studies of the training programmes. 20. Capacity building to strategically position the ULB to employ highly qualified personnel based on need. 21. Assessment of fund requirement and resource persons to tackle the training needs of all personnel.

7

INFRASTRUCTURE & FINANCIAL IMPROVEMENT NEEDS

7.1 INTRODUCTION

This section of the Report pertains to the probable proposed development initiatives and specific improvements that shall be recommended to upgrade the existing systems in Kuzithurai to normative standards pertaining to Urban Infrastructure provision, delivery, operation and maintenance and bringing out the characteristics required for the town.

A City Corporate Cum Business Plan (CCBP) is the corporate strategy of the ULB that presents both a vision of a desired future perspective for the town and the ULB's organization, and mission statements on how the ULB, together with other stakeholders, intends to work towards achieving their long-term vision in the next five years. Thus, a CCBP preparation process is essentially a consultative process and therefore identification of stakeholders to be involved in the process is of crucial importance. The identified stakeholders represented both government and non-government sectors.

Sectors covered
<ul style="list-style-type: none">▪ Land Use;▪ Water Supply;▪ Sewerage and Sanitation;▪ Storm Water Drains;▪ Solid Waste Management;▪ Roads, Traffic and Transportation;▪ Street Lighting;▪ Basic Services for the Urban Poor;▪ Other Amenities;▪ Environmental Improvement;▪ Urban Governance; and▪ Social Amenities

The identified stakeholders may be broadly categorized as under:

- Elected Representatives;
- Service Providers/GoTN Offices;
- Business Houses and Associations; and
- NGOs/CBOs and Resource Persons

The above stakeholders were further categorized as Vision Stakeholders, Mission Stakeholders and Action Stakeholders, to define specific roles for each of the participating stakeholders. Needless to say, the ULB has to play an important role in identifying the above stakeholders and involve them in a proactive manner through all stages of the consultative process.

7.2 CONSULTATION PROCESS

The entire CCBP preparation process has been divided into three phases. The outcomes of each of the phases were based on extensive consultations and consensus emerged thereon. Phase 1 of the assignment involved extensive consultations with 'Vision Stakeholders', while Phase 2 has a wider list of stakeholders comprising representatives from various walks of life, identified as 'Mission Stakeholders'. Phase 3 of the assignment involved 'Action Stakeholders' who were identified to participate in implementation of the CCBP. The study team had specific consultations with these stakeholders and specific roles and responsibilities were evolved so as to implement the CCBP. Each of the above phases culminated with a workshop, which endorsed the findings with specific remarks and suggestions.

Broadly, the consultation process was carried out in the following manner:

- Individual/sector specific discussions;
- Workshops.

Consultations were held in three stages as follows:

- First stage of consultations primarily addressed the concerns of the 'Vision Stakeholders'. This stage of consultations aimed at defining the draft Vision and Mission Statements for further discussions, streamlining and adoption;
- Second stage of consultations targeted the various identified 'Mission Stakeholders' and this stage of the consultative process streamlined the Vision and Mission Statements and has identified various priority actions and proposals to be addressed in the CCP; and
- Third phase of consultations looked at the feasibility assessments and investment scheduling, which were finalized in consultation with the 'Action Stakeholders'.

7.3 MISSION AREAS

An assessment of existing physical infrastructure and various basic urban services (social infrastructure - education, recreation, community, health facilities, etc.) in the town to be performed was made. Description and mapping to quantify the condition of basic amenities and urban services was also made, highlighting the needs and deficiencies sector-wise as follows:

- Water supply;
- Sewerage and storm water drainage;
- Solid waste management;
- Roads, traffic and transportation;
- Streetlights;
- Other basic urban services and facilities; and
- Slum upgrading and housing for the poor;

An assessment of the existing situation covering all the sectors like water supply, sanitation, drainage, solid waste management, internal roads, bridges, traffic management, public private transportation and streetlights at the town level was carried out specifically covering the following illustrative aspects:

Sector-Specific Analytical Instruments:

Sl. No.	Study Component	Analysis / Coverage
1.	Water Supply	Appraisal of water supply augmentation proposals in conjunction with existing distribution systems, leak detection and UFW levels, replacement needed, measures that need to be undertaken to promote continuous system of water supply, and other requirements for optimum economic performance. Review of existing status of the service in terms of sources, storage and distribution, treatment, alternative supply, connections and tariff, utility maps, nature of complaints and origins. Metering system and revenue generation/enhancement.
2.	Sewerage and Drainage	Appraisal of the sewerage and drainage systems with reference to their adequacy; augmentation of collection system, sewage treatment facilities and treated wastewater re-use/disposal systems. Review of existing status of the system in terms of type, O&M aspects, nature of complaints and origins, areas prone to flooding, etc. Reviewing of the environmental procedures and plans, low-cost sanitation and system integration.
3.	Solid Waste Management	Existing facilities and system management for handling solid waste. characteristics of solid waste, quantity generated, collection and transportation system, transfer stations, and waste processing/disposal facilities
4.	Roads, Traffic and Transportation	Road Length, Density, Coverage, Types, Connectivity, Linkages, Congestion, Parking Requirements, capacity utilization, traffic flow, infrastructure such as bus terminals, O&M aspects and related.,

Sl. No.	Study Component	Analysis / Coverage
		appraisal of efficiency and equity of urban transport models, including public and private transportation system, traffic management, etc.
5.	Streetlights	Spacing, coverage, capacity utilization, energy efficiency, O&M aspects and related
6.	Education, Health and Community Facilities	Number and location of various education, health, leisure and community facilities, O&M aspects, coverage, adequacy with respect to normative standards, catchment, etc.
7.	Deficiency Analysis	Identification of criteria for deciding deficiency for various services; <ul style="list-style-type: none"> • Based on study of existing situation and criteria identified, assessment of deficiencies in existing service levels; • Identification of priorities and technical alternatives; and • Estimation of unit costs for providing minimum level of services based on certain norms.

7.4 PRIORITY ACTIONS – INFRASTRUCTURE IMPROVEMENT

In order to formulate infrastructure needs of the town following priority actions would be recommended to be implemented by the ULB undertaken in consultation with the stakeholders.

Water Supply:

- Planning and capacity augmentation for adequate and equitable water supply and related capital investment.
- Water supply system for unserved areas to ensure 100% coverage
- Continuous system of water supply.
- Improvement of O&M of the system
- Performance monitoring - energy audit, leak detection, NRW studies, water quality, etc.
- Institutional strengthening and capacity building.

Sewerage and Sanitation:

- Provision of Underground sewerage system.
- Integration of existing and proposed LCS & community toilets to UGSS - the capital investment for proposed units is covered under the Urban Poor and Slum Upgrading component.
- Treatment of sewage - decentralized advanced systems.
- Re-use of treated wastewater.
- Performance monitoring - energy audit, quality, etc.

Storm Water Drainage:

- Removal of encroachments along major and minor drains.
- Rehabilitation of existing drains.
- Expansion of drain network to uncovered areas.
- Awareness programs to prevent solid/liquid waste disposal into drains.

Roads, Traffic and Transportation:

- Improvement to existing road network for present and future traffic requirement
- By-pass access for national and state highways (as applicable)
- Flyovers at major intersections and railway crossings for traffic improvement (if applicable).
- Traffic signage and junction improvement measures
- Study of city-wide parking requirements and development of parking infrastructure, specifically in commercial areas.

Street Lighting:

- Upgrading street lighting in existing areas
- Installation of high-mast cluster lighting at important junctions not presently covered with such lighting arrangements.

- New street lights for uncovered areas.
- Power consumption management and energy efficiency measures.

Solid Waste Management:

- Comprehensive Solid Waste Management Scheme (per the MSW Rules, 2000).
- Minimization of generation of Solid Waste.
- Source segregation of municipal solid waste.
- Augmentation and expansion of primary collection of waste.
- Modernization and standardization of existing waste transportation system.
- Municipal solid waste processing and disposal.
- Recyclable waste handling and recovery.
- Proper handling and disposal of slaughter house, biomedical, hazardous and related non-municipal wastes.

Conservation of Water Bodies:

- Identification of water bodies within ULB limits for conservation.
- Rehabilitation of existing water bodies.
- Re-development of area adjoining water bodies for community use.
- Development of catchment facilities, water quality maintenance and groundwater recharge in water bodies.

Slum Upgradation:

- Project formulation for integrated development of all notified tenable slums covering housing, provision of basic services and amenities.
- Provision of water supply, sanitation, access roads, etc. in all tenable slums.
- Formulation of public-private partnership projects for slum upgrading.
- Exploration of rehabilitation option as an alternative to resettlement.
- Adoption of a 'community-based approach' in service provision and delivery to suit the local context and requirements.
- Ensure involvement of women and children from project formulation to implementation to achieve sustainability.
- Target service provision like water supply, sanitation and electricity on individual household basis - to facilitate improvement in performance & collection of user charges.

7.5 PRIORITY ACTIONS – FINANCIAL IMPROVEMENT

The ULBs have been found to be proactive in their commitment to introduce reforms at the ULB level. All these reforms may be broadly categorized under the following:

- Computerization Initiatives;
- Property Tax Reforms;
- Privatization Initiatives;
- Accounting Reforms; and
- Resource Mobilization Initiatives.

The following policy framework and priority actions are required for the sustainable financial improvement of town.

STRATEGY

- Innovations both at policy and project levels to speed up the urban reform process.
- Reforms to have in-built mechanism of participation and commitment.
- Institutional strengthening and financial capacity building to be an integral part of the reform measures.
- Areas of reform measures include property tax, accounting and auditing and resource mobilization and revenue enhancement.

PROPERTY TAX

- Bringing transparency and uniformity in taxation policies.
- Tax policy and operational procedures should be simple and clear.
- Development of templates for property tax (for self-assessment) to increase tax collection (without levying fresh taxes), including implementation strategies.
- Mapping of properties and developing GIS-enabled property tax management system for enhancing property tax net/coverage and better administration.
- Collection of arrears through innovative ideas and approaches using tools for community participation and fast track litigation methods.
- Property tax base should be de-linked from rental value method and should be linked to unit area or capital value method.

ACCOUNTING AND AUDITING

- Accounting reforms - shifting from single entry cash based accounting system to accrual based double entry accounting system.
- Legislative changes in the accounting systems and reporting requirements.
- Designing of accounting procedures.
- Accounting manual - chart of accounts, budget codes, forms and formats, etc.
- Standardized recognition norms for municipal assets and revenues.
- Auditing of accounts should be carried out effectively and regularly to promote transparency and accountability.

RESOURCE MOBILIZATION AND REVENUE ENHANCEMENT

- Increasing revenue through measures for better coverage, assessment, billing, collection and enforcement.
- Controlling growth of expenditure.
- Improving the organization and efficiency of the tax administration system.
- Augmentation of resource mobilization/revenue generation from properties belonging to ULB for improving the overall financial health.
- Energy audit of fuel and energy consumption by various depts. of ULB to minimize expenditures on fuel and energy, including energy audit and metering of street lights.
- Streamlining and strengthening of revenue base of the ULB:
 - Strengthen the fiscal powers of ULB to fix tax rates, fee structure and user charges through specific guidelines and notifications, which should find a place in the Municipal Rules. Prepare model guidelines for the city to allow greater flexibility in levying taxes, fees and user charges, borrowing funds and incurring expenditures;
 - The annual report of the ULB shall devote a section highlighting the amounts of subsidy given to a particular service, how the subsidy was funded, and who were its beneficiaries;
 - Implementation of MIS to provide relevant information on accounts, commercial and operating systems for better decision-making and information dissemination to citizens; and
 - Application of e-Governance is equally important for municipal finance.

Apart from the above, following are some of other reform measures which should be implemented to support the above identified key municipal reforms.

URBAN ENVIRONMENTAL MANAGEMENT

The costs of maintaining a healthy urban environment need to be recovered through various municipal taxes and user charges following the “polluter pays” principle. For this, the functional role of the ULB as envisaged in Item 8, 12th Schedule of the Constitution has to be resolved keeping in view the role of the Tamil Nadu Pollution Control Board, and the organizational and fiscal strength of the ULB.

ACCESS OF URBAN SERVICES TO THE POOR

Since “ability-to-pay” for the cost of environmental infrastructure service’ provision is an important criterion, cross-subsidization of tariffs, innovative project structuring and user/ community participation is the means to ensure access of these services to the poor. Again the functional and financial role of ULB with respect to the Items 10 and 11 of 12th Schedule vis-à-vis those of central and state government agencies need to be resolved.

TRANSPARENCY AND CIVIC ENGAGEMENT IN MUNICIPAL MANAGEMENT

Laws/rules/regulations specific to city/local issues should be employed to facilitate effective implementation. These should be lucid and easily understood. Participatory mechanisms should be so structured that they have legal standing and administrative power. Local bodies should be responsive and innovative and involve community participation in civic engagement as follows:

- Specific code of conduct for municipal executives and elected representatives.
- Public education, resource mobilization, good leadership and transparent processes applied to municipal finance and development work.
- Closer networking with media and their engagement in creating public awareness and creating demand for good governance. Cautious engagement of private sector with continuous monitoring is necessary.
- Setting in place an active and online public Grievances’ Redressal System, with automated department-wise complaint loading and monitoring system.
- Instruments to improve efficiency through enhanced technical, administrative and financial capacities.
- Credit enhancement options other than state guarantees need to be adopted.
- Preparation of annual Environmental Status Report through a multi-stakeholder consultation process.

CAPACITY BUILDING OF THE ULB

Following are some of the key aspects of capacity building measures for ULB:

- The ULB shall maintain data to generate indicators as suggested in this document for evaluating its performance.
- Prepare and conduct capacity building programmes for elected representatives, especially women representatives, with a view to enable them to focus on gender based issues.
- Promote the creation of interactive platforms for sharing municipal innovations, and experiences among municipal managers.
- Better human resource management through assessment of the training needs of personnel involved in urban administration to enhance management and organizational capabilities.
- Assessment of fund requirement and resource persons to tackle the training needs of all personnel.
- Development of training material in the local language and impact and evaluation studies of the training programmes.
- Capacity building to better position the urban local body to employ highly qualified staff and seek superior quality of out-sourced services.

TECHNOLOGY INTERVENTIONS THROUGH COMPUTERIZATION

- Billing and collection of taxes and user charges through e-services.
- Speed up development of e-Governance system and accounting system.
- Database management of assets, records, lands, properties, etc.

HUMAN RESOURCE DEVELOPMENT

- Staffing pattern, organizational restructuring and performance appraisal.
- Development of MIS for effective and efficient management & decision-making.
- Publication of newsletters for creating awareness and participation.
- Staff training, exposure visits and motivation programs to bring about awareness on recent developments and technologies.

CITIZEN ORIENTATION AND INTERFACE

- Conduct citizen satisfaction surveys & analysis on annual basis to assess citizen needs and demands including satisfaction levels.
- PR strategies to enhance community participation and create awareness.
- Innovative citizen complaint redressal system including e-Governance.
- Augment and strengthen new initiatives on citizen interface and orientation.
- Regular interface with citizen associations/forum to understand public needs.

7.6 PROBABLE CAPITAL INVESTMENT NEEDS

Following are the identified capital investment needs which shall be discussed in detail with the stakeholders during consultation.

WATER SUPPLY SYSTEM
Rehabilitation of existing distribution system in covered areas
Rehabilitation of existing Service Reservoirs
Construction of additional service reservoirs
Proposed distribution system in uncovered areas
Raw Water Supply System to meet 30 yr demand (2010-2040)
Augmentation of Existing Raw Water Supply System
SCADA, Electrical Works, Site Clearing/Restoration
Replacement/Renewal of existing equipment (mech/elec.) at source
UNDERGROUND SEWERAGE SCHEME
Rehabilitation of existing Collection System
Proposed Collection System
House Service Connection
Pump Stations including Pump Mains and Eqp.
Road Restoration for HSCs
Sewage Treatment Plants (WSP)
Railway / NH Crossings
Community Toilets and Integration with UGSS.
ROADS, TRAFFIC AND TRANSPORTATION
Improvement to Existing Roads
Upgrading Gravel/Earthen Roads to BT/CC
New Roads Formation & network development including periphery roads
Improvement to NH/SH incl. formation
Traffic Junction Improvements
Construction of bus terminus and bus stops incl construction of new bus stops
Preparation of Traffic and Transportation Management Plan incl traffic studies
STORM WATER DRAINS
Preparation of Comprehensive SWD Master Plan
Improvement to existing minor drains
Improvement to Major Drains/Channels
Proposed drains on existing roads (130% of Existing road deducting existing drain)
Formation of new drains along proposed road network (130% of new roads)
Proposed Storm Water Pump Stations

STREET LIGHTING

Proposed SV lamps in uncovered areas
Proposed FL lamps in uncovered areas
Proposed High Mast light in major junctions
Proposed Timers for existing / new lights
Proposed Sensor Lighting
Proposed Solar Lights
Proposed Power Saver (Capacitors)
Proposed dedicated sub-stations/transformers
Proposed Tri-vector meters
Development of Lighting Management Plan

SOLID WASTE MANAGEMENT

Proposed SW Collection & Interim Storage System
Collection System at Vegetable Market
Transportation System Improvements - Tfr & Trans Vehicles
Proposed Transfer Stations
MSW Composting Plant & Miscellaneous Works

ENVIRONMENT IMPROVEMENT

Improvements to Water Bodies
Park Development Existing/Proposed
Greening / Avenue Development
Environmental Monitoring Station

SLUM UPGRADING

Construction of housing
Water Supply
Sewerage & Sanitation
Solid Waste Management
Roads & Pavements
Streetlights
Community Centers
Open Spaces/Gardens

REMUNERATIVE PROJECTS

Construction of Shopping Complexes
Construction of Kalayanamandapam
Construction of Lodges
Improvement to burial grounds
Electrical Crematorium
Improvement of existing and proposed playgrounds
Rehabilitation/proposed community centers/halls
Improvement to town library/proposed libraries
Proposed truck terminal
Improvement of existing markets
Proposed /dedicated vegetable/meat market
Slaughterhouse development

URBAN GOVERNANCE

8

DEVELOPMENT PROPOSALS

8.1 INTRODUCTION

This section outlines the proposed development initiatives and specific improvements that are recommended to upgrade the existing system of Urban Infrastructure provision, delivery, operation and maintenance to normative standards and characteristics required for a State Capital. Rapid assessment performed provides for cognitive navigation through the analysis and recommendations in various phases in the preparation of the City Corporate Plan for the town. The sectors covered in this chapter are given in the adjacent box.

Sectors covered
<ul style="list-style-type: none"> Land Use; Water Supply; Sewerage and Sanitation; Storm Water Drains; Solid Waste Management; Roads, Traffic and Transportation; Street Lighting; Basic Services for the Urban Poor; Other Amenities; Environmental Improvement; Urban Governance; and Social Amenities

Details of the investment components, capital investment phasing plan based on the above, and discussions with Stakeholders are enclosed in subsequent sections of the report.

- The sector-wise estimated capital investment and investment components required to achieve stated objectives within the period (2008-2012) is given in this section.

Sectoral investment for proposed interventions across all sectors has been estimated based on the following parameters:

- Information available/provided by concerned departments, detailed discussions with pertinent authorities, field/site visits, techno-economic evaluation/analysis conducted by the consulting team;
- Standard Schedule of Rates issued by PWD, Highways, and other engineering boards/organizations, OP rates, prevailing market rates, and relevant information;
- Consultant's database and experience on design of projects of similar scale/nature;
- Costs indicated are only estimated costs. Detailed cost estimation shall be performed for each item of work pursuant to detailed design engineering (during the DPR preparation);
- Land procurement and/or acquisition costs have not been included;
- Capital and annual O&M cost of the water and sewage treatment facilities, as applicable, has been estimated considering the techno-economically most feasible alternative technologies; and
- Necessary provision for physical contingencies, cost escalation for implementation period greater than 18 months

Based on the assessment of the existing situation, projected demand, the prevalent gap and key issues/problems in the existing system, upcoming section outlines the priority actions, proposals for improvement, estimated capital investment and the strategy for implementation along with suggestive timelines.

8.2 LAND USE

The land use structure has been worked out based on Master Plan prepared for the town and the activity centres present. The structure would help in limiting congestion of certain areas through a conscious and judicious development of core town and the peripheral wards, which have the maximum potential to grow in future. Considering the existing land use and the potential for development, a growth management policy has been formulated. The policy is 'to allow growth of the town for a sustainable future through dispersal of economic and developmental activities'. Accordingly the following strategies have been evolved.

8.2.1 RESIDENTIAL

The residential land use breakup of existing land use is of 33.3% of total area and the residential development in the town is picking up recent past. The proposed residential land

use in the master plan is satisfactory which is having a breakup of 64.55% of total area of the town. However, the development showing the pattern of typical densified core with ribbon extensions. Certain wards nearby bus stand and market have experienced tremendous growth resulting in saturation of densities and in such cases the proposal is to redistribute the densities in the different wards. Though it is impractical to limit residential developments, the policies shall be formulated in such a way that a regulated FSI and non conversion of residential to mixed or commercial land use would relieve the pressure on residential land uses in future.

The expected population in the future has to be accommodated within the optimum distance from the core, in the peripherals of the town. Increasing the proportion of the residential land use may not be sustainable and disturbs the agriculture which is the major scope of the economic development for the town and hence the strategy would be to increase the FAR in peripheral wards. This should also be supplemented through development control regulations and guidelines that avoid conversion of residential use into mixed and commercial uses in such residential zones. There are other constraints such as water bodies, slums, hillocks and forests in others leaving only a few wards offering potential for growth.

8.2.2 COMMERCIAL

The proportion of commercial land use is at 4.21% of total area. Commercial areas are in the linear type in NH - 47, Marthandam junction. Toduvetty and other roads like Karungal road. The town acts as the important node for rubber marketing for region. This rubber is cultivated in the areas like Thiruthuvapuram and Vettuvani which will be connected by NH Road.

The linear type of commercial development along the major corridors of the town has to adjust to the newer land uses and this raises the significance of developing commercial areas. The Core-Town can be retained for specialised commodities to retain the character of the area. With the town functioning as a core for the region, the scope of further commercial development remains and shall be mitigated by development of a series of commercial centres as indicated below:

The town shall promote Local Business Districts and Central Business District as the formal commercial centres in identified areas considering its limiting growth in future. The market forces and the convenience of the walking distance of 5 min for the local population will essentially decide the quantum of such spaces. But these have to planned in such a way that they shall not pose potential bottlenecks in future and they shall act as neighbourhood nodes. Currently, the existing land use structure has not explicitly characterised developments in this way and hence, these areas have to be carved out of the existing and potential developable areas.

The town shall promote two types of formal commercial activities

- *Local Business Districts*
- *Central Business District*

Local Business Districts: These are second order formal commercial centres planned in the fast developing areas of the town. These essentially would relieve the pressure from the Central Business District. A well balanced structure of local business districts (LBD) shall help in reducing the quantum of linearly developed commercial mixed uses which is mainly due to the absence of a well-balanced structure of LBD. This also explains the growth of areas like Peruntheru W.No.3, Chengamcolai W. No.6 etc.

Central Business District: The Central Business District forms the prime formal commercial centre for the town. It shall also have a large number of cultural and social facilities to cater to the region as a whole. Currently, the stretch along the NH-47 and Marthandam Bus Stand area can be called as CBD for Kuzhithurai. Most of the commercial developments are exists in this road and other commercial areas are dispersed inside the settlements. Hence, active and sustained decongestion initiatives shall be adopted by means of certain market friendly development mechanisms.

Areas identified for Formal Commercial Activities: In line with the above analogy and considering the future potentials and prospects, the following areas are identified as formal commercial areas. They are daily market along NH - 47, the stretch near the Bus Stand, Karungal Road, and proposed commercial zone in the Peruntheru W.No.3, Chengamcolai W. No.6.

Formal Commercial Areas

- Marthandam Road nearby Bus Stand
- Market area along NH- 47
- Karungal road

8.2.3 MIXED COMMERCIAL

The growth of mixed use cannot be avoided. However policies have to be chalked out to limit the growth of this use in congested areas. Though mixed land use or residential with shop-line have a good role to play in the town in terms of convenience, it has to be complimented with wide roads to avoid travel congestion. It is not preferable to encourage mixed land use on lesser width of roads with higher plot sizes and high coverage. This creates higher traffic generation and more stress on street parking.

The CBD as it exists today has mixed commercial and residential use with more residential use. Towards developing the CBD and decongesting the core town, mixed land use with more commercial and institutional use has to be promoted. However, it is essential that the major arteries shall be of a minimum 15m wide. Though the widths for major arterials are clearly earmarked, they have been encroached/ occupied by the developments thus reducing the road widths. In the long run it is however necessary to limit the mixed land use and declare areas enumerated above as formal commercial areas.

8.2.4 PLACES OF PUBLIC DOMAIN

The two main components of public domain are the public & semi-public areas and roads. The major institutional areas in the town are the government buildings, markets etc all located mostly in Marthandam and nearby the CBD area. With the percentage under public & semi-public are about 4.75 ha which constitutes 2.02% of total area of the town. Public facilities like community centres, recreation areas, etc are not available in the town. Such need to be provided for a better quality of life and land requirement for that has to be proactively allotted.

Public Domain

- Increase area under Institutional Use
- Provision of Additional Public facilities & Spaces

Open Spaces: Currently, the quantity of open space is very limited excluding the area under water bodies. Considering a per capita recreational requirement of 4 Sq.mt and there is no such exclusive open spaces for parks and play grounds in the town.

However, qualitatively the role of open spaces shall be further enhanced taking advantage of the environmental resources such as natural tanks, forests, hillocks available in the town. These environmental resources including, flora and fauna, are valuable to the town in terms of their resource value and have to be conserved to enhance the sustainability of the same. This would mean that considerable open-spaces have to be generated for its meaningful role in conserving the regional natural resources & biodiversity and this would also add value to recreational activities.

In addition, networking of water bodies is being propagated to rejuvenate these resources and to integrate them with town wide developments.

Transportation: The major issue confronting the town is integration of land use with the transport system. With inadequate road space and widths, the town lacks an efficient circulation pattern. This shall be alleviated by developing a hierarchy of widened road network to decongest the core town and other commercial areas.

- Integrate Land use with Transport system
- Mobility Plan for Developing areas on west

The current developments and the analysis on the potential for development indicate the wards on the periphery of the town towards west are likely to experience a high growth in future. Hence, it is necessary to provide a sustainable mobility plan for these areas in the form of connecting links.

8.2.5 STRATEGIES

Decongesting Core Town Area: Decongesting the core area shall be taken up in the right earnest. Large extent of land is available in the immediate periphery of the existing development. To utilise the available land optimally detailed development plan has to be prepared for those areas.

Growth Management Strategies

- *Decongestion of Core Town Area*
- *Development of Potential Wards*
- *Revitalising Commercial and Mixed Land uses*
- *Improvements to Public domain areas and Open spaces*

Development of Potential Wards: This strategy aims to allow future developments based on the current densities, constraints such as ecologically sensitive areas which shall not be disturbed. Considering the above, the total wards in the town are categorised into Saturated Wards, Constraint wards and Potential wards.

Saturated Wards

These wards are classified based on the densities, present and in future. As the densities are reaching the saturation limit, newer developments, especially commercial developments shall be limited or shall not be allowed. Accordingly, the following wards are classified under this category; 14, 15, 17 and 20 along NH-47.

Saturated Wards

- *Saturated due to high densities*
- *14, 15, 17 and 20*

Constraint Wards

These wards are classified based on the constraints available for development which are having potential agricultural areas. The developments in these wards would destruct the economic base and hence shall be avoided. The wards classified under this category include; 3, 5 and along the Thamiraparani River course area since the town is been bifurcated by the river, the developments in these wards shall be allowed after careful consideration of the impacts.

Constraint Wards

- *Constraint for development due to presence of agricultural areas*
- *3, 5*

Potential Wards

These are wards that have exhibited the potential to grow in future as the developments in these wards are catching up. These areas also do not contain any determinants in terms of their growth and hence can satisfy the future growth requirements. The wards classified under this category include; 8, 9 and 10. Chunks of institutional lands are also available in these wards which make them potential for developments to come up.

Potential Wards

- *Potential due to availability of vacant lands, new development proposals etc*
- *7, 8, 9, and 10,*

Revitalising Commercial and Mixed Land uses: The assessment with respect to the current land use indicates that there is still scope for commercial activity but shall be dispersed and balanced.

Accordingly, land use policy shall consider development of formal commercial structures at places indicated. This is to help an immediate decongestion from the core town areas. These shall be connected by the Kulasekaram Road, Pammam Road Kodungulam Road and NH-

47 road. The specific strategies include:

- Addition of commercial areas in the potential wards supplemented by formal land uses in the saturated and constraint wards to minimise demand for commercial activity in these wards.
- Encourage mixed land use with less residential use in the core areas and discourage mixed land use activity based on minimum road widths in the inner areas.

Improvements to Public Domain Areas – Road Space and Institutions:

- Improving more road open space on the identified arterial road structure to improve the traffic flow.
- Decongest the CBD through expanding the administrative boundary and shifting commercial activities to extension areas.

Revitalisation of Open Spaces / Water Bodies: The area under the open spaces category needs to be increased through identification of such potential areas.

Revitalise the unidentified open spaces and Water bodies exists in the town

There are a number of unidentified open spaces in the town and water bodies require improvements. In addition, efforts need to be initiated to conserve water bodies, open spaces and other sensitive resources. The specific strategies include:

- Appropriate guidelines be followed in issuing building permissions to match with the road width to generate adequate open spaces at the community dwelling level
- Conservation of environmental resources such as uranis and odais, in terms of pollution abatement and monitoring to recreational activities.
- Use of market friendly mechanisms like accommodation and reservation to generate more urban land and to further generate open space.
- Formulating a water bodies' networking programme to supply Integrated open spaces to support physical and economic infrastructure.

The policies along with the strategies for growth management within the town are enumerated in Table 8.1.

Table 8.1 – Policies and Strategies for Growth Management

Policy	Strategy	Guidelines
Decongestive Policy	Decongesting Core Town Area	<ul style="list-style-type: none"> • Mixed use with more commercial and less residential use in the CBD to facilitate shifting of residential uses to outer areas. • Expansion of administrative boundary by merging neighboring villages. • Facilitate relocation of institutional areas like the markets in the CBD to the identified potential areas.
Supply of Public Domain Areas	Road widening Strategy	<ul style="list-style-type: none"> • Roads identified in the Arterial Road Structure shall be widened to 12 mt. This will generate additional roads area. All the other roads also need to be widened on either side.
Redistribution Policy	Limiting Densities and Population	<ul style="list-style-type: none"> • Population limitations on wards type basis i.e., Saturated, Constraint and Potential <ul style="list-style-type: none"> ○ Average Gross density for Saturated wards-35,000 persons/ Sq.km ○ Average Gross density for Constraint wards-15,000 persons/ Sq.km ○ Average Gross density for Potential wards-20,000 persons/ Sq.km
Open Space Policy	Water Bodies' Networking	<ul style="list-style-type: none"> • Creating Arterial Green Networks by Identifying the uranis and odais and establishing appropriate linkages.

8.2.6 PROPOSED ARTERIAL STRUCTURE

The potential development areas in the peripheral areas need to be linked through an efficient arterial structure within/outside the town. These would provide alternatives to these areas bypassing the core of the town resulting in decongesting the core. The arterial structure is proposed in such a way to take care of future vehicular growth and hence the municipality shall undertake an exercise to widen these roads and connect the missing links. Such roads are identified as the railway station road linking with the Thengapatinam road.

Effective connecting of the potential development areas with sufficient road widths allowing core decongestion forms the Arterial Structure for Kuzhithurai

8.2.7 BUILDING USE, REGULATIONS AND CONTROLS

Building use regulations are the supporting control mechanisms to achieve a well balanced growth structure for the town. These rules help in controlling densities, contributing to the structured urban form for the different types of land uses and also contribute to the quality of the environment. However it has its limitation in conserving sensitive lands and limiting encroachments if the proper land uses are not planned.

They should be formulated keeping in mind the provision of services including transportation networks. Since these services depend on the density of population, adequate quantum has to be proportionately allotted based on the density of population. For example- Higher Density of Population require wider roads and taller Structures. The coverage aspect of structure in a particular plot is directly related to the total plinth area and open space generated. The lesser the coverage allowed the more open space it will generate. Some key relationships in the building use regulations include;

- Width of Road, Plot Size Vs Land use Type, FSI, Building Height & Setbacks
- Parking Space Vs Land use, FSI & Coverage

Since the core town is being proposed as an active CBD with more commercial use, the building rules and regulations need to support this through more FSI assigned to these areas. This is also needed since the core areas are already saturated and the additional population and hence the higher densities would mandate vertical development.

In addition, certain areas along Thengapatinam Road, Edaikulam and Alancholai Road have seen an increase in development activities and hence climb in the FSI and these areas are also where certain formal commercial areas are being proposed. Hence limited increase in FSI for the commercial use in these areas is necessary to see that the land use pattern doesn't turn into mixed uses. Considering the proposed arterial structure, Railway Station Road linking with the Thengapatinam Road is proposed to accommodate higher densities with a medium rise in structure.

The building use policies shall be framed in such a way to encourage the decongestion of the core and include the following components:

- Commercial and Mixed Building Norms.
- FSI Norms & Incentives
- Parking Norms
- Specific Regulations-Accommodation and Reservation

Building Regulations & Controls shall be clearly outlines in the Master Plan and focus on

- Commercial and Mixed Building Norms
- FSI
- Parking Norms
- Specific regulations on Accommodations and Reservations

8.3 WATER SUPPLY

8.3.1 WATER DEMAND

Based on the projected population and the permissible supply levels as specified in the “Manual on Water Supply and Treatment” by CPHEEO, the total future water demand has been estimated and furnished in the table below:

Table 8.2: Estimated Future Water Demand

No.	Description / Parameter	Present Stage (2010)	Intermediate Stage (2025)	Ultimate Stage (2040)
1.	Projected Population	22,587	26,541	31,188
2.	Per capita supply* (lpcd)	135	135	135
3.	Installed Capacity of source (MLD)	2.50	2.50	2.50
4.	Estimated Future Demand (MLD)	3.05	3.58	4.21

* Per capita supply is considered as 135 litres per day on an average. Since implementation of Underground sewerage scheme is under proposal by the ULB, to achieve self-cleansing velocity in the system aforementioned Per capita supply rate is suggested as per CPHEEO guidelines.

It can be observed from the above table that the existing system requires immediate augmentation. The system is not capable of meeting the increasing water demand through its present available sources till the year 2010 (assumed based on projected population). Hence considering the increasing water demand through its present available sources till the year 2040 (assumed based on projected population) augmentation measures need to be identified considering the utilization plan of the existing sources (Thamiraparani River). Existing systems should be utilized only to the presently installed capacity and should not be overloaded because of low supply level in the aforementioned sources during the summer months (considerable part of the year). Therefore it is felt that additional scheme can be augmented for meeting the ultimate stage water demand conditions. It is important that capital investments in the water supply sector are planned to broadly address the following issues:

- Augmentation of installed capacity of existing facilities to meet the growing demand; and
- Rehabilitation of existing facilities to avoid higher costs of deferred and inadequate maintenance.

Therefore, the priority actions identified through discussions with stakeholders and the proposals planned for the system improvement have been recommended with the intension of achieving the following objectives:

- Optimal utilization of the available strengths of the system through requisite identification and creation of opportunities for system improvement and sustainability; and
- Implementation of remedial measures based on identified weaknesses of the system/sector to ensure that imminent and potential (future) threats are eliminated and prevented from recurring.

Non-Revenue Water/ Unaccounted for Water (NRW/UFW) and system losses need to be mitigated and monitored to ensure that the total losses do not exceed the allowable limits (15 percent) as specified in the CPHEEO guidelines. Further reduction of the losses through an effective and continual leak detection and water audit program is highly recommended and this would prove advantageous in the long-term.

8.3.2 STRATEGIES FOR DEVELOPMENT

The Strategies formulated for water supply focus on exploring new sources, optimum use of existing water resources, total water supply planning, conservation of ground water, reduction of unaccounted for water and largely on Institutional strengthening & Capacity building. The ULB should facilitate creation of capital assets so as to meet the future requirements for the provision of water supply.

It is envisaged that during the year 2025 water demand would be about 3.58 MLD for 26,541 people which is less than the quantum of water supplied at present considering the daily supply rate of 135 LPCD. The distribution network is expected to cover additional 300 households by individual water tap connection. Distribution losses due to leakages would be brought to 10% from the existing estimated losses of 25%. Daily water supply will be effected from the present intermittent supply. Considering the current deficit and the future requirements for water supply, the following strategies are suggested:

Sector Approach: Capital investments in water supply have to be planned to address issues focusing upon; (i) Augmentation of Source to meet the Per Capita Demand of Water during ultimate stage; (ii) Increase in the storage and distribution of existing facilities to meet growing demand; and (iii) Rehabilitation of existing facilities to avoid the higher costs of deferred maintenance;

Design Criteria: The ULB should increase the supply levels in terms of coverage, and to cater to 100 percent of the population. Assuming that distribution network is extended to more than 95 percent of the Roads within ULB area, given very high population density within the ULB, all the citizens will enjoy the required supply.

Source Augmentation: Development of a sustainable and quality source of water for onward supply with requisite treatment/ disinfection is a critical issue that confronts the Kuzhithurai town. Perennial sources need to be identified and tapped effectively. Although raw water intake systems can be installed to meet future demand, the Thamiraparani scheme needs to be evaluated and modified, if necessary, since the MWL during summer months in the abovementioned schemes may not yield adequate water. For future augmentation of water supply from Thamiraparani River, alternative intake system, as listed below can be evaluated for adoption:

- Collector Wells (only if sufficient sand depth to an extent of 5-m or higher is available); and
- Infiltration Wells/Galleries (a network or array of wells/ galleries may be required with appropriate inter-spacing as determined from summer yield tests in accordance with the established curve of interference).

An alternative which is practiced in drought-prone areas is also recommended and requires further investigation at the detailed engineering stage. Summer storage tanks can be developed in the vicinity of Thamiraparani River. These tanks are essentially large earthen structures which can be designed based on the probable holding capacity established through analysis of rainfall intensity, flow during flood conditions and evaporation factors. High discharge pumps can draw water from water bodies and other supply channels (based on location) during high flow/ flood conditions and pump the same to the summer storage tanks for later abstraction as a surface source for treatment and supply to the existing distribution system during drought conditions. This measure will also serve to conserve water and enhance groundwater storage potential.

In the face of full utilization of the surface source to meet future demand, groundwater use can be restricted and eventually managed in an efficient manner. The existing infrastructure for groundwater abstraction can be used to meet localized distribution requirements during drought seasons when the yield from sources is likely to decrease. The aforementioned discussion is indicative of the future requirement for the Kuzhithurai in the long-term.

Water Supply Operation & Maintenance Plan: The plan shall be designed largely by involving the Private Sector for O & M operations. This may be done through a management contract with a private agency, which would be solely responsible for the O & M of the system, based on agreed annual fee, with built-in incentives for improved performance.

Asset Management Plan: To address the condition assessment and the performance of the water supply assets, it is recommended that a detailed asset management plan be prepared for the assets of water supply in Kuzhithurai town.

Consumer Metering System: The ULB need to initiate metering system in the town. For the projected population, there shall be about 8000 nos. of metered connections in ultimate design year of 2040. It is, therefore important that service connections be provided with metering system under this project. The metering system is very important as it would provide a platform for proper accounting of the water production and consumption and help reduce the unaccounted for water and help in revenue generation.

Tariff Revision: Future capital investments on system up-gradation being imminent, the tariff structure shall be revised from time to time to enable cost recovery and to service the additional debt from the capital investments.

Unaccounted for Water: ULB shall implement leak detection studies to ascertain the volume of unaccounted water. This to an extent, if corrected properly, would help ULB to realise more water.

Re-cycle & Re-use: Strategy for Use of Recycled water for Non-potable use, based on a Pilot Study for the ULB.

Mapping & GIS: To address the issue of system rehabilitation, mapping and establishing a GIS system is pertinent to detail out system location, characteristics, age and condition. This would enable identifying dilapidated sections of the network and those that require replacement.

Institutional Strengthening & Capacity Building: The officials need to be trained for Project Planning, Implementation, and Monitoring and Evaluation programs. It is recommended for strong Strategic Plan database particularly to decrease the duplication of laying of pipeline for same distribution as well as for a strong redressal system and minimizing unaccountable losses & illegal connections.

8.3.3 PRIORITY ACTIONS AND PROPOSALS

PRIORITY ACTIONS

Following table presents priority actions and their implementation plan for water supply during the Short-term period (2008-2012):

Table 8.3: Priority Actions and Implementation Plan - Water Supply						
Component	Activity	Year 1	Year 2	Year 3	Year 4	Year 5
Water Resource Management	Water Supply Improvement Scheme to extended areas		√	√		
	Construction of additional Storage reservoirs	√	√	√		
	Development of Distribution network for extended areas		√	√		
	Rainwater Harvesting Measures	√	√	√		
Augmentation of Water Supply System	Source Augmentation / Treatment Plant		√	√		
	Redistribution/Re-zoning of D-system in existing areas	√	√			
	Rehabilitation of Existing Service Reservoirs	√	√			
	Expansion of House Service Coverage	√	√			
	Installation of Meters	√	√			
	Construction of summer storage tank		√	√		
	Upgradation and Improvement of Distribution System		√	√		

PROPOSALS

The improvement to the water supply system is designed to ensure that the installed water supply infrastructure meets the community's needs (water demand) for adequate and equitable supply at reasonable charges. The projected demand for the year 2025 is

- Proposed Capital Works - Water Supply**
- Provision of Water supply scheme to extension areas
 - Rehabilitation of storage and distribution system in existing areas;
 - Source Augmentation;
 - Augmentation of Transmission Mains;
 - Augmentation of Storage Capacity; and
 - Extension & Augmentation of Distribution Network

compared with the optimum supply available from the existing source, to verify the adequacy and need to augment the capacity of certain components.

Table 8.4: Demand, Supply and Required Augmentation of Water Supply System for 2040

Component	Unit	Supply Status	Demand					
			Current Year 2008		Short-term Year 2010		Long-term Year 2040	
			Demand	Surplus (Deficit)	Demand	Surplus (Deficit)	Demand	Surplus (Deficit)
Water Intake Pumping	MLD	2.50	2.98	(0.48)	3.05	(0.55)	4.21	(1.71)
Water Treatment Plant (if Surface water Used)	MLD	3.00	2.98	0.02	3.05	(0.05)	4.21	(1.21)
Service Storage	ML	1.27	0.99	0.28	1.02	0.25	1.40	(0.13)
Distribution System	Km	40.00	73.53	(33.53)	74.41	(34.41)	90.2	(50.20)

Source: Analysis

As reported by the ULB the average drawl of water from the existing sources is worked out to be 2.50 MLD and there is also a treatment plant (filter house) construction is undergoing near the infiltration source at Thamiraparani at a cost of Rs 105 Lakhs. This treatment plant will have the potential to treat on average of 3 MLD hence TWAD Board suggested to upgrade the pumping station to yield 3 MLD to meet the future requirement and it is under ULBs consideration. The total requirement of water is calculated as 3.05 MLD for the short-term period (2010) and 4.21 MLD for the long-term period (2040). Deducting the existing quantum of water availabilities, the net requirement of water for short-term period is 0.56 MLD and 1.71 MLD for long-term period. Existing distribution system requires an additional distribution line to a length of 34km to meet the short-term demand. From the above table, it is confirmed that additional service storage capacity of 0.13 MLD needs to be established to fulfill the present demand.

Apart from the aforementioned proposals the following requirements are identified through Stakeholders consultation:

- Construction of additional infiltration well to augment additional quantity of 1-2 MLD to meet long-term demand.
- Additionally, Two OHTs are required to serve the future demand at Kuzhithurai area (7.5 LL) and another at Pammam (4 LL).
- Booster station require a AC generator facility, since frequent power problem in the system lead to a fluctuation in supply;
- Replacement /revamping of all the d-system was stressed in the town;
- New distribution system to an approximate length of 5km is essential; and
- In order to meet the water demand during summer months local bore well source need to be established at suitable locations;

The following proposals have been identified by the study team based on the reported evaluations, discussions and priority actions as required and mutually agreed upon by the Stakeholders:

- Provision of Water Supply Scheme to extended areas;
- Raw water supply system to meet the 30-year demand (2010-2040);
- Augmentation of local sources to meet the growing demand;
- Redistribution/re-zoning of distribution system in existing areas;
- Rehabilitation of existing service reservoirs;
- Construction of additional service reservoirs;
- Rehabilitation and upgrading of Pumps/Machineries in the existing system; and
- Augmentation of WTP and Clear Water Transmission Mains for ultimate stage demand.

The above proposals are envisaged to initially cover the problem areas within the town as a first priority, and then in later stages the concept of design/implementation similar to that adopted for ULB, can be implemented on a modular/zonal basis in the peripheral areas consistent with future development.

8.3.4 ESTIMATED SECTORAL INVESTMENT

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are in the following table:

Table 8.5: Estimated Sectoral Investment - Water Supply		
		(Rs. in Lakhs)
Component	Activity	Investment
Water Resource Management	Water Supply Improvement Scheme to Added areas	417.78
	Construction of additional Storage reservoirs	322.26
	Development of Distribution network for added areas	306.57
	Rainwater Harvesting Measures	60.11
Augmentation of Water Supply System	Source Augmentation / Treatment Plant	129.24
	Redistribution/Re-zoning of D-system in existing areas	135.25
	Expansion of House Service Coverage	84.98
	Installation of Meters	295.24
	Construction of summer storage tank	36.07
	Upgradation and Improvement of Distribution System	240.23
Total		2027.74

Necessary clearances from concerned ministries or authorities need to be acquired at the earliest. The authorities/departments/agencies that are proposed to be responsible for project formulation/implementation/monitoring are listed below, but shall not be necessarily limited to the following entities:

- Nodal Agency: Kuzhithurai Municipality;
- Formulation/Implementation Agency: Kuzhithurai Municipality;
- Monitoring Agency: State Pollution Control Board, Tamil Nadu.

8.4 SEWERAGE AND SANITATION

An assessment of the existing gap in service levels in the town's sewerage sector in relation to the estimated future generation of sewage based on projected growth in population and prescribed guidelines/normative standards has been performed for the following components:

- Sewage generation and sewage collection system;
- Sewage treatment and disposal; and
- Requirement of land for sewage treatment facilities.

The demand-gap assessment has been performed for the short-term period, i.e. intermediate stage (15 years) and for the long-term, i.e. ultimate stage (30 years), and is presented in the table below:

Table 8.6: Demand, Supply and Required Augmentation of UGS System for 2040

Project Sub-Component	Unit	Existing Status Year 2008	Demand					
			Base Year 2010		Intermediate Year 2025		Ultimate Year 2040	
			Demand	Surplus/ (Deficit)	Demand	Surplus/ (Deficit)	Demand	Surplus/ (Deficit)
Population	In nos.	22,106	22,587	-	26,541	-	31,188	-
Sewage Generation	MLD	1.98	2.42	-	2.84	-	3.34	-

Project Sub-Component	Unit	Existing Status Year 2008	Demand					
			Base Year 2010		Intermediate Year 2025		Ultimate Year 2040	
			Demand	Surplus/ (Deficit)	Demand	Surplus/ (Deficit)	Demand	Surplus/ (Deficit)
New Infrastructure								
Sewage Pumping	MLD	-	2.42	(2.42)	2.84	(2.84)	3.34	(3.34)
Sewage Treatment Plant	MLD	-	2.42	(2.42)	2.84	(2.84)	3.34	(3.34)
Sewer Network	Km	-	73.53	(73.53)	81.67	(81.67)	90.20	(90.20)
Estimate of Requirement of Land for Sewage Treatment Alternatives								
Waste Stabilization Pond @ 4 acres / MLD	Acres/ MLD	-	9.68	(9.68)	11.36	(11.36)	13.36	(13.36)
Activated Sludge Process @ 0.25 acres / MLD	Acres/ MLD	-	0.61	(0.61)	0.71	(0.71)	0.84	(0.84)

Source: Analysis

Note: Requirement of land has been estimated based on available information on sewage treatment plants of similar scale, process of treatment, scalability and related issues. The nominal footprint/area required for a specific plant is known to vary based on the degree of treatment required, configuration of the land available, detailed design of treatment facilities and related factors. Decentralized sewage treatment facilities may result in a net higher requirement of land. The land requirement indicated in this report is provided only for comparison/reference purposes. Actual land requirement for the proposed STP(s) in related procurement/acquisition/estimation should be arrived at pursuant to relevant surveys, investigation and detailed engineering design of the proposed facility.

8.4.1 STRATEGIES FOR DEVELOPMENT

It is envisaged that during the year 2040, 95% population will be covered and sewage generation of 3.34 MLD from net water supply of 114 LPCD (80% of 135 lpcd water supply rate + 8-10% infiltration rate) and treatment facility amounting to the same with the following strategies:

Sewerage Master Plan: Preliminary survey need to be performed considering the terrain condition and sewage generation quantity to assess the technical and economical viability of a sewerage project. A plan for sewerage should be prepared and the focus areas shall include, but not necessarily be limited to the following:

- Overall plan for collection, conveyance, treatment and disposal/re-use of generated sewage in the development area.
- Present coverage and condition of sewerage in slums and other urban poor areas.
- Provision of sanitation through low-cost units/community facilities in slums and integration of sanitation facilities with the main sewerage scheme.
- The sewage treatment plant with a capacity of 3.34 MLD to fulfill the long-term demand during the year 2040.
- Availability of land for proposed sewage treatment facilities and related procurement and socio-environmental issues.
- Potential for re-use of treated wastewater (i.e. flushing of sewers and others).

Preferred Treatment Facility: Treatment of collected sewage in accordance with the pollution control norms and river discharge standards is critical and poses a significant hazard to public health if not designed, implemented, operated and maintained in a proper manner. A scientific method of treatment such as Activated Sludge Process (ASP) is the best suitable treatment method in order to reduce the land requirement and to reduce health nuisance.

Before implementing the UGS scheme, ULB should achieve 100% water supply service connection (except slum areas) by expanding their coverage and augmenting the water supply system to ensure an average per capita water supply rate of 135 litres per day for the efficient operation of the proposed sewer system and willingness of the public to avail UGS connection by paying deposits and user charges.

Re-Cycle & Re-Use: Another issue that must be dealt with is the re-use of treated wastewater, which can reduce the overall demand on freshwater. The following uses are recommended for further evaluation:

- Re-use of treated water for supplementing fire-fighting demand. Although it is impractical to install a wet system of fire protection, treated wastewater can be stored at strategic locations at ground level with pumping arrangement or overhead tanks for access by the fire department. These locations will have to be clearly demarcated, accessible and equipped with watch/ward to prevent misuse or human contact with the treated wastewater. In the present scenario, this option may not be viable and is presented here only for future consideration.
- Re-use for wet sweeping of main roads - modern equipment is commercially available to sweep and clean main roads through mechanical brushing/sweeping combined with a water spray to keep suspended particulate matter to a minimum. Water for this operation can be obtained from treated wastewater. This is normally applicable in major cities. In the case of Kuzhithurai, this option may not be practical. The option to utilize treated and disinfected wastewater for gardening and related open spaces' maintenance can be evaluated.
- Flushing of head manholes/sewers - This operation is probably the best use for treated wastewater and is most beneficial to the longevity of the sewers that are proposed in all the towns within the Kuzhithurai region. Periodic flushing of the head manholes using treated wastewater discharged from mobile flushing units is recommended to reduce silt deposition in sewers. The flushing operation can be performed on a rotational basis where each sewer line (starting/head reach within a sewerage zone) is flushed at least once in a month.

Coverage of Low Income Settlements: There are 6 notified slum areas within the town limit. All these slum areas are partially provided with the sanitation facility. Therefore it is proposed to cover this locality by using Pay & Use type / Free / Low Cost Sanitation toilet facility under Gol & GoTN schemes.

Operation & Maintenance Plan: Adoption of an O&M Plan and Schedule, including options of using the private sector for O&M (e.g. management contract). The ULB can privatise O&M of pumping stations and STPs through a service or management contract with the private sector who would be solely responsible for the O & M of the system, based on an agreed annual fee, with built-in incentives for improved performance.

Mapping & GIS: The O&M shall also include mapping & GIS of the sewer system, for proper upkeep and maintenance and regular updation. This would enable constant vigilance with regards to system malfunctions and promote effective maintenance.

Asset Management Plan: To address the condition assessment and the performance of the Sewerage assets, it is recommended that an asset management plan be prepared for the UGS Assets in ULB.

Tariff Revision: Future capital investments on system up-gradation being imminent, the tariff structure shall be revised from time to time to enable cost recovery and to service the additional debt from the capital investments. It is proposed to introduce a Separate Sewer Charge to service the debts and sustain O&M, of the new Capital Investments.

Institutional Strengthening and Capacity Building: Recruitment of trained engineering personnel for management of Sewer works is an important issue confronting the ULB, the present system is being implemented by TWAD Board and shall be transferred to the ULB for maintenance of Assets, and as well of more importance is to keep them technically updated. It is necessary that periodic training be imparted to the operations staff of the ULB. The aforementioned strategies to a significant extent assist in provision of an efficient system of sewerage, adequate coverage, treatment and disposal in accordance with applicable discharge standards and full cost recovery. The master plan shall also focus on provision of

sewerage and sanitation facilities in the newly planned layouts and peripheral areas to ensure coordinated development.

8.4.2 PRIORITY ACTIONS AND PROPOSALS

PRIORITY ACTIONS

Following table presents priority actions and their implementation plan for underground sewerage during the project period (2008-2012):

Table 8.7: Priority Actions and Implementation Plan - Underground Sewerage Scheme						
Component	Activity	Year 1	Year 2	Year 3	Year 4	Year 5
Sewerage Collection, Treatment & Management	Development of Sewerage System for Town		√	√	√	√
	Provision of Sewage Treatment Plant		√			
	Community toilet integration	√	√			
	Recycling Plant & Reuse system			√		
Sanitation Facility	Community toilets	√	√			

PROPOSALS

The projected demand for 2040 is compared with the Sewage generation to verify the adequacy and the need to augment the capacity of certain components. It is proposed to implement the UGSS by, (i) Creation of assets for Pumping Capacity by 2025, (ii) Ultimate stage Treatment Capacity of 3.34 MLD (Activated Sludge Process), and (iii) sewer network of approximately 73.53 km length and creation of new Sewer Zones.

Proposed Capital Works - UGSS

- Sewage collection system to uncovered areas;
- Sewage Treatment Plants; and
- Wastewater pumping and out-fall systems.

8.4.3 ESTIMATED SECTORAL INVESTMENT

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are listed below:

Table 8.8: Estimated Sectoral Investment - Underground Sewerage Scheme		
		(Rs. in Lakhs)
Component	Activity	Investment
Sewerage Collection, Treatment & Management	Development of Sewerage System for Town	2445.28
	Provision of Sewage Treatment Plant	180.70
	Community toilet integration	36.07
	Recycling Plant & Reuse system	15.87
Sanitation Facility	Community toilets	48.09
Total		2726.01

Necessary clearances from concerned ministries or authorities need to be acquired at the earliest. The authorities/departments/agencies that are proposed to be responsible for project formulation/implementation/monitoring are listed, but shall not be necessarily limited to the following entities:

- Nodal Agency: Kuzhithurai Municipality;
- Formulation/Implementation Agency: Kuzhithurai Municipality;
- Monitoring Agency: State Pollution Control Board, Tamil Nadu.

8.5 STORM WATER DRAINS

- Development of drains appears to be performed as a joint activity with development/reconstruction of roads and not as an individual sector. This is specific to drains along major and minor roads. This is a critical deficiency area, since the existing

- network along major and minor roads serves as the primary conduit for conveying storm water from the point of origin to the major channels/drains.
- A well designed and developed master plan for storm water drainage should be developed focusing on areas such as projected growth of population and incidental development of road network, updated rainfall details, low-lying areas, rainwater harvesting requirements and other relevant parameters.
 - It is also imperative to conduct awareness programs at the town level to cover all classes of residents to highlight the function of storm water drains, prevention of encroachment of storm water drain areas, prevention of dumping of solid waste and discharge of sewage/sullage from households and other related issues.

8.5.1 STRATEGIES FOR DEVELOPMENT

Strategies for storm water drainage are based on the fact that roadside storm water drains are as important as the flood protection scheme for natural drains. The following are the strategies identified in consultation with the stakeholders:

Storm water Pilot Project: Under this programme a study shall be taken up to identify the flood spots within the town. This shall be based on the past history of floods and a survey of all the drains in the town and their conditions. Mere cleaning of the drains could drain most of the flood spots. In almost all the cases, strengthening of the drains and construction of leading drains will have to be taken up. A desilting exercise has to be taken up in all the natural and open drains.

Watershed Planning: Watershed planning is required with respect to major basins (i.e. Thamiraparani River) primarily to handle storm water. Such planning will enable the authorities to construct and maintain other man made drainage system within the town.

Drainage Rehabilitation Program: The flood prone areas identified are to be relieved of the problem in future by undertaking a drainage rehabilitation program. As a part of this program, the leading/connections between secondary and tertiary drains to primary drains have to be improved and strengthened. In addition, control of weed growth, limiting the dumping of solid and construction waste and controlling the growth of encroachments would be given priority.

Primary Drain Rehabilitation and Improvement Program: The primary drains are inadequate to handle the flash floods as they are not systematically designed and are not fully constructed in some sections. Moreover, significant reduction in depth and width are noticed due to siltation and encroachment of drain bunds. To alleviate these, a rehabilitation and improvement program is recommended.

Improvement Works and Construction of Tertiary Drains: Construction of tertiary drains (pucca only) would be taken up on a priority basis as the town comprises of 17 km of tertiary drains. It is proposed to construct pucca drains to all the major arterials and important roads to increase the pucca drain coverage to facilitate proper draining of storm water into natural drains.

Operation & Maintenance Schedule: Adoption of an O&M Schedule for works varying from Drain Cleaning to Desilting, including options of using the private sector for O&M (e.g. Management Contract).

Monitoring and Quality Control: Monitoring of water quality parameters need to be conducted on a regular basis. ULB need to take up the responsibility of monitoring the parameters in the water bodies within its jurisdiction and take preventive measures, if the results are above the permissible limits. The horticulture department of town would devise pro-active strategies to limit pollution to water bodies within its limits and would co-ordinate with other agencies for monitoring the parameters in the water bodies.

Principles to Strive for in Storm Water Management

These four principles provide a helpful framework for looking at storm water plans:

Control: Control measures can be broken down into two categories: source control and runoff control. Source control measures focus on pollution prevention. Their objective is to avoid or limit the generation of pollutants. Typical source control Measures include proper containment measures; spill prevention and cleanup, waste reduction, public education, illicit connection control, and reduced use of fertilizers and pesticides. Runoff control measures focus on minimizing runoff from new developments, and siting infrastructure to discourage development in environmentally sensitive areas. These controls are cost-effective if implemented in the site-planning phase of new development projects. Examples of these controls at the municipal planning level include zoning ordinances, subdivision regulations, buffers, and setback requirements. Runoff control measures also include techniques for slowing down runoff.

Collection: Capture and storage of runoff for more timely release is a vital component of most storm water management systems Retention basins are areas designed to hold the storm water permanently until it infiltrates into the ground. Detention basins are meant to slow and hold storm water before releasing it.

Conveyance: Conveyance systems are used to drain and direct the flow of runoff generated on a site. This is often done with catch basins feeding into storm sewers. More natural systems, using vegetated depressions and swales which look and function much like the natural drainage system, should be used whenever possible.

Cleansing: Control, conveyance, and collection of runoff mean little without provisions for cleansing. Cleansing is commonly accomplished through techniques that promote filtration and settling of pollutants and their natural processing by vegetation and soil. Filtering devices include engineered structures like sediment basins and porous pavement, but also include natural systems like stream buffers and vegetated filter strips. Depending on their design, many collection systems like ponds and constructed wetlands also serve to clean water.

Therefore, the priority actions identified through discussions with stakeholders and the proposals evolved for improvement are specifically intended to achieve dual objectives, viz. optimal utilization of the available strengths of the system through requisite identification and creation of opportunities for system improvement and sustainability, and implementation of remedial measures based on the identified weaknesses of the system/sector to ensure that the imminent and potential (future) threats are eliminated and prevented from recurring.

8.5.2 PRIORITY ACTIONS AND PROPOSALS

PRIORITY ACTIONS

Following table presents the priority actions and their implementation plan for storm water drainage during the project period (2008-2012):

Table 8.9: Priority Actions and Implementation Plan - Storm Water Drains						
Component	Activity	Year 1	Year 2	Year 3	Year 4	Year 5
Drains Rehabilitation	Rehabilitation of Major drains/channels		√	√	√	
	Rehabilitation of Storm Water Drains	√	√			
Construction of Drains	Formation of Interceptor/Diverter Channels	√	√			
	Provision of storm water along existing roads	√	√			
	Formation of new drains along proposed road network		√	√	√	√
	Treatment and re-use of storm water			√	√	

As specified earlier, priority actions identified by the stakeholders, discussed and finalized pertaining to development of the existing network of storm water major and minor drains including catchment, surface and area drains in Kuzhithurai are furnished below:

- Removal of encroachments along major and minor drains.
- Rehabilitation of existing drains.

- Expansion of drain network to uncovered areas.
- Awareness programs to prevent solid/liquid waste dumping into drains.

PROPOSALS

The ULB should increase the Service levels in terms of coverage, to achieve coverage of 130 percent of Road Length, through Pucca Built-up Drains. The ULB is recommended to adopt the strategy for rejuvenation of water bodies, to be used as sources for re-charging and as Summer Storage, and through networking of Water Bodies, to increase Water Sustainability.

Proposed Capital Works - Storm Water Drains

- Improvement to existing minor drains;
- Rehabilitation of existing major drains;
- Fencing and greenway development along major drains;
- Development of a storm water drain master plan; and
- New drain network for uncovered areas.

Considering the requirements, capital investments in Drainage have to be planned to address issues focusing upon; (i) Improvement Works and Construction of Tertiary Drains. (ii) Drainage Rehabilitation works for low lying areas, through improvement of networking of Secondary and Tertiary Drains to Primary Drains; (iii) Improvement and Rehabilitation of Primary Drains through widening, deepening, construction of Side-Walls, Cross-Drainage Works and Diversion works at Critical locations; (iv) Rejuvenation and Rehabilitation works for Water Bodies, through de-silting, bunding works and Intersection and Diversion of Sewage wherever required.

The Project demand for 2011 is compared with the existing Storm Water Drainage Infrastructure, to verify the adequacy and need to augment the capacity of components. Proposed augmentation of required components of the system is indicated in Table 8.10 below.

Table 8.10: Demand, Supply and Required Augmentation of Drainage System for 2011

Project Sub-Component	Unit	Existing Status	Demand			
			Year 2008		Year 2011	
			Demand	Surplus/ (Deficit)	Demand	Surplus/ (Deficit)
Road Length	Kms	71.71	73.53	-	74.41	-
System Rehabilitation						
Strengthening of Open Pucca Drains	Kms	12.00	-	(7.50)	-	-
Strengthening of Closed Pucca Drains	Kms	0.30	-	-	-	-
Upgradation of Kutcha drains to Pucca drains	kms	17.54	-	(17.54)	-	-
Strengthening of Natural Drains	Kms	4.00	-	(4.00)	-	-
New Infrastructure						
Storm Water Drains - (@130% of road length)	Kms	29.84	76.47	(46.63)	77.39	(47.55)
Open Pucca Drains	Kms	12.00	19.12	(7.12)	19.35	(7.35)
Closed Pucca Drains	Kms	0.30				
Kutcha drains	Kms	17.54	-	-	-	-

Source: Analysis

It is proposed to augment additional quantity, (i) Strengthening of open pucca drains to a length of 7.50 km, (ii) Upgradation of additional length of approximately 17.54 km of Kutcha Drains to meet current gap, (iii) Strengthening, Desilting and Removal of encroachments of 4.0 km of Natural Drains (i.e. Thamiraparani River) and improve networking, (iv) Construction of closed drains to a length of 7.35 km along NHs and SHs, and (v) Provision of 47.5 km length of storm water drains along the proposed road network during the short-term period.

The following proposals have been identified by the study team based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the Stakeholders:

- Development of a storm water drain master plan;
- De-silting of existing storm water drains;
- Improvement measures to existing water bodies;
- Re-grading/re-surfacing of drains as required; and
- New drain network for uncovered areas.

8.5.3 ESTIMATED SECTORAL INVESTMENT

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are listed below:

Table 8.11: Estimated Sectoral Investment - Storm Water Drains		
		(Rs. in Lakhs)
Component	Activity	Investment
Drains Rehabilitation	Rehabilitation of Major drains/channels	605.06
	Rehabilitation of Storm Water Drains	69.85
	Formation of Interceptor/Diverter Channels	60.64
Construction of Drains	Provision of storm water along existing roads	454.78
	Formation of new drains along proposed road network	864.99
	Treatment and re-use of storm water	24.26
Total		2079.58

Necessary clearances from concerned ministries or authorities need to be acquired at the earliest. The authorities/departments/agencies that are proposed to be responsible for project formulation/implementation/monitoring are listed, but shall not be necessarily limited to the following entities:

- Nodal Agency: Kuzhithurai Municipality.
- Formulation/Implementation Agency: Kuzhithurai Municipality & Public Works Department, Tamil Nadu.
- Monitoring Agency: State Pollution Control Board, Tamil Nadu.

8.6 ROADS, TRAFFIC AND TRANSPORTATION

Based on the identified issues in Roads, Traffic and Transportation sector, it is imperative to ensure that typical upgrading of the road network is limited not only to widening and re-grading/paving which can provide succor only to a certain extent. Increasing the area under roads and traffic movement, extending the provision of adequate parking and traffic infrastructure that will match the town's present and future needs for both private and public transport are other areas that require attention.

8.6.1 STRATEGIES FOR DEVELOPMENT

Strategies under Roads, Traffic and Transportation focus at improving town wide transportation network and linkages, and Provision of town and regional level transport facilities. Improvement of Core Town Areas is proposed in terms of Pedestrianisation, Signages and Strengthening.

Design Criteria:

- Strategy shall focus to have 100% coverage of surfaced roads including up-gradation of roads.
- Ensure free flow of traffic through junction improvement and providing sufficient off-street parking.
- Ensure free and safe movement of pedestrian providing footpaths and Side Protection Barriers.

Approach: The ULB need to increase the network, so as to achieve a full cover that will cater to 100 percent of the population. Given the high density of population within the ULB area, and also limited area for development, it is proposed to emphasize on strengthening and widening measures for Roads, thus addressing the issues of congestion and incomplete network.

Preparation of Traffic Management Plan: This shall focus on junction improvements, traffic management within core areas of the town regional level proposals, parking and pedestrian facilities. It has been observed that, in most of the major roads in the town pedestrians are forced to use the carriageway due to the absence or poorly maintained footpaths. Footpaths of 1.5m wide are proposed along the major roads where heavy pedestrian movements are observed. For traffic safety and convenience, appropriate signs, markings, lighting, guideposts are required to be provided on curves, intersections, public utility places, etc. Proposals for road furniture are made considering the importance of the road, safety and aesthetic.

Road Planning and Demand: The newly developing areas and habitations of rural in nature requires establishment of new linkages. The road widening projects can provide success to a certain extent in increasing the area under roads, but are limited to certain commercial corridors and critical link roads only. Road planning shall also ensure that roads, parking and traffic infrastructure provision matches the town's present and future needs for both private and public transport.

Pedestrian Facilities and Safety Measures: Pedestrians are most vulnerable road users in cities. It is therefore necessary to provide better facilities for pedestrian movement in areas where pedestrian movement is predominant. Pedestrian facilities in terms of providing footpaths free of encroachment in all the bus route roads.

Building Pay & Park type Complexes: The phenomenal growth of vehicles has lead to increased demand for parking. Being an important commercial/market centre of the region there is a sudden increase of floating population during peak hours. The problem is further aggravated by the absence of adequate off street parking facility. Pay and Park complexes are to be built for a better parking and traffic management. Such complexes can be privatized.

Asset Rehabilitation: Upgrading shall be undertaken to extend, refurbish and enhance the roads. Plans would be phased so as to optimise the cost and surface condition and shall include upgrading earthen roads to Bituminous Topped Roads. This phased up-gradation would considerably reduce the costs on new formations.

The most critical issue is not only planning for such infrastructure, but also ensuring active and effective coordination across other departments such that development activities across each front, i.e., installation of sewer mains, water mains, street lights, storm water drains.

8.6.2 PRIORITY ACTIONS AND PROPOSALS

PRIORITY ACTIONS

Following table presents priority actions and their implementation plan for roads, traffic and transportation during the project period (2008-2012):

Table 8.12: Priority Actions and Implementation Plan - Roads, Traffic and Transportation						
Component	Activity	Y1	Y2	Y3	Y4	Y5
Improved Safety, Service delivery and Customer Satisfaction by providing better infrastructure	Strengthening existing roads	√	√			
	up gradation of important roads		√	√		
	Formation of new roads			√	√	
	Junction Improvements		√	√		

Table 8.12: Priority Actions and Implementation Plan - Roads, Traffic and Transportation						
Component	Activity	Y1	Y2	Y3	Y4	Y5
	Bus Shelters	√				
	ROBs and Sub-ways		√	√		
	Signals	√				
	Signage and markings	√	√			
	Road divider & Medians	√	√			
	Traffic Island	√	√			
	Bus Stand Improvement	√				
	New Bus Stand	√	√			
	New By-Pass Road Formation		√	√	√	
Improved Pedestrian Facilities, comfort and safety	Accessibility to the disadvantaged	√	√			
	Pedestrian Crossings	√				
	Foot paths	√	√			

PROPOSALS

The following proposals have been identified by the Study Team based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the Stakeholders:

The Project demand for Roads for 2011 is compared with the existing Road Infrastructure, to verify the adequacy and need to augment the capacity of components. The future trend of road network development is envisaged based on population growth and land use; efficient system of road network; segregation of traffic; designalizing of junction; and Upgradation, widening and strengthening of major junctions. Projected road demand, for town roads, for 2011 is indicated in Table 8.13.

Proposed Capital Works - Roads, Traffic and Transportation

- Pavement Improvements to ULB maintained roads widening and improvement of HD maintained roads; and
- Studies on parking requirements and town-wide public transportation system.

The Road Length demand for 2011, based on the road density of approximately 14 km per sq. km of area and Per Capita Road Length of approximately 1.85 m is approximately 73.53 km, as against 71.70 km for 2008 including NHs and SHs. Service level based on Road Surface type is maintained at 5 percent for CC Roads, 65 percent for BT Roads and 30 percent for WBM Roads. It is proposed to improve the condition of existing roads through Upgradation, Widening and Strengthening of up to 20km of road length.

Table 8.13: Demand, Supply and Required Augmentation of Internal Roads (excluding NH, SH, MDR's) for 2011

Project Sub-Component	Unit	Existing Status	Demand	
		Year 2008	Year 2011	
			Demand	Surplus/ (Deficit)
Road Length	Kms	38.76	41.46	(2.70)
Concrete Road	Kms	15.01	16.06	(1.05)
BT Road (Approved + Unapproved)	Kms	22.34	25.41	(3.06)
WBM Road	Kms	0.04	-	-
Earthen Road	Kms	1.37	-	-
System Rehabilitation – Upgradation of Internal Town Roads				
Repair of Concrete Roads	Kms	-	-	(6.50)
BT Roads to Concrete Roads	Kms	-	-	(3.50)
Restoration of BT Roads	Kms	-	-	(9.50)
WBM Roads to BT Roads	Kms	-	-	-
Earthen Roads to BT Roads	Kms	-	-	(1.37)
New Infrastructure – New Roads Formation				
Concrete Road	Kms	--	-	(1.00)
BT Road	Kms	--	-	(3.06)
WBM Road	Kms	--	-	-

Source: Analysis

Road Augmentation: It is proposed to augment additional quantity of road network by the following methods, (i) New Formation of additional length of 3.06km of Black Top Roads; (ii) Upgradation of BT to CC roads to a length of 3.5km and (iii) Upgradation of Earthen Road to BT road to a length of 1.37 km.

Junction Improvement: Kuzhithurai Town is densely populated, although the town's road system has as many ill-designed road intersections, which lack in many characteristics such as road geometric features, channeling islands, parking lanes for turning vehicles, acceleration and deceleration lanes etc. To improve the town image and the carrying capacity of road junctions, it is proposed to provide grade separated pedestrian foot over bridges, Junction landscaping, and improvement at selected Intersections. Following junctions are proposed for the improvements on the basis of observation and with consultation.

- Marthandam Junction;
- Vettuveni Junction; and
- Edaikulam Junction.

Intersections must be designed and operated for simplicity and uniformity and the design must keep the capabilities and limitations of drivers, pedestrians and vehicles using intersections. All the traffic information on road signs and marking should be considered in the design stage prior to taking up construction work. Any location having merging, diverging or crossing maneuvers of two vehicles is a potential conflict point. The main objective of the intersection design should be minimize the conflict points. The improvement measures normally include:

- Proper channelisation for the free left turn
- By-pass road to reduce the unnecessary traffic into the town
- Foot path on approaches of the junctions
- Planned pedestrian zebra crossing
- Shifting of electric poles and cutting of trees
- Land acquisition / removing structures
- No parking on the approaches of the junction for at least 50 m
- Adequate and safe turning radius
- Appropriate gradient of the road at the intersection

Construction of New Bus stand and Improvement of Existing Bus Stand: The existing Marthandam Bus stand is located on the eastern part of the town and it is inadequate in terms of capacity and amenities. Hence a new bus stand is proposed in Kuzhithurai area in T. S No: A3/103-108 – for 1 acre in Vilavangadu Poromboke land.

The existing bus stand at Marthandam requires the following improvement works to accommodate the future need:

- Provision of pavement,
- Adequate lighting facility - preferably High mast light,
- Drinking water supply,
- Increasing Number of bus bays,
- Improvement of Entry & Exit to bus stand,
- Provision of roofing in bus bays,
- Provision of commuter friendly facilities like waiting hall, seating arrangements, rest rooms etc.
- Improvement of existing Pay & Use toilet.

Implementation of Scheme Roads: In order to provide better circulation pattern for the future development of Kuzhithurai town, roads identified under master plan need to be implemented under phased manner.

Foot Paths: Construction of pedestrian pathway on both the sides of Marthandam – Vettuveni Junction (NH road) for a distance of 1 km

Sub-Way: Due to the more pedestrians/commuter crossing across NH-47, requirement of sub-way is near Marthandam Junction was highlighted during the stakeholders' consultation.

Implementation of By-Pass Roads: In order to provide better circulation pattern for the future development of Kuzhithurai town, by-pass road need to be implemented under phased manner. A by-pass road of 18m wide is proposed on eastern side of the town in continuation to Theankaipattinam. The proposed by-pass road accounts to a length of 2km.

New ROB: The proposed by-pass road requires a two-way railway over bridge at Nallur Village to an approximate length of 500 m.

It was noted that the land requirement for provision of new roads and other infrastructure in the newly developed areas that are within the development area has been identified and earmarked in the CCP. However, formation and development of such roads are not envisaged under the above proposals.

8.6.3 ESTIMATED SECTORAL INVESTMENT

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are listed below:

Table 8.14: Estimated Sectoral Investment - Roads, Traffic and Transportation		
(Rs. in Lakhs)		
Component	Activity	Investment
Improved Safety, Service delivery and Customer Satisfaction by providing better infrastructure	Strengthening existing roads	233.45
	up gradation of important roads	152.26
	Formation of new roads	101.33
	Junction Improvements	36.38
	Provision of Bus Shelters	21.83
	ROBs and Sub-ways	2668.05
	Signals	36.38
	Signage and markings	24.26
	Road divider & Medians	78.83
	Traffic Island	18.19
	Bus Stand Improvement	48.51
	New Bus Stand	121.28
	New By-Pass Road Formation	3274.43
Improved Pedestrian Facilities, comfort and safety	Accessibility to the disadvantaged	30.32
	Pedestrian Crossings	6.06
	Foot paths	63.06
Total		6914.62

Necessary clearances from the concerned ministries or authorities need to be acquired at the earliest. The authorities/ departments/ agencies that are proposed to be responsible for project formulation/ implementation/ monitoring are listed but shall not be necessarily limited to, the following entities:

- Nodal Agency: Kuzhithurai Municipality.
- Formulation/Implementation Agency: Kuzhithurai Municipality and Highways Department.

8.7 SOLID WASTE MANAGEMENT

8.7.1 STRATEGIES FOR DEVELOPMENT

While formulating strategies, the MSW (management & handling) rules 2000, serve as guideline. The rules came into existence under section 3, 6 and 25 of the Environment (Protection) Act, 1986 by Central Government. Strategies for solid waste management revolve around optimum use of manpower, equipping them with required gears and making the collection, transportation and disposal effective round the clock.

SEGREGATION AND STORAGE OF WASTE AT THE SOURCE OF GENERATION

Improvement measures should evolve effective strategies to mobilize the community and citizens towards synchronizing the system of waste storage at source with primary waste collection by the ULB and cooperate with the ULB to maintain clean streets and neighborhoods, in particular, and the town in general. The local inhabitants should be advised to keep two separate bins/bags for the purposes of segregation of waste at source and adopt appropriate mode of disposal of such waste from the source as outlined in the Manual on the Municipal Solid Waste Management.

ULB should direct all waste generators (households, institutions commercial establishments and floating population) not to throw any solid waste in the street, open spaces, and vacant plots or into drains by organizing public awareness programs and/or through public notification in leading local newspapers. Any violations in this regard should be penalized and the ULB staff should be empowered to do so.

PRIMARY COLLECTION OF SOLID WASTE

Following are the broad interventions suggested for improvement of primary collection of solid waste:

- Provide daily waste collection to all households and establishments for collection of organic bio-degradable waste from the doorstep by ensuring regular and reliable service so as to clear such waste within 24 hours of its generation;
- Dry and recyclable wastes to be collected on alternative days as these do not decay and need not be collected daily; and
- Domestic hazardous wastes produced occasionally may not be collected from doorstep but the people should be advised to deposit the same in special designated bins.

Accordingly, one of the key steps to be followed towards implementing the above initiatives would be to direct the street sanitary workers to collect the wet waste (organic and bio-degradable) door-to-door during the street sweeping process on a daily basis. Initially, some of the well developed residential areas of the town that can readily afford the cost involved may be covered through this process. This service shall gradually be extended to other areas of the town.

ULB can evaluate the option of enhancing promotion of NGOs and SHGs for collection of dry and recyclable wastes and domestic hazardous wastes from the doorstep on 'no payment on either side' basis.

STREET CLEANSING

The most important aspect of improving effectiveness of street cleansing operations may be addressed by improving the working environment of the sanitary workers and fixing norms for each sanitary worker so that the factor of accountability may be established to review the performance of each sanitary worker.

Sanitary workers shall sweep the roads and footpaths in the area allotted to them as well as collect the domestic, trade and institutional wastes in their handcart from all households, shops and establishments situated along the stretch of road/street allotted. The sweeping norms mentioned below are for cleaning streets in the first 4 hours of the working day. Roads/streets, which have a central median or divided section, should be considered as two roads. In such cases the length of the road allotted for sweeping should be reduced to half or alternatively separate sanitary worker may be engaged for sweeping two sides of the road. All above shall include the surface drains abutting the road having width less than 1 m. the sanitary workers should be assigned fixed individual beats and 'pinpoint' work according to the density of the area to be swept. Alternatively, the following guidelines may be considered while prescribing these norms:

- High-density area: 250 to 350 running meters of road length.
- Medium-density area: 400 to 600 running meters of road length.
- Low-density area: 650 to 750 running meters of road length.

In order to avoid inconvenience to the citizens by dust generated from street sweeping and also to facilitate sweepers to perform their duty without interruption from constant vehicular movement, it is recommended to implement "night-sweeping" arrangement in the town by the ULB.

TEMPORARY STORAGE OF WASTES

ULB should ensure that containers are provided at an average distance of 250 meters from the place of work of the sanitary workers. The average distance between 2 containers should, therefore, not exceed 500 meters. The distance between the containers shall be determined on the basis of the load of waste / refuse that is likely to be received at the container from the area concerned. The containers should be placed on cement concrete or asphalt flooring having a gradual slope towards the road to keep the site clean. The flooring should be flush with the border of the road (i.e. drains) to maintain hygienic conditions and facilitate the transfer of waste from the handcart/tricycle into the container. A catch pit may be provided close by if storm water drains exist in the town. In areas where placement of large containers (dumper placer containers) is inconvenient, small containers of 1.00 cu. m size may be placed on the roads, lanes and by-lanes at short distances of about 300 m. These containers should also be kept on paved flooring and cleared daily. It is of paramount importance to ensure compatibility of the containers with the existing and proposed transportation fleet.

Another option that could be used in such a situation is to avoid placing a container altogether and instead press into service small waste collection vehicles for direct transfer of waste from the handcarts/tricycles into such vehicles. Such vehicles can be parked at suitable locations in the congested areas where sanitary workers can bring the waste easily. It is suggested to use innocuous agents like bleaching powder and other permitted insecticides to prevent the menace of breeding of flies and mosquitoes at the community storage points. Further, such an application of innocuous agents would facilitate maintaining hygienic and odorless environment at the community storage points. It may be noted that the proposed containerization of wastes would prevent littering and spreading of wastes at the community storage points by stray animals. Further, proposed training of rag pickers by NGOs would facilitate the rag pickers to collect recyclable wastes at the doorstep avoiding the necessity to pick-up such wastes from the community waste storage points.

The standards and norms prescribed in the Manual¹ pertaining to temporary waste storage points are based on the total waste generation and the spacing, viz. a) the total capacity of the temporary waste storage points should be equivalent to at least 1.5 times the total waste generation, and b) the spacing between two temporary waste storage points should be less than or equivalent to 500 m.

¹ Manual on Municipal Solid Waste Management

TRANSPORTATION OF WASTES

Synchronization of collection with the transportation process is one of the key steps to be initiated by the ULB. The collection of waste needs to be containerized and the proposed transportation system should be envisaged to be compatible with the collection system. The synchronization of transportation with that of the collection process should be planned in a phased manner considering the financial capability and operation and maintenance capacity of the ULB. The vehicles used for the transportation of waste shall synchronize with that of the collection system and based on the market surveys and situation analysis and discussion with the ULB, two types of vehicles are envisaged for the town:

- Dumper Placer -Twin Container is proposed to cater to the needs of the fast moving vehicles. This vehicle would have two containers, each of capacity 3 cu. m with side loading and unloading facilities using hydraulic system. This vehicle is envisaged to undertake 3 trips per day with total waste carrying capacity of 9 MT per day, primarily used for the wider roads within the town; and
- Three-Wheeler Auto Cargo is proposed to cater to the needs of the small and congested lanes of the town especially in the old town areas. These vehicles would have an open container of capacity 1.4 cu. m with manual loading and rear hydraulic unloading facilities. This vehicle is envisaged to undertake 5 trips per day with total waste carrying capacity of 3-4 MT per day.

The transportation of wastes is envisaged to be containerized as per the norms/standards prescribed in the Manual. Accordingly, it is envisaged to replace the existing open transport system in a phased manner. As per the norms/standards, it is suggested to have vehicular capacity equivalent to 1.25 times that of the actual generation of waste. However, from the economic point of view, vehicles less than 10 years (economic life) are proposed for regular routes on a daily basis while those approaching their economic life would be used as reserves and for pinpoint operations, achieving the requisite carrying capacity of the fleet. With containerization of the transport, the number of trips may be considerably increased due to saving in time for handling, loading and unloading the generated waste.

SOLID WASTE TREATMENT AND DISPOSAL

Presently, ULB has adopted only dumping as the method of waste disposal. It is recommended to implement an effective mechanism for treatment and disposal of generated solid waste. Evaluation of available technologies for solid waste treatment and disposal should be performed on the following lines:

- Available project experience information or proven technology (domestic/international);
- Suitability of process for region-specific field condition;
- Scale of operation;
- Technical feasibility;
- Feasibility of capacity upgrade;
- Economy of operation - capital and annual O&M cost;
- Requirement of land, water and power;
- Manpower and level of skill requirement;
- Capability of the ULB to manage the facility;
- Environmental impact of such technology;
- Process aesthetics; and
- Overall life cycle cost.

Based on the scale of waste generated in Kuzhithurai and viability of the treatment technologies, aerobic composting is recommended as the techno-economically feasible process for further detailed investigation and subsequent implementation. A detailed study needs to be made on this alternative prior to finalization. The study team suggested the ULB to utilize regional landfill facility which is under preparation by TNUIFSL to dispose inert waste and compost rejects.

Operation and Management Schedule: Adoption of an O&M Schedule, including options of using the private sector for O&M (e.g. management contract). In view of the criticality of the information on vehicle movement in assessing the collection and disposal efficiency of the local body, it is recommended that a standard register at the disposal site and transfer station be maintained. The register should contain information on each of the vehicle trips at both the locations and the origin of waste collection. The Schedule can be used for periodic maintenance of vehicles to defer Costs. A summary of this information shall be prepared at the end of the day, to be verified by the health officer.

Approach for Optimal Manpower Utilization: Since all areas under ULB are proposed to be brought under privatisation, it is considered that there would not be any further requirement to induct conservancy workers. The existing street sweeping operations in the ULB are satisfactory and to ensure operational efficiency of the system, the following measures are suggested, (i) Markets and other areas of the town shall be swept at least twice a day and sweeping should be done on Sundays and holidays in core areas and denser areas. (ii) Sweepings shall be collected separately as degradable and non-biodegradable waste and deposit in containers kept at various locations and de-silting of larger drains may be done by a separate crew equipped with appropriate implements.

Institutional Strengthening and Capacity Building: Recruitment of trained engineering personnel for management is an important issue confronting the ULB, and as well of more importance is to keep them technically updated. It is necessary that periodic training be imparted to the operations staff of the ULB.

Training & Public Awareness: Training may be given at all levels. NGOs and private sector be fully involved. IEC activities have their role in SWM but the best approach the general cleanliness is through imposition of administrative charges on erring citizens. When citizens do not throw solid waste on roads, the collection of solid waste will become efficient and easy.

8.7.2 PRIORITY ACTIONS AND PROPOSALS

PRIORITY ACTIONS

As specified earlier, certain priority actions identified by the stakeholders are discussed and finalized pertaining to development of the solid waste management sector in Kuzhithurai and are furnished below:

- Comprehensive Solid Waste Management Scheme (per the MSW Rules, 2000).
- Minimization of generation of Solid Waste.
- Source segregation of municipal solid waste.
- Augmentation and expansion of primary collection of waste.
- Modernization and expansion of existing waste transportation system.
- Municipal solid waste treatment and disposal.
- Regulation of recyclable wastes handling and re-use.
- Proper handling and disposal of slaughter house and related wastes.

Following table presents priority actions and their implementation plan for solid waste management during the project period (2008-2012):

Table 8.15: Priority Actions and Implementation Plan - Solid Waste Management						
Component	Activity	Y1	Y2	Y3	Y4	Y5
Primary Collection	Providing bins for Door-Door Collection	√	√	√		
	Containerized Tri-Cycles		√	√		
	Equipment for Garbage Recovery Personnel		√	√		
	Equipment for Street Sweeping Personnel		√	√		
	Tipper Lorries - Used for Construction/Other Debris Collection			√		

Table 8.15: Priority Actions and Implementation Plan - Solid Waste Management						
Component	Activity	Y1	Y2	Y3	Y4	Y5
Secondary Collection	Container Bins for Residential Areas (1.25 MT Capacity)		√	√	√	
	Container Bins for Market, Bus Stand, Commercial, Railway Station etc., (1.25 MT Capacity)		√	√	√	
Transportation	Dual Load Dumper Placer Vehicles		√	√	√	
Waste Processing & Disposal	Integrated Waste Treatment		√	√		
	Sanitary Landfill Facility		√	√		
	Scientific Closure of the existing dump site		√	√		
Administration Complex	Administration and Utilities Complex including HT Electrical Sub-station			√		

PROPOSALS

The total Solid Waste Generation in 2008 for a Per Capita Generation of approximately 200 grams/day is estimated at 5.0 MT, indicating a priority need for Scientific Disposal of Waste. Since, the Population Density of the ULB is high, the Waste generation has been considered at 210 grams/day (based on present generation), against the generation and the demand for future is assessed.

Proposed Capital Works - Solid Waste Management

- Source segregation system;
- Augmentation of primary collection system;
- Augmentation of transportation system;
- Transfer stations with required equipment;
- Municipal solid waste treatment plant; and
- Construction of landfill.

The total Solid Waste Generation for 2025 is estimated 5.57 MT. The Present Disposal system is Open Waste Dumping, creating potential health and environment hazard considering the quantity of waste generation, location of disposal site and its environs, hence further option for Scientific Regional Waste Disposal (i.e. Integrated Facility) can be explored on priority basis. The details of Service Levels for future are presented in Table 8.16.

Table 8.16: Design Criteria and Target Service Level

Description	Unit	Based On CPHEEO Norms
		2025
Population	In nos.	26,541
Per capita Waste Generation	Grams/day	210
Collection Type	-	Door-to-Door Collection and Segregation of Waste at Source
Collection Demand	Percent of Generation	100
Vehicle Capacity Adequacy	Percent of Rated Capacity	100
Treatment Type	-	Composting of Waste & Sanitary Landfill
Treatment Demand	Percent of Generation	100
Total Solid Waste Generation	MT	5.57

Source: Norms

Highest priority has to be accorded for segregation & storage at source irrespective of the area of generation so as to facilitate an organized and environmentally acceptable waste collection, processing and disposal. Source segregation of Recyclables and bio-degradable (organic) waste will not only provide an efficient way for resource recovery, but will also substantially reduce the pressure and pollution in Landfill sites.

Approach for Primary Waste Collection and Street Sweeping: The following measures have been recommended for improving the primary collection practices of the ULB;

Implementation of 'Door-to-door collection' through 100 percent privatisation - In order to achieve the above objective, a 'Tow Bin system of Solid Waste Storage' at source is being recommended. As per this system, each of the households shall be directed to keep separate bins/ containers for biodegradable and non-biodegradable waste generated within

their premises. The segregated waste so stored in these bins will have to be transferred to the dumper placer provided for each area. Details of Collection system and Specifications of segregated waste are summarized in Table 8.17 and Table 8.18 respectively.

Table 8.17: Details of Proposed Primary Collection System

Mode of Collection	Area of collection	Primary collection vehicle	Secondary storage
Door to Door	1. Residential colonies of High and Middle income group	Multi-bin cart/ tricycle-with 2 bins for Biodegradable waste and 1 for recyclable	1.Bio-degradable in Skips/ wheel containers 2. Non-biodegradable-Sell or hand over to waste collector
	2. Hotels/ Restaurants	Closed vehicle to collect Biodegradable	Direct transport to Disposal site
Large Community Bin System	Fruit and Vegetable Markets/ Transfer Stations	Carrying bins to Transfer Point	Skip / Dumper Placer
Small Community Bin System	Slums/urban poor Colonies	Carrying bins to Transfer Point	Transfer contents of biodegradable to community bins

Table 8.18: Details of Specification of Segregated Waste

S. No.	Source	Storage of Segregated Waste	
		Bio-Degradable	Non-Bio-Degradable
1	Households	10-15 liters capacity plastic/ reinforced plastic/ LDPE/ metal bin with lid	A bin or Bag of suitable Size
2	Hotels, Restaurants	60 liters capacity-LDPE /HDPE	A bin or Bag of suitable Size
3	Shops, Offices, Institutions	Suitable container not exceeding 60 liters	A bin or Bag of suitable Size
4	Market Stalls	40-60 liters bin-LDPE/HDPE	A bin or Bag of suitable size
5	Function Halls	Bin/ Skip matching to Municipal Collection system	A bin or Bag of suitable size
6	Hospitals, Nursing homes	60 liters capacity bin for non-infectious bio-degradable waste	Store waste as per Bio-medical Waste Mgmt Handling Rules 1998
7	Construction/ Demolition waste	-	Store with in premises and deposit in the notified Site by the local body or to the municipal Vehicle
8	Garden Waste	Store with in premises	Deposit in large community bin or to the municipal vehicle

Tricycles shall be used for door-to-door collection. The collected wastes are then conveyed to the dumper bins of capacity 1.25 MT. The available push carts shall be exclusively earmarked for areas having narrow streets/lanes where dumper placer cannot enter and where dumper bins cannot be placed. It is recommended to phase out waste collection through pushcarts.

The collected garbage is transported to the waste processing site by dumper placers of 2.5 MT - 3 MT capacity. Dumper placers have to collect the dumper bins and unload the wastes at inspection yard. Inspection yard at dumping site are constructed with tipping platform arrangement to unload the garbage from the dumper bins to perform screening of wastes. Demolition wastes / debris can be collected through existing Tippers or by lorries. Based on the recommendations above the following Table 8.19 gives the details of the vehicles and other infrastructure to be purchased to implement this new approach.

Table 8.19: Vehicle Requirement for Primary and Secondary collection

Sl. No.	Equipment	Primary Collection	Secondary Collection
		Tricycle	Dual Load Dumper Placers
1	Pay load or waste per trip (MT)	0.175	2.0 (1MT* 2 Nos)
2	Collectable quantity (MT)	5.57	5.57
3	No of trips per vehicle	--	3
4	No of vehicles required	40	1
5	Total Requirement with 25 % allowance	50	2
6	To be purchased	50	2

- Assumptions: 80% of the capacity is taken for the purpose of calculation of number of tricycles and number of dumper bins.

Table 8.20: Bin Requirement for Primary and Secondary collection

Particulars	Primary Collection	Secondary Collection
	Household Bins	Dumper Bins
Total Requirement	4,912	7
Number of bins available	--	--
To be purchased	4,912	7

Source Segregation and Collection of Commercial Waste, through privatization; and Source Segregation and Collection of Hotels and Market Waste - Construction waste has to be stored at the premises of the construction either in skips or suitable containers and has to be directly emptied to the notified disposal site by the generator. Meat and fish markets should store waste in non-corrosive bins of maximum 100-liter capacity each and transfer contents to large container to be kept at the market just before lifting of such large containers. Slaughterhouses should keep separate containers for animal waste and other wastes. It is also being recommended that this system of source segregation and storage is encouraged through community education and awareness campaigns and hence no capital investments are envisaged in this regard. Introduction of bio-medical waste management facility with support from Indian Medical Association is also recommended.

Street Sweeping on Daily Basis - Since further areas and eventually the entire town is proposed to be brought under privatization; it is considered that there would not be any further requirement to induct conservancy workers. The existing street sweeping operations in Kuzhithurai are satisfactory and to ensure operational efficiency of the system, the following measures are suggested. (a) Markets and other areas of the town shall be swept at least twice a day and sweeping should be done on Sundays and holidays in core areas and denser areas; (b) Sweepings shall be collected separately as degradable and non-biodegradable waste and deposit in containers kept at various locations and a separate crew equipped with appropriate implements may do de-silting of larger drains.

The factors that are considered in preparing plan for street sweeping in ULB are population and building density, road surface, pedestrian traffic, sand accumulation, and topography. In preparing a sweeping plan for ULB, the streets and public spaces are classified as residential streets, market areas, and open spaces, streets having no residential areas or having less density of habitation. The details of sanitary workers are presented in Table 8.21 after taking the above factors into consideration.

Table 8.21: Details of Sanitary Workers Requirement

S.No.	Classification of Roads	Length of Roads (km)	Number of Sweepers per km	Total No. of
				Sanitary Workers
1	Highways			
	National highway	4.65	4	19
	State highway	8.30	4	34
2	ULB Maintained			
a.	B.T.Road	22.35	2.5	56
b.	C.C. Road	15.01	2.5	38
c.	WBM Road	0.04	1.5	-
d.	Earthen Road	1.36	1.5	3
Total				150
Add 10 % for common places				15
Grand Total				165

In conclusion it is suggested to have good sweeping plan and to cover the entire Kuzhithurai area including lanes, by-lanes and open spaces it is necessary to work out the "Beats", after taking in to consideration the following requirements:

- Each sanitary worker has to do the sweeping and the cleaning of the tertiary and road side drains and transfer the sweepings in to the bins in the sweeper's cart and deposit biodegradable and non-biodegradable separately in the containers/ bins kept at the intersection of sweeping routes.
- Separate crew equipped with appropriate implements may do De-silting of larger drains. Removal of floating debris and blockages should be the responsibility of sweepers.
- Part of the street sweeping can be outsourced to women SHGs or other agencies through a transparent process
- The ULB should publish notification inviting general public to complain and bring it to the notice of municipality in case their area is not cleared.
- Sanitary services should not suffer due to absence of any sanitation worker. In order to assure this, alternate arrangements must be made to ensure that all sanitary services are provided even when any sanitary worker is on leave or absent.

Community Participation and Enforcement of By-laws and Waste Collection and Handling Rules - It is recommended that the community be involved in primary collection through segregation at household level to minimize the number of waste handling operation. Non-biodegradable waste shall be collected separately from premises where door to door collections are organized. Present system of primary collection should be supplemented by introducing multi-bin carts (Push carts / Tricycles) covering the entire area of the town.

It is envisaged that 100 percent area of the ULB be brought under door-to-door collection and hence, no additional dust bins are proposed, except for slums and other areas. These are estimated to be about 20 to 25 percent in 2011. The rest of the 75 to 80 percent shall be privatized. In this scenario, the ULB shall overlook the collection and transportation activities.

The existing dust bins shall be phased out in an organized manner according to the implementation of the system. This is proposed to be achieved by the year 2010-11. Based on these assumptions, the equipments for primary collection are estimated, to meet the future Waste Generation.

Approach for Waste Collection and Transportation: The following measures have been recommended for improving the waste collection and transportation practices of the ULB;

Secondary Collection system - It is recommended to retain all Tippers, for secondary collection purpose, in places where Dual Loaded Dumper Placers cannot be introduced.

Efficient Transportation System - It is also recommended that Dual Loaded Dumper Placers (DLDPs) be introduced to improve the collection efficiency and to cover 80 percent area of the town in phased manner.

The introduction of Dual Loaded Dumper Placers shall eliminate the need of the Secondary Collection Points. Instead of these collection points, in the end, transfer stations with advanced segregation and recycling facilities may be introduced, in the future. Presently, the Vehicle Capacity Adequacy Ratio is 30. This indicates an overall capacity deficiency of 0.57 for achieving 100% collection efficiency by the year 2025.

System Demand: Two Dual Loaded Dumper Placers with 7 numbers of containers will be required for collection of approximately 5.57 MT of waste generated in Kuzhithurai at present.

Table 8.22: System Demand for Solid Waste Management

Sl.No	Type	Required per Design and CPHEEO norms
Primary Collection		
1	Tri-Cycles	40
2	Push-carts*	-
4	Tipper Lorries - Used for Construction/Other Debris Collection*	-

Sl.No	Type	Required per Design and CPHEEO norms
5	Autos*	-
Secondary Collection & Transportation		
1	Dumper Bins for Dual Dumper Placers (1.25 MT capacity)	7
2	Dual Dumper Placer Vehicles (2.5 to 3 MT cap.)	2
Waste Processing & Disposal		
Sanitary Landfill Complex		
1	Front End Loader with Shovel for MSW Landfill - waste spreading	1
2	Backhoe Loader (Gen. Purpose) for MSW Landfill - Hydraulic Excavator & Front End Loader Combo - for loading, excavation, embankment construction etc.,	1
3	Landfill/ Soil Compactor with Pad Foot Shell Arrangement	1
4	Tipper Trucks w/ custom built body and Double Ram Hydraulic Tipping Arrangement for Waste Handling (Eicher Model 10-90, Ashok Leyland or Equivalent)	1
5	Tractor with Water Tank, Pump, Spray Nozzle with Extender Arm Attachment for Fine Spray Dispensing	1
Aerobic Composting Complex		
1	Compost Turner and Aeration Attachment with Tractor	1
2	Front End Loaders with Shovel (JCB Model or equiv)	1
3	Tractor with Water Tank, Pump, Spray Nozzle with Extender Arm Attachment for Fine Spray Dispensing	1
4	Tipper Trucks w/ custom built body and Double Ram Hydraulic Tipping Arrangement for Waste Handling (Eicher Model 10-90, Ashok Leyland or Equivalent)	1
5	Mini-Loaders (Bobcats or equiv.) with Skid Steering or suitable arrangement	1

* Existing Fleet would be used in congested streets and lanes

Approach and Design for Disposal of Waste: Based on Generation of Solid Waste it is recommended to develop a landfill site for safe disposal of Solid Waste of the ULB. Based on the successful implementation of the door-to-door collection and source segregation practices in the town, the options of waste to energy and composting projects can be developed. The disposal strategies for the ULB will do with.

Composting the organic fraction of the waste - Approximately 70% of the waste generated in Kuzhithurai is organic nature. In terms of the quantity, it is expected that approximately 4 tons of organic waste is to be generated which can be taken up for Composting. The land requirement for compost facility is estimated at 3 acres, which will accommodate Windrow Pads, Ancillaries and Circulation area.

Sanitary land filling of inorganic fraction of waste and the compost rejects - Inorganic waste constitutes approximately 30 percent, quantifying to 2 ton, is proposed to be disposed through Sanitary landfill. The land requirement for Landfill facility is estimated at 2 acres. The Sanitary landfill is proposed for a volumetric capacity of 1.00 cu.m, with at least Three Lifts (One Lift below ground and Two Lifts above ground). Landfill facility design is based on CPHEEO design assumptions for Sanitary Landfills, wherein a landfill height of 5 m and a bulk density of 0.85 Tons/ m³ are assumed. However, the actual height of landfill depends on the geological/ geographical conditions of the site and technology of landfill development. The wastes which are being dumped in the dump yard are recommended to be ceased by scientific closure through implementation of an engineered landfill facility. The land shall then be reclaimed by creating green space over the earth cover by forming grass land and by placing adequate soil cover.

The study team suggested the ULB to utilize regional landfill facility (combining Kuzhithurai, Padmanabhapuram, Kolachel and Nagercoil municipalities in the cluster) which is under preparation by TNUIFSL to dispose inert waste and compost rejects.

The following proposals have been identified by the study team based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the Mission Stakeholders:

- Implementation of source segregation system;

- Installation of additional primary collection bins and related component;
- Augmentation of transportation fleet - tractors, dumper-loader trucks;
- Installation of transfer stations with compactors, material handling equipment and wastewater disposal facility (drains, pump station etc.);
- Implementation of municipal solid waste treatment system; and
- Construction of landfill for non-bio-degradable waste including lining, under-drains, gas extractor/burners and perimeter protection.

8.7.3 ESTIMATED SECTORAL INVESTMENT

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are listed below:

Table 8.23: Estimated Sectoral Investment - Solid Waste Management		
		(Rs. In Lakhs)
Component	Activity	Investment
Primary Collection	Providing bins for Door-Door Collection	3.04
	Containerized Tri-Cycles	5.26
	Equipment for Garbage Recovery Personnel	0.90
	Equipment for Street Sweeping Personnel	4.22
	Tipper Lorries - Used for Construction/Other Debris Collection	10.53
Secondary Collection	Container Bins for Residential Areas (1.25 MT Capacity)	3.57
	Container Bins for Market, Bus Stand, Commercial, Railway Station etc., (1.25 MT Capacity)	0.59
Transportation	Dual Load Dumper Placer Vehicles	34.56
Waste Processing & Disposal	Integrated Waste Treatment	284.51
	Sanitary Landfill Facility	15.82
	Scientific Closure of the existing dump site	16.60
Administration Complex	Administration and Utilities Complex	36.38
Total		415.98

Necessary clearances from the concerned ministries or authorities need to be acquired at the earliest. The authorities/ departments/agencies that are proposed to be responsible for project formulation/ implementation/monitoring are listed, but shall not be necessarily limited to the following entities:

- Nodal Agency: Kuzhithurai Municipality.
- Formulation/Implementation Agency: Kuzhithurai Municipality.
- Monitoring Agency: State Pollution Control Board, GoTN, Kuzhithurai.

8.8 STREET LIGHTING

The principal issue in this sector is the present level of power consumption and measures to reduce energy charges in the future that is incurred through provision of adequate street lighting for the town roads.

8.8.1 PRIORITY ACTIONS AND PROPOSALS

PRIORITY ACTIONS

As specified earlier, priority actions identified by the stakeholders, discussed and finalized pertaining to development of the street lighting sector in Kuzhithurai are furnished below:

- Upgrading street lighting in existing areas which essentially entail replacement of fluorescent lights with sodium vapor or equivalent lamps and installation of high-mast cluster lighting at important junctions that are not presently covered with such lighting arrangements.

- New street lights shall be provided for uncovered areas.
- Power consumption management and energy efficiency measures.
- Development of General Lighting Plan.

Following table presents priority actions and their implementation plan for street lighting during the project period (2008-2012):

Component	Activity	Y1	Y2	Y3	Y4	Y5
Service Improvement	Proposed SV lamps in uncovered areas	√				
	Proposed FL lamps in uncovered areas	√				
	Proposed High Mast light in major junctions	√				
	Proposed Timers for existing / new lights	√	√			
	Proposed Sensor Lighting	√	√			
	Proposed Solar Lights		√	√		
	Proposed Power Saver (Capacitors)	√	√			
	Proposed dedicated sub-station/transformers	√	√			
	Proposed Tri-vector meters	√				

Proposals

The following proposals have been identified by the study team based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the pertinent Stakeholders:

- Replacement of FL with SV or equivalent lamps at major intersections;
- Installation of street lighting fixtures at uncovered areas - poles, bull-head fittings, control systems and solar panels (as-applicable);
- Augmentation of transformers/sub-stations (as applicable); and
- Installation of capacitors, timers/trip sensors and other operational control equipment at control nodes.
- Implementation of underground cabling along major roads.

Proposed Capital Works - Street Lighting

- Upgrading street lighting in covered areas;
- Provision of new street lighting for uncovered areas;
- Augmentation of Power Supply Infrastructure; and
- Installation of operational control and energy efficiency equipment.

Proposed augmentation of required components of the system is indicated in Table 8.25 below.

Table 8.25: Demand, Supply and Required Augmentation of Street lighting for 2011

Project Sub-Component	Unit	Existing Status	Demand			
			Year 2008		Year 2011	
			Demand	Surplus/ (Deficit)	Demand	Surplus/ (Deficit)
Street Lights	Nos.	1426	2451	(1025)	3579	(2153)
New Infrastructure						
Tube Light Fixtures	Nos.	1193	1961	(768)	2863	(1670)
High Power Fixtures	Nos.	230	490	(260)	716	(486)
High Mast Lights	Nos.	3	3	0	3	0

Source: Analysis

It is proposed to augment additional quantity, (i) Installation of 2153 New Light Poles, (ii) Installation of New High Power Fixtures and Conversion of Tube Lights to High Power Fixtures, of 486 Nos. and (iii) Additional 1670 tube light fixtures to meet the normative standard of 30m interspacing. Based on Discussions and field visits, it is understood that the existing Street Lights are in good functional condition and do not require any major rehabilitation measures.

8.8.2 ESTIMATED SECTORAL INVESTMENT

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are listed below:

Table 8.26: Estimated Sectoral Investment - Street Lighting		
		(Rs. In Lakhs)
Component	Activity	Investment
Service Improvement	Proposed SV lamps in uncovered areas	88.41
	Proposed FL lamps in uncovered areas	204.30
	Proposed Timers for existing / new lights	39.41
	Proposed Sensor Lighting	37.90
	Proposed Solar Lights	6.06
	Proposed Power Saver (Capacitors)	0.30
	Proposed dedicated sub-station/transformers	4.55
	Proposed Energy meters	4.85
Total		385.78

Necessary clearances from the concerned ministries or authorities need to be acquired at the earliest. The authorities/ departments/ agencies that are proposed to be responsible for project formulation/ implementation/ monitoring are listed, but shall not be necessarily limited to, the following entities:

- Nodal Agency: Kuzhithurai Municipality.
- Formulation/Implementation Agency: Kuzhithurai Municipality and TNEB.

8.9 SLUM UPGRADING

8.9.1 GENERAL

Slum upgrading (including rehabilitation) initiatives and improving the quality of life of the urban poor in general and slum dwellers, in particular, shall be an integral part of the CCP. With the growth of the town and addition of new areas, migration of people from rural areas to the town is imminent. However, the strategies under growth management shall arrest the extent of the migration. In the wake of the new developments being planned in the town, it is necessary that they are regulated in an integrated manner.

Various schemes introduced by the State and Central governments to improve the socio-economic status of slum dwellers need to be utilized in an effective manner. The ULB needs to supplement the current initiatives on its part with aggressive strategies to fulfill the requirements of the urban poor. The best practices and strategies outlined in this chapter shall be at the macro level, specific to social development, as infrastructure provision and deficiencies are already addressed by the underlined strategies under each sector in the prior chapter on Infrastructure.

8.9.2 BEST PRACTICES AND STRATEGIES

The ULB shall initiate community development activities within its administrative jurisdiction and integrate this aspect in its overall plan for the development of Kuzhithurai. Hence, various Central & State Government programmes shall converge into the overall development plan.

8.9.3 POVERTY ALLEVIATION AND COMMUNITY DEVELOPMENT PROGRAMS

Beneficiary Selection: The target beneficiaries need to be identified based on a socio-economic survey and efforts need to be initiated to form Community Development Societies (CDSs) covering the target population and implement guidelines on the lines of SJSRY in

beneficiary selection. The community needs to be encouraged to avail the benefits under various slum development programs by developing linkages with lead bankers and ensuring the free flow of communication and a proper reporting procedure. A town level training strategy shall be formulated to focus on the targeted beneficiaries. The strategy will aim at the people to be trained including policy makers, town officials, community members as well as the beneficiaries.

Programme Monitoring: Monitoring of the programme is equally important as implementation. Effective monitoring paves the way for replication and upscaling of such initiatives.

Social Inclusion of Vulnerable Groups: The vulnerable groups are socially under-privileged women and the aged who are generally restricted by the dominant groups in any community. Voice for these vulnerable groups in community development programs is necessary. It can be ensured only through effective awareness campaigns. Improving the literacy levels among the poor and the slum dwellers will also ensure the elimination of the differences among the communities and ensure participation of vulnerable groups. This initiative aims at a long-term goal and needs sustained longstanding efforts on the part of CDSs. The activities of the CDSs shall be monitored through an evaluation procedure on a periodic basis.

8.9.4 COMMUNITY DEVELOPMENT

Community development needs to be integrated to provide economic and employment generation activities. The ULB has to strengthen its efforts to identify NGOs, SHGs and CBOs and encourage them to work specifically for the empowerment of the urban poor in general, and slum dwellers in particular.

The ULB may concentrate on organizing specific training programs on tailoring, housekeeping, mechanic work, lathe working, computer operation, coir works, etc. to guarantee employment/self-employment for the identified beneficiaries. Training needs assessment, designing the training programs, identification of training institutions and resource persons to bring in community development also needs to be focused.

Education: Support from various sections for involvement in education and to enhance opportunities for increased access to literacy development is to be encouraged. There is a need to develop strong linkages between education, training programs and resources. Value added services (computer coaching classes, tuition, etc.) may be encouraged. The ULB shall facilitate school-linked programs and support services.

Strengthening Community Development Initiatives: Strengthen efforts to involve people in the planning and decision-making at the community level that affect their lives and encourage the participation of community in physical as well as economic generation activities. Encourage government departments, schools, institutions and community-based organizations to provide opportunities for people's participation in discussions that shape decisions and effect proper coordination between the various actors in community development. The ULB has to identify NGOs/CBOs to develop appropriate linkages with town level authorities and community.

Others Policies: Following are some of the policy initiatives which support/facilitate 'best practices':

- Support transformation of informal settlements which are notified. Allow for incremental development and gradual improvement of settlements without loading excessive infrastructure and construction costs. Provide the support required to speed up the process through access to financial, organizational and technical inputs.
- Draw up a town level plan quantifying present informal settlement population, and prepare an action plan to target integration of the population into the town. Communities residing in these settlements must be encouraged towards self-assessment and

identification of priorities through which they can initiate changes in their settlements.

- There needs to be a better convergence of urban poverty programmes of the centre, state and local governments. The Comprehensive Development Plan should be prepared with special attention to land tenure, basic services, housing and employment needs, including informal enterprises of the poor, of women and children. Provide the poor with better access to housing finance at affordable cost through micro-credit schemes and community-based lending.
- Promote the cluster, collective or cooperative society approach in allocation of land to the poor. Develop a range of tools through which communities of the poor and their organizations begin a dialogue with the ULB on issues of tenure, infrastructure and housing.
- Develop innovations in delivery mechanism through which communities can begin to work with local authorities to ensure universal provision of basic sanitation and other amenities and services.
- The poor should be empowered to take full part in town governance and thereby access their due share of resources. Action for economic empowerment should include facilitating self-managed thrift and credit societies in order to link the poor to institutional credit.
- Eviction without provision of full resettlement and livelihood opportunities should be avoided. In-situ upgrading should always be the preferred option, except in completely untenable situations. The ULB should play an enabling role in linking poor people to a range of innovative housing and livelihood options.
- The ULB should work with communities using participatory methods to map their access to infrastructure services (water supply, toilets, drainage, garbage removal, etc.) and prioritize their needs/demands. Opportunities should be actively explored for the poor to participate in both infrastructure construction and ongoing service delivery. Although individual family facilities should be the priority, constraints of space may require innovative service delivery options such as community-managed shared facilities.

Therefore, the priority actions identified through discussions with stakeholders and the proposals evolved for improvement are specifically intended to achieve dual objectives, viz. optimal utilization of the available strengths of the system through requisite identification and creation of opportunities for system improvement and sustainability, and implementation of remedial measures based on the identified weaknesses of the system/sector to ensure that the imminent and potential (future) threats are eliminated and prevented from recurrence.

8.9.5 PRIORITY ACTIONS AND PROPOSALS

As specified earlier, priority actions identified by the stakeholders, and discussed and finalized pertaining to development works related to slum upgrading and urban poor in Kuzhithurai are described below. The below listed policy framework and priority actions have been identified by the study team based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the Stakeholders.

Proposed Capital Works - Slum Upgrading

- Land Acquisition/purchase;
- Construction and upgradation of dwelling units; and
- Integrated development of slum through all basic amenities like water supply, sanitation, solid waste management, roads, storm water drains, streetlights, etc.

POLICY DIRECTIVES / ACTIONS

- Development of comprehensive 'slum upgrading' policy to identify, notify and upgrade the slums with clear assignment of responsibilities.
- Finalization of parameters for listing and categorization of slums as tenable and non-tenable category.
- Establishment of a sustainable continuous and non-lapsable fund flow for slum improvement programs.
- Appropriate institutional arrangements for transfer of land from the GoTN to ULB for undertaking slum improvement schemes and housing for urban poor.
- Exploration of the possibility of land acquisition for slums located on private lands.

PREPARATORY ACTIVITIES

- Comprehensive listing of slums.
- Notification of tenable/non-tenable slums and mapping within ULB area.
- Preparation of a database on socio-economic characteristics of all slum dwellers.
- Mapping and assessment of physical characteristics of slums (housing and services) for all tenable slums.
- Identification of land parcels for resettlement of slum dwellers of all non-tenable slums and involvement of NGOs/CBOs in the process.
- Preparation of DPRs for each of the slums as an integrated scheme covering both housing and services.

IMPROVEMENT MEASURES

- Provision of basic coverage/provision of water supply, sanitation, access roads, etc. in all tenable slums.
- Project formulation for integrated development of all notified tenable slums covering housing, provision of basic services and amenities.
- Formulation of public-private partnership projects for slum upgrading.
- Exploration of rehabilitation option rather than resettlement.
- Adoption of a 'community-based approach' in service provision and delivery to suit the local context and requirements.
- Ensure involvement of women and children from project formulation to implementation to achieve sustainability.
- Target service provision like water supply, sanitation and electricity on individual household basis - to facilitate improvement in performance & collection of user charges.
- Facilitation of 'e-service' provision and delivery, by communities with appropriate supervision by the ULB.
- It is recommended that the ULB bear the cost of provision of services with complete or partial recovery.

Following table presents priority actions and their implementation plan during the project period (2008-2012):

Table 8.27: Priority Actions and Implementation Plan - Slum Upgrading						
Sl. No.	Activity	Y1	Y2	Y3	Y4	Y5
I.	Policy Directives / Actions					
1.	Develop comprehensive 'slum upgrading' policy to identify, notify and upgrade slums with clear assignment of responsibilities	■				
2.	Finalize parameters for listing and categorization of slums (tenable & non-tenable category)	■				
3.	Establish a sustainable continuous and non-lapsable fund flow for slum upgrading programs		■ ■ ■ ■ ■ ■ ■ ■ ■ ■		■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
4.	Institutional arrangements for land transfer from GoTN to ULB for slum improvement schemes and housing for urban poor	■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■			
5.	Explore the possibility of land acquisition for slums located on private lands		■ ■ ■ ■ ■ ■ ■ ■ ■ ■		■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
II.	Preparatory Activities					
1.	Comprehensive listing of slums		■			
2.	Notify tenable/non-tenable slums and mapping within ULB area			■		
3.	Prepare a database on socio-economic characteristics of all slum dwellers in listed slums			■ ■ ■ ■ ■ ■ ■ ■ ■ ■		
4.	Mapping and assessment of physical characteristics of slums (housing and services) for all tenable slums			■ ■ ■ ■ ■ ■ ■ ■ ■ ■		
5.	Identify land parcels for resettlement of slum dwellers of all non-tenable slums and involve NGOs/CBOs in the process			■ ■ ■ ■ ■ ■ ■ ■ ■ ■		■ ■ ■ ■ ■ ■ ■ ■ ■ ■
6.	Prepare DPRs for each of the slums as an integrated			■ ■ ■ ■ ■ ■ ■ ■ ■ ■		

	scheme - both housing and services					
7.	Implement DPR covering both housing and services in all tenable slums					
8.	Formulate public-private partnership projects for slum upgrading					
III.	Improvement Measures in Notified Slums					
1.	Prepare a database on socio-economic characteristics of all notified slums					
2.	Mapping and assessment of physical characteristics of all notified slums (housing and services)					
3.	Adopt community based approach for preparing projects and involve NGOs/CBOs in the process					
4.	Prepare DPRs as an integrated scheme covering both housing and services					
5.	Implement DPR covering both housing and services in all tenable slums					

8.9.6 ESTIMATED SECTORAL INVESTMENT

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are listed below:

Table 8.28: Estimated Sectoral Investment - Slum Upgrading

		<i>Rs. in Lakhs</i>
Sl. No.	Particulars / Capital Investment Components	Investment
1.	Dwelling Units	42.45
2.	Water Supply	4.24
3.	Sewerage and Sanitation	8.49
4.	Solid waste Management	6.37
5.	Roads and Pavements	10.19
6.	Street Lights	1.02
7.	Community Centers	18.19
8.	Open Spaces/Gardens	18.19
	Total Capital Cost	109.14

Necessary clearances from the concerned ministries or authorities need to be acquired at the earliest. The authorities/departments/agencies that are proposed to be responsible for project formulation/implementation are listed, but shall not be necessarily limited to the following entities:

- Nodal Agency: Kuzhithurai Municipality.
- Formulation/Implementation Agency: Kuzhithurai Municipality and TNSCB.

8.10 REMUNERATIVE PROPOSALS

Apart from the core infrastructure facilities the following remunerative proposals are also identified for Kuzhithurai in consultation with the stakeholders for development in the short-term period.

1. Construction of Multipurpose / Community Hall at VLC Auditorium: Construction of Multipurpose / Community hall in G+1 floor with basement parking facility at a carpet area of 12,000 sq.ft under PPP / BOT Mode.
2. Construction of Guest house cum Office building: During Stakeholders consultation it was suggested to construct a guest house cum office building in the existing municipal office second floor at a carpet area of 2,000 sq.ft.
3. Improvement of Daily market complex at Karungal (with cold storage & marketing centre): Daily market owned by ULB is operated in single storey structures constructed during 1960. During the stakeholders consultation it was stressed that the present daily market need to be reconstructed with G+1 floor RCC structure at an extent of 0.5 acres to accommodate 50 shops with parking facility under PPP / BOT mode in T.S. No. 658.

4. Construction of Shopping Complex in proposed New Bus Stand at Kuzhithurai: In order to fetch more revenue it was suggested to construct shopping complex in the proposed new bus stand in T.S.No. A3/103-108 in Vilavangodu Poromboke land at an area of 1 acre.
5. Rehabilitation of Sanitary quarters: During stakeholders consultation there was an urgent need for to construct 50 houses in the existing sanitary quarter's site since it was in a bad and dilapidated condition. The total extent of sanitary quarters is 7500 sq.ft.

Following table presents priority actions and their implementation plan during the project period (2008-2012):

Table 8.29: Priority Actions and Implementation Plan – Remunerative Proposals						
Component	Activity	Y1	Y2	Y3	Y4	Y5
Service Improvement	Construction of Multipurpose / Community Hall at VLC Auditorium	√	√			
	Construction of Guest house cum Office building	√	√			
	Improvement of Daily market complex at Karungal (with cold storage & marketing centre)	√	√			
	Construction of Shopping Complex in proposed New bus stand at Kuzhithurai	√	√			
	Rehabilitation of Sanitary Quarters	√	√			

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are listed below:

Table 8.30: Remunerative Proposals

		(Rs. in Lakhs)
Sl. No.	Particulars / Capital Investment Components	Investment
1.	Construction of Multipurpose / Community Hall at VLC Auditorium	190.58
2.	Construction of Guest house cum Office building	63.53
3.	Improvement of Daily market complex at Karungal (with cold storage & marketing centre)	127.05
4.	Construction of Shopping Complex in proposed New bus stand at Kuzhithurai	95.29
5.	Rehabilitation of Sanitary Quarters	63.53
	Total Capital Cost (incl. contingencies, supervision, administration and consulting charges)	539.96

8.11 ENVIRONMENTAL IMPROVEMENT

This section pertains to the proposed development initiatives and specific improvements that are recommended to upgrade the existing urban environment and supporting infrastructure such as conservation of water bodies, improvement of greeneries.

8.11.1 CONSERVATION OF WATER BODIES

- Identification of water bodies within ULB limits for conservation.
- Rehabilitation of existing water bodies.
- Re-development of area adjoining water bodies for community use.
- Development of catchment facilities, water quality maintenance and groundwater recharge in water bodies.

Proposed Capital Works - Conservation of Water Bodies

- De-silting of existing water bodies;
- Rehabilitation of sidewalls and bed of water bodies;
- Development of perimeter area; and
- Water treatment and recirculation systems.

Rehabilitation of ecosystems: Efforts need to be made to develop an integrated catchment management plan for Edakulam tank, Thamiraparani River and other water bodies exists in the town. Further hydraulic capacity of these river and water bodies would be improved through widening and deepening and construction of side walls thereby limiting the risk of floods. Desilting need to be carried out to increase the water holding capacity and water

bodies need to be protected from dumping toxic and hazardous wastes.

Creation of Boat House: One of the aforementioned perennial water body (i.e. Thamiraparani River) can be used as a picnic spot by creating Boat House, Water Front Park, Walkways, and Landscaping and food court.

The following proposals have been identified by the study team based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the Stakeholders:

- De-silting of existing water bodies and development of the bed lining;
- Re-development of tank/lake bunds through slab lining;
- Re-development of perimeter area - paved walkway, area lighting, compound wall/fencing, access control and landscaping;
- Water treatment and recirculation including passive aeration systems;
- Reconstruction and restoration of drains leading into and out of the water bodies including by-pass and flood control; and
- Installation of water quality monitoring stations.

8.11.2 PLANNING FOR OPEN SPACES & OTHER RESOURCES

Open spaces and other connected resources have to be planned so that they become lungs for the town. The development of open spaces would also enhance overall environmental quality. It is suggested that proposals should be framed for carrying out studies or planning exercises required for framing capital projects. Some of the best practices and strategies that can be adopted are listed below.

SITE SELECTION AND MARKING

Potential green areas have to be identified, rehabilitated and maintained in order to reduce the deficit of open spaces and parks. Resources like gardens, parks, cemeteries, wastelands, heritage sites, industrial areas, forest, agricultural land, institutions and the road network shall be identified for potential greening activities.

NETWORKING OF RESOURCES

As specified in the earlier sections, open spaces along or next to water bodies shall be identified, rehabilitated and maintained in order to connect recreational and cultural areas. Restoration shall start simultaneously at various areas by clearing the obstacles and greening the areas. Special emphasis shall be given to planting trees. The aim is to restore the green cover to its original glory that was lamentably lost during the earlier devastating cyclone. The immediate action plan consists of greening areas where new developments are proposed and areas that are rapidly developing. The integration of natural resources in the city for recreational and cultural purposes shall be targeted to attract investments, increase commercial exchanges, and create job opportunities.

LAND USE INTERVENTIONS

Broadly three land uses can be identified for distributing green corridors - residential, commercial and industrial. It is difficult to define clear-cut strategies to convert them to green spaces, as each will have a characteristic of its own. However, residential areas seem to be the easiest to link and make part of a green network. Industrial locations consist partly of open spaces and land reserves that can be integrated to the green corridors.

The implementation of green corridors might be slow due to access and financial constraints. A convincing argument for planting trees is the impact of the increase on property values. Areas which are not available for connection may be given incentives by the government to form green corridors.

MAINTENANCE OF PARKS & PLAYGROUNDS

The possibility of entrusting resident associations and private agencies with the responsibility

of maintaining parks, playgrounds and the proposed green corridors can be evaluated. The tasks to be carried out like daily cleaning, watering, weeding, trimming, raising new plantations, etc. need to be clearly spelled out in a contract document. Resident associations can contribute minimum amounts towards maintenance, while the balance can be borne by the ULB.

Improvement of Existing Park: At present there are two parks exist in the town requires infrastructure facilities like seating arrangements, ornamental lighting, gardening, walkways etc. These sites can also be developed as a play field for children by providing play materials.

8.11.3 RAIN WATER HARVESTING

Most state governments have recently started to focus on rainwater harvesting to protect environmental resources, recharge the ground water table, create awareness on water usage, etc. Though the merits of rainwater harvesting are a known fact, they have not trickled down to required policy measures like pollution abatement, resource' networking, eco-system rehabilitation, etc. Therefore, it is imperative that the strategies mentioned below are implemented together with rainwater harvesting measures in an integrated manner.

PROTECTION OF ENVIRONMENTAL RESOURCES

One of the most critical interventions is the protection of environmental resources. The protection of natural water bodies, channels and open spaces from further encroachments shall be carried out in a coordinated manner. Areas adjoining water bodies shall be developed and clearly marked and notified to prevent further encroachment.

Strategies / Implementation Measures

- Rain Water Harvesting;
- Protection of Resources;
- Slum Networking;
- Pollution Abatement; and
- Eco-systems' Rehabilitation.

SLUM NETWORKING PROGRAM

Slum networking should be viewed as integrated improvement of the entire town using slums, not as isolated islands, but as an urban net. The spatial spread of slums together with contiguity between informal settlements gives an opportunity to strengthen town level infrastructure networks. There is a close correlation between slum locations and the natural drainage paths of the town, which needs to be tapped and improved upon with the infrastructure services. This approach would help in building low cost service trunks, particularly for gravity-based systems of sewerage and storm drainage, together with environmental improvements such as cleaning of channels and major drains.

POLLUTION ABATEMENT

Industrial effluent shall be treated separately and shall not be mixed with domestic sewage. Industry shall be encouraged to take up clean technology initiatives. This is particularly applicable for small and medium enterprises. Apart from these specific measures, certain industrial units will need to be shifted to designated areas for prevention of mixing of effluents into storm water drains.

Issues - Water Pollution

- Health risks;
- Contamination of groundwater;
- Encroachments of lakes and channels; and
- Lack of coordination and unclear responsibilities among agencies.

MONITORING AND QUALITY CONTROL

Monitoring of water quality parameters is being conducted by the SPCB and an Environmental Management Plan has been released as a guideline for protecting the overall environment. However, it is imperative that other departments that provide urban infrastructure should consult and coordinate all developmental initiatives with the SPCB and the SPCB shall, in turn, ensure that all applicable norms and standards are complied with.

Water Quality Monitoring Parameters

- BOD levels;
- Nitrate levels;
- Extent of heavy metals; and
- Extent of toxic substances.

8.11.4 AIR POLLUTION CONTROL

INVENTORY OF AIR QUALITY

There is an imminent need to augment and update the database on air quality indicators and initiate research on the health impacts of specific contaminants. The database shall include sources, emission concentrations and identify non-scheduled industrial and commercial premises with air pollution potential so as to develop emission reduction strategies. This shall be taken up in co-ordination with SPCB and the Traffic Police.

Principal Causes - Air Pollution

- Vehicular emissions;
- Industrial emissions; and
- Construction related activities.

LOCAL EDUCATION AND ENFORCEMENT PROGRAM

Identification of potential air pollution sources shall require mitigation through a structured education program. This program shall be drafted in consultation with the SPCB and the Traffic Police Department. It would focus primarily on vehicular pollution and would include promotion of emission testing of vehicles.

8.11.5 POLLUTION FROM SOLID & HAZARDOUS WASTES

STUDY ON WASTE SOURCES AND CHARACTERISTICS

There is a clear inability on the part of the ULB to maintain data on waste characteristics and thereby identify suitable mitigation methods. Data from waste characteristic studies shall be periodically updated and validated to maintain information on the identification of sources of generation, per capita generation, physical and chemical characteristics of the waste.

Issues - Hazardous Waste Management

- Collection & disposal of medical waste;
- Lack of disposal facilities; and
- Lack of initiatives on reuse and recycle.

LOCAL EDUCATION AND COMMUNITY PARTICIPATION

With high per capita generation trends, measures shall be adopted to reduce waste generation at source. This shall be made possible only through awareness creation and by eliciting active community involvement. The ULB shall take a pro-active role in sensitizing communities on waste minimization through a robust awareness campaign and education. The support of NGOs/CBOs and other agencies can be solicited in conducting such mass awareness programs.

IDENTIFICATION OF COMMERCIAL OPPORTUNITIES

Identification of waste characteristics, sources and creation of public awareness is expected to open avenues for commercial opportunities for waste management. With the ULB successfully contracting out waste collection to the private sector, it would be appropriate if further avenues like treatment and disposal, etc. are explored to carry out sustainable waste disposal practices on a public-private-partnership format.

8.11.6 PRIORITY ACTIONS

Following table presents priority actions and their implementation plan during the project period (2008-2012):

Table 8.31: Priority Actions and Implementation Plan – Environmental Improvement						
Component	Activity	Y1	Y2	Y3	Y4	Y5
Service Improvement	Rehabilitation and Improvement of Water Bodies	√	√			
	Improvement of Existing Park	√	√			
	Creation of Boat house in Thamiraparani River	√	√			
	Greening / Avenue Development		√	√		

8.11.7 ESTIMATED INVESTMENT

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are listed below:

Table 8.32: Estimated Sectoral Investment – Environmental Improvement

		<i>Rs. in Lakhs</i>
Sl. No.	Sector / Component Description	Investment
1.	Rehabilitation and Improvement of Water Bodies	177.33
2.	Improvement of Existing Park	72.14
3.	Creation of Boat house in Thamiraparani River	120.23
4.	Greening / Avenue Development	7.09
Total Capital Cost (incl. contingencies, supervision, administration and consulting charges)		376.79

The authorities/departments/agencies that are proposed to be responsible for project formulation/ implementation/monitoring are listed, but shall not be necessarily limited to the following entities:

- Nodal Agency: Kuzhithurai Municipality.
- Formulation/Implementation Agency: Kuzhithurai Municipality and Forest Department.

8.12 URBAN MANAGEMENT AND GOVERNANCE

The ULBs have been found to be proactive in their commitment to introduce reforms at the ULB level. All these reforms may be broadly categorized under the following:

- Computerization Initiatives;
- Property Tax Reforms;
- Privatization Initiatives;
- Accounting Reforms; and
- Resource Mobilization Initiatives.

8.12.1 POLICY FRAMEWORK AND PRIORITY ACTIONS

As specified earlier, priority actions have been discussed and finalized by the stakeholders for urban management and sectoral reforms for ULBs. The following policy framework and priority actions have been identified by the study team based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the stakeholders:

STRATEGY

- Innovations both at policy and project levels to speed up the urban reform process.
- Reforms to have in-built mechanism of participation and commitment.
- Institutional strengthening and financial capacity building to be an integral part of the reform measures.
- Areas of reform measures include property tax, accounting and auditing and resource mobilization and revenue enhancement.

PROPERTY TAX

- Bringing transparency and uniformity in taxation policies.
- Tax policy and operational procedures should be simple and clear.
- Development of templates for property tax (for self-assessment) to increase tax collection (without levying fresh taxes), including implementation strategies.
- Mapping of properties and developing GIS-enabled property tax management system for enhancing property tax net/coverage and better administration.
- Collection of arrears through innovative ideas and approaches using tools for community participation and fast track litigation methods.
- Property tax base should be de-linked from rental value method and should be linked to unit area or capital value method.

ACCOUNTING AND AUDITING

- Accounting reforms - shifting from single entry cash based accounting system to accrual based double entry accounting system.
- Legislative changes in the accounting systems and reporting requirements.
- Designing of accounting procedures.
- Accounting manual - chart of accounts, budget codes, forms and formats, etc.
- Standardized recognition norms for municipal assets and revenues.
- Auditing of accounts should be carried out effectively and regularly to promote transparency and accountability.

RESOURCE MOBILIZATION AND REVENUE ENHANCEMENT

- Increasing revenue through measures for better coverage, assessment, billing, collection and enforcement.
- Controlling growth of expenditure.
- Improving the organization and efficiency of the tax administration system.
- Augmentation of resource mobilization/revenue generation from properties belonging to ULB for improving the overall financial health.
- Energy audit of fuel and energy consumption by various depts. of ULB to minimize expenditures on fuel and energy, including energy audit and metering of street lights.
- Streamlining and strengthening of revenue base of the ULB:
 - Strengthen the fiscal powers of ULB to fix tax rates, fee structure and user charges through specific guidelines and notifications, which should find a place in the Municipal Rules. Prepare model guidelines for the city to allow greater flexibility in levying taxes, fees and user charges, borrowing funds and incurring expenditures;
 - The annual report of the ULB shall devote a section highlighting the amounts of subsidy given to a particular service, how the subsidy was funded, and who were its beneficiaries;
 - Implementation of MIS to provide relevant information on accounts, commercial and operating systems for better decision-making and information dissemination to citizens; and
 - Application of e-Governance is equally important for municipal finance.

Apart from the above, following are some of other reform measures which should be implemented to support the above identified key municipal reforms.

URBAN ENVIRONMENTAL MANAGEMENT

The costs of maintaining a healthy urban environment need to be recovered through various municipal taxes and user charges following the “polluter pays” principle. For this, the functional role of the ULB as envisaged in Item 8, 12th Schedule of the Constitution has to be resolved keeping in view the role of the Tamil Nadu Pollution Control Board, and the organizational and fiscal strength of the ULB.

ACCESS OF URBAN SERVICES TO THE POOR

Since “ability-to-pay” for the cost of environmental infrastructure service’ provision is an important criterion, cross-subsidization of tariffs, innovative project structuring and user/ community participation is the means to ensure access of these services to the poor. Again the functional and financial role of ULB with respect to the Items 10 and 11 of 12th Schedule vis-à-vis those of central and state government agencies need to be resolved.

In addition to the above, the GoI has formulated a Reform Agenda under JNNURM. Adherence to this Reform Agenda and Timeline is mandatory for accessing funds under the proposed UIDSSMT.

Good governance in the municipal context stands on two broad principles, viz. transparency and civic engagement and capacity building measures. Following sections highlight key elements of the above two principles of good governance specific to the ULB.

TRANSPARENCY AND CIVIC ENGAGEMENT IN MUNICIPAL MANAGEMENT

Laws/rules/regulations specific to city/local issues should be employed to facilitate effective implementation. These should be lucid and easily understood. Participatory mechanisms should be so structured that they have legal standing and administrative power. Local bodies should be responsive and innovative and involve community participation in civic engagement as follows:

- Specific code of conduct for municipal executives and elected representatives.
- Public education, resource mobilization, good leadership and transparent processes applied to municipal finance and development work.
- Closer networking with media and their engagement in creating public awareness and creating demand for good governance. Cautious engagement of private sector with continuous monitoring is necessary.
- Setting in place an active and online public Grievances' Redressal System, with automated department-wise complaint loading and monitoring system.
- Instruments to improve efficiency through enhanced technical, administrative and financial capacities.
- Credit enhancement options other than state guarantees need to be adopted.
- Preparation of annual Environmental Status Report through a multi-stakeholder consultation process.

CAPACITY BUILDING OF THE ULB

Following are some of the key aspects of capacity building measures for ULB:

- The ULB shall maintain data to generate indicators as suggested in this document for evaluating its performance.
- Prepare and conduct capacity building programmes for elected representatives, especially women representatives, with a view to enable them to focus on gender based issues.
- Promote the creation of interactive platforms for sharing municipal innovations, and experiences among municipal managers.
- Better human resource management through assessment of the training needs of personnel involved in urban administration to enhance management and organizational capabilities.
- Assessment of fund requirement and resource persons to tackle the training needs of all personnel.
- Development of training material in the local language and impact and evaluation studies of the training programmes.
- Capacity building to better position the urban local body to employ highly qualified staff and seek superior quality of out-sourced services.

As specified earlier, priority actions have been discussed and finalized by the stakeholders for urban governance for ULB. The following policy framework and priority actions have been identified by the study team based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the stakeholders.

TECHNOLOGY INTERVENTIONS THROUGH COMPUTERIZATION

- Billing and collection of taxes and user charges through e-services.
- Speed up development of e-Governance system and accounting system.
- Database management of assets, records, lands, properties, etc.

HUMAN RESOURCE DEVELOPMENT

- Staffing pattern, organizational restructuring and performance appraisal.
- Development of MIS for effective and efficient management & decision-making.
- Publication of newsletters for creating awareness and participation.
- Staff training, exposure visits and motivation programs to bring about awareness on recent developments and technologies.

CITIZEN ORIENTATION AND INTERFACE

- Conduct citizen satisfaction surveys & analysis on annual basis to assess citizen needs and demands including satisfaction levels.
- PR strategies to enhance community participation and create awareness.
- Innovative citizen complaint redressal system including e-Governance.
- Augment and strengthen new initiatives on citizen interface and orientation.
- Regular interface with citizen associations/forum to understand public needs.

The above assignment will be carried out by the concern ULBs with full support from the GoTN. The outcome of the above assignment shall provide clear guidelines and impetus to the towns for good urban governance.

8.12.2 CAPITAL INVESTMENT ESTIMATE

In order to provide financial assistance for continuing ongoing reforms and strengthening these reforms in line with the priority actions and proposals highlighted above, Rs. 2.00 crores have been estimated for this purpose and incorporated in the CIP. The above estimate has been prepared based on the information available/provided by concerned departments, detailed discussions with pertinent authorities, and Consultants database and experience on similar initiatives.

8.13 SOCIAL AMENITIES

This section pertains to the proposed development initiatives and specific improvements that are recommended to upgrade the existing social amenities and supporting infrastructure.

8.13.1 EDUCATION

Existing school buildings needs to improve the Tiled / Thatched roof to Pucca RCC structure with improved basic infrastructure facilities like protected water supply, sanitation facility, lighting facility etc. improvement of facilities in Noon Meal Centres were also highlighted by the stakeholders during consultation workshop.

Apart from the aforementioned basic amenities, provision of computer facility, furniture / other accessories, sports equipments are also included in the capital investment estimate for Kuzhithurai town.

8.13.2 HEALTH

Government Hospital in the town requires improvement facilities like water supply, sanitation facility, waiting area / seating arrangements for out patients, lighting facility, modernized medical care facilities, additional buildings for maternity ward, facilities for in-patients etc.

8.13.3 BURIAL AND BURNING GROUNDS

Burial ground in the town requires improvement facilities like pavement, access roads, compound wall / fencing, water supply facility, gasifier facility, burning shed, lighting facility including solar lights, sanitation facility including bathing, prayer hall, landscaping, tree plantation etc.

8.13.4 ESTIMATED INVESTMENT

Based on the parameters specified in the earlier section, the capital cost has been estimated for the proposed intervention and are listed below:

Table 8.33: Estimated Sectoral Investment – Social Amenities

		<i>Rs. in Lakhs</i>
Sl. No.	Sector / Component Description	Investment
1.	Improvement of Education facility	121.28
2.	Improvement of Health facility	90.96
3.	Improvement of Burial Ground	24.26
Total Capital Cost (incl. contingencies, supervision, administration and consulting charges)		236.49

The authorities/departments/agencies that are proposed to be responsible for project formulation/ implementation/monitoring are listed, but shall not be necessarily limited to the following entities:

- Nodal Agency: Kuzhithurai Municipality.
- Formulation/Implementation Agency: Kuzhithurai Municipality, Education Department and Health Department.

9

CAPITAL INVESTMENT PLAN & PROJECT PRIORITIZATION

9.1 CAPITAL INVESTMENT PLAN

The Capital Investment Plan (CIP) is the multi-year scheduling of identified and prioritized investments. The scheduling or phasing of the plan has been developed keeping in mind likely fiscal resources availability (for new investments and O & M), technical capacity for construction and O & M, and the choice of specific improvements to be carried out for a period of six years, and in subsequent phases.

The need for the CIP is on account of:

- Assessment of town growth and infrastructure needs (to be carried out once every five years)
- Preliminary outline feasibility and engineering studies carried out for new projects
- Scheduling of investments of ongoing and committed projects with funding from other sources
- Assigning of priorities within the constraints of available financial resources

9.1.1 PROCESS

The Capital Investment Plan involves the identification of public capital facilities to cater to the demands of the town population during different stages (design stages) as per the requirements of various urban services. The following process is adopted in identifying capital investment requirement and formulating the CIP.

Capital Investment Plan - Process

- Project Identification
- Project Screening and Prioritization
- Project Phasing

PROJECT IDENTIFICATION

The general criteria used in identifying projects were the goals of the various departments with regard to efficient service delivery, prompt customer service, environmental sustainability, strategic implementation of projects, community benefits, infrastructure maintenance needs, and the growing demand. The town stakeholder consultations and focus group discussions held as part of the CCP preparation process were another important aspect in the identification of projects. These consultations brought out deficiencies at the macro and micro levels and have provided the first platform for the identification of projects. Infrastructure delivery benchmarks in the form of indicators were also used to arrive at the demand and the gaps in service delivery, which further correlated with the results of the stakeholder consultations to arrive at specific project proposals.

PROJECT SCREENING, PRIORITIZATION AND PHASING

From the identified list of proposals and priority actions, projects are prioritized based on need and funding options. The prioritization also considered various alternatives for FOP, which is phased based on the sustainability of the ULB with regard to its finances. Specific importance is given to the Stakeholders and opinions/feedback of the elected representatives for institutionalizing the CIP process. As a final step, project phasing is carried out considering investment sustainability for various options of the FOP.

9.1.2 STRATEGIES

STRATEGIC CAPITAL INVESTMENT

The town shall use fiscal notes and policy analysis to assist in making informed capital investment choices to achieve the stakeholders' long-term goals. This process provides guidance for capital budgeting and long-term planning of capital facilities for all departments, for identifying and balancing competing needs, and for developing short- and long-term capital finance plans for all capital investments.

Capital Investment Plan - Strategies

- Strategic Capital Improvement
- Facility Siting
- Decision Making
- Program Funding

This process includes defining desired outcomes of capital investments, evaluating potential investments at the town level by applying standard criteria for assessing alternative investments, and making more efficient use of all potential resources. The town shall budget sufficient funds to perform major and preventive maintenance of existing facilities that is considered cost effective. The town shall use maintenance plans for capital facilities and a funding allocation plan for such maintenance, and may revise these plans from time to time.

There is a need for fiscal impact analyses of all major capital projects considered for funding. Such analyses shall include, but not be limited to, one-time capital costs, life-cycle operating and maintenance costs, revenues from the project, and costs of not doing the project. The ULBs shall make major project specific capital decisions through the adoption of the Town's operating and capital budgets, and the CIP.

FACILITY SITING

Encourage the location of new community-based capital facilities. The town shall consider providing capital facilities or amenities as an incentive to attract both public and private investments.

DECISION MAKING AND PLAN FUNDING

Work together with other stakeholders towards coordinated capital investment planning, including coordinated debt financing strategies to achieve the goals of the CCP. Explore funding strategies for capital facilities, particularly for those that serve or benefit citizens throughout the region.

9.1.3 INSTITUTIONALIZING THE CIP PROCESS

The Capital Investment Plan is an important element of, and is significant in terms of, the town's management process and sustainability with regard to the delivery of basic services. The CIP also provides a framework for the annual budget cycle of ULB for the next 6-10 year period, and thereafter for subsequent investment phases.

As a part of the process of CIP preparation for the CCP, ULB and para statals have:

- Analysed and discussed with the stakeholders, the existing applicable norms and standards for infrastructure services;
- Agreed and recommended a reasonable and realistic option;
- Justified and provided rationale if the chosen option is not within the existing service level standards; and
- Identified the roles and responsibilities of various stakeholders in the implementation of identified projects.

9.1.4 SECTORS COVERED

In order to streamline the responsibilities for implementation and operation & maintenance (O&M) of the assets created, and in line with the provisions of the 74th CAA, Tamil Nadu Urban Local Bodies Act, 1998, and the commitment/assurance of the GoTN to transfer different functions to the ULB as per the 74th CAA, all the proposed capital investments have been broadly categorized under the following sectors:

- Water supply;
- Underground sewerage system.
- Roads, traffic and transportation;
- Storm water drains;
- Street lighting;
- Solid waste management;
- Slum upgrading;
- Remunerative Proposals;
- Social amenities
- Environment Improvement; and
- Urban governance.

9.2 CAPITAL FACILITIES, INVESTMENT PHASING AND IMPLEMENTATION

The Capital Investment Plan involved the identification of public capital facilities to cater to the demand of the town populace in two phases - by the year 2025 and by 2040 - according to the likely short- and long-term infrastructure needs.

The project identification has been done through a demand-gap analysis of the services and reconciliation of the already identified projects as part of various outline, preliminary and in some cases detailed engineering studies. The analysis has also built on recently completed technical studies where these are available. Further project prioritisation and strategising of the investments, and phasing of these investments are based on the strategies listed out under each service sector through stakeholder consultations. The projects derived are aimed at ensuring the optimal and efficient utilisation of existing infrastructure systems and enhancing the capacity of the systems and services to cater to the demands of future population additions. Certain other projects listed as part of the CIP include developmental projects other than those addressing the core service sectors viz. system modernisation, river conservation etc.

The Capital Investment Plan and forecast future of needs for provision of capital facilities under each identified sector are presented below. These assets will help ULB to universalise services for the current population as well as accommodate the expected increase in population. In sectors where long-term planning is required (for example, source development for water supply), a 30- year planning horizon (till the year 2040) is considered. Assets created in such sectors consider the projected population in this horizon. ULB expects that these infrastructure assets would not only guarantee services to its citizens, but also signal a proactive commitment to potential investors considering the Kuzhithurai Local Planning Area.

9.3 CAPITAL INVESTMENT ESTIMATE

An estimate of the capital investment that is required to achieve the objectives of various Mission Areas and comply with the respective Mission Statements is presented in this section. This estimate is based on the following:

- Discussions held with stakeholders;
- Review of available information on the existing system;
- Discussion with Stakeholders during the respective stages of preparation of the CCP;
- Assessments through field visits and specific discussions with entities responsible for

- system implementation, operation and maintenance;
- Available Standard Schedule of Rates (SSOR);
- Consultant's database and experience with projects of similar scale and nature;
- Requisite cost escalation on materials and labor for 2008-2009 rates of implementation;
- Requisite cost escalation for contracts over 12-month implementation period; and
- Requisite provision for unforeseen items of work and physical contingencies.

9.4 SUMMARY OF INVESTMENTS

The total estimated capital investment required for providing efficient services to the present population and future population of ULB by the year 2040 is Rs. 16,012.26 lakhs. The planning horizon for the projects identified in sectors of urban poor slum improvements, land use development planning and other similar sub-projects for 2011 and accordingly the entire identified investment is proposed for funding in short term. The planning horizon for core service sectors of Water Supply, Sewerage are planned for Long-term period of 2040 and projects under Storm Water Drainage and Solid Waste Management are designed for immediate and short-term needs of 2011 and 2025 respectively. Hence, mindful of the need for efficient resource planning, only part of the identified investment is proposed for funding in short-term. In case of Roads, Traffic and Transport sectors, part of the identified investment is proposed for funding in short-term considering the immediate need for improving road network and transport systems in the town. The phasing of the identified projects and investments is based on the following principles.

- Priority needs, with developed areas receiving priority over future development area.
- Inter and intra-service linkages, viz. water supply investments shall be complemented by corresponding sewerage/ sanitation improvements.
- Size and duration of the requirements, including preparation and implementation period.
- Project-linked revenue implications, such as installing house connections where supply and distribution capacities have been increased.
- The scheduling of adequate time to allow pre-feasibility, full feasibility and safeguard investigations for those large sub-projects which will require such analysis.
- Scheduling additional infrastructure requirements to match with the population, and tourist inflow growth over the plan period.

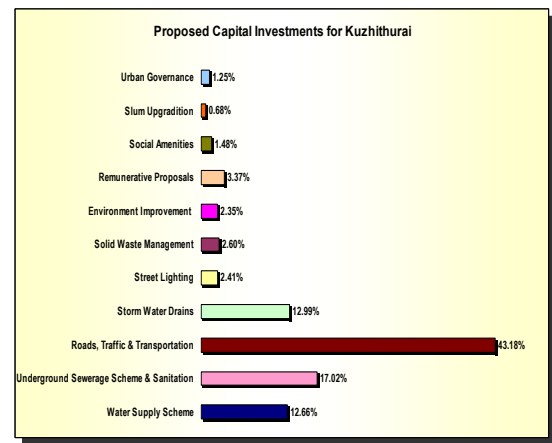


Table 9.1 Summary of Sector-wise Total Investment Proposed

Sl.No	Sectors	Estimated Investment (Rs. In Lakhs)	% to Total
1	Water Supply System	2,027.74	12.66
2	Underground Sewerage Scheme	2,726.01	17.02
3	Roads, Traffic and Transportation	6,914.62	43.18
4	Storm Water Drains	2,079.58	12.99
5	Street Lighting	385.78	2.41
6	Solid Waste Management	415.98	2.60
7	Environment Improvement	376.79	2.35
8	Remunerative Proposals	539.96	3.37
9	Social Amenities	236.49	1.48
10	Slum Upgrading	109.14	0.68
11	Urban Governance	200.18	1.25
	Total Capital Investment	16,012.26	100.00

The above table describes the sector wise capital investment proposed for the infrastructure development of Kuzhithurai town. Out of all the basic amenities, Road, Traffic & Transportation sector accounts to Rs. 6,914 lakhs which is 43.18 percent of total capital investment estimated. It is then followed by Underground Sewerage Scheme with a share of 17.02 percent. Improvement of Storm Water Drains and water supply system accounts to a share of 12.99 percent and 12.66 percent of capital investment proposed respectively.

9.4.1 SUMMARY OF INVESTMENTS – IMPLEMENTATION BY ULB

From the discussion with Technical Review Committee and stakeholders of the ULB projects which are under the implementation of ULB only considered for further evaluation and appraisal. Sector wise projects developed for the implementation of ULB are given below for reference purposes.

Table 9.2 Summary of Sector-wise Total Investment Proposed – Implementation by ULB

Sl.No	Sectors	Estimated Investment (Rs. In Lakhs)	% to Total
1	Water Supply Scheme	2,027.74	21.56
2	Underground Sewerage Scheme & Sanitation	2,726.01	28.99
3	Roads, Traffic & Transportation	972.14	10.34
4	Storm Water Drains	1,413.88	15.03
5	Street Lighting	385.78	4.10
6	Solid Waste Management	415.98	4.42
7	Environment Improvement	376.79	4.01
8	Remunerative Proposals	539.96	5.74
9	Social Amenities	236.49	2.51
10	Slum Upgradation	109.14	1.16
11	Urban Governance	200.18	2.13
	Total Capital Investment	9,404.08	100.00

Out of all the basic amenities, Underground Sewerage Scheme & Sanitation accounts to Rs. 2,726.01 lakhs which is about 28.99 percent of total capital investment estimated. It is then followed by Water Supply Scheme with a share of 21.56 percent. Provision of Storm Water Drains accounts to a share of 15.03 percent of capital investment proposed.

The above identified investments are phased to meet the priorities in the next five years considering the borrowing and investment capacity of the ULB. The phasing of expenditure based on demand is given in the following sections of this report.

9.5 PRIORITIZATION AND PHASING

The Capital Investment Plan (CIP) has been prepared for a period of 5 years (FY 2008-09 to FY 2012-13). The phasing has been worked out based on the priorities assigned by the stakeholders and preparedness of the service providing agencies to prepare the DPRs and initiate implementation of the proposals. The phasing of the identified projects and investments is based on the following principles:

- Priority needs, with developed areas receiving priority over future development area.
- Inter and intra-service linkages, viz. water supply investments shall be complemented by corresponding sewerage/ sanitation improvements.
- Size and duration of the requirements, including preparation and implementation period.
- Project-linked revenue implications, such as installing house connections where supply and distribution capacities have been increased.
- The scheduling of adequate time to allow pre-feasibility, full feasibility and safeguard investigations for those large sub-projects which will require such analysis.
- Scheduling additional infrastructure requirements to match with the population, and tourist inflow growth over the plan period.

RANKING OF PRIORITIES BY STAKEHOLDERS

It is to be mentioned although a town may find it suitable to implement projects on a sequential basis through an assessment of its priorities, in the specific case of Kuzhithurai, development through a multi-pronged approach is the need of the hour.

An indicative priority-based capital investment plan has been outlined below to ensure that the much needed improvement on a cross-sectoral basis can be achieved. Table 9.3 outlines the overall priority ranking based on an assessment of need and as evinced by the stakeholders.

Water Supply, Roads, Traffic & Transportation, Solid Waste Management and

Underground Sewerage Scheme are dominating the priority requirement for Kuzhithurai due to the following factors:

- Improvement to the Water Supply and Distribution System is ranked as No.1 since the town experiences low supply level in newly developed areas, even though the system is supported by Thamiraparani River schemes.
- Since the water is stored for a full day supply the requirement of storage reservoirs are the need of the hour.
- Due to continuous exploitation of groundwater, water table has significantly reduced, resulting in significant reduction in yield. There are no sustainable potential sources of groundwater in the region which can meet the increasing future demand.
- Next to Water Supply, Roads, Traffic & Transportation takes the 2nd rank. Since the town is not provided with proper road facility leads to congestion in the core area of the town. Formation of new ring road will ease the considerable traffic in the town.
- Storm water drains is ranked 3, because the existing system requires major rehabilitation, lesser coverage, the poor condition of the natural drains in the town, etc.
- Street lighting is given with the rank of 4, because improvements needed to provide better lighting facilities in the road junctions and Weekly Market Complex.
- Sewerage and Sanitation is ranked as No. 5 since the town is not provided with safe sewage and sullage disposal facility all the wastes are carried by the drains in the town causes environmental threat. Further, open drains convey sullage and sewage to adjacent water bodies and/or low-lying areas like Thamiraparani River area resulting in unhygienic conditions posing a significant health risk.
- Solid Waste Management is ranked as No. 6. In consultation with stakeholders, it was observed that growing population and development of commercial establishments put immense pressure on the service delivery of ULB especially in the Solid Waste Management sector.
- Sub-Sectoral priority identified during stakeholders' consultation is given in the Table 9.4.

Table 9.3: Sector wise Ranking of Priority

Sl. No	Sector	Priority of ULB	
		Short-term Projects	Long-term Projects
1	Water Supply System	1	
2	Underground Sewerage Scheme	5	
3	Roads, Traffic and Transportation	2	
4	Storm Water Drains	3	
5	Street Lighting	4	
6	Solid Waste Management	6	
7	Environment Improvement		1
8	Remunerative Proposals		2
9	Social Amenities		3
10	Slum Upgrading		4
11	Urban Governance		5

Table 9.4: Sub-Sectoral Priority

Water Supply		
Component	Activity	Priority
Water Resource Management	Water Supply Improvement Scheme to Added areas	2
	Construction of additional Storage reservoirs	3
	Development of Distribution network for added areas	1
	Rainwater Harvesting Measures	11
	Re-cycle and Re-use treated water	12
Augmentation of	Source Augmentation / Treatment Plant	10

Water Supply System	Redistribution/Re-zoning of D-system in existing areas	4
	Expansion of House Service Coverage	5
	Installation of Meters	6
	Construction of summer storage tank	7
	Upgradation and Improvement of Distribution System	8
	Rehabilitation of Existing Service Reservoirs	9
Underground Sewerage Scheme and Sanitation		
Component	Activity	Priority
Sewerage Collection, Treatment & Management	Development of Sewerage System for Town	1
	Provision of Sewage Treatment Plant	2
	Recycling Plant & Reuse system	3
Sanitation Facility	Community toilets	4
Roads, Traffic and Transportation		
Component	Activity	Priority
Improved Safety, Service delivery and Customer Satisfaction by providing better infrastructure	Strengthening existing roads	1
	up gradation of important roads	2
	Formation of new roads	3
	Junction Improvements	5
	Culverts	12
	Bus Shelters	11
	Signals	7
	Signage and markings	8
	Road divider & Medians	9
	Traffic Island	10
	Parking Lots/ complexes	6
	Bus Stand Improvement	4
Improved Pedestrian Facilities	Accessibility to the disadvantaged	3
	Pedestrian Crossings	2
	Foot paths	1
Storm Water Drains		
Component	Activity	Priority
Drains Rehabilitation	Rehabilitation of Major drains/channels	1
	Rehabilitation of Storm Water Drains	2
Construction of Drains	Provision of storm water along existing roads	3
	Formation of new drains along proposed road network	4
	Treatment and re-use of storm water	5
Street Lighting		
Component	Activity	Priority
Service Improvement	Proposed SV lamps in uncovered areas	2
	Proposed FL lamps in uncovered areas	1
	Proposed High Mast light in major junctions	3
	Proposed Timers for existing / new lights	4
	Proposed Sensor Lighting	8
	Proposed Solar Lights	9
	Proposed Power Saver (Capacitors)	5
	Proposed dedicated sub-station/transformers	6
	Proposed Tri-vector meters	7
Solid Waste Management		
Component	Activity	Priority
Primary Collection	Providing bins for Door-Door Collection	1
	Containerized Tri-Cycles	2
	Push Carts	3
	Equipment for Garbage Recovery Personnel	4
	Equipment for Street Sweeping Personnel	5
	Tipper Lorries - Used for Construction/Other Debris Collection	6
Secondary Collection	Container Bins for Residential Areas (1.25 MT Capacity)	1

	Container Bins for Market, Bus Stand, Commercial, Railway Station etc., (1.25 MT Capacity)	2
	Transfer Stations Modernisation	3
Transportation	Dual Load Dumper Placer Vehicles	1
	Mechanical Street Sweepers - Tractor Mounted	2
Waste Processing & Disposal	Integrated Waste Treatment	1
	Sanitary Landfill Facility	2
	Scientific Closure of the abandoned dump sites	3
Administration Complex	Administration and Utilities Complex including HT Electrical Sub-station	1
Environmental Improvement		
Component	Activity	Priority
Service Improvement	Rehabilitation and Improvement of Water Bodies	3
	Creation of new park	1
	Greening / Avenue Development	2
Remunerative Proposals		
Component	Activity	Priority
Service Improvement	Construction of Multipurpose / Community Hall at VLC Auditorium	4
	Construction of Guest house cum Office building	5
	Improvement of Daily market complex at Karungal (with cold storage & marketing centre)	3
	Construction of Shopping Complex in proposed New bus stand at Kuzhithurai	1
	Rehabilitation of sanitary qrts	2
Slum Upgradation		
Component	Activity	Priority
Service Improvement	Dwelling Units	6
	Water Supply	1
	Sewerage and Sanitation	5
	Solid waste Management	4
	Roads and Pavements	2
	Street Lights	3
	Community Centers	7
	Open Spaces/Gardens	8

BORROWING CAPACITY OF THE TOWN CONSIDERING 30% DSR

Borrowing Capacity for the ULB is prepared after taking into consideration, the revenue inflows and outflows from the base scenario, i.e. the income from sewerage and water charges and O&M on assets is taken. In order to arrive at the sustainability, three different parameters were used which are,

- $TE^2 / TR^3 < 1$
- $DS^4 / TR \leq 30\%$
- 30% of the operating surplus should be retained as surplus and the balance can only be leveraged.

The least of the above 3 factors was arrived at as the possible annuities payable by the ULB. With this a conversion factor was worked out to determine the Borrowing Capacity and the Investment Capacity. The maximum sustainable investments for the next 5 years are summarized as follows:

Table 9.5: Borrowing & Investment Capacity of ULB

(Rs. In lakhs)

Details	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Borrowing Capacity	330.88	160.84	70.72	0.00	0.00	562.44
Investment Capacity	367.65	178.71	78.58	0.00	0.00	624.94

² TE – Total Expenditure

³ TR – Total Revenue

⁴ DS – Debt Service

From the above table, borrowing capacity of the town is estimated as Rs.562.44 lakhs and the investment capacity of the ULB is estimated as Rs.624.94 lakhs within the proposed CCBP project implementation period (Short-term period). Borrowing capacity of the town is taken as the base for prioritizing the identified projects under CCBP.

FINALIZATION OF FUNDING OPTIONS AND THE OPTIMAL WAY TO IMPLEMENT THE IDENTIFIED INVESTMENT REQUIREMENTS

Taking into consideration the present policies and priorities of CMA and other stakeholders, the study team suggested the ULB to implement the **CCBP IDENTIFIED PROJECTS WITHIN THEIR BORROWING & INVESTMENT CAPACITY (Without Grant Scenario) – CASE - 4** for a short-term period.

As specified earlier in the Draft Final Report, although the sectors have been ranked for prioritization, it is recommended that the Kuzhithurai Municipality initiates necessary action on a cross-sectoral basis and phases out the identified investment pursuant to development of necessary details and based on sustainability and availability of funds. Necessary action may involve preparation of master plans, feasibility studies/assessments (where required), detailed project reports and spade work of pertinent administrative/technical sanctions and approvals towards obtaining funds for implementation of identified proposals/priority actions.

Sector wise prioritized investment needs based on the borrowing and investment capacity of the ULB are given in the following tables.

Table 9.6: Phasing of Proposed Capital Investment – Short-term Period (Rs. In lakhs)

Sl.No	Sectors	2008-09	2009-10	2010-11	2011-12	2012-13	Total
A	Water Supply System	367.65	178.71	78.58	0.00	0.00	624.94
	Grand Total	367.65	178.71	78.58	0.00	0.00	624.94

Considering the borrowing capacity of the ULB, the sector wise breakup of projects and their investment requirement are phased for short-term and long-term implementation in consultation with the stakeholders of ULB and CMA.

Table 9.7: Priority Based Phasing of Proposed Capital Investment – Sector wise

Sl.No	Sectors	Short-Term Period					Long-Term Period	Cost (Rs. in lakhs)
		2008-09	2009-10	2010-11	2011-12	2012-13		
A	Water Supply System							
1	Water Supply Improvement Scheme to Added areas	61.08	178.71				239.79	417.78
2	Construction of additional Storage reservoirs			78.58			78.58	322.26
3	Development of Distribution network for added areas	306.57					306.57	306.57
4	Rainwater Harvesting Measures						0.00	60.11
5	Source Augmentation / Treatment Plant						0.00	129.24
6	Redistribution/Re-zoning of D-system in existing areas						0.00	135.25
7	Expansion of House Service Coverage						0.00	83.72
8	Installation of Meters						0.00	258.15
9	Construction of summer storage tank						0.00	36.07
10	Upgradation and Improvement of Distribution System						0.00	235.73
	Grand Total	367.65	178.71	78.58	0.00	0.00	624.94	1984.88

In the prioritization, projects such as Construction of Multipurpose / Community Hall at VLC Auditorium, Construction of Guest house cum Office building, Improvement of Daily market complex at Karungal (with cold storage & marketing centre), Construction of Shopping Complex in proposed New bus stand at Kuzhithurai, Rehabilitation of sanitary quarters are not considered since these projects requires major loan funding and hence the study team suggested ULB to go for various funding options suggested in the section 11.4.

After the successful implementation of the abovementioned projects, the ULB shall implement the service projects identified in the CCBP through ULB self-generated revenue or through funding assistance from any FIs.

9.6 FINANCIAL RESOURCES

The analysis on financial resources is worked out for the interventions to be carried out within the ULB area. The sectors that are not in the domain of the ULB are not taken for financial analysis and they are considered to be taken by other line agencies. Majority of the investments have to come from the ULB for the provision of water supply and sewerage and if these are not integrated with other interventions, the deficiencies in services still persist.

Innovations in terms of

- *Public-Private-Partnerships*
- *Private sector participation*

Though innovations in terms of public-private-partnerships and private sector participation (i.e. BOT, BOOT, DBOT modes) are possible in some sectors, still it is in nascent stage of development and hence public spending should continue in some way in the future.

An important aspect that needs consideration in raising the financial resources should be through beneficiary contribution. Of late, the beneficiary contribution is as much as 30% of the total costs of environmental services. These practices have to be promoted in the right earnest and the concept of user charges need to be introduced to make the services sustainable. The interventions should be in line with achievable targets and their resource generation.

- *Beneficiary Contribution for Environmental Services*
- *Concept of User charges for Sustainability of Service provision*

The overall spatial strategy and resultant programs elaborated in the earlier chapters should be supported with financial allocations and a co-ordinated mechanism has to be in place. Efforts should be directed to develop financially self-supporting projects, wherever possible and cost recovery should be the policy for such cases.

- *Financially Self-supporting Projects*
- *Cost of services in line with Level of Service and Affordability of population*

The cost of services should be pegged with the level of services and the affordability of the population. Though some assistance can be anticipated in the form of subsidies and external grant, it would not be sufficient to attain the required standards and hence the real earnings have to be improved and this must be the priority of the economic policies and programs formulated for ULB.

The assessment of investment sustenance concludes that though the current finances of ULB are healthy, they would not be in a position to match the proposed investments in infrastructure to achieve the desired vision unless the existing tax base and the resource mobilisation efforts are streamlined and strengthened. In order to augment/ enhance its financial resources ULB should identify alternate resources like user charges for the services for conservancy, parking fee etc.

Streamlining and Strengthening of

- *Existing Tax base*
- *Resource mobilisation efforts*

ULB should attempt an enhanced property tax rate (surcharge) in areas which have better infrastructure. Another innovative option of resource mobilization, which most of the local bodies are adopting is to change the lease right to free hold or review all the current lease agreement with respect market rents and take appropriate action. In combination of aforementioned financial resources, ULB would implement reform measures suggested in the Section - 14.5 for Urban Local Body to improve their revenue base.

- *More Property tax for better Service delivery*
- *Change of Lease rights to Free hold with respect to current Market rates*

9.6.1 FUNDING ASSISTANCE FROM FIS

Apart from the aforementioned financial resources ULB shall look for external funding assistance from Financial Institutions (FIs) like TNUDF, TUFIDCO etc to fund CCBP identified projects. Funding pattern of various sectors of development is given below for reference purposes:

- *Assistance from funding agencies like TNUDF, TUFIDCO etc.*

Means of Finance	Loan	Grant	Own	Total
Water Supply System	55%	30%	15%	100%
Underground Sewerage Scheme	45%	30%	25%	100%
Roads, Traffic and Transportation	60%	30%	10%	100%
Storm Water Drains	60%	30%	10%	100%
Street Lighting	60%		40%	100%
Solid Waste Management	20%	70%	10%	100%
Environment Improvement	20%	70%	10%	100%
Other Development Proposals	65%	20%	15%	100%
Slum Upgrading	10%	80%	10%	100%
Urban Governance	20%	70%	10%	100%

10

MUNICIPAL FINANCIAL STATUS

10.1 OVERVIEW

The ULBs normally have their own sources of revenue, collected in the form of taxes and/or user charges though most of their revenue/ income is in the form of assigned revenue and/or budgetary revenue grant. Barring the ULBs, all other departments and agencies provide the services through budgetary support.

10.1.1 GENERAL

Accounts of the ULB are maintained on cash basis (single entry accounting system) till the FY 2002-2003. The financial status of each ULB has been reviewed for the past six years, commencing from FY 2002-03. Currently ULB in Tamil Nadu maintain three separate funds, namely General Fund, Water & Drainage Fund and Education Fund. All these funds are managed under two heads namely, Revenue Account and Capital Account. For the purpose of this analysis, revenue & capital account of the ULB is considered and Education Fund is clubbed with General Fund, because it is predominantly reimbursement inclined. Key financial indicators have been computed and compared with the desired benchmark to ascertain strength or weakness inherent to the system and appropriate remedial measures that can be envisioned.

Table 10.1: Summary of Finances of Kuzhithurai

Summary Statement							
Sl. No.	Account Head	(All figures in Rs. Lakhs)					
		2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
		Actuals					Budget
Revenue Account							
1	Income	225.01	230.53	233.90	213.26	245.21	333.39
2	Expenditure	241.05	161.34	189.34	193.24	197.73	237.61
3	Status (Surplus/Deficit)	(16.04)	69.18	44.56	20.02	47.49	95.77
Capital Account							
1	Income	23.59	23.10	19.37	96.30	4.06	58.95
2	Expenditure	110.97	59.67	40.85	126.26	74.49	291.80
3	Status (Surplus/Deficit)	(87.38)	(36.57)	(21.48)	(29.96)	(70.43)	(232.85)
Overall Status							
1	Income	248.60	253.63	253.27	309.56	249.27	392.34
2	Expenditure	352.02	221.01	230.19	319.50	272.22	529.41
3	Status (Surplus/Deficit)	(103.42)	32.61	23.08	(9.94)	(22.94)	(137.08)

Source: Kuzhithurai; 2008

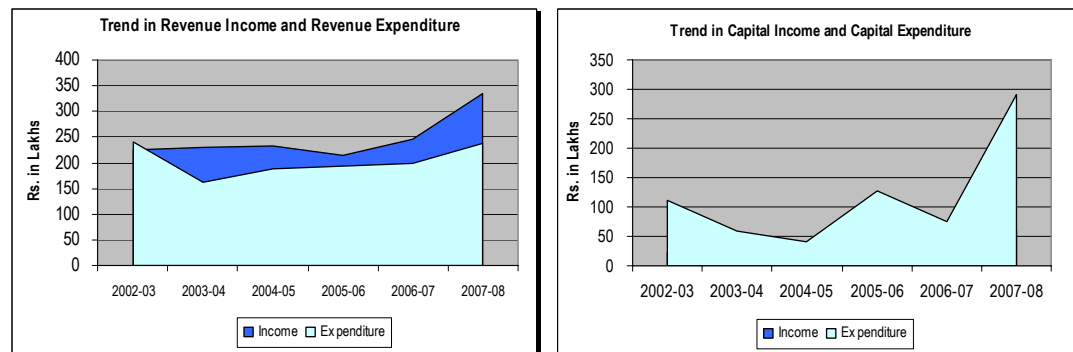
For the purposes of analysis, all the account items are broadly categorized under the following major heads:

- **Revenue Account:** All recurring items of income and expenditure are included under this head. These include taxes, charges, salaries, maintenance expenses, debt servicing, etc.
- **Capital Account:** Income and expenditure items under this account are primarily non-recurring in nature. Income items include loans, contributions by GoTN, other agencies and capital grants under various State and Central Government programmes and income from sale of assets. Expenditure items include expenses booked under developmental works and purchase of capital assets.
- **Advances, Investments and Deposits:** Under the municipal accounting system, certain items are compiled under advances, investments and deposits. These items are

temporary in nature and are essentially adjustments for the purpose of recoveries and payments. Items under this head include income tax deductions, investments/realization, pension payments, provident fund, payment and recoveries of advances to employees and contractors, etc.

10.1.2 FINANCIAL STATUS

Financial assessment of the Kuzhithurai Municipality has been carried out based on the financial information collected for six financial years, i.e. FY 2002-03 to FY 2007-08. Apart from FY 2005-06, revenue income of the ULB steadily increasing from the levels of Rs.225.01 lakhs in FY 2002-03 and Rs.333.39 lakhs in FY 2007-08, at a compounded annual growth rate (CAGR) of 9.21 percent. However, the revenue expenditure has shown a CAGR of 1.77 percent which is lesser than the growth rate of revenue income during this period. At present, Kuzhithurai has an accumulated overall deficit of Rs.137.08 lakhs. The figures on the municipal finances along with the charts are given for reference.



Capital income comprises loans, grants and contributions in the form of sale proceeds of assets, and contributions and deposits received. A major share on capital income is in the form of deposits received on account of capital work assignment. The capital account has witnessed a deficit-implying utilization of revenue surpluses to fund capital works. The following sections present a detailed review of revenue and capital accounts, primarily aimed at assessing the municipal fiscal status and provide a base for determining the ability of the ULB to sustain the planned investments.

10.1.3 REVENUE ACCOUNT

The revenue account comprises two components, revenue income and revenue expenditure. Revenue income comprises internal resources in the form of tax and non-tax items. External resources are in the form of assigned revenues and revenue grants from the GoTN. Revenue expenditure comprises expenditure incurred on salaries, operation & maintenance, administrative expenses and debt servicing.

Revenue Income:

The revenue sources can be broadly categorized as own sources (includes both tax and non-tax revenues), assigned revenues and grants. The source-wise income generated during the review period is presented in the table below. The base and basis of each income source has been further elaborated in the following section.

Property tax is one of the major sources of tax revenue while other taxes include tax on carriages & carts, advertisement tax, profession tax and tax on animals. Non-tax sources included all non-tax revenues such as fees and charges levied as per the Act. Such revenue sources include rent from municipal properties, fees & user charges, sale & hire charges and others.

In this municipality, the major source of revenue income is in the form of own non-tax revenues, which contributes to 41.91 percent of the revenue income on average. As a whole, revenue income has registered an annual growth of 9.21 percent on average during the assessment period.

Table 10.2: Source-wise Revenue Income

Sl. No.	Account Head	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
		Actuals					Budget
REVENUE ACCOUNT							
1	Property Tax	40.19	43.00	46.44	45.69	49.25	80.50
2	Other Taxes						
	a. Profession Tax	12.34	13.40	14.88	8.35	17.44	18.00
	b. Others	0.00	0.00	0.00	0.00	0.00	0.00
3	Assigned Revenue	33.16	21.84	14.69	15.43	18.15	23.00
4	Devolution Fund	38.35	51.61	33.74	38.65	43.38	50.00
5	Service Charges and Fees						
	a. Water Charges	10.59	10.88	10.78	10.78	0.00	16.78
	b. Service Charges and Fees (excluding Water Charges)	18.52	15.84	21.08	19.93	21.70	36.73
6	Sale and Hire Charges	0.15	0.04	0.16	0.06	0.00	0.00
7	Other Income	71.71	73.91	92.12	74.36	95.29	108.38
SECTORAL CONTRIBUTION TO TOTAL REVENUE							
1	Property Tax	16.17	16.95	18.34	14.76	19.76	20.52
2	Other Taxes						
	a. Profession Tax	4.96	5.28	5.88	2.70	7.00	4.59
	b. Others	0.00	0.00	0.00	0.00	0.00	0.00
3	Assigned Revenue	13.34	8.61	5.80	4.98	7.28	5.86
4	Devolution Fund	15.43	20.35	13.32	12.49	17.40	12.74
5	Service Charges and Fees						
	a. Water Charges	4.26	4.29	4.26	3.48	0.00	4.28
	b. Service Charges and Fees (excluding Water Charges)	7.45	6.25	8.32	6.44	8.71	9.36
6	Sale and Hire Charges	0.06	0.02	0.06	0.02	0.00	0.00
7	Other Income	28.85	29.14	36.37	24.02	38.23	27.62
GROWTH TRENDS IN %							
1	Property Tax		7.00	8.00	(1.61)	7.78	63.44
2	Other Taxes		0.00	0.00	0.00	0.00	0.00
	a. Profession Tax		8.62	11.04	(43.89)	108.86	3.21
	b. Others		--	--	--	--	--
3	Assigned Revenue		(34.12)	(32.75)	5.06	17.63	26.72
4	Devolution Fund		34.57	(34.63)	14.56	12.24	15.26
5	Service Charges and Fees		0.00	0.00	0.00	0.00	0.00
	a. Water Charges		2.69	(0.88)	0.00	(100.00)	--
	b. Service Charges and Fees (excluding Water Charges)		(14.47)	33.05	(5.48)	8.90	69.27
6	Sale and Hire Charges		(74.09)	317.31	(63.13)	(100.00)	--
7	Other Income		3.06	24.64	(19.28)	28.14	13.73

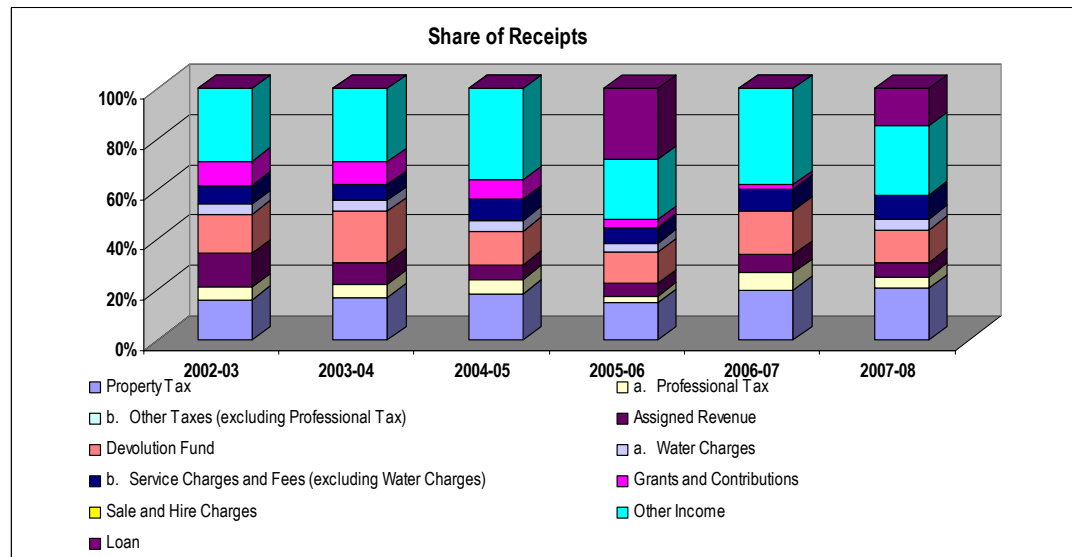
Source: Kuzhithurai; 2008

While the growth pattern is a common feature to be talked about while analyzing the financials, it is equally important to analyze the composition of income which actually reveals the status of the local body with respect to the sustainability of revenues; i.e. if the share of devolution funds is higher, it means that the local body's dependence on devolutions and grants are much higher and hence they are need to generate more own revenues. As for the composition of income of Kuzhithurai Municipality, the major contributors are Own Non-taxes which constitutes around 41.91% of total income, followed by Own Tax Revenue with 22.82% and Devolution Funds take approximately 15.29% of the share. The composition of income during the last five years is graphically represented as follows-

Details	Composition (%)
Own Tax revenues	22.82
Own Non-tax revenues	41.91
Assigned Revenues	7.65
Devolution Fund	15.29

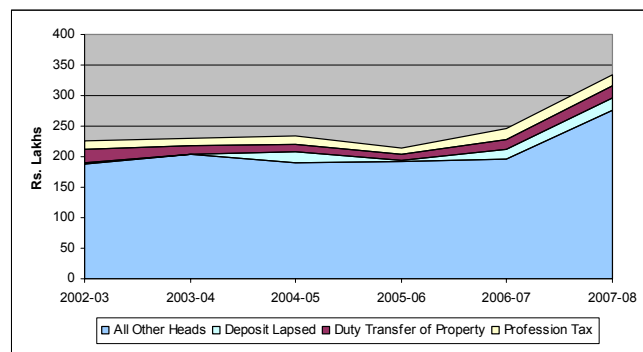
Even though there is a income arising out of income from weekly market, consultants feel that this may not be a sustainable income, as it depends on the occupancy ratio of the stalls, which is fragile. Income from fees is another head of income which shows a major income.

Upon scrutinizing the balance sheet, it is found that the water charges are showing consistent growth in the current collection and the arrear demand is decreasing in the past two years.



Heads of Revenue Income	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Deposit Lapsed	2.89	0.00	19.54	2.20	15.00	20.00
Duty Transfer of Property	22.67	12.89	10.38	10.31	16.00	20.00
Profession Tax	12.34	13.40	14.88	8.35	17.44	18.00
All Other Heads	187.12	204.23	189.10	192.40	196.77	275.39
Total Revenue Income	225.01	230.53	233.90	213.26	245.21	333.39

The revenue income is increasing as a whole from the level of 225.01 lakhs in FY 2002-03 to a level of 333.39 lakhs in FY 2007-08. Income is fluctuating between 213.26 lakhs in FY 2006-07 and 333.39 lakhs in FY 2007-08. This rise and fall trend is the result of fluctuations in the Duty transfer of property (Assigned Revenue) and profession tax. The revenue from Duty transfer of property is not being in command of ULB and income statement is shown in the above chart. Further, the income generated by deposit lapsed is also fluctuating as shown in the table. In addition, the professional tax is suddenly decreasing in FY 2005-06 and increasing subsequently as shown in the above chart. With out considering the fluctuations in the aforementioned revenue income heads, the revenue income is steadily increasing.



Property Tax: The most important category in the own sources of income is the property tax⁵. This tax is imposed on land and buildings depending on their nature of use. Property tax component comprises holding tax, latrine / drainage tax and lighting tax. Property tax is based on the Annual Rental Value (ARV) of property and is the single largest and most elastic source of revenue. The ARV of the property varies with the nature of use, viz. a) residential use - owner occupied, b) residential use - rental and c) commercial use.

Table 10.3: Demand-Collection-Balance (DCB) Statement for Property Tax
(Rs. Lakhs)

Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Total Number of Assessments	6624	7186	7241	7612	7938	9260
Growth in Assessments	--	8.48	0.77	5.12	4.28	16.65
Demand						
1. Arrears	23.99	28.12	33.23	30.41	0.00	43.31
2. Current	37.21	39.77	43.18	47.00	51.00	59.54
3. Total	61.20	67.89	76.41	77.41	80.61	102.85
Collection						
1. Arrears	6.31	6.30	11.56	9.46	9.34	20.19
2. Current	26.77	28.36	34.45	38.68	37.56	39.00
3. Total	33.08	34.66	46.01	48.14	46.90	59.19
Balance						
1. Arrears	17.68	21.82	21.67	20.95	20.27	23.12
2. Current	10.44	11.41	8.73	8.32	13.44	20.54
3. Total	28.12	33.23	30.40	29.27	33.71	43.66
Collection Analysis						
1. Arrears	26.30	22.40	34.79	31.11	0.00	46.62
2. Current	71.94	71.31	79.78	82.30	73.65	65.50
3. Total	54.05	51.05	60.21	62.19	58.18	57.55

Source: Kuzhithurai; 2008

The ARV is calculated based on the plinth area, building and land cost. The present tax rate is 12.00 percent of the ARV. ULB is empowered to revise the property tax at least once in five years (quinquennial revision).

The overall property tax demand has steadily increased from Rs. 61.02 lakhs in FY 2002-03 to Rs. 102.85 lakhs in FY 2007-08. This significant increase has been due to the proactive efforts of the ULB to bring in more assessments into the tax net and improve collection performance as there was no tax revision earlier during this period. The arrear demand is consistently increasing and as a whole, the property tax component has registered an average annual growth rate of 16.92 percent during the assessment period.

Property tax demand-collection-balance (DCB) statement analysis indicates a uniform increase in number of property tax assessments during the last six financial years with an average increase of over 7.06 percent per annum. Average property tax per property works out to Rs. 5354 while average ARV of the property works out to Rs. 599 during the assessment period. Similar growth trends are also observed in current property tax demand, which has increased from Rs. 37.21 lakhs in FY 2002-03 to Rs. 59.54 lakhs in FY 2007-08. During the same assessment period, the arrear demand has increasing from Rs. 23.99 lakhs in FY 2002-03 to 43.31 in FY 2007-08. On average, 34.25 percent of the total demand constitutes the arrears. The overall collection performance was 57.21 percent on average during the assessment period.

Other Taxes: Other tax revenues are in the form of taxes levied on carriage & carts, animals, advertisement, professional tax and others. The most important category in own sources of income is the property tax. Professional tax is the other most important tax and it contributes about 7 percent of the total tax revenue. Professional tax has fluctuated over the assessment period, between Rs.4.59 lakhs in FY 2007-08 to the level of 7.00 lakhs in FY 2006-07 with an average annual growth rate of 17.57 percent. The other taxes contributed is nil for this municipality average during the assessment period.

Assigned Revenues: Assigned revenues include revenues transferred to the ULB by the GoTN under specific acts. This source of revenue income comprises duty on transfer of

⁵ Property tax belongs to the class of general benefit taxes, primarily indirect user charges for municipal services whose benefits are collective and not confined to any particular individual / community.

properties, entertainment tax / public resort and other assigned revenues. Income through assigned revenue contributes to about 7.65 percent of revenue income, the growth of which however has been inconsistent. Other sources of assigned revenue include duty on transfer of properties, entertainment tax/public resort, and others and these sources have not contributed during the last three financial years of the assessment period as indicated. As a whole, the assigned revenue has shown inconsistent growth rate during the assessment period.

Devolution: Based on the Second State Finance Commission recommendations, GoTN transfers 8% of its state revenue to the local governments. It is the one of the single largest source of revenue to the ULB, it accounts to 15.29% of total revenue over the assessment period.

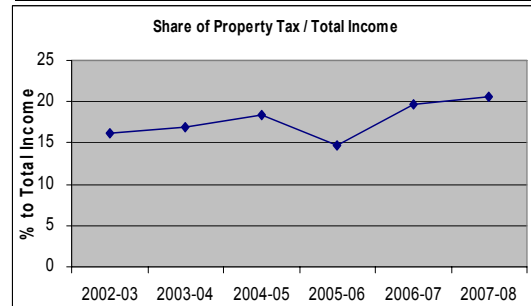
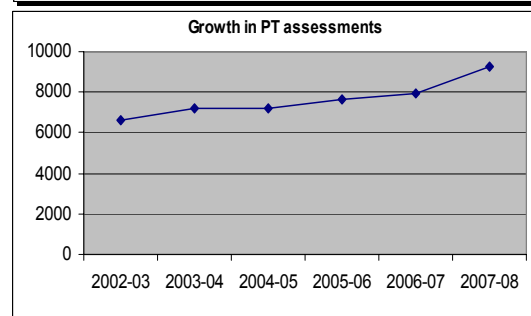
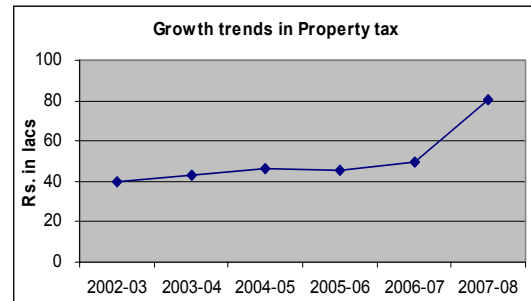
Non-Tax Revenue / Remunerative Enterprise: Income from remunerative enterprises is categorized as non-tax income received in the form of rentals from assets like shopping complexes, market fees, parking fees and income from other real assets owned by the ULB. Rent from the municipal properties is only a minor contributor among non-tax revenue items. Among the Non-Tax revenue, other income contributes 30.71 % and service charges and fees contribute about 7.75% to the total revenue income. During the assessment period Non-Tax contributes about 41.91 percent on average.

Growth Pattern of Revenue Income: Growth pattern is mainly required for big ticket incomes like property tax, professional tax, and income from water supply. The below graph represent growth in property tax in absolute terms. However if we look at the share of property tax to the total income it has been fluctuating over the last five years which is indicated in the graph below. This clearly indicates lack of collection efficiency as property tax assessments cannot reduce. The ULB shall look into the possibilities of resurveying the entire property with its present value by which un-assessed and under assessed property could be roped into the tax stream.

The above graph represents growth in property tax is gradual but steady. However if we look at the share of property tax to the total income it has increased from Rs.40.19 lakhs in the FY 2002-03 to Rs.80.50 lakhs in FY 2007-08 over the last six years which is indicated in the above graph.

There are two reasons for such low composition, (i) due to lack of collections, (ii) lack of growth of number of assessments. Analysis of growth of number of assessments reveal that the growth in assessments has been steeply increasing over the past year.

The collection performance from the figures in the DCB statement indicates that collections have fluctuated between 51% in FY 2003-04 and 62% in FY 2005-06. Therefore, the low composition of property tax to total income could require an entire relook of the properties in the town, resurvey the entire property with its present value by which unassessed and under



assessed property could be roped into the tax stream.

The graph relating to PT assessments show a steady increase which is indicating a good trend in the growth of the town as well as the increase in tax base. If the share of property tax to total income is compared with the increase in PT assessments, from the above graphs we can see that the share is fluctuating in spite of increase in PT assessments. Hence it is evident that the collection performance has not been to the scale required.

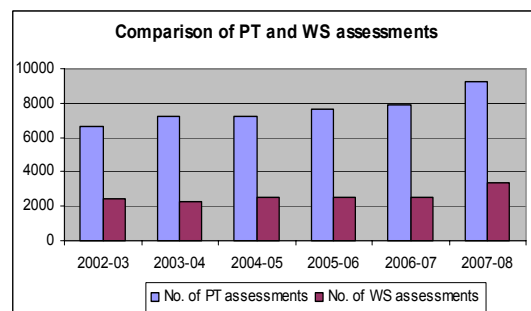
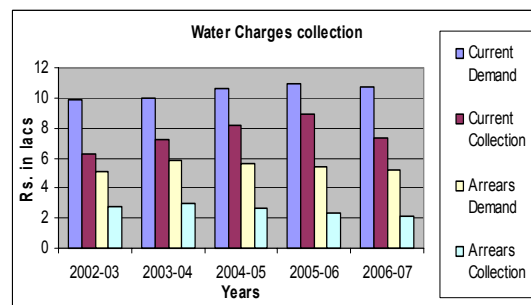
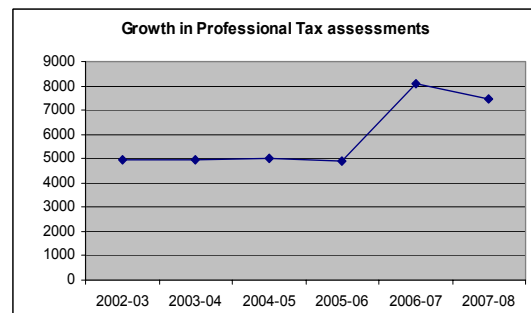
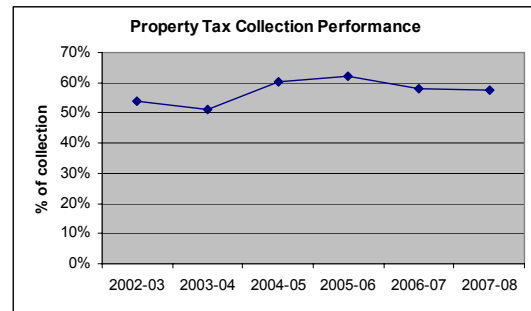
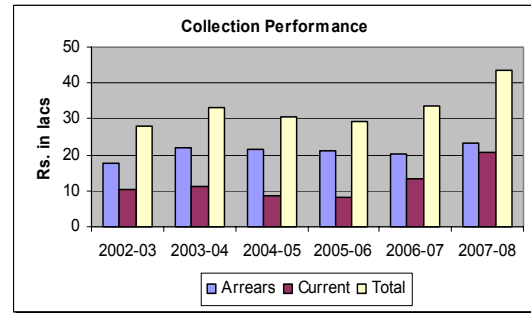
The collection performance indicated in the graph is self-explanatory and provides the reason for the decreased share of PT to the Total Income. Breaking this further, the graph below indicates the arrears and current collection performance:

Professional Tax: Even though the share of professional tax is fairly lower, it is a sustainable income, the pattern of which should be analyzed. The average share of professional tax over the period of last five years is 5.07%, which is less in composition compared to other heads of income. The number of assessments has been fluctuating over the last six years.

However the collection performance of professional tax has been increasing, which is encouraging. The average collections over the last year are around 71%.

Water Charges: Income from water charges is normally said to be a major source of income. But in case of Kuzhithurai Municipality, income from water charges was forming a less share of the total income. An analysis of number of water assessments in comparison to number of property tax assessments could reveal the status of water supply in the town.

The graph clearly reveals that there is a requirement of increasing the number of connections to house holds. The analysis reveals that the average water supply assessments are in the range of 34% over the last six years, of the total property tax assessments. However, chapter of this report contains details of investments required to be made in order to have a full-fledged water supply system.

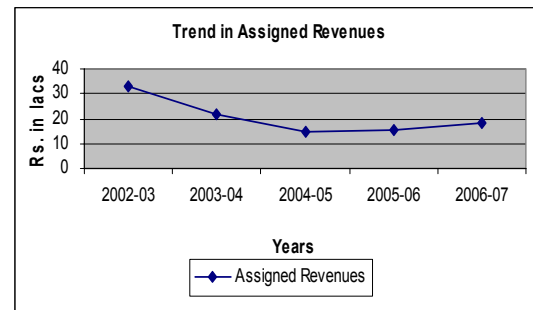


From the above graph, it can be seen that as against the demand raised for water charges, collection has been an average of 67%. The result of the analysis is that there is requirement of increasing the water supply connections to the house holds, and as may be the demand, source needs to be augmented. As part of the CIP, the consultants have proposed certain measures to augment water sources and also to construct the collection system for water supply in the town.

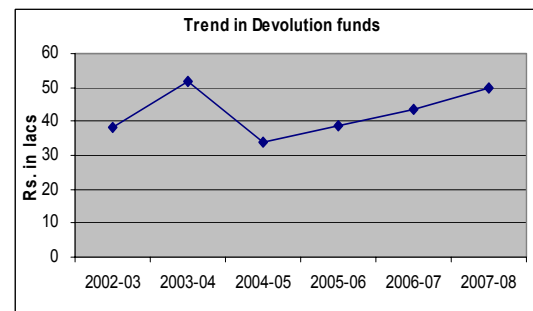
The other major source of own income for this town is being raised by other income, being the main head. However the major income under this head is from daily market fees, which forms 13.38% of total income and 38.35% of other income. However maintenance of the shopping complex for sustainable income, and revenue generation by creating more complexes like this could be explored. Other than this, the next major income under this head comes from market fees. As reported, there is no major income apart from these two components.

The ULB should try to exploit the potential of weekly market and create more such avenues for raising resources, which also results in infrastructure development.

Assigned Revenue: This includes Stamp duties and entertainment tax. The major income under this head is only from duty on transfer of property (stamp duty), and there is no income from entertainment tax. Assigned revenue constitutes approximately 7.65% of the total income. The revenues under this head seem to be steadily decreasing in the past few years. It is not known if it is because of reduced no. of land transactions over a period of years, or if it is due to non-transfer of funds from the Govt. However, on a thumb rule basis, if PT assessment increases, there should be an increase in this revenue also, which hasn't happened in this case.



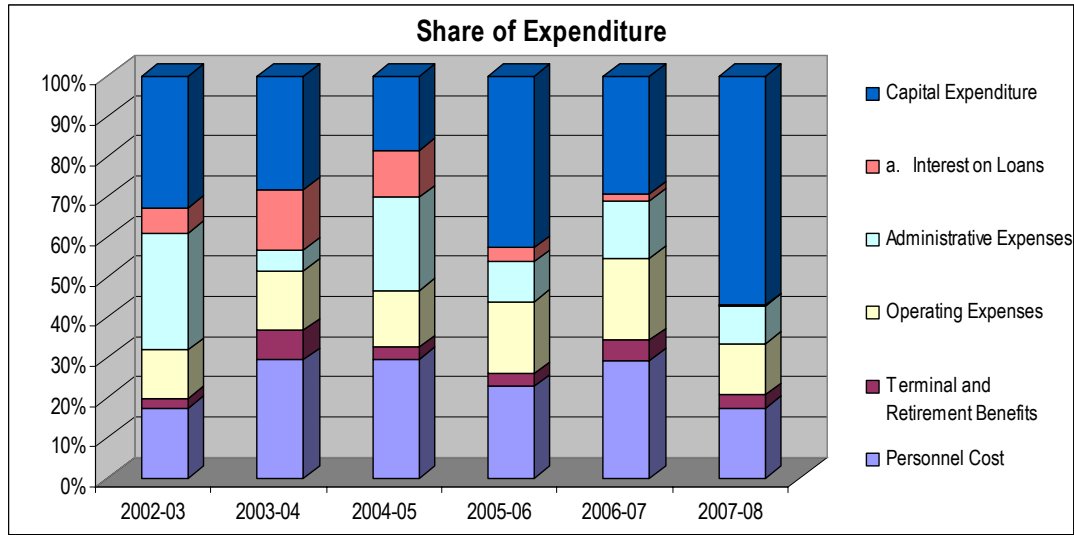
Devolutions: There has been a consistent and substantial income from the devolutions. The devolution forms an average of 15.29 percent of the total income of the ULB. The devolution of fund has been fluctuating between Rs.33.74 lakhs in FY 2004-05 and Rs.51.61 lakhs during the FY 2003-04. This revenue has been acting as a supplement for the total income. It should also be mentioned that Kuzhithurai depending mainly on this source of revenue for meeting its recurring expenditure, from the balance sheet.



Revenue Expenditure:

Revenue expenditure of the ULB has been analyzed based on expenditure heads broadly classified under the following heads:

- Personal cost;
- Administrative expenses;
- Operating expenses;
- Interest & finance charges;
- Revenue grants, contributions and subsidies; and
- Miscellaneous / other expenses.



Application of funds by each sector and head-wise utilization of the revenue expenditure is presented in the table and charts. It may be observed that the personnel cost accounts for about 23.07 percent of total expenditure on average during the assessment period.

The other major sector having higher utilization is Operating Expenses and Administrative Expenses, which accounts for 14.60 percent and 14.46 percent of the revenue expenditure on average. During the assessment period, revenue expenditure has indicated an average growth of about 1.77 percent per annum while the corresponding growth in revenue income was 9.21 percent, indicating a mismatch. A sector-wise break up of costs is shown graphically. A Detailed analysis of each head of expense follows-

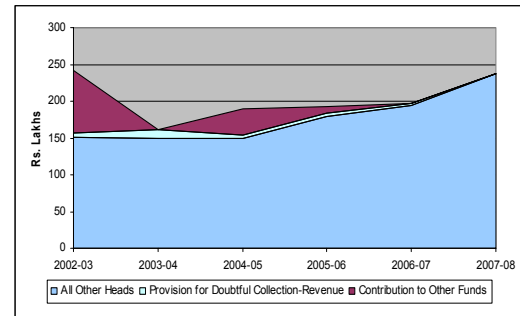
Table 10.4: Head-wise Revenue Expenditure

Sl. No.	Account Head	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
		Actuals					Budget
Expenditure Account							
1	Personnel Cost	58.67	62.10	65.76	67.29	74.09	89.02
2	Terminal and Retirement Benefits	8.56	15.47	6.35	9.51	12.96	17.00
3	Operating Expenses	40.63	31.57	31.44	52.99	52.09	65.52
4	Administrative Expenses	98.94	10.72	51.21	29.48	36.33	47.52
5	Finance Expenses						
	a. Interest on Loans	21.01	31.80	26.10	10.46	4.11	1.20
Sectoral Contribution to Total Expenditure							
1	Personnel Cost	16.67	28.10	28.57	21.06	27.22	16.82
2	Terminal and Retirement Benefits	2.43	7.00	2.76	2.98	4.76	3.21
3	Operating Expenses	11.54	14.29	13.66	16.59	19.14	12.38
4	Administrative Expenses	28.11	4.85	22.25	9.23	13.35	8.98
5	Finance Expenses						
	a. Interest on Loans	5.97	14.39	11.34	3.27	1.51	0.23
Growth Trends in %							
1	Personnel Cost	--	5.84	5.90	2.33	10.11	20.15
2	Terminal and Retirement Benefits	--	80.65	(58.93)	49.71	36.27	31.16
3	Operating Expenses	--	(22.30)	(0.41)	68.54	(1.70)	25.79
4	Administrative Expenses	--	(89.17)	377.69	(42.44)	23.25	30.79
5	Finance Expenses						
	a. Interest on Loans	--	51.41	(17.94)	(59.94)	(60.70)	(70.80)

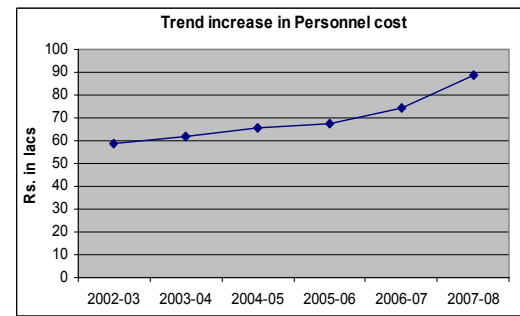
Source: Kuzhithurai; 2008

Heads of Revenue Expenditure	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Contribution to Other Funds	83.66	0.00	34.93	9.46	0.10	0.10
Provision for Doubtful Collection-Revenue	6.03	12.66	5.76	4.20	2.88	0.00
All Other heads	151.36	148.68	148.66	179.57	194.75	237.51
Total Revenue Expenditure	241.05	161.34	189.34	193.24	197.73	237.61

Revenue expenditure is increasing as a whole without considering FY 2002-03, during the assessment period from a level of 161.34 lakhs in FY 2003-04 to a level of 237.61 lakhs in FY 2007-08. Contribution to other funds is the amount transferred from the general fund to the capital works which depends on the capital works and the available operating and/or opening balances in respective financial years. Further, provision for doubtful collection is not reached to a level of 12 lakhs after FY 2003-04. Without considering this head the Revenue Expenditure is consistently increasing during the assessment period. The expenditure statement is shown in the above chart.

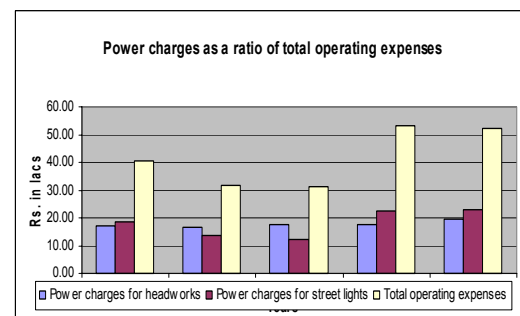
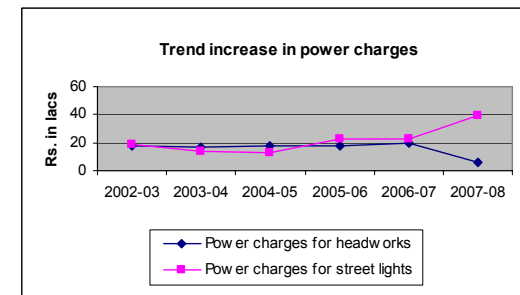


Personnel cost & terminal benefits to employees: This include salaries and other related payments to employees and contributes 28.27 percent of the total expenditure. The expense has been inconsistently increasing from Rs.58.67 lakhs in FY 2002-03 to a level of Rs.89.02 lakhs in FY 2007-08. The growth trend of personnel expenses is shown in chart.



The personnel cost has been gradually increasing but not in a great pace. The ULB shall try to outsource certain activities like solid waste management, and street light maintenance. Many of such activities would help in reducing the personnel cost.

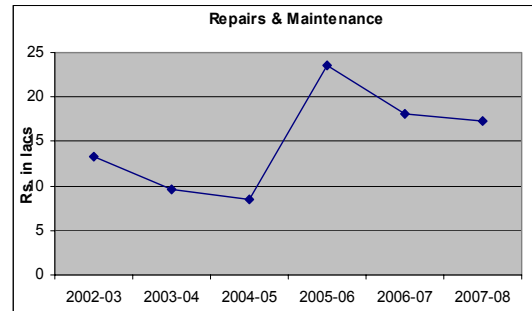
Operating Expenses: This head of expenditure include power charges, maintenance expenses of gardens, parks, hospitals, removal of debris, purchase of scavenging materials, etc. The major item under this head is power charges for the streetlight which constitutes roughly 9.12% of the total expenditure and over 47.03% of the total expenditure under this head. Apart from power charges for streetlight, Power Charges for Heads Water Works and streetlight maintenance constitutes 6.69 percent and 2.36 percent of the total expenditure respectively. The composition of power charges as part of the total operating expenses is given in the above graph.



From the numbers and the graph, it is seen that power charges consumes the majority portion. The ULB shall focus its attention on reducing the costs incurred under this head by privatizing the entire street lighting, to the

Energy Service Companies. This is the model which is being tried by many local bodies. This applies to both street lighting and water supply. It is to be noted that the above analysis does not include sewerage systems. If sewerage systems are proposed, the ULB cannot sustain the expenditure in their balance sheet. Energy efficiency measures can be attempted by the ULB in a small scale.

Repairs & Maintenance: This is the major head of expenditure and includes repairs and maintenance of assets like drainage, bridges, roads, etc. The bigger item of expenditure under this head is School (Water Supply & Sewerage) Maintenance and heavy vehicle maintenance which constitutes 2.66 % and 2.06% respectively. The light vehicle maintenance expenditure constitutes a minor ratio of 0.67%. With proper water supply systems in place, this could be reduced. Moreover, the ULB shall also do a leak detection study, upon implementation of which the maintenance costs of water supply could be less. Reportedly, the other major expenditure is the heavy vehicle maintenance. In absolute terms, it does not appear to be huge.



10.1.4 DEBT SERVICING

As on March 31, 2007 ULB has a loan obligations/debt liability of Rs. 65.57 lakhs. Considering the current property tax demand (FY 2007-08) of Rs. 59.54 lakhs, the ULB can leverage debt to finance its projects to an extent of Rs. 119.08 – 178.62 lakhs as this would be within the threshold range of minimum 2 and maximum 3 times the current property tax demand generally considered by financial institutions for the purposes of lending. However, based on the revenue receipts and revenue expenditure during the assessment period, the ULB would be in a position to draw loans⁶ to an extent of about Rs. 61.02 lakhs on average.

10.1.5 CAPITAL ACCOUNT

The capital account comprises two components, viz. capital income and capital expenditure. The base and the basis of transactions in this account are elaborated below.

Capital Income: Capital income mainly comprises income/receipts for capital works like loans/ borrowings, capital grants from the Central/State Government, and sale proceeds from assets apart from transfers from the revenue account to the three capital funds maintained by the ULB, viz. Municipal General Funds, Earmarked Funds and Reserve Funds. This account also has contributions received in the form of security deposits/EMD from suppliers, contractors, etc.

It is noteworthy that the ULB has received capital grants of Rs.23.59 lakhs during the FY 2007-08 through various State Govt schemes.

Table 10.5: Break-up of Capital Receipts/Income (Rs in Lakhs)

Head	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Grants in aid from State Government						
Basic Amenities		1.50			3.10	
M.P.L.A.D	3.00	3.90				
M.L.A., L.A.D	5.00	3.50	1.50	8.50	0.16	
Drought Relief						
Other (General Funds)						

⁶ Based on the acceptable thumb-rule, about 25 percent of the total revenue receipts and/or about 30 percent of the total revenue expenditure, whichever is lower, can be considered as leverageable surplus.

Head	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Total Grants from State Govt. (A).	8.00	8.90	1.50	8.50	3.26	0.00
Grants from Central Government						
National Slum Development Programme	12.00	12.00	12.00			
SJSRY Wages	3.09	1.74	1.87	0.41	0.52	0.72
SJSRY Self Employment	0.50	0.46		0.18	0.28	0.23
VAMBAY Scheme			4.00			
Total Grants from Central Govt.(B)	15.59	14.20	17.87	0.59	0.80	0.95
Total Capital Income (A+B)	23.59	23.10	19.37	9.09	4.06	0.95

Source: Kuzhithurai Municipality; 2008

Capital Expenditure: Capital expenditure may be broadly categorized under three broad heads, viz. a) acquisition/ purchase of fixed assets; b) capital projects; and c) other capital expenses like refund of deposits, spending from the municipal funds, etc. The ULB has been spending about 52% of total capital expenses on Roads and buildings each during the assessment period. The ULB has spent about Rs.291.18 lakhs during the FY 2007-08. The revenue surpluses (own Contribution) and accumulated surpluses are also utilized to meet the capital expenditures. It is notable that ULB utilized from revenue surpluses about Rs. 83.66 Lakhs in FY 2002-03 and Rs. 34.93 Lakhs in FY 2004-05.

Table 10.6: Break-up of Capital Expenditure (Rs in Lakhs)

S.No	Capital Expenditure	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
1	Roads	16.53	22.61	13.75	61.82	29.96	26.08
2	S.W.D	14.61	4.39	7.05			
3	Water Supply	8.85	7.60	1.50			32.55
4	Sewerage						
5	Street lighting	-	0.18	1.08	1.61	2.40	3.26
6	Public health & sanitation	0.98	0.84	1.03	1.21	1.49	1.86
7	Purchase of vehicles	-	-	-			
8	Buildings	43.00	24.05	16.44	61.62	40.64	44.58
9	Computer						2.00
10	Markets	27.00					
11	Bridges						73.00
12	Others						108.47
	Total	110.97	59.67	40.85	126.26	74.49	291.8

Source: Kuzhithurai Municipality; 2008

101.6 REVIEW OF FINANCE

Highlights of the finance of Kuzhithurai Municipality under different heads are listed below.

		Minimum	Maximum	Average	Unit
A.	Resource Mobilization Indicators - General				
1	Share of Property Tax Component	14.76	20.52	17.75	percent
2	Share of Other Taxes (including Professional Tax)	2.70	7.00	5.07	percent
3	Share of Assigned Revenue	4.98	13.34	7.65	percent
4	Share of Devolution Funds	12.49	20.35	15.29	percent
5	Share of Service Charges and Fees	8.71	13.64	11.18	percent
6	Share of Grants and Contributions	0.24	9.49	5.18	percent
7	Share of Sale and Hire Charges	0.00	0.06	0.03	percent
8	Share of Other Income	24.02	38.23	30.71	percent
9	Per Capita Income -Year 2006-07			1858.19	Rupees
10	Growth in Property Tax Component	(1.61)	63.44	16.92	percent
11	Growth in Other Taxes (including Professional Tax)	(43.89)	108.86	17.57	percent
12	Growth in Other Taxes (excluding Professional Tax)	0.00	0.00	#DIV/0!	percent
13	Growth in Assigned Revenue	(34.12)	26.72	(3.49)	percent
14	Growth in Devolution Funds	(34.63)	34.57	8.40	percent
15	Growth in Service Charges and Fees (including Water	(29.33)	146.60	24.93	percent

	Charges)				
16	Growth in Service Charges and Fees (excluding Water Charges)	(14.47)	69.27	18.26	percent
17	Growth in Grants and Contributions	(76.60)	(2.08)	(40.65)	percent
18	Growth in Sale and Hire Charges	(100.00)	317.31	20.02	percent
19	Growth in Other Income	(19.28)	28.14	10.06	percent
20	Growth in Total Receipts	(19.47)	57.39	12.40	percent
B. Resource Mobilization Indicators - Property Tax					
1	No. of Assessments as on 2006/2007			7938	Nos.
2	Growth in Assessments	0.77	8.48	6.22	percent
3	Current Tax Rate			12	percent
4	ARV per Property - 2006/2007			5354	Rupees
5	Tax Per Property (Average)			599	Rupees
6	Collection Performance				
a.	Arrear Demand	0.00	34.79	22.92	percent
b.	Current Demand	71.31	82.30	75.80	percent
c.	Total Demand	51.05	62.19	57.14	percent
C. Resource Mobilization Indicators - Profession Tax					
1	No. of Assessments as on 2006/2007			7471	Nos.
2	Growth in Assessments	(7.58)	65.69	18.86	percent
3	Current Tax Rate			25	percent
4	Tax Per Assessment (Average)			219	Rupees
5	Collection Performance				
a.	Arrear Demand	29.15	44.27	35.32	percent
b.	Current Demand	88.89	97.65	91.71	percent
c.	Total Demand	66.36	78.70	72.31	percent
D. Resource Mobilization Indicators - Water Charges					
1	No. of Connections as on 2006/2007			2500	Nos.
2	Growth in Connections	(6.49)	9.08	0.86	percent
3	Share of Water Tax in Property Tax Component			0.00	percent
4	Collection Performance				
a.	Arrear Demand	41.47	54.46	47.04	percent
b.	Current Demand	63.67	81.31	72.70	percent
c.	Total Demand	59.75	68.56	63.93	percent
E. Expenditure Management					
1	Share of Personnel Cost (Establishment)	16.67	28.57	23.07	percent
2	Share of Terminal and Retirement Benefits	2.43	7.00	3.86	percent
3	Share of Operating Expenses	11.54	19.14	14.60	percent
6	Share of Administrative Expenses	4.85	28.11	14.46	percent
7	Share of Finance Expenses	0.23	0.23	6.12	percent
8	Share of Deposits & Advances	17.75	17.75	33.04	percent
9	Per Capita Expenditure - 2006-2007			1289.26	Rupees
10	Growth in Personnel Cost (Establishment)	2.33	20.15	8.87	percent
11	Growth in Terminal and Retirement Benefits	(58.93)	80.65	27.77	percent
12	Growth in Operating Expenses	(22.30)	68.54	13.98	percent
15	Growth in Administrative Expenses	(89.17)	377.69	60.03	percent
16	Growth in Finance Expenses	(70.80)	51.41	(31.59)	percent
17	Share of Deposits & Advances	(46.23)	291.73	76.41	percent
18	Share of Debt Servicing Expenditure	0.23	14.39	6.12	percent
19	Operating Ratio	0.71	1.10	0.85	Ratio
20	Growth in Debt Servicing Expenditure	(100.00)	49.11	(33.26)	percent
21	Growth in Total Expenditure	(37.22)	94.48	17.08	percent
F. Debt and Liability Management					

1	Agency wise Outstanding Loan Amount				
	a. Government of Tamil Nadu			37.90	Rs. Lakhs
	b. MUDF/TNUDF			29.67	Rs. Lakhs
	c. Other Financial Institutions			0.00	Rs. Lakhs
	Total			67.57	Rs. Lakhs
2	Outstanding Loan Per Capita			320.02	Rupees
3	Ratio of Outstanding Loan to Property Tax Demand			1.44	Ratio
4	DS/TR (Debt Service/Total Revenue)	2.13	14.73	8.07	percent

10.1.7 KEY FINANCIAL INDICATORS

To assess the financial situation and performance of the ULB, certain key financial indicators have been generated. Following are the heads under which specific indicators of financial status and performance of the ULB have been assessed:

- Resource mobilization;
- Expenditure management; and
- Debt and liability management.

Following table provides performance of various key financial indicators of the ULB during the assessment period, along with the comparison with certain desirable benchmarks for evaluation.

Table 10.7: Performance of Key Financial Indicators in Kuzhithurai Municipality

Sl. No.	Account Head	Summary Statement					
		(All figures in Rs. Lakhs)					
		2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
		Actual					Budget
1	Revenue Account Status (Incl. OB)	17.50	47.97	69.77	(28.54)	(52.59)	(269.97)
2	Operating Ratio (Rev. Expen. /Rev. Inc.)	1.10	0.71	0.81	0.91	0.81	0.75
3	Debt Servicing - % of Income	12.02	14.73	11.70	5.45	2.13	2.41

Source: Kuzhithurai Municipality; 2007

Performance of Kuzhithurai Municipality				
	Minimum	Maximum	Average	Desirable Benchmark
Existing (2002-03 to 2007-08)				
OR (Ratio)	0.71	1.10	0.85	Less than 1.00
DSR (%)	2.13	14.73	8.07	Less than 30 percent
Category			1	
Note: 1: Financially Sound; 2: Financially Fragile; 3: Financially Insolvent				

11

FINANCIAL OPERATING PLAN

11.1 OVERVIEW

The Financial Operating Plan (FOP) is a multi-year forecast of finances of the urban local body. The FOP can be generated for a short term (5 to 7 yrs) and also for the long-term (20 yrs) period. In the context of this assignment, the FOP is generated for the short term (2008-09 to 2012-13). The projection has also been extended for the long-term (20 years) to essentially provide a snapshot of the impact of identified investments on the municipal finances in the long run.

The objective of this section is to assess the investment sustenance capacity of the ULB vis-à-vis the projects identified in the CIP as part of the CCBP preparation. FOPs are essentially a financial forecast, developed on the basis of the growth trends of various components of income and expenditure, based on time-series data. Accordingly, the financial forecast has been prepared for the ULB. Broadly, all the sectoral components envisaged for funding are under the ULB. The FOP is in full consonance with the town's vision & approach to development and priorities and action plans approved by the stakeholders. Several assumptions were made while forecasting finances. The study team has adopted necessary caution to adopt the assumptions based on current growth trends, contribution pattern of various revenue drivers, and utilization pattern of various expenditure drivers. In addition, various quantifiable assets and liabilities of the ULB were also taken into account and phased over a period of time. The following section provides insight into the various assumptions made, necessary logic and justifications for such assumptions.

11.2 BASE AND BASIS

In order to assess the investment sustaining capacity of the ULB, the fiscal situation is simulated through a Financial Operating Plan (FOP). The FOP is a multi-year forecast of finances for a term of 20 years. It is used to forecast revenue income and operating expenditure for the period between FY 2008-09 and FY 2012-13 and between FY 2012-13 and FY 2027-28. However, capital expenditure is planned from FY 2009-10. Following are the important considerations towards simulating the fiscal situation of the ULB and include both existing and new resources.

- Income considerations
 - Revision of property tax ARV by 35 percent in FY 2007-08 and FY 2012-13 from the existing previous base (quinquinennial revision);
 - Revision of about 30 percent in the base tariff for water and sewerage (as applicable) during FY 2008-09, matching with the commissioning of the proposed schemes has been proposed. A concurrent increase of 5 percent per annum for other years as per the prevailing procedure of the GoTN Notification is also taken into consideration;
 - Improving arrears tax collection efficiency to at least 75 percent and current collection efficiency to at least 85 percent;
 - Growth in other revenue income items based on past performance and/or likely growth; and
 - Any additional resources generated as part of proposed investments are taken into consideration.
- Expenditure considerations
 - Establishment expenditure assumed to increase at the rate of 8 percent per annum

(8 percent is considered as there has been a consistent low growth rate over the past years and also there is a restriction by the GoTN for fresh recruitment);

- Repairs & maintenance to grow based on past performance and/or likely growth;
- Proposed capital expenditure and phasing based on investments recommended;
- Additional O&M for new investments are also taken into account.

11.3 KEY ASSUMPTIONS

In forecasting income and expenditure, key assumptions and guiding principles adopted are indicated in Table 11.1 below:

Table 11.1: Basic Assumptions for the FOP

No.	Particulars	Assumption for Forecast
A.	REVENUE INCOME	
1.	Taxes	
	Property Tax	
	- ARV Revision	30% during FY 2008-09 and FY 2013-14
	- Growth in Assessments	Ceiling 7% Gradually stabilize at 4-5%
	- Collection Performance	Arrear demand - 75% Current demand - 85%
	Other Taxes	5% annual growth
2.	Water Supply	
	Water Tariff Revision	30% revision of base tariff during FY 2008-09 while commissioning the new scheme 5% automatic revision every year as per prevailing practice and GoTN Notification
	Coverage	Ceiling 85% of Property Tax Assessments
	Connection Charges	20% increase every 3 years starting from FY 2008-09
	Collection Performance	Arrear demand - 65% Current demand - 75%
3.	Sewerage	
	Sewer Charges Revision	30% revision of base tariff during FY 2008-09 while commissioning the new scheme 5% automatic revision every year as per prevailing practice and GoTN Notification
	Coverage	Ceiling 75% of Property Tax Assessments
	Connection Charges	25% increase every 3 years starting from FY 2008-09
	Collection Performance	Arrear demand - 70% Current demand - 75%
4.	Assigned Revenue	
	Other Assigned Revenues	--
5.	Other Revenue Items	
	Rent from Municipal Properties	Ceiling 15%
	Fees and User Charges	Ceiling 20%
	Sale and Hire Charges	15% annual growth
	Revenue Grants, Contributions and Subsidies	Ceiling 5%
	Other Income	Ceiling 15%
B.	REVENUE EXPENDITURE	
1.	Establishment	8% annual growth
2.	Administrative Expenses	8% annual growth
3.	Repairs and Maintenance - Existing Assets	20% annual growth
4.	Interest and Finance Charges - Others	Based on annuity calculation on the loans outstanding
5.	Revenue Grants, Contributions and Subsidies	Ceiling 5%
6.	Miscellaneous / Other Expenses	Ceiling 10%
C.	CAPITAL STRUCTURING	
1.	Capital Grants - GoI/UIDSSMT	80% of capital expenditure
2.	Capital Grants - GoTN as Counterpart Contribution	10% of capital expenditure

No.	Particulars	Assumption for Forecast
3.	ULB as Counterpart Contribution	10% of capital expenditure To be transferred from revenue surplus (primary operational surplus) Resource gap to be met through debt
4.	Loans/Borrowings	8% interest repayable in 15 years.
5.	Investment phasing	<u>Optimum Scenario</u> : As per the CIP under 'optimum scenario', full investment. <u>Sustainable Scenario</u> : As per the CIP under sustainable investment level only.

11.4 SCENARIOS AND FINANCIAL PROJECTIONS

Based on the above assumptions and the proposed and prioritized CIP, separate FOPs have been generated. As stated earlier, the investments pertaining to all sectors have been incorporated in the FOP prepared for the ULB. Pertinent O&M expenses (on new assets) and the receivables thereon are also incorporated into the FOP. The FOP is generated under the following scenarios:

- Base Case - Optimum Scenario: This scenario assumes the capital investment estimate and the phasing as per the 'Optimum Scenario'. The FOP has been generated assuming full CIPs under the 'Optimum Scenario' for ULBs; and
- Sustainable Scenario Option: This scenario is envisaged to ascertain a sustainable level of the ULB for the proposed CIP considering the ULB's capital investment capacity and its capacity to maintain the new assets.

From the discussion with the CMA and stakeholders of the ULB it was observed that Underground sewerage system takes the long-term priority of the town taking into consideration huge capital investment requirements and operation and maintenance requirements. Hence the study team worked out the implementation and financial operating plan with and without Underground sewerage project. In short-term period, an interceptor drains with treatment plant are suggested to control / minimize the sewage and sullage load which are being disposed into the major water bodies in the town through road side drains. FOP has been evolved for the following four cases.

- ◆ Case 1 – FOP under Sustainable Scenario within their Borrowing Capacity
- ◆ Case 2 – FOP without Underground Sewerage Project under Optimum Scenario
- ◆ Case 3 – FOP with Underground Sewerage Project under Optimum Scenario
- ◆ Case 4 – FOP within their Borrowing Capacity – Zero Grant

Even though scenarios are worked out, there is a possibility of reducing the capital investment and thus increasing the borrowing / investment capacity of the ULB. Certain projects have been identified, which can be outsourced or privatized, the list of which and their costs are given as follows:

S.no.	Projects	Description	Amount	Remarks
1	Roads	Strengthening existing roads	233.45	Government periodically announces grant programs for development or up-gradation of roads. This particular project identified can be posed under these grant projects, in phases, as JnNURM / UIDSSMT does not support individual projects, but takes an integrated approach. Further, the ULB does not have surplus financials to meet the expenditure by themselves
		Upgradation of important roads	152.26	-do-
		Formation of new roads	101.33	-do-
2	Storm Water Drains		2079.58	As said above, this can also be included in Govt. sponsored programs as part of the road project.
3	Street lighting		385.78	It is now prevalent to take up maintenance of street lighting by Energy Saving Companies, which are

S.no.	Projects	Description	Amount	Remarks
				being tested in municipalities. This can be done here, where the initial investment will be made by the ESCO, and they will maintain the street light system for a particular concession period. This initiative can be taken up by Kuzhithurai, through the advice of ULB
4	Solid Waste management		415.60	<p>Almost all municipalities in Tamil Nadu have now started privatizing most of their SWM activities, in order to have better efficiency in service and also cost-effective. This is cropping up in the light of the Supreme Court ruling. It is felt that Kuzhithurai shall follow the same principle, so that there is a better efficiency in service, and does ends up neither in capital investment nor O&M costs.</p> <p>Alternatively, if it is felt that the amount of garbage generated is not attractive to a private investor, there are programs coming up like Integrated Solid Waste Management piloted by the TNUDF, where studies have commissioned for Corporations. This study envisages a single contract for primary, secondary collection, transportation, composting and landfill activities by one BOT operator. When there is a cluster of ULBs, it would be an attractive investment for the operator. In this context, Kuzhithurai, which is located in the vicinity of Kanyakumari, can always be one among the cluster, and the project could be implemented through this mechanism.</p>
5	Remunerative Proposals	Construction of Multipurpose / Community Hall at VLC Auditorium	190.58	<p>This can be done in a PPP mode by allowing BOT operator to invest, construct, operate and transfer. In this process, Kuzhithurai can also expect rental income on a monthly / annual basis from the BOT operator. This will be a source to augment revenues.</p> <p>Alternatively, ULB can also build and allow private operators to maintain. However, in this case, there will be an initial investment by the ULB. Moreover, private operators have imaginative way of constructing in order to attract business, which is not the objective of any ULB. Therefore, it is better to go in for a BOT option.</p>
		Construction of Guest house cum Office building	63.53	-do-
		Rehabilitation of sanitary quarters	63.53	-do-
		Improvement of Daily market complex at Karungal (with cold storage & marketing centre)	127.05	Privatization could be thought of in this case
		Construction of Shopping Complex in proposed New bus stand at Kuzhithurai	95.29	<p>There are two ways of doing this project –</p> <p>i.) With the initial investment of a BOT operator, the entire shopping complex could be constructed by him, and the rentals collected by the operator himself. There could be a contractual binding as to payments to the ULB by the operator annually or half-yearly, on the basis of the rental income.</p> <p>ii) The second option would be prepare designs, showcase the designs and identify lessees, get upfront rentals from them so that it covers the capital cost, and then start construction. This method will help the ULB in firming up the lessees for the market, as well as meet the construction cost without touching the balance sheet</p>

In order to give a base scenario, as expected, none of the above measures are incorporated in the FOP. Hence with the base case, the FOPs are worked out under each case. The results of the FOP under the abovementioned cases are given in Annexure-11, 12, 13 & 14.

Case 1: Capital Investment Considered under the Sustainable Scenario: This is a scenario where the investments are sized according to the financial capabilities of the ULB. This is worked out based on certain assumptions. The method of such workings and the results thereon are given in the forthcoming sections.

Method and Assumption:

The sustainable scenario is prepared after taking into consideration, the revenue inflows and outflows from the base scenario, i.e. the income from sewerage and water charges and O&M on assets is taken. In order to arrive at the sustainability, three different parameters were used which are,

- TE /TR <1
- DS /TR <=30%
- 30% of the operating surplus should be retained as surplus and the balance can only be leveraged.

The least of the above 3 factors was arrived at as the possible annuities payable by the ULB. With this a conversion factor was worked out to determine the Borrowing Capacity and the Investment Capacity. The maximum sustainable investments for the next 5 years are summarized as follows:

Table 11.2: Borrowing & Investment Capacity of Sustainable Case Scenario

(Rs. In lakhs)

Details	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Borrowing Capacity	330.88	160.84	70.72	0.00	0.00	562.44
Investment Capacity	551.47	268.07	117.86	0.00	0.00	937.40

Therefore FOP for the revised investment estimates was worked out. A detailed FOP has been worked out with the basic assumption that O&M is 4% on the overall investment. The summary of the results of the sustainable scenario under this case is as follows:

Under this scenario, 30% of the proposed investment is funded through grant support from Gol and GoTN under

Table 11.3: Assumptions on Means of Finance (Rs. In Lakhs)

Loan Assumptions	2008-09	2009-10	2010-11	2011-12	2012-13
Tenure	15	15	15	15	15
Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%
Loan Amount	330.88	160.84	70.72	0.07	0.00

various schemes, and remaining 70% is from ULB contribution either as a revenue surplus or loan from any financial institutions. Assumptions under this scenario and means of finance are given in the adjacent table. The summary of results from 2008-09 to 2012-13 (short-term) is provided as follows:

Table 11.4: Summary of Sustainable Scenario (Under Case 1)

(Rs. In lakhs)

Summary Statement	2008-09	2009-10	2010-11	2011-12	2012-13
Opening Balance	(269.97)	(279.84)	(266.81)	(264.76)	(233.62)
Revenue Receipts	322.41	354.13	389.73	443.80	489.63
Revenue Expenditure	332.28	341.10	387.68	412.66	482.78
Operating Ratio	1.03	0.96	0.99	0.93	0.99
Debt Servicing Ratio (%)	13.29	15.98	21.62	20.79	19.05
Operating Deficit/Revenue Grant Requirement	9.87	0.00	0.00	0.00	0.00
Closing Balance	(279.84)	(266.81)	(264.76)	(233.62)	(226.77)
Capital Grants	165.44	80.42	35.36	0.04	0.00
ULB Contribution - Transfers from Revenue Surplus	55.15	26.81	11.79	0.01	0.00
Loans / Borrowings of ULB	330.88	160.84	70.72	0.00	0.00

It can be observed that operational surplus in all the FYs except FY 2008-09 during the short-term period. This is due to debt servicing of new projects. During the short-term period average Operating Ratio (OR) would be 0.98 and average Debt Service Ratio (DSR) would be 18.15%. Even though the closing balance is observed to be deficit during short term period it has become surplus during long term period from the FY 2016-17.

However, based on assumptions, the capital components of the assumed investments are the loans and the own contributions to be made by the ULBs. The interest portion is taken for calculation of the revenue surplus; the principal repayment is taken as revenue expenditure. It is seen from the results that the ULB generates a surplus even after meeting the ULB contribution. However the figures given above are indicative as these are based on certain assumptions. The actual working / financial structuring can be done only when the project takes off.

Case 2: Capital Investment Considered under the Base Case – Optimum Scenario: This scenario assumes the capital investment estimate and the phasing as per the 'Optimum Scenario'. The FOP has been generated assuming **full CIPs excluding underground sewerage project** under the 'Optimum Scenario'.

Capital Investment Considered for FOP Generation (Case 2: FOP without UGSS): In order to formulate FOP, projects that are directly implementable and having the impact over the finance of ULB are considered. In this case UGS scheme to the town is not considered since implementation of this scheme requires heavy capital investment. Also in this case, projects which are implemented by other departments like Rehabilitation of Thamiraparani River, etc., are not considered for FOP iteration. Sector wise capital investments considered are given in the following table.

Table 11.5: Proposed Capital Investment for FOP Generation – Without Underground Sewerage Project

Sl.No	Sectors	Estimated Capital Investment (Rs. In Lakhs)	% to Total
1	Water Supply System	2,027.74	30.08
2	Sanitation & Interceptor Drain	63.96	0.95
3	Roads, Traffic and Transportation	972.14	14.42
4	Storm Water Drains	1,413.88	20.97
5	Street Lighting	385.78	5.72
6	Solid Waste Management	415.98	6.17
7	Environment Improvement	376.79	5.59
8	Remunerative Proposals	539.96	8.01
9	Social Amenities	236.49	3.51
10	Slum Upgradation	109.14	1.62
11	Urban Governance	200.18	2.97
	Total Capital Investment	6,742.04	100.00

Assumptions:

Based on the phasing assumed the financials are done with certain basic assumptions on the means of finance. Loan assumptions were made conservatively, and are an average of the various grants and loans available. Principle Moratorium of 2 years considered for FOP preparation. The O&M is assumed based on sectors. The following table summarizes the outcome of the FOP under the 'Base Case - Optimum Scenario' against select key indicators.

Table 11.6: Assumptions on Means of Finance

Fund Option	2008-09	2009-10	2010-11	2011-12	2012-13
Loan	60%	60%	60%	60%	60%
Grant	30%	30%	30%	30%	30%
Own	10%	10%	10%	10%	10%
Total	100%	100%	100%	100%	100%

Table 11.7: Assumptions on Means of Finance (Rs. In Lakhs)

Loan Assumptions	2008-09	2009-10	2010-11	2011-12	2012-13
Tenure	15	15	15	15	15
Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%

FINANCIAL OPERATING PLAN - Base Case: Optimum Scenario			
	Minimum	Maximum	Average
Existing (2002-03 to 2007-08)			
OR (Ratio)	0.71	1.10	0.85
DSR (%)	2.13	14.73	8.07
Category			1
Short-Term (2008-09 to 2012-13)			
OR (Ratio)	0.77	1.71	1.40
DSR (%)	4.06	99.17	67.54
Category			3
Long-Term (2008-09 to 2027-28)			
OR (Ratio)	0.61	1.71	1.18
DSR (%)	(0.00)	99.17	44.47
Category			3
Note: 1: Financially Sound; 2: Financially Fragile; 3: Financially Insolvent			

Under the above scenario ('Base Case - Optimum Scenario'), if the full investment of Rs.6,742.04 Lakhs is assumed for ULB and the FOP is forecast based on the above assumptions, the ULB will be in a deficit position of Rs. 1165.53 Lakhs by the year 2012-13 (Short term Period). In Long-term period ULB still in a deficit position of Rs. 238.72 Lakhs by the year 2027-28. This reduction in deficit would be possible only if ULB implement reform measures suggested in the CCBP.

Further, in order to meet resource requirements of its own contribution, the ULB would need to take loan of Rs. 3,504.75 Lakhs during this period. In order to sustain the proposed capital investment, the ULB may require grant support from the GoTN and Gol to the extent of at least Rs. 2,696.82 Lakhs during this period. This is expected capital grant contribution from the GoTN at and Gol at 10 percent each. In order to meet resource requirements of its own contribution, the ULB would need to transfer its revenue surpluses of Rs.540.47 Lakhs during this period. The summary of results from 2008-09 to 2012-13 (short-term) is provided as follows:

Table 11.8: Summary of Base Case – Optimum Scenario (Under Case 2)

(Rs. In lakhs)						
S.No	Summary Statement	2008-09	2009-10	2010-11	2011-12	2012-13
1	Opening Balance	(269.97)	(194.92)	(283.31)	(541.56)	(858.27)
2	Revenue Receipts	322.41	354.13	389.73	443.80	489.63
3	Revenue Expenditure	247.35	442.52	647.98	760.51	796.89
4	Operating Ratio	0.77	1.25	1.66	1.71	1.63
5	Debt Servicing Ratio (%)	4.06	52.19	91.44	99.17	90.86
6	Operating Deficit/Revenue Grant Requirement	0.00	88.40	258.25	316.71	307.26
7	Closing Balance	(194.92)	(283.31)	(541.56)	(858.27)	(1165.53)
8	Capital Grant - Gol	0.00	491.49	491.72	264.63	57.32
9	Capital Grant - GoTN	0.00	491.49	491.72	264.63	57.32
10	ULB Contribution - Transfers from Revenue Surplus	0.00	84.09	86.51	112.58	127.54
11	ULB Contribution - Loan/Borrowings	0.00	1390.38	1388.65	681.32	44.41

It can be observed that there is an operational deficit all the FYs except in the FY 2008-09 and a deficit in a closing balance in all the years during the short-term period this mainly due to higher loan dependency for the projects identified under CCBP. However, based on assumptions, the capital components of the assumed investments are the loans (Rs.3,504.75 Lakhs) and the grants contributes (Rs. 2,696.82 Lakhs) to be made by the ULBs.

The interest portion is taken for calculation of the revenue surplus; the principal repayment is taken as revenue expenditure. Debt Service Coverage Ratio during the short-term period is around 67.54% in an average which is higher than 30% (permissible limit).

Case 3: Capital Investment Considered under the Base Case – Optimum Scenario:
This scenario assumes the capital investment estimate and the phasing as per the 'Optimum Scenario'. The FOP has been generated assuming full CIPs under the 'Optimum Scenario'.

Capital Investment Considered for FOP Generation (Case 3: FOP with UGSS): In order to formulate FOP, projects that are directly implementable and having the impact over the finance of ULB are considered. Under this case, Projects which are implemented by other departments like Rehabilitation of Rehabilitation of Thamiraparani River etc., are not considered. Sector wise capital investments considered are given in the following table.

Table 11.9: Proposed Capital Investment for FOP Generation – With Underground Sewerage Project

Sl.No	Sectors	Estimated Capital Investment (Rs. In Lakhs)	% to Total
1	Water Supply Scheme	2,027.74	21.56
2	Underground Sewerage Scheme & Sanitation	2,726.00	28.99
3	Roads, Traffic & Transportation	972.14	10.34
4	Storm Water Drains	1,413.88	15.03
5	Street Lighting	385.78	4.10
6	Solid Waste Management	415.98	4.42
7	Environment Improvement	376.79	4.01
8	Remunerative Proposals	539.96	5.74
9	Social Amenities	236.49	2.51
10	Slum Upgradation	109.14	1.16
11	Urban Governance	200.18	2.13
Total Estimated Investment		9,404.08	100.00

Assumptions:

Based on the phasing assumed the financials are done with certain basic assumptions on the means of finance. Loan assumptions were made conservatively, and are an average of the various grants and loans available. Principle Moratorium of 2 years considered for FOP preparation. The O&M is assumed based on sectors. Recent trends on O&M have been adopted for making these assumptions.

Table 11.10: Assumptions on Means of Finance

Fund Option	2008-09	2009-10	2010-11	2011-12	2012-13
Loan	60%	60%	60%	60%	60%
Grant	30%	30%	30%	30%	30%
Own	10%	10%	10%	10%	10%
Total	100%	100%	100%	100%	100%

Table 11.11: Assumptions on Means of Finance (Rs. In Lakhs)

Loan Assumptions	2008-09	2009-10	2010-11	2011-12	2012-13
Tenure	15	15	15	15	15
Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%

The following table summarizes the outcome of the FOP under the 'Base Case - Optimum Scenario' against select key indicators.

FINANCIAL OPERATING PLAN - Base Case: Optimum Scenario			
	Minimum	Maximum	Average
Existing (2002-03 to 2007-08)			
OR (Ratio)	0.71	1.10	0.85
DSR (%)	2.13	14.73	8.07
Category			1
Short-Term (2008-09 to 2012-13)			
OR (Ratio)	0.77	1.93	1.48
DSR (%)	4.06	120.32	77.43
Category			3
Long-Term (2008-09 to 2027-28)			

OR (Ratio)	0.58	1.93	1.22
DSR (%)	0.00	120.32	51.55
Category			3
Note: 1: Financially Sound; 2: Financially Fragile; 3: Financially Insolvent			

Under the above scenario ('Base Case - Optimum Scenario'), if the full investment of Rs.9,404.08 Lakhs is assumed for ULB and the FOP is forecast based on the above assumptions, the ULB will be in a deficit position of Rs. 1365.23 Lakhs by the year 2012-13 (Short term Period) and it is still in a deficit position in the Long-term period to the tune of Rs.757.38 Lakhs by the year 2027-28 provided necessary financial reforms are accomplished within the recommended duration.

Further, in order to meet resource requirements of its own contribution, the ULB would need to take loan of Rs. 4,517.29 Lakhs during this period. In order to sustain the proposed capital investment, the ULB may require grant support from the GoTN and Gol to the extent of at least Rs. 3,761.63 Lakhs during this period. This is expected capital grant contribution from the GoTN at and Gol at 10 percent each.

In order to meet resource requirements of its own contribution, the ULB would need to transfer its revenue surpluses of Rs.651.28 Lakhs during this period. Public contribution in the form of deposits collected for UGS to the tune of Rs. 473.87 Lakhs need to be mobilized by the ULB in advance. The summary of results from 2008-09 to 2012-13 (short-term) is provided as follows:

Table 11.12: Summary of Base Case – Optimum Scenario (Under Case 3)

(Rs. In lakhs)

S.No	Summary Statement	2008-09	2009-10	2010-11	2011-12	2012-13
1	Opening Balance	(269.97)	(194.92)	(313.12)	(632.61)	(1043.18)
2	Revenue Receipts	322.41	354.13	389.73	443.80	600.45
3	Revenue Expenditure	247.35	472.33	709.22	854.37	922.50
4	Operating Ratio	0.77	1.33	1.82	1.93	1.54
5	Debt Servicing Ratio (%)	4.06	60.61	107.15	120.32	95.01
6	Operating Deficit/Revenue Grant Requirement	0.00	118.20	319.49	410.57	322.06
7	Closing Balance	(194.92)	(313.12)	(632.61)	(1043.18)	(1365.23)
8	Capital Grant - Gol	0.00	613.75	654.45	389.78	179.58
9	Capital Grant - GoTN	0.00	613.75	654.45	389.78	179.58
10	ULB Contribution - Transfers from Revenue Surplus	0.00	84.09	86.51	112.58	238.35
11	ULB Contribution - Loan/Borrowings	0.00	1630.65	1642.02	944.24	300.38
12	Public Contribution – UGS Deposits	0.00	126.52	234.82	112.53	0.00

It can be observed that there is an operational deficit in all the FYs except in the FY 2008-09 during the short-term period and deficit in closing balance in all the years due to higher loan dependency for the projects identified under CCBP. However, based on assumptions, the capital components of the assumed investments are the loans (Rs. 4,517.29 Lakhs) and the own contributions (Rs. 651.28 Lakhs) to be made by the ULBs. The interest portion is taken for calculation of the revenue surplus; the principal repayment is taken as revenue expenditure. Debt Service Coverage Ratio during the short-term period is around 77.43% in an average which is higher than 30% (permissible limit). Average Operating ratio during the short-term period is around 1.48 which is more than 1. Hence ULB requires a GoTN budgetary support for debt serving and O&M.

Case 4: Capital Investment Considered under the Sustainable Scenario – Zero Grant:

This is a scenario where the investments are sized according to the financial capabilities of the ULB. This is worked out based on certain assumptions. The method of such workings and the results thereon are given in the forthcoming sections.

Method and Assumption:

The sustainable scenario is prepared after taking into consideration, the revenue inflows and outflows from the base scenario, i.e. the income from sewerage and water charges and O&M on assets is taken. In order to arrive at the sustainability, three different parameters were used which are,

- TE /TR <1
- DS /TR <=30%
- 30% of the operating surplus should be retained as surplus and the balance can only be leveraged.

The least of the above 3 factors was arrived at as the possible annuities payable by the ULB. With this a conversion factor was worked out to determine the Borrowing Capacity and the Investment Capacity. The maximum sustainable investments for the next 5 years are summarized as follows:

Table 11.13: Borrowing & Investment Capacity of Sustainable Case Scenario (Rs. In lakhs)

Details	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Borrowing Capacity	330.88	160.84	70.72	0.00	0.00	562.44
Investment Capacity	367.65	178.71	78.58	0.00	0.00	624.94

A detailed FOP has been worked out with the basic assumption that O&M is 4% on the overall investment. The summary of the results of the sustainable scenario under this case is as follows:

Under this scenario, 90% of the proposed investment is funded through loan funding, and remaining 10% is from ULB contribution either as a revenue surplus or loan from any financial institutions. Assumptions under this scenario and means of finance are given in the adjacent table. The summary of results from 2008-09 to 2012-13 (Short-term) is provided as follows:

Table 11.14: Assumptions on Means of Finance (Rs. In Lakhs)

Loan Assumptions	2008-09	2009-10	2010-11	2011-12	2012-13
Tenure	15	15	15	15	15
Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%
Loan Amount	330.88	160.84	70.72	0.07	0.00

Table 11.15: Summary of Sustainable Scenario – Zero Grant (Under Case 4)

(Rs. In lakhs)

Summary Statement	2008-09	2009-10	2010-11	2011-12	2012-13
Opening Balance	(269.97)	(261.46)	(239.49)	(233.52)	(202.37)
Revenue Receipts	322.41	354.13	389.73	443.80	489.63
Revenue Expenditure	313.89	332.16	383.75	412.66	470.28
Operating Ratio	0.97	0.94	0.98	0.93	0.96
Debt Servicing Ratio (%)	13.29	15.98	21.62	20.79	19.05
Operating Deficit/Revenue Grant Requirement	0.00	0.00	0.00	0.00	0.00
Closing Balance	(261.46)	(239.49)	(233.52)	(202.37)	(183.02)
Capital Grants	0.00	0.00	0.00	0.00	0.00
ULB Contribution - Transfers from Revenue Surplus	36.76	17.87	7.86	0.01	0.00
Loans / Borrowings of ULB	330.88	160.84	70.72	0.07	0.00

It can be observed that there is no operational deficit in all of the FYs during the short-term period and the closing balance is full of deficit in all the FYs, due to the huge investments made for the improvement and development of the town. This is also due to income assumptions made on certain projects like Water Supply where user charges are collected. Even though the closing balance is observed to be deficit during short term period it has become surplus during long term period from the FY 2015-16. During the short-term period average Operating Ratio (OR) would be 0.96 and average Debt Service Ratio (DSR) would be 18.15%.

However, based on assumptions, the capital components of the assumed investments are the loans and the own contributions to be made by the ULBs. The interest portion is taken for calculation of the revenue surplus; the principal repayment is taken as a capital expenditure. It is seen from the results that the ULB generates a surplus even after meeting the ULB contribution. However the figures given above are indicative as these are based on certain assumptions. The actual working / financial structuring can be done only when the project takes off.

Suggestions:

- As mentioned in the earlier sections, the ULB can go in for BOT projects wherever possible, in order to reduce initial investments, preferably in remunerative projects, Sanitary Landfill and Composting Facility and also in traffic and transportation sector.
- Energy efficiency measures can be adopted in order to reduce O&M costs in areas of street lighting, etc.
- The ULB contribution can be managed by the leveraging concept. A bridge loan can be obtained from cheaper sources so that the initial upfront investment of ULB can be avoided and as a result the negative closing balance can also be avoided. This can be managed as there is still a revenue surplus available and repayments can be accommodated.

Recommendations on Capital Investment Plan

- It is recommended that the ULB plan for utilizing capital investment within their Investment Capacity (i.e. Rs. 624.94 Lakhs) during the period from 2008-09 to 2012-13 to effectively manage the finances of the ULB.
- In the case where the GoTN assures additional budgetary support through revenue grants for the O&M of the new assets created, the ULB should explore capital investment plan under the 'Optimum Scenario'.
- The decision on the capital utilization under the 'Optimum Scenario' should be made only based on a commitment from the GoTN on the extent of capital grant support and revenue grant support.

11.5 REVENUE ENHANCEMENT MEASURES

ULB often face the pressure of inadequate resources to meet recurring expenditure and investment needs for core urban civic services. There is a growing realization among urban managers on the need to innovate, especially in the context of declining state and central government's financial support to ULB, to sustain investments and to carry on their functions. In addition to state level initiatives in the form of legislative and regulatory measures, ULBs need to make efforts to enhance their resource base through a series of reforms at local levels.

"Innovation" is now recognized as the key to success in resource mobilization efforts of ULB to tap revenue sources, both tax and non-tax. In addition to raising municipal resources, ULB need to adopt innovative mechanisms in cost cutting or expenditure management for effective financial planning. Besides, additional resource mobilization at local government levels is usually possible through "taxation" (under which property tax is the mainstay of ULB) and "user charges".

In recent years, apart from internal resource mobilization, ULB need to tap funds in the form of direct borrowings from Financial Institutions, capital markets (through municipal bonds), or through appropriate financial intermediaries or institutions and various other arrangements for attracting direct private investment (indirect access). In order to access such funds or supplement resources by way of external borrowing, ULB need to assess their sustaining capacities and requires steps to gain investor confidence by enhancing tax rates, improving collection efficiencies, enabling public-private partnerships, etc.

This section of the report highlights the salient features of the innovative resource mobilization practices need to be included in the ULB to enhance its revenue base to sustain the proposed investments in the CCP:

1. Public Participation through Beneficiaries Contribution
2. Property Tax Rate Enhancement
3. Improving Property Tax Collection
4. Levy of New User Charges
5. Cost Reduction

1. Public Participation through Beneficiaries Contribution

Beneficiary's contribution is emerging as an effective instrument for generating resources to meet capital needs and sustaining investments. The beneficiary contribution can indeed be a significant source of finance for local bodies, especially for financing capital-intensive projects. ULB need to keep the debt component of the project fund as low as possible and solicited beneficiary contribution to fund the project. Beneficiary's contribution can be sort for infrastructure projects like provision of Underground Sewerage scheme for the town at an estimated investment of Rs. 2,726.01 lakhs. Under this scheme ULB need to borrow a loan amount of Rs. 1226.71 lakhs (45% of proposed investment) from the financial institutions. ULB can levy a non-refundable, one-time deposit charge for domestic and non-domestic connections to the tune of Rs. 5,000 and Rs. 8,000 per connection respectively in order to reduce the loan amount considerably.

Public private partnership would be encouraged so as to complement the resources and the efforts of the ULBs in development and provision of urban services. The Government would take a leading role in creating & enabling environment for facilitating these partnerships. Private sector participation would be encouraged across the following areas:

- Property and water tax assessment.
- Operation and maintenance of water treatment plants and pumping stations
- Municipal solid waste management
- Construction, operation and maintenance of bio-medical and hazardous waste treatment facility
- Awareness campaigns for cleaner environment
- Maintenance of roads, public parks, streetlights and public toilets.
- Large scale township development projects.
- Construction of bridges, flyover and by-passes around town.
- Make non-performing municipal assets to performing assets by suitable methods.

2. Property Tax Rate Enhancement

Enhancement in tax rate is one of the essential requirement for the ULB to improve their base of the own resources. As per SFC recommendations revision of Annual rental value (ARV) has fallen due in 2003. Government of Tamil Nadu should implement the SFC recommendation of revision of property tax every five years.

3. Improving Property Tax Collection

Map based system of maintaining records using Geographic Information system (GIS) would improve the coverage of information on the properties and widen the tax net.

Special tax collection camps and door-to-door campaigns need to be initiated for collection of taxes and charges. Councilors shall take interest in organizing such camps, through which people are encouraged to utilize facilities and pay taxes which will increase the collection performance. The following revenue enhancement measures are suggested to improve the revenue base of the ULB:

- Carrying out Legal and Procedural reforms for enhancement of property tax and its effective collection.

- Comprehensive assessment of properties to enhance base of property tax
- Stricter enforcement of tax.
- Normalization of property valuation and tax assessment mechanism to capture appreciation in value of property.
- Creation of a property valuation cell to ensure uniform procedures for valuation of properties.
- Comprehensive communication with the public to address their concerns regarding property tax assessment.
- Enhancement in the non-tax collection by improving the rate structure and collection mechanism.
- New areas need to be explored for rent and fee collection.
- Computerization of database of properties and other income sources.
- Full cost recovery for urban utilities: Ensure cost recovery for urban utilities especially water, through rationalization of tariff structure.

4. Levy of New User Charges

Imposition of Solid Waste Charges as an additional source of local revenue, which is a fairly recent innovation can be tried.

Levy of vacant Land Tax (VLT) as per the GoTN provision will improve the revenue base and it will also encourage the development of urban activities.

5. Cost Reduction

- Implementation of energy saving measures in street light sector will reduce the energy cost considerably. An Energy Management Plan need to be prepared by the ULB and an option/feasibility of privatization of O&M activities need to be studied. Alternate energy sources shall be generated with the involvement of private operators (i.e. Wind Mills) to subsidize the energy cost.
- Privatization of MSWM activities will reduce the operation cost and ensure better service delivery since ULB lacks sufficient staff strength both at managerial and field level.

12

PRIORITY ASSET MANAGEMENT PLAN

12.1 OVERVIEW

This section focuses on priority asset management to inform and help, guide policymaking of city governments. Assets can be used by the city administration to help them achieve their objectives; yet studies find that municipal assets are often underutilized by the local governments or improperly transferred or sold. Assets can be put into productive use, or they can be acquired, sold, transformed or otherwise disposed of to benefit ultimately the citizenry.

The ultimate purpose of an Asset Management Plan is to ensure that assets are operated and maintained in a sustainable and cost effective manner, so that they provide the required level of service for present and future customers.

“The combination of management, financial, economic, engineering and other practices, applied to physical assets with the objective of providing the required level of service in the most cost effective manner”.

And an Asset Management Plan as:

“A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the life cycle of the asset in the most cost-effective manner to provide a specified level of service”.

Asset management plan is “knowing” about assets, what they are, where they are, what condition they are in, how much they are worth, what level of service is expected of them and at what cost, how they are performing, what extra capacity they have, what future capacity is required, when they need to be replaced/upgrade, what will the cost be to replace/upgrade, what further works are required to meet future demand and what improvements are programmed. Brief about the Asset Management Process is enclosed in Annexure 15.

12.2 INVENTORY OF MUNICIPAL ASSETS

The Asset Management starts with the identification and inventory of assets that the municipalities own, control, or administer and the inclusion of this listing in an orderly asset management system. In some municipalities, a register of land and other assets includes both private and public properties, a database that provides municipal government information from which to manage real estate and infrastructure use, and to administer taxes and services effectively. Maps and lists of real estate property, including surplus property earmarked for disposal are available at Local Planning Authorities, but these properties do not necessarily have assigned values. Long term planning document like Master Plan incorporates a framework for planning the use and management of physical assets especially land. There are significant differences in the availability of information because cadastral registers for land have different time spans and years of operation, and municipal authorities and communities assign different priorities to establishing effective registries.

The first stage of implementation of an asset management program for municipal infrastructure relies on the essential element of inventory. For each element in each category of infrastructure it is fundamental to know about all as mentioned below:

- Available Assets
- Location of Assets
- Age of Assets
- Quantity of Assets
- Physical Characteristics of Assets

It is starting point and for the determination of the high level strategy and objectives of the program. The inventory can consist of approximations of the quantity, size, materials, and age of each category of asset. For the project level decisions more detail is necessary for condition and performance assessment. This level of inventory detail can require a commitment to a multi year program of data collection and field verification.

CLASSIFICATION

A useful distinction for the classification of properties is the division between core properties or assets needed for the basic operation of the municipality and often assigned to the municipal government by law, and surplus properties or assets that are not necessary for the normal operations of the municipal government but are still in under public ownership. Assets needed for the operation of the municipality are sometimes further differentiated according to use: necessary governmental use or social use. Governmental use would refer to the assets used in the provision of public goods and services such as municipal buildings, schools, hospitals, and police and fire stations, where the goal would be efficient provision of public services. Social use would refer to property used for parks and recreation.

SOME GUIDELINES FOR MUNICIPAL ASSET INVENTORY PREPARATION

A municipal asset inventory can be set up incrementally, based initially on existing information, and improved through consultation, campaigns and surveys. The focus should be on identifying major physical assets and subsequently on making this list publicly available. The process should be seen as an ongoing effort and should be placed under a responsible office or unit with appropriate mandate and resources. The basic approach should be to:

- List major municipal assets
- Identify properties in use by major function
- Examine current development plans and requests for the modification of status of property
 - New uses
 - Private sector interest, potential for sale, lease
 - Proposal to use the asset by other municipal or government departments
 - New public sector projects, might include public assets as well as private assets in the proposal (e.g. road project)
- Identify properties that are vacant or otherwise indicated as surplus

12.2.1 CONDITION ASSESSMENT

Historically asset monitoring to determine condition has been subjective based on local knowledge and experience. Formal procedures now exist to assess asset condition. The development and continued use of condition assessment data will allow preparation of verifiable predictive decay curves for particular asset types and hence permit prediction of remaining life. Consideration of economic influences and other factors will also be required in the adopted life for the asset type.

By considering the current condition point on an assumed decay curve, the profile can predict the effective life (time) before failure. This failure time can be by physical end of life, minimum level of acceptable service, or limit of capacity of the asset.

Condition assessment ranks assets on a five step scale as follows:

1. Very Good - Very good condition, where only normal maintenance is required.
2. Good - Minor defects only where minor maintenance is required to approximately 5% of the asset.
3. Fair - Maintenance required returning to accepted level of service where significant maintenance is required to 10-20% of the asset.
4. Poor - requires renewal where significant renewal or upgrade is required to 20-40% of the asset.
5. Very Poor - Assets unserviceable where over 50% of the asset requires replacement.

It is not necessary to assess all assets immediately. It is only necessary to assess those that are going to be critical in the next 5 years. The extent and repetition of condition assessment will be influenced by:

- The criticality of the assets
- The type of assets
- The relative age of the assets
- The rate of deterioration of the assets
- The economic value of the outcomes to the business
- Unplanned maintenance history

Generally the older the assets the more frequent the assessment of condition is required. It is necessary to know whether failure is imminent, and if previous assessments have shown degradation, at what rate.

12.2.2 VALUATION OF MUNICIPAL ASSETS

Valuation of assets is an important consideration and challenge. Accurate information is needed on the state, the financial value, and physical and environmental characteristics of the assets that the municipal governments own or manage. The condition of municipal assets is a factor that needs to be considered since assets such as infrastructure tend to have a life cycle. A good understanding of the value of assets is needed when decisions are to be made on sale or disposal of assets, when reinvestment efforts are needed or when joint ventures, investments or partnerships are launched.

There are different methodologies for valuation of municipal assets depending on the objectives for which this is done. For record keeping purposes, properties and their physical and economic characteristics might be recorded according to the following normative criteria:

- Nominal book values, cadastral information, maps, number of property, etc.
- Replacement values (updated values to recent cost estimates, taking into consideration depreciation due to technical obsolescence and wear and tear).
- Comparative market values of property. If it is real estate property, comparative values and ranges for market transactions might be a good approximation. Rental values should be noted if relevant. For very important items with a commercial opportunity cost, engaging valuation consultants might be cost effective.
- Asset valuation with potential costs and benefits of alternative uses.
- Expected values: for properties that could have alternative economic use and that might be subject to sales, transfer or negotiation for concessions or joint ventures, the responsible official of asset management for the municipality could estimate an opportunity cost as a minimum reservation price. The information asymmetries and capacity between the local governments and the private sector are normally so high, that for purposes of transaction, open bidding processes are recommended. As mentioned

above, asset management professionals could be retained in preparing internal reservation prices.

- Social and cultural value of assets: these may not easily translate into financial values, but these should be considered and from the perspectives of different segments of a municipality. Assets such as sacred sites, historical markers or cultural treasures should be noted on inventories. Before action is taken that in any way will affect these relevant assets, very careful consideration should be given and consultations organized.

The financial valuation of properties and different forms of assets on a net present value (or cost benefit) analysis framework might be appropriate, if the property has a minimum level of value (defined as percent of total expenditures for the period, say initially 2% and upward) and depending on the potential use of the asset. For smaller valued items, a more accessible comparative conversion table could be used as the first approximation, with automatic indicators adjusted for inflation and depreciation (both physical and technical) in order to reduce administrative costs but keeping the system transparent. Capital valuation methods, returns on assets, assessment of values from different perspectives and use of property, should form part of the administrative tools of asset management.

12.3 ASSET DESCRIPTION

Municipal assets include physical assets such as land, infrastructure and movable assets, financial assets such as cash, stocks and bonds, and intangible assets such as goodwill. Under this assignment the study team focus on first category, namely the major physical (fixed) assets: **land or real estate assets**, which constitute a major portion of municipal assets, and **infrastructure** such as buildings, water supply and related systems, road networks, storm water drains, transportation and communication systems. Considering the aforementioned Asset management Process (AMPs) following infrastructure and land assets are identified in the Kuzhithurai town.

Infrastructure Assets covers accessories in the water supply system, sanitation facilities provided by the local body, storm water drains both pucca and kutchra drains, roads of different typology, various accessories involved in street lighting, solid waste management equipments, vehicles and communication system etc., Sector wise assets of Kuzhithurai Municipality is given in the following section.

Water Supply:

All the units relating to water supply systems covering Head works, Transmission Ducts, OHT's, Reservoirs, Supply and distribution mains, House connections, Treatment units and other related appurtenances belong to the Municipality. The following table highlights list of water supply and other assets that exists in the town:

Type of Assets	Quantity (Nos.)	Remarks
Pumping main	16" and 14" R.C.C pipes	40 km
Over Head Tank	7	25.15 LL
Bore Wells	18	41 bore wells , 5 open wells
pump sets	8	20 hp (2), 2 hp (2) and 3 hp (4)
Distribution System	AC, CI and PVC Pipe – 80mm to 350mm diameter	7.6 km
Hand pumps	13	-
House Service Connections	3190	-

Sanitation:

Type of Assets	Quantity (Nos.)	Remarks
Pay & use toilets	4	No. of seats - 20
Toilets for women	6	No. of seats - 40

Roads:

S. No.	Road Typology	Length (in km)
1.	Surfaced Roads	
	- Cement Concrete	15.01
	- Blacktop/Asphalted	22.35
	- WBM	0.04
	<i>Sub Total (Surfaced Roads)</i>	<i>37.40</i>
2.	Non-Surfaced Roads	
	- Gravel	0.65
	- Earthen	0.71
	<i>Sub Total (Non-Surfaced Roads)</i>	<i>1.36</i>
	Total (Municipal Roads)	38.76

Storm Water Drains:

S. No.	Description	Length (km)
1.	Open Drains (Pucca)	12.00
2.	Open Drains (Kutcha)	17.54
	Total	29.54

Solid Waste Management:

S. No.	Description	Quantity (Nos.)
1.	Tipper	2
2.	Mini-lorry	1
3.	Push Cart	12

Street Lights:

S. No.	Type of Fixtures	No.
1.	Fluorescent (Tube Lights)	1193
2.	Sodium Vapor Lamps	230
3.	High mast light	3
	Total	1426

Land Assets includes both productive and un-productive assets. Productive assets include land under commercial uses such as market, shopping complex, marriage hall, community hall, lodges, hotels, cinema halls, bus stand, cycle stand, parking areas and other uses which gain considerable revenue to the local body daily, monthly or yearly. These assets can be rented or leased for a considerable period of time. Un-productive assets cover land use under parks, play fields, pump house, over head tank, local body office building, educational use, health institutions, burial ground etc. These assets may not fetch revenue to the local body but these assets provide environmental and social benefits to the local community.

Table 12.1: Land Asset Details Kuzhithurai Municipality

S. No	Survey no.	Location	Extent (cents)	Present use	Present Value (Rs.)
1	2538A	Vettuvenni	26.00	Office (Old Municipal Office)	331969
2	1652 A / 1651/ 1	Vettuvenni	2.29	Cattle Market	11485
3	1639/ A & B / 1642 A	Vettuvenni	3.49	Vegetable Market	4440919
4	3207 E	Vettuvenni	0.04	Vacant	1000
5	3096	Pacode	0.50	Cremation ground	220057
6	907/17	Marthandam	0.53	Compost Depot	588957
7	74/2	Kuzhithurai	0.23	Car Shed	398915
8	660/1	Kuzhithurai	0.09	Waiting Shed	71770
9	151/1	Kuzhithurai	0.38	Waiting Shed	10000

S. No	Survey no.	Location	Extent (cents)	Present use	Present Value (Rs.)
10	6/14 A	Kuzhithurai	-	Waiting Shed	1000
11	6/103	Marthandam	0.01	Library	7974
12	6 / 153,155 - 157	Vettuvanni		Road	280475
13	2289 / 282	Vettuvanni	3.25	Pathway	14303
14	3165	Marthandam	0.46	Park	685823
15	3164 / 2	Marthandam	0.51	Waiting Shed & Carriage	809496
16	3165/2,3207,3207 c & d	Marthandam	0.01	Compost Depot & Sweepers Quarters	2300265
17	907/ 14, 15 & 16	Kuzhithurai	2.07	Pathway	34425
18	157 / a,b & 1564 C	Marthandam	0.05	Pathway	115641
19	6/114 & 115	Kuzhithurai	0.14	Pathway	88119
20	658	Marthandam	0.32	Evening Market	200408
21	151/211	Marthandam	0.38	Vacant	500
22	2535	Marthandam	0.10	Reading Room	125561
23	2282	Marthandam	0.10	Road	4532
24	1614 / 1611	Marthandam	0.03	Road	11949
25	2523	Marthandam	0.03	Pathway	37389
26	2277/1	Kuzhithurai	0.03	Road	34252
27	2291	Marthandam	0.04	Road	16372
28	589	Vettuvanni	0.10	Road	65785
29	2402/2,3 & 6	Pacode	0.10	Road	40218
30	1624/29	Kuzhithurai	0.04	Waiting shed	16246
31	3166-B2 / 3166A-1B,A-2B & A - 3B	Marthandam	0.16	Bus Stand	145873
32	828 C	Kuzhithurai		Foot Path	50
33	919/1389	Kuzhithurai	0.33	Road	190502
34	1642/A , 1646/2A		0.07	Road	85535
35	B6/44-1	Kuzhithurai	1.23	Exhibition	28997
36	B2/205-2	Edainlagam	0.02	Noon meal centre	16655
37	138 /	Kazhuvanthittai	0.03	Noon meal centre	249828
38	D2/10	Pannai	0.40	Noon meal centre	191680
39	389 / 3	Thiruthuvapuram	6.00	OHT	100
40	B1/4-1,2,6, & B1/5-2	Kurumathoor	6.32	Road	100
41	D2/11	Kodunkulam	3.91	Road	100
42	C8/50	Singlean Street	0.51	Road	100
43	C8 / 83	Singlean Street	5.58	Road	100
44	A5/56	Pazhavar	12.00	Road	100
45	D4/63, 73 - 75,81,88 & 109	Vathiyarkudi Village	35.00	Road	100
46	C5 / 27,29 & 33	Thengankuzhi	3.00	Road	100
47	C6/115	Kannacode	11.00	Road	100
48	B8/45,49	Narianvilai	2.00	Road	100
49	B2/90	Narianvilai	1.00	Well	100
50	A9/2-1	Bridge Ward (Vilavanerode Left Side)	6.16	Road	100
51	D5/144,149	Kudankulam	8.00	Road	100
52	D4/50	Chirsturajapuram	2.44	Road	100
53	C549,51-1	Thengankuzhi Village	3.01	Road	100
54	C6/200	Kannacode	0.50	Road	100
55	D4/49,54,57,56,61	Kamanattuvila	3.00	Road	100
56	D4/56,57	Kamanattuvila	0.30	Road	100
57	304/7	Pamman	25.00	OHT	
58		Kattuvilai	6.25	OHT	
59		Market	17.00	OHT	
60	A2/118	Kurumathoor	1.00	Well	100
61	D8/20,21,22,24 D9/34,37	Chiriyakattu village	7.00	Path	100
62	D12/84	R.C.Street Marthandam	1.00	Path	100

S. No	Survey no.	Location	Extent (cents)	Present use	Present Value (Rs.)
63	D5/159	Kudunkulam	6.36	Path	100
64	A3/1,3-9,A2/137,153	Ikkaravilai	17.30	Path	100

Table 12.2: Building Asset Details Kuzhithurai Municipality

S. No	Description	Extent in Sq.ft	Present Value (Rs.)
1	Municipal office	2000	1
2	Old Section Office	50	3328
3	Public Library	550	45500
4	Waiting shed and Carriage	4000	5288
5	Six stalls facing to Karingal Road in Vegetable Market	400.00	16361
6	Library cum godown at Jettuvenni	550	100839
7	Daily market at Marthandam shops 146 nos. pay and use toilet slaughter house Mutton stalls 14 nos	11950	1695233
8	Noon Meal centre at Thoduvebbay market	1000	812
9	Noon Meal centre at Pannaiani Water Tank	1000	786
10	Noon meal centre at Vettuvasi	1000	786
11	Noon meal centre at Vilavancode	1000	786
12	Noon meal centre at Kazhuvantittai	1000	786
13	Noon meal centre at Edaivilagam	500	32175
14	Latrine at Kazhuvantittai N.M.C		8785
15	Latrine at Villavancode N.M.C		8785
16	Latrine at Pannaiani N.M.C		8785
17	V.L.C. Auditorium Town hall and marriage hall	10000	194122
18	12 nos of stalls at exhibition ground	800	7750
19	Scavengers' Quarters		
20	Scavengers' Quarters 'A' Block	2500	2964
21	Scavengers' Quarters 'B' Block	1500	
22	Scavengers' Quarters 'C' Block	1500	3467
23	Scavengers' Quarters 'D' Block	1000	
24	Scavengers' Quarters 'E' Block	1000	
25	Latrine, Noon meal centre at Vettuvennai NMC	11000	8785
26	Fish stall platforms at Marthandam Market	500	131990
27	Latrine at new bus stand (cattle shandy)	700	180500
28	Toilet at Kudamkulam slum	700	190000
29	Maternity centre at Vettuvennai	550	195000
30	Scavengers' quarters Building (Maintenance)	350	
31	Construction of Maternity centre at Vettuvennai Junction	450	
32	Lorry shed at Vettuvennai Junction (Maintenance)	500	
33	Vettuvennai Park (maintenance)	150	
34	VLC Auditorium (Maintenance)	150	
35	Scavengers' Quarters (Maintenance)	150	
36	Pump house building of North street	150	
37	Construction of toilet work at lorry shed	200	
38	Vettuvennai old bus stand (maintenance)	400	
39	Marthandam Main Bus stand (maintenance)	1000	
40	Construction of Toilet at old theater junction	120m ²	
41	Construction of toilet at R.C.Street Kulithalai (Vambay)	600.00	466196
42	Construction of toilet at Palavar V.L.C.Ground (Vambay)	600.00	437528
43	Construction of shops at Martandam market	2000.00	349503
44	Construction of Road side market at ward	500.00	144247
45	Annual maintenance work at V.L.C auditorium		66600
46	Maintenance work at Kuzhithurai Junction urinery shed		55500
47	Constriction of stall at Villavencodu Market		185799
48	Construction of Library building at RC shed - Kuzhiturai	12.00 m ²	79961
50	Construction of stall at Vettuvennai	8.00 m ²	157357
51	Construction of slaughter House at Marthandam Market		500000
52	Dismantling of old slaughter house at Marthandam market		32581
53	Construction of stall at Vettuvennai market		220368
54	Maintenance work at VLC Auditorium		57110

S. No	Description	Extent in Sq.ft	Present Value (Rs.)
55	Construction of shops at Martandam Market		1079252
56	Construction of generator room at Municipal office		105208
57	Construction of shops at slaughter house premises in Marthandam Market		555000
58	Construction of A/c Sheet roof shed at composing yard for the erection of Dusb machine		151737
59	Providing electrical and improvement work at Vettuvenni Vegetable market		40366
60	Dismantling of old damaged building near slaughter house at Daily market		31679
61	Maintenance and Repair works to the ICDS centre at Martandam market Premises		133200
62	Maintenance & repair work to VLC Auditorium		83250

12.4 PLAN FOR LAND ASSET MANAGEMENT

The vision statement formulated as part of CCP reveals that the stakeholders envisage Kuzhithurai town to become a Commercial center. To achieve this vision, investments need to be routed at appropriate projects. As the vision statement is not directly linked to a specific project concerted efforts are to be made to achieve the vision.

City Corporate Plan is one such platform to identify projects for development and later get then implemented under PPP, BOT and BOOT mode. The Corporate Plan looks at the local body as a resource center rather than only service provider and tries to emulate projects that are feasible to attract private investments.

The following are the list of projects that are considered under the Corporate Plan for the optimum utilization of land assets of the local body which in turn enhance the town as a tourist town while keeping in mind achieving the quality of life of the people in the town.

- Construction of Multipurpose / Community Hall at VLC Auditorium
- Construction of Guest house cum Office building
- Improvement of Daily market complex at Karungal (with cold storage & marketing centre)
- Construction of Shopping Complex in proposed New bus stand at Kuzhithurai
- Rehabilitation of sanitary quarters
- Construction of new bus stand
- Creation of Boat house in Thamiraparani River

The aforementioned projects are identified by the study team based on the consultation with the stakeholders and are proposed after had the reconnaissance survey of the project sites. The identified projects are as basic services and specialized service for the improvement of the quality of life of the people of Kuzhithurai town. The details of the above said projects are presented in the subsequent sections of this report.

12.5 O&M PLAN FOR SERVICES

The term 'Operation and Maintenance' (O&M) has been used as a general concept covering a wide range of activities carried out by public utilities, government and communities in order to sustain their services and to maintain existing capital assets.

Specifically, in the present context:

- **Operation** refers to the procedures and activities involved in the actual delivery of services, e.g. abstraction, treatment, pumping, transmission and distribution of drinking-water.
- **Maintenance** refers to activities aimed at keeping existing capital assets in serviceable condition, e.g. cleaning of open drains, repairing public taps.

Under this assignment a review of O&M performance of the Municipality has been performed through wide range of stakeholders' consultation covering core infrastructure services.

Following are the identified O&M impacts and ULB constraints during the stakeholders' consultation regarding service provision:

No	Sector	Component	Issue/ Problem Statement/ O&M Aspect	O&M Impact	ULB Constraint/ Capacity Assessment
1	Water Supply	Transmission System	Long length transmission	High Energy Charges, High Risk of System Losses	Cost Constraint, Lack of Dedicated Maintenance Staff, Lack of Energy Efficiency Monitoring System
		Distribution System	Low Coverage through HSCs	Lowered Revenue	Stringent implementation and introducing a chargeable system for PF based connections
			Unauthorized Connections	Risk of high UFW component	Lack of efficient monitoring and curbing mechanism
			System Losses - old lines	Physical losses, low lpcd, low pressure, tail end areas affected	Physical asset survey or records not available and Old system not updated
2	Sanitation	Liquid Waste	No UGSS System	Disposal into storm water drains impacts environmental degradation.	Cost constraint, Not able to provide safe collection and disposal system
				Blockage in SWD frequently	Lack of Dedicated Maintenance Staff
				Pollution on water bodies, land and air.	Lack of Environmental Management Plan and its implementation
		Solid Waste	No Door – Door Collection	Dumping of wastes in the site	Lack of Sanitary Staff, Absence of public awareness, Segregation at source not adequate
			Secondary Transportation	Double handling of wastes	Sufficient vehicles for collection & transportation is absent
			Treatment & Disposal of wastes	Composting done for Biodegradable Waste, Non-bio and Non-recyclable waste dumped causing pollution of groundwater, air and land.	Land availability constraints, Lack of infrastructure and equipment facility for disposal of non-biodegradable waste
		Public Conveniences	Lack of Toilet facility	Disposal into drains and open defecation	Cost constraints to provide facility
3	Storm Water Drain	Network Coverage	Low Coverage	Water stagnation on streets, reduced service life of roads.	Cost constraint
			Improper Network of Drains & Garbage dumping	Leads to unhygienic condition, Dumping of wastes causes SWD blockages Reduced carrying capacity Overflow during heavy flood	Absence of proper disposal points, Absence of Storm Water Drain Master Plan
4	Roads, Traffic & Transportation	Road Coverage	Low coverage	Recent developed and expansion areas less covered, % of surfaced / Paved roads are minimal	Lack of dedicated staff, Cost constraint
			Improper Maintenance of Roads	Frequent repair works, dusty road surface, hassle to commuters	Non-availability of road registers, poor workmanship, lack of skilled staff, cost constraint
			Congested roads, Traffic conflict points	Increased Travel Time, Thrust on Environment Quality	Absence of Traffic Operational & Management Plan
5	Street Lighting	Coverage	Low coverage	Average spacing of street lights are more	Cost constraint
			Lack of power saving equipments	High Energy Charges, frequent repairs & replacements of fixtures	Cost constraint, lack of energy auditing

12.5.1 OPERATIONAL & MAINTENANCE PLANNING

ULB has to monitor the condition and performance of assets, and investigate any system deficiencies, which are outside the parameters of the target level of service. It would then identify the work required to correct defects and the most cost effective renewal option. Monitoring activity would include:

- Monitoring contractor performance
- Analysis of customer complaint and service problem records
- Proactive inspection of critical assets and report on condition
- Analysing condition reports provided by the Contractor during the day-to-day operation of assets and,
- As necessary, carrying out material testing to determine asset condition and decay rates.

Operate assets in accordance with current operating procedures:

- Inspect assets on at least a monthly basis
- Provide appropriate supervision for installation of connections and other similar work.
- Inspect and report on condition when working on the systems.

Minimise asset ownership costs:

- Identify, evaluate and introduce new technologies and monitoring/control equipment that may improve operational and management efficiency and modify standards as appropriate.

Manage risk exposure:

- Provide a prompt and effective response to system failures.
- Maintaining appropriate insurance cover for key assets.
- Undertaking structural checks of key assets.

12.5.2 MAINTENANCE STRATEGY

The short-term maintenance strategy is intended to retain the current levels of service with respect to asset condition and functionality whilst minimising costs. In the longer-term maintenance activity will be modified as necessary to reflect: -

- The age of assets relative to expected economic life cycle
- The risk of failure of critical assets
- Changes in the desired level of service
- The nature and timing of asset upgrading/development works.

To achieve this, the following maintenance activities will be undertaken:

UNPLANNED MAINTENANCE

- Maintain a suitable level of preparedness for prompt and effective response to emergencies and asset failures by ensuring the availability of suitably trained and equipped staff and service delivery contractors.
- Ensure ready availability of serviceable spare parts and equipment necessary for the prompt restoration of service.
- Respond to asset failures due to structural integrity with the initial objective of restoring service as quickly as possible by the most economic method available, making temporary repairs if major repairs or renewals are required.
- Emergency and incident investigation and works as appropriate.

PLANNED (PREVENTATIVE) MAINTENANCE WORKS

Undertake a programme of planned asset maintenance as necessary to:

- Deliver the required levels of service.
- Minimise the risk of equipment failure.

- Ensure safety.
- Avoid economic inefficiencies due to deferring maintenance.

Once a defect has been identified remedial work is programmed before the risk and consequence of failure become unacceptable, with priority given to defects which:

- are life threatening
- are likely to cause premature failure prior to the next inspection
- safety is compromised, or
- if severe economic deterioration of an asset will occur.

When scheduling maintenance work it is planned to make the best use of available resources wherever possible, including coordination of multiple repair works in the same area. The upgrade and replacement of assets should be done with sizes identified in Management plans and checked by design and modeling.

The effectiveness of the preventative maintenance programmes are continuously monitored and rescheduled as necessary to achieve efficiencies. The frequency and cost of all maintenance activities are monitored wherever possible to enhance decision-making.

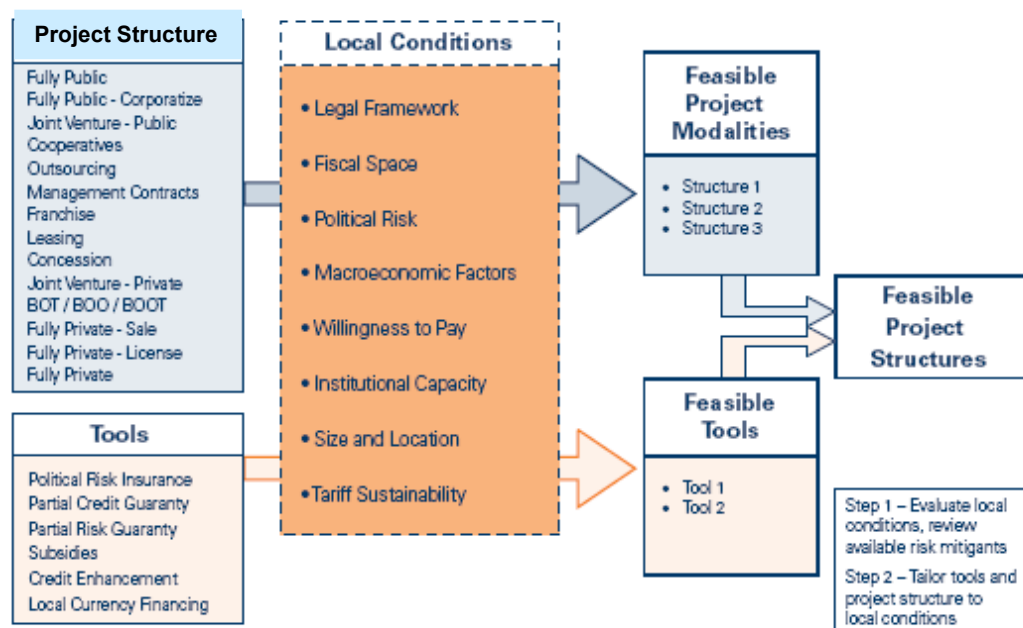
Maintenance work is aimed at ensuring the system functions properly. Many of the maintenance activities are similar and follow comparable methodologies despite occurring in different locations. Other beneficial effects also occur as a result of the maintenance e.g. clearing of refuse and debris from the watercourses and outfalls has aesthetic benefits and prevents ongoing gross contamination of the waterway.

13

PROJECT RISKS, ENVIRONMENTAL AND SOCIAL IMPACTS

13.1 PROJECT STRUCTURING OPTIONS AND ASSOCIATED RISKS

Project Structuring is an integral part of managing the lifecycle of major infrastructural projects. This process has involved the systematic identification, analysis and evaluation of risks across all fronts. The following figure illustrates the framework adopted for formulation of project structuring and identification of associated risks in any kind of infrastructure projects. The following diagram illustrates the determinants of project structuring:



13.2 PROJECT IMPACTS

Any infrastructure project improve general living standards within urban localities, they can also have associated impacts on the local environment and people. The Project structuring and associated risks can be done in three phases. The initial phase is the development and design of the project and is normally denoted as Pre-construction phase in which both the environmental and social screening can be brought out. Training for the understanding the environmental issues to the project implementing authorities by means of capacity building/create awareness on environmental issues, mitigation measures, Developing environmental and social screening formats, information sharing on good practices etc. The second phase is the construction phase, operation and maintenance phase and the last phase is the closure of the project.

13.2.1 ENVIRONMENTAL IMPACTS

Any development project is likely to have an influence on the environment. In order to predict the impacts of proposed project over the environment an Environmental Impact Assessment needs to be performed. "Environmental Impact Assessment can be defined as the process of identifying, predicting, evaluating and mitigating the biophysical, social, and other relevant effects of development proposals prior to major decisions being taken and commitments made". The purpose of the assessment is to ensure that decision-makers consider environmental impacts before deciding whether to proceed with new projects. Under this assignment the following list of sectors are identified for development:

- Water Supply
- Underground Sewerage System
- Solid Waste Management (Landfill and Composting)
- Roads and Storm Water Drain Improvements
- Construction of Bus Stands, Shopping Complex and Marriage Halls.

Depending upon the infrastructure project the impact and measure may vary and are discussed in the subsequent sections of this report.

A. WATER SUPPLY PROJECTS

These projects involve source creation or improvement of existing sources, laying of conveying main, construction of water treatment plants, laying of internal distribution line, construction of pumping stations, construction of overhead tanks, underground sumps etc. The following environmental impacts need to be given attention while undertaking the aforementioned activities:

DEVELOPMENT AND DESIGN PHASE

Potential impacts	Action to be taken
Clearances	<ul style="list-style-type: none"> ▪ All clearances required for Environmental aspects during construction shall be ensured and made available before start of work.
Riparian conflicts	<ul style="list-style-type: none"> ▪ Regulate extraction of water to reduce the effect of downstream users
Tree cutting	<ul style="list-style-type: none"> ▪ Try saving trees by changing the alignment ▪ Provide adequate tree protection (Tree guards) ▪ Identify the number of trees that will be affected with girth size & species type. ▪ Undertake afforestation in the nearby areas ▪ Compensatory re-plantation of trees of at least twice the number of trees cut to be carried out in the project area.
Utility Relocation	<ul style="list-style-type: none"> ▪ Identify the common utilities to be affected such as: electric cables, electric poles, telephone cables, water pipelines, public water taps etc. ▪ Affected utilities shall be relocated with prior approval of the concerned agencies before commencement of construction activities.
Planning Temporary Traffic Arrangements	<ul style="list-style-type: none"> ▪ Adequate actions to direct and regulate traffic shall be taken in consultation with the PIA, Dept. of Police to prevent jamming of roads during construction. While planning alternative routes, care to be taken to minimize congestion and negative impacts at sensitive receptors such as schools & hospitals.
Disposal of waste water	<ul style="list-style-type: none"> ▪ The wastewater shall comply with the standards of TNPCB to let out into the stream/nallah/open land/irrigation purposes, and necessary permission to be obtained from the concerned department. ▪ Ensure efficient working condition of the treatment plant.
Storage of materials	<ul style="list-style-type: none"> ▪ The contractor shall identify the site for temporary use of land for construction sites/storage of construction materials, etc.

CONSTRUCTION AND OPERATION PHASE

Systems/ Impacts	Action to be taken
Water Head Works	
Change of stream course	<ul style="list-style-type: none"> ▪ No appreciable change to stream course shall occur due to diversion channel and structures

Systems/ Impacts	Action to be taken
due to diversion channels to construct intake structures	shall be constructed accordingly.
Restoring river bed/water source	<ul style="list-style-type: none"> Ensure the restoring of river bed to its natural shape free from any construction debris that may obstruct flow.
Water quality at source	<ul style="list-style-type: none"> Establish baseline water quality prior to initiation of construction and to be periodically monitored and reported to the Engineer.
Construction of Transmission Mains	
Protection of topsoil	<ul style="list-style-type: none"> The top soil to be protected and compacted after completion of work, where pipelines run, including open lands and agricultural lands.
Laying of pipeline	<ul style="list-style-type: none"> Adequate precautions should be taken while laying water supply mains to avoid possibility of cross connection with sewer lines
Water Treatment Plant / Booster Stations	
Disposal of Sludge	<ul style="list-style-type: none"> A suitable site should be identified for the safe disposal of sludge generated at the WTP site and got approved by the Engineer. Prepare a sludge disposal plan that adheres to the same.
Distribution Network and OHTs	
Laying of distribution pipelines	<ul style="list-style-type: none"> Adequate precautions should be taken while laying water supply mains to avoid possibility of cross connection with sewer lines.

B. UNDER GROUND SEWERAGE PROJECT

These projects involve developing the contour maps, laying of branch and main sewer lines, conveying mains, pumping stations, treatment plant etc. The following environmental impacts need to be given attention while undertaking aforementioned activities:

DEVELOPMENT AND DESIGN PHASE

Potential Impacts	Action to be taken
Clearances	<ul style="list-style-type: none"> All clearances required for Environmental aspects during construction shall be ensured and made available before start of work.
Disposal of construction debris and excavated materials	<ul style="list-style-type: none"> The contractor shall identify the sites for debris disposal and should be finalized prior to the start of earthwork excavation; taking into account the following: <ul style="list-style-type: none"> The dumping does not impact natural drainage courses. Avoid disposal on productive land
Tree cutting	<ul style="list-style-type: none"> Try saving trees by changing the alignment Provide adequate tree protection (Tree guards) Identify the number of trees that will be affected with girth size & species type. Undertake afforestation in the nearby areas Compensatory re-plantation of trees of at least twice the number of trees cut to be carried out in the project area.
Utility Relocation	<ul style="list-style-type: none"> Identify the common utilities to be affected such as: electric cables, electric poles, telephone cables, water pipelines, public water taps etc. Affected utilities shall be relocated with prior approval of the concerned agencies before commencement of construction activities.
Planning Temporary Traffic Arrangements	<ul style="list-style-type: none"> Adequate actions to direct and regulate traffic shall be taken in consultation with the PIA, Dept. of Police to prevent jamming of roads during construction. While planning alternative routes, care to be taken to minimize congestion and negative impacts at sensitive receptors such as schools & hospitals.
Disposal of waste water	<ul style="list-style-type: none"> The wastewater shall comply with the standards of TNPCB to let out into the stream/nallah/open land/irrigation purposes, and necessary permission to be obtained from the concerned department. Ensure efficient working condition of the treatment plant.
Storage of materials	<ul style="list-style-type: none"> The contractor shall identify the site for temporary use of land for construction sites/storage of construction materials, etc.

CONSTRUCTION AND OPERATION PHASE

Systems/ Impacts	Action to be taken
Construction of Pumping / Lifting Stations	
Locating of vents on sewer system, low cost	<ul style="list-style-type: none"> While placing the vent shafts, precautions should be taken to minimize odour nuisance.

Systems/ Impacts	Action to be taken
sanitation and sewage pumping stations	
Disposal of silt/sludge	<ul style="list-style-type: none"> A suitable site should be identified for the safe disposal of silt/ sludge generated at the Pumping / Lifting station sites, which should be away from the water bodies, residential & sensitive areas, agricultural areas and etc., and got approved by the Engineer.
Construction of Sewerage Treatment Plant	
Contamination of ground water quality	<ul style="list-style-type: none"> Ground water quality may get contaminated due to leaching of waste water. So, the treated water quality shall comply with the standards laid down by the PCB for disposal onto land, water body or for irrigation use. Regular monitoring is required for the treated sewage quality and also the ground water quality in the near by areas and ensure compliance with PCB standards.
Impact on surrounding areas	<ul style="list-style-type: none"> To avoid problems of foul smell polluted air, insects, noise pollution and other problems buffer zones to be provided in the form of Green Belt around the STP site.
Disposal of treated waste water	<ul style="list-style-type: none"> The treated water quality shall comply with the standards of TNPCB before letting out into the stream/nallah/open land/irrigation purposes, and necessary permission to be obtained from the concerned department. Ensure efficient working condition of the treatment plant Prevent the pollution of stream water and other water bodies receiving STP discharge.
Disposal of Sludge	<ul style="list-style-type: none"> A suitable site should be identified for the safe disposal of sludge generated at the WTP site and got approved by the Engineer. Prepare a sludge disposal plan that adheres to the same.

C. SOLID WASTE MANAGEMENT (LANDFILL AND COMPOSTING)

These projects may include developing land fill, compost yards with washing facilities, compound walls, purchase of vehicles for transporting the garbage, etc.,

PUBLIC HEALTH, OCCUPATIONAL HEALTH & SAFETY

Public health may be affected by the project activities by noise and dust pollution during the construction phase especially during landscaping, provision of access road and site preparation. The activities that affect public health during operation and its closure are given below:

Operation phase & Closure Phase

Emission of bio-gas, high noise levels during loading and unloading and high dust level affect public health, waste dispersion, bad odour and spreading of infectious diseases are other factors that affect public health during the operation and closure phase of the projects.

SOCIO-ECONOMIC CONDITIONS

The socio-economic impacts of the proposed projects within the local area are given below:

During the Construction phase, employment and visual issues are the two major impacts. The share of local employment needs to be considered carefully during all construction activities. The Visual impacts will result from disposal of debris and dispersion of solid waste generated from the workers.

Impact on the i) Employment and ii) prosperity in Business is the major socio-economic impacts known to occur during the Operation phase. The locals are concerned about sharing the job opportunities with others during this phase. This issue should be given more attention with regard to training. As far as Business prosperity is concerned, the supply of spare parts and consumable from local market is expected to enhance local life quality.

Rehabilitation of landfill, Electricity generation and Treated leachate may be the other impacts during project closure period. A program for designing a final landscape and site restoration should be provided as far as rehabilitation of land fill is concerned. The electricity generated from the biogas will be supplied to the locals. The treated leachate may be reused for irrigation purpose.

FLORA AND FAUNA

The proposed activities that affect Flora and Fauna species during construction and operation phase are given below:

During the Construction Phase, Flora and Fauna species may be affected by high dust pollution and direct damage especially during landscaping, provision of access road, site preparation and removal of soil cover.

During the Operation Phase, high dust level and dispersion of solid waste affect the flora and fauna species during the project activities such as construction of new cells, loading, unloading and transportation of solid waste.

WATER RESOURCES

The proposed activities that affect water resources during construction and operation phase are given below:

Water resources may be affected due to the demand of water for soil compaction and pollution of ground water during Construction phase. Ground water may be contaminated due to the maintenance of machineries and resulting domestic waste water from workers.

Hazardous waste dumping and leachate leakages are the two major activities that affect the water resources during Operation phase. Leachate treatment unit need to be installed on a paved area to prevent ground water contamination and also a proper reuse and recycle mechanism to be considered for the treated leachate.

ARCHEOLOGY

Unseen archeological remains (if any) might be affected during landscaping and site preparation.

MITIGATION MEASURES AND MONITORING PROGRAM

Following are the mitigation measures that need to be implemented in order to reduce the potential negative impacts:

- Dust level need to be controlled during construction activities and transportation of materials.
- Proper handling of dispersed solid waste during transportation and storage.
- Proper handling and taking safety requirements for collection and storage of the solid waste to prevent odour generation.
- Taking restrict control on animals and insects (vector diseases) like dogs, cats, rats etc.
- Applying continuous cover over the cell during the operation to prevent odor impact.
- Control the existence of the scavengers at the solid waste landfill site to prevent firing and dispersion of the wastes.
- Noise levels need to be controlled during the construction and operation activities.
- Monitoring programs need to be implemented covering monitoring of noise levels and ambient air quality.
- Implementation of safety procedures and availability of safety equipment for workers.
- Training and awareness programs for drivers and workers on proper handling of waste and personal protective equipments. Conducting routine medical exams for workers.
- Training of employees to identify hazardous waste and proper safety procedure on handling and reporting such items.
- The domestic wastewater resulting during construction and operation phases need to

be collected and managed in safe manner.

- The endogenous trees or plants should be used when rehabilitant the site.
- Restrict activities as much as possible to the project site and allocate track roads for construction.
- Hunting and collection of wildlife, especially residents and migratory raptures should be strictly forbidden.

D. ROAD IMPROVEMENTS

Activities	Management Measures
Pre-Construction Stage	
Land Acquisition R&R	<ul style="list-style-type: none"> ▪ The acquisition of land and private properties will be carried out in accordance with the RAP and entitlement framework for the project. ▪ It should be ensured that all R & R activities are to be completed before the construction activity starts, on any sub-section of the project.
Tree Cutting	<ul style="list-style-type: none"> ▪ Trees will be removed from the Corridor of Impact (Col) and construction sites before commencement of construction with prior intimation to the Forest Department. Prior permission will be obtained from the District Collector. ▪ Try saving trees by changing the alignment ▪ Provide adequate tree protection (Tree guards) ▪ Identify the number of trees that will be affected with girth size & species type. ▪ Undertake afforestation in the nearby areas ▪ Compensatory re-plantation of trees of at least twice the number of trees cut to be carried out in the project area.
Utility Relocation	<ul style="list-style-type: none"> ▪ Identify the common utilities to be affected such as: electric cables, electric poles, telephone cables, water pipelines, public water taps etc. ▪ Affected utilities shall be relocated with prior approval of the concerned agencies before commencement of construction activities.
Replacement of common amenities	<ul style="list-style-type: none"> ▪ All common amenities such as community sources of water, bus shelters etc., will be relocated wherever necessary. The relocation site identification will be in accordance with the choice of the community and completed before the construction starts

Activities	Management Measures
Construction Stage	
Clearance and grubbing	<ul style="list-style-type: none"> ▪ Vegetation will be removed from the RoW before the commencement of construction and will be carried out such that the damage or disruption to flora is minimal. ▪ Only ground cover / shrubs that impinge directly on the permanent works or necessary temporary works will be removed with prior approval from the engineer. The contractors, under any circumstances will not damage trees (in addition to those already identified and felled with prior permission from the forest department)
Excavations	<ul style="list-style-type: none"> ▪ All excavations will be done in such a manner that the suitable materials available from excavation are satisfactorily utilized. ▪ The excavation shall conform to the lines, grades, side slopes and levels shown in the drawing or as directed by the Engineer. ▪ The contractor shall take adequate protective measures to see that excavation operations do not affect or damage adjoining structures and water bodies.
Earth fill	<ul style="list-style-type: none"> ▪ Embankment and other fill areas, unless and other wise permitted by the Engineer, be constructed evenly over their full width and the contractor will control and direct movement of construction vehicles and machinery over them.
Dust	<ul style="list-style-type: none"> ▪ All earth work will be protected in a manner acceptable to the engineer to minimize generation of dust
Compaction of soil	<ul style="list-style-type: none"> ▪ To minimize soil compaction construction vehicles, machinery and equipment will move or be stationed in designated area (RoW, haul roads as applicable) only
Silting, contamination of water bodies	<ul style="list-style-type: none"> ▪ Silt fencing to be provided around the stockpiles at the construction sites close to water bodies. ▪ Construction materials containing fine particles will be stored in an enclosure such that sediment – laden water does not drain into the nearby water courses.
Environmental Monitoring	<ul style="list-style-type: none"> ▪ The contractor will undertake seasonal monitoring of air, water, noise and soil quality through an approved monitoring agency.

E. CONSTRUCTION OF BUS STANDS, SHOPPING COMPLEX AND MARRIAGE HALLS

Activities	Management Measures
Pre-Construction Stage	
Land Acquisition R&R	<ul style="list-style-type: none"> The acquisition of land and private properties will be carried out in accordance with the RAP and entitlement framework for the project. It should be ensured that all R & R activities are to be completed before the construction activity starts, on any sub-section of the project.
Tree Cutting	<ul style="list-style-type: none"> Trees will be removed from the site if arises and construction sites before commencement of construction with prior intimation to the Forest Department. Prior permission will be obtained from the District Collector. Try saving trees by alternatives Provide adequate tree protection (Tree guards) Identify the number of trees that will be affected with girth size & species type. Undertake afforestation in the nearby areas Compensatory re-plantation of trees of at least twice the number of trees cut to be carried out in the project area.
Utility Relocation	<ul style="list-style-type: none"> Identify the common utilities to be affected such as: electric cables, electric poles, telephone cables, water pipelines, public water taps etc. Affected utilities shall be relocated with prior approval of the concerned agencies before commencement of construction activities.
Replacement of common amenities	<ul style="list-style-type: none"> All common amenities such as community sources of water, bus shelters etc., will be relocated wherever necessary. The relocation site identification will be in accordance with the choice of the community and completed before the construction starts

Activities	Management Measures
Construction Stage	
Clearance and grubbing	<ul style="list-style-type: none"> Vegetation will be removed from the site before the commencement of construction and will be carried out such that the damage or disruption to flora is minimal. Only ground cover / shrubs that impinge directly on the permanent works or necessary temporary works will be removed with prior approval from the engineer. The contractors, under any circumstances will not damage trees (in addition to those already identified and felled with prior permission from the forest department)
Excavations	<ul style="list-style-type: none"> All excavations will be done in such a manner that the suitable materials available from excavation are satisfactorily utilized. The excavation shall conform to the lines, grades, side slopes and levels shown in the drawing or as directed by the Engineer. The contractor shall take adequate protective measures to see that excavation operations do not affect or damage adjoining structures and water bodies.
Earth fill	<ul style="list-style-type: none"> Embankment and other fill areas, unless and other wise permitted by the Engineer, be constructed evenly over their full width and the contractor will control and direct movement of construction vehicles and machinery over them.
Dust	<ul style="list-style-type: none"> All earth work will be protected in a manner acceptable to the engineer to minimize generation of dust
Compaction of soil	<ul style="list-style-type: none"> To minimize soil compaction construction vehicles, machinery and equipment will move or be stationed in designated area (RoW, haul roads as applicable) only
Silting, contamination of water bodies	<ul style="list-style-type: none"> Silt fencing to be provided around the stockpiles at the construction sites close to water bodies. Construction materials containing fine particles will be stored in an enclosure such that sediment – laden water does not drain into the nearby water courses.
Environmental Monitoring	<ul style="list-style-type: none"> The contractor will undertake seasonal monitoring of air, water, noise and soil quality through an approved monitoring agency.

13.2.2 SOCIAL IMPACTS

Social issues may arise in the proposed projects, if there is need for private land (or) government land that has been occupied or encroached upon. Normally it arises due to the implementation of project that results to:

1. Loss of assets,
2. Loss of income or means of livelihood, and
3. Indirect group oriented impacts due to loss of access to common properties and resources

For mitigating the social Impacts, the need for Resettlement and Rehabilitation plan or Social Management Plan is to be prepared when the land which is acquired /alienated or transferred results in involuntary displacement and /or loss of livelihood, sources of income and access to common properties/ resources on which people depend for economic, social and cultural needs irrespective of their legal status.

OBJECTIVES OF SOCIAL MANAGEMENT PLAN

The main objective of preparing any social management plan/ RAP should be resettlement and rehabilitating of project affected persons with the aim of improving their living standard. A base line survey can be carried to understand the social economic of the project affected persons, plans for minimizing land acquisition/ alienation and transfer of R&R by exploring alternate designs and or technology. The local body during the project appraisal will address the availability of alternate design, site and its suitability, etc and choose the alternate that requires the least land and that involves least R&R

R&R IMPLEMENTATION

It should precede the project activities and the process of R&R will be completed before the commencement of the project activities.

14

POLICY INTERVENTIONS

14.1 INTRODUCTION

Kuzhithurai is a town with a projected population of 25,424 in 2021. In addition, it is anticipated that another 8,000 will form the floating population component in the town. Re-organisation of institution, improvement and capacity building programs are required to meet the needs of managing Kuzhithurai 2021. This chapter discusses the agenda for institutional reforms in town governance and urban poor. It also reviews the institutional reform initiatives already undertaken at the ULB level and State Government level to successfully implement and operate the CCBP projects.

14.2 AGENDA AND OBJECTIVE OF INSTITUTIONAL AND POLICY REFORMS

The agenda for further institutional and policy reforms should be guided by the following broad objectives:

- To institute a nodal agency, which could provide effective governance to the ULB;
- To ensure that the function and powers of this agency and its constituents, match their responsibilities and make them fully accountable.
- To enable clarity of jurisdiction of various agencies and entrusting pertinent responsibilities
- To structure administration such that it reaches the people and vice versa, to ensure effective problem solving mechanisms in place
- To evolve an effective system of town planning, keeping in view the needs in the context of Local Planning Area (LPA);
- To strengthen and build capacity within the ULB, its constituents and other agencies entrusted with relevant tasks,; and
- To make the primary focus of the system and its constituents, the functional requirements of management of Kuzhithurai;

14.3 REFORMS

The ULBs of Tamil Nadu have been generally found to be proactive in their commitment to introduce reforms at the ULB level. All these reforms may be broadly categorized under the following:

- Computerization Initiatives;
- Property Tax Reforms;
- Privatization Initiatives;
- Accounting Reforms; and
- Resource Mobilization Initiatives.

A brief description on the above reform initiatives and their current stage are given in the following sections of this report.

14.3.1 POLICY FRAMEWORK AND PRIORITY ACTIONS

As specified earlier, priority actions have been discussed and finalized by the stakeholders for urban management and sectoral reforms for the ULB. The following policy framework and priority actions have thus been identified based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the stakeholders:

STRATEGY

- Innovations both at policy and project levels to speed up the urban reform process.
- Reforms to have in-built mechanism of participation and commitment.
- Institutional strengthening and financial capacity building to be an integral part of the reform measures.
- Areas of reform measures include property tax, accounting and auditing and resource mobilization and revenue enhancement.

PROPERTY TAX

- Bringing transparency and uniformity in taxation policies.
- Tax policy and operational procedures should be simple and clear.
- Development of templates for property tax (for self-assessment) to increase tax collection (without levying fresh taxes), including implementation strategies.
- Mapping of properties and developing GIS-enabled property tax management system for enhancing property tax net/coverage and better administration.
- Collection of arrears through innovative ideas and approaches using tools for community participation and fast track litigation methods.
- Property tax base should be de-linked from rental value method and should be linked to unit area or capital value method.

ACCOUNTING AND AUDITING

- Accounting reforms - shifting from single entry cash based accounting system to accrual based double entry accounting system.
- Legislative changes in the accounting systems and reporting requirements.
- Designing of accounting procedures.
- Accounting manual - chart of accounts, budget codes, forms and formats, etc.
- Standardized recognition norms for municipal assets and revenues.
- Auditing of accounts should be carried out effectively and regularly to promote transparency and accountability.

RESOURCE MOBILIZATION AND REVENUE ENHANCEMENT

- Increasing revenue through measures for better coverage, assessment, billing, collection and enforcement.
- Controlling growth of expenditure.
- Improving the organization and efficiency of the tax administration system.
- Augmentation of resource mobilization/revenue generation from properties belonging to ULB for improving the overall financial health.
- Energy audit of fuel and energy consumption by various departments of ULB to minimize expenditures on fuel and energy, including energy audit and metering of street lights.
- Streamlining and strengthening of revenue base of the ULB:
 - Strengthen the fiscal powers of ULB to fix tax rates, fee structure and user charges through specific guidelines and notifications, which should find a place in the Municipal Rules. Prepare model guidelines for the city to allow greater flexibility in levying taxes, fees and user charges, borrowing funds and incurring expenditures;
 - The annual report of the ULB shall devote a section highlighting the amounts of subsidy given to a particular service, how the subsidy was funded, and who were its beneficiaries;
 - Implementation of MIS to provide relevant information on accounts, commercial and operating systems for better decision-making and information dissemination to citizens; and
 - Application of e-Governance is equally important for municipal finance.

Apart from the above, following are some of other reform measures which should be implemented to support the above identified key municipal reforms.

URBAN ENVIRONMENTAL MANAGEMENT

The costs of maintaining a healthy urban environment need to be recovered through various municipal taxes and user charges following the “polluter pays” principle. For this, the functional role of the ULB as envisaged in Item 8, 12th Schedule of the Constitution has to be resolved keeping in view the role of the Tamil Nadu Pollution Control Board, and the organizational and fiscal strength of the ULB.

ACCESS OF URBAN SERVICES TO THE POOR

Since “ability-to-pay” for the cost of environmental infrastructure service provision is an important criterion, cross-subsidization of tariffs, innovative project structuring and user/community participation is the means to ensure access of these services to the poor. Again the functional and financial role of ULB with respect to the Items 10 and 11 of 12th Schedule vis-à-vis those of central and state government agencies need to be resolved.

14.4 URBAN GOVERNANCE

Good governance in the municipal context stands on two broad principles, viz. transparency and civic engagement and capacity building measures. Following sections highlight key elements of the above two principles of good governance specific to the ULB.

TRANSPARENCY AND CIVIC ENGAGEMENT IN MUNICIPAL MANAGEMENT

Laws/rules/regulations specific to city/local issues should be employed to facilitate effective implementation. These should be lucid and easily understood. Participatory mechanisms should be so structured that they have legal standing and administrative control. Local bodies should be responsive and innovative and involve community participation in civic engagement as follows:

- Specific code of conduct for municipal executives and elected representatives.
- Public education, resource mobilization, good leadership and transparent processes applied to municipal finance and development work.
- Closer networking with media and their engagement in creating public awareness and creating demand for good governance. Cautious engagement of private sector with continuous monitoring is necessary.
- Setting in place an active and online public Grievances’ Redressal System, with automated department-wise complaint loading and monitoring system.
- Instruments to improve efficiency through enhanced technical, administrative and financial capacities.
- Credit enhancement options other than state guarantees need to be adopted.
- Preparation of annual Environmental Status Report through a multi-stakeholder consultation process.

CAPACITY BUILDING OF THE ULB

Following are some of the key aspects of capacity building measures for ULB:

- The ULB shall maintain data to generate indicators as suggested in this document for evaluating its performance.
- Prepare and conduct capacity building programmes for elected representatives, especially women representatives, with a view to enable them to focus on gender based issues.
- Promote the creation of interactive platforms for sharing municipal innovations, and experiences among municipal managers.
- Better human resource management through assessment of the training needs of personnel involved in urban administration to enhance management and organizational capabilities.
- Assessment of fund requirement and resource persons to tackle the training needs of all

- personnel.
- Development of training material in the local language and impact and evaluation studies of the training programmes.
- Capacity building to better position the urban local body to employ highly qualified staff and seek superior quality of out-sourced services.

As specified earlier, priority actions have been discussed and finalized by the stakeholders for urban governance for the ULB. The following policy framework and priority actions have been identified by the study team based on reported evaluations, discussions and priority actions as required and mutually agreed upon by the stakeholders.

TECHNOLOGY INTERVENTIONS THROUGH COMPUTERIZATION

- Billing and collection of taxes and user charges through e-services.
- Speed up development of e-Governance system and accounting system.
- Database management of assets, records, lands, properties, etc.

HUMAN RESOURCE DEVELOPMENT

- Staffing pattern, organizational restructuring and performance appraisal.
- Development of MIS for effective and efficient management & decision-making.
- Publication of newsletters for creating awareness and participation.
- Staff training, exposure visits and motivation programs to bring about awareness on recent developments and technologies.

CITIZEN ORIENTATION AND INTERFACE

- Conduct citizen satisfaction surveys & analysis on annual basis to assess citizen needs and demands including satisfaction levels.
- PR strategies to enhance community participation and create awareness.
- Innovative citizen complaint redressal system including e-Governance.
- Augment and strengthen new initiatives on citizen interface and orientation.
- Regular interface with citizen associations/forum to understand public needs.

The above assignment has to be carried out by the ULB with full support from the GoTN. The outcome of the above assignment shall provide clear guidelines and impetus to the towns for good urban governance.

14.5 REFORM AGENDA AND TIMELINE

In addition to the aforementioned policy framework and priority actions, the GoI has formulated a Reform Agenda to access financial assistance under the proposed UIDSSMT. Adherence to this Reform Agenda and Timeline is mandatory for accessing funds under the proposed UIDSSMT. This section provides a brief note on preparedness of the GoTN/ULB and a broad timeline.

14.5.1 AGENDA FOR REFORM (OUTLINED IN UIDSSMT)

The main thrust of the UIDSSMT strategy of urban renewal is to ensure improvement in urban governance so that ULBs become financially sound with enhanced credit rating and ability to access the market capital for undertaking new programmes and expansion of services. In this improved environment, there would be greater possibility of public-private participation in provisioning of various services leading to more investment into the sector and better delivery of urban services. To achieve this objective, the State Governments and urban local bodies will be required to accept implementation of an agenda of reforms. The reforms spelt out under UIDSSMT fall under two categories, viz. mandatory and optional. In order to accomplish the desired reform agenda and to provide an holistic approach, it is proposed to initiate various state level and city level reforms (termed as general reforms) to facilitate smooth and effective implementation of all reforms identified/specified under the UIDSSMT Guidelines. Accordingly, the suggested reform agenda has the following set of

reforms:

- General Reforms - State Level Reforms (Reform Initiatives A.1 to A.3)
- Mandatory Reforms - State Level Reforms (Reform Initiatives B.1 to B.7)
- General Reforms - Urban Local Body Level Reforms (Reform Initiatives C.1 to C.5)
- Mandatory Reforms - Urban Local Body Level Reforms (Reform Initiatives D.1 to D.5)
- Optional Reforms (Reform Initiatives E.1 to E.10)

14.5.2 MANDATORY URBAN REFORMS

STATE-LEVEL REFORMS

- Implementation of decentralization measures as envisaged in 74th CAA, 1992, of the GoI: Functions specified in Schedule 12 have been incorporated into the municipal acts. However, the functions of town planning, regulation of land use and construction of buildings, water supply and sewerage have not yet been actually transferred to the ULBs. Operationalization of this would be required through suitable institutional changes, executive orders and some legal actions.
- Repeal of Urban Land Ceiling and Regulation Act: This Act has been repelled in the State.
- Reform of Rent Control Laws: There is a Rent Control Act in the State.
- Rationalization of Stamp Duty to bring it down to no more than 5 percent within the next seven years: At present the Stamp Duty in the State is revised at 8 percent. Some states like Maharashtra and Karnataka have already reduced their stamp duty to less than 5 percent. The experience is very positive with stamp duty revenues increasing due to better compliance. The GoTN may consider reducing the Stamp Duty in a phased manner.
- Enactment of Public Disclosure Law: Public disclosure of municipal budget proposals, performance, service levels and other information required by citizens on a six-month basis through appropriate methods like display at ward/ zonal offices, newspapers, web page, etc. This will increase transparency of the ULBs and bring in efficiency. This can be done by incorporating new clauses in the Municipal Corporation and Municipal Acts.
- Enactment of Community Participation Law: Institutionalizing citizen participation in municipal affairs through community participation in different aspects of municipal administration will improve the municipal citizen interface and enhance effectiveness of administration. This also can be done by incorporating new clauses in the Municipal Corporation and Municipal Acts.
- Associating elected ULBs with City Planning and Civic Service Functions: Suitable action suggested as under 'Implementation of decentralization measures as envisaged in 74th CAA, 1992, of the GoI may be taken.

REFORMS AT ULB LEVEL

- Adoption of modern, accrual-based double entry system of accounting in ULBs: At present, the ULB maintains accounts on a cash based system. This is not sufficient to get information on the financial health of the ULB and to improve the financial management. The GoI and the Comptroller and Auditor General of India (C&AG) have developed the National Municipal Accounting Manual (NMAM). There is need to introduce modern, accrual-based double entry system of accounting in the ULB in line with the above manual. As a first step, a State-Level Municipal Accounting Manual should be prepared based on the NMAM.

- Introduction of system of e-Governance in ULBs: Introduction of e-Governance in ULBs is recommended to improve delivery of services and help them to create citizen-centric and business-centric environments for good governance. This will also be in line with the proposed e-Governance project of the GoI.
- Reform of Property Tax in ULBs: Introduction of objective based property tax system such as unit area and self-assessment systems will help rationalize the tax base. Moreover, introduction of MIS and GIS based mapping will help to bring all properties into the tax system and increase tax collection. Based on the experience of other states it may be ascertained whether any changes in the Municipal Corporation Act are needed.
- Levy of reasonable user charges by ULBs to recover full cost of operation and maintenance: At present cost recovery from urban water supply and sewerage services is relatively low and unsatisfactory when compared with the incurred O&M expenditure. Low cost recovery is one of the potential causes for poor efficiency of the services. It is necessary that user charges for these services reflect the actual costs and recover at least O&M costs.
- Provision of basic services to urban poor: Provision of basic services to the urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation, while ensuring delivery of other already existing universal services of the Government such as education, health and social security is required.

14.5.3 ISSUES FOR APPROVAL OF THE GoTN

- Town Planning: Views of the ULBs should be incorporated in town planning and regulation of land use and building construction. Provisions may be made for obtaining the views of municipal councils/corporations on development plans. Size of building (by use) and layout plan will be decided from time to time through a Government Order. Necessary changes may be made in the Town Planning Act and Rules.
- Water Supply and Sewerage: Consequent to the 74th CAA, the ULBs are responsible for ensuring these services to the citizens. Different options of service management either by the ULB or by a private operator through a management contract can be explored. Necessary amendments should be carried out to the applicable Acts and Rules in accordance with set norms and standards by the GoTN/GoI in this regard.
- Reduction in Stamp Duty: Stamp Duty to be reduced to 5 percent from the existing 8 percent over the next seven years at the rate of 0.50 percent per year. The Finance Department may initiate the necessary action in this regard.
- Public Disclosure: The existing Municipal Acts may be amended to incorporate a provision for public disclosure of budgets, capital projects, revenue and expenditure, level of services, etc. The type, periodicity and method of disclosure will be as per rules made from time to time under these provisions in the Acts.
- Increasing Community Participation: The Municipal Acts may be amended to enable formation of area committees in municipal corporations and ward committees in municipal councils. Number and manner of selection of members and functions of the area/ward committees will be as per rules framed under provisions in the Acts from time to time.
- Accounting System: Amend the Municipal Act to enable introduction of the accrual-based double entry accounting system. Prepare a State-Level Municipal Accounting Manual based on NMAM. The new system should be introduced in all municipal corporations of the State.

- E-Governance: e-Governance should be introduced in ULBs of the State. It should cover the following functions in the first phase: (a) registration and issue of births/deaths certificates; (b) payment of property tax, utility bills; (c) grievances and suggestions; (d) building approvals; (e) procurement and monitoring of projects; (f) health programs; (g) accounting system; and (h) personnel information system.
- Property Tax: The applicable act should be amended to introduce the unit area and self-assessment system for property tax. Rules for introduction of the unit area and self-assessment system for property tax to be prepared under the applicable act.
- User Charges: The ULB should prepare an information system that provides data on O&M for water supply and sewerage services. Pricing of water supply and sewerage services should reflect actual costs and should cover O&M costs within five years. The GoTN will provide support to ULBs to implement this reform.
- Delivery of Services to Poor: The State Government should continuously support ULBs to extend basic services to the urban poor. A policy paper on this subject should be prepared.

Adherence to the above reform agenda and efficient implementation, especially the ULB level reforms, would go a long way in improving the creditworthiness of the ULB and in enhancing sustainability of the proposed capital investments. Based on the above, a suggestive timeline for the reform agenda has been developed during the study process and is furnished in Table 14.1.

Reforms already implemented by ULB would be discussed in detail during the next stakeholders' consultation and also reforms which need to be implemented by the ULB and a time frame for the implementation of the same would be presented to the stakeholders for further refinement through consultation.

Table 14.1: Suggestive Timeline for the Reform Agenda

Sl.	Particulars/Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
A.	GENERAL REFORMS - STATE LEVEL REFORMS							
A.1	Implementation of State Water Sector Reforms							
	Organize Reform Workshop							
	Review Present Policies							
	Strengthen Legislative Framework							
	Review Institutional Structure							
	Review Regulatory Arrangements							
	Prepare Roadmap for Implementation							
	Implement the Roadmap							
A.2	Review the Municipal Acts							
	Review of Law in context of JNNURM / UIDSSMT							
	Link with Town Planning Law							
	Legal basis for DPC							
	Provision for Area Committee							
	Provision for Disclosure							
	Procedure Compliance for Amendment to Municipal Law							
	Amendment to Municipal Law							
A.3	Development of Municipal Accounting Manual							
	Preparation of State Accounting Manual as per NMAM							
	State Municipal Accounting Manual							
B.	MANDATORY REFORMS - STATE LEVEL REFORMS							
B.1	Implementation of Decentralization Measures as envisaged in 74th CAA, 1992 of the Gol							
	Review Present Policies							

Sl.	Particulars/Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Strengthen Legislative Framework							
	Review Institutional Structure							
	Review Regulatory Arrangements							
	Prepare Roadmap for Implementation							
	Implement the Roadmap							
B.2	Repeal of Urban Land Ceiling and Regulation Act	ALREADY REPEALED						
B.3	Reform of Rent Control Laws	NOT RELEVANT						
B.4	Rationalization of Stamp Duty to bring it down to less than 5 percent							
	Preparation and Approval of Cabinet Note on Stamp Duty Rationalization							
	Implementation and Rationalization to bring it down to less than 5 percent							
	Accomplishing desired Rationalization as per the JNNURM Guidelines							
B.5	Enactment of Public Disclosure Law (as part of Reform Initiative A.2)							
B.6	Enactment of Community Participation Law (as part of Reform Initiative A.2)							
B.7	Associate elected ULBs - City Planning & Civic Services (as part of Reform Initiative A.2)							
C.	GENERAL REFORMS - URBAN LOCAL BODY LEVEL REFORMS							
C.1	Enhancement of Creditworthiness of the ULB							
	Review of Income and Expenditure							
	Identification of Steps to Increase Revenue							
	Finalization of Rules for Property Tax Assessment							
	Survey and GIS of Properties for Property Tax Assessment							
	Implementation of Resource/ Revenue Mobilization Measures							
C.2	Improvement of Financial Management in the ULB							
	Appoint Local CA as Consultant							
	Training of Employees on new Accounting System							

Sl.	Particulars/Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Opening Balance Sheet							
	Parallel Accounting System							
	Shift to New System							
	Improved Expenditure Management							
	Improved Financial Management							
	Introduce Improved Audit System							
C.3	Water and Sanitation Charges							
	Financial Diligence							
	Measures to Improve Cost Recovery							
	Energy Savings Plan							
	Prepare Implementation Plan							
	Implement Improvement Plan							
C.4	Development of E-Governance System							
	Assess existing IT Initiatives							
	Develop Options to Introduce E-Governance System							
	Develop Service Delivery Strategy							
	Assessment of Functional Requirement							
	Develop Technical Options							
	Project Management Framework							
	Implementation Framework							
	Explore PPP Options							
	Initiate and/or Upgrade ULB Website							
C.5	Devolution of Functions							
	City / Town Planning and Building Approvals							
	Water Supply and Sewerage							

Sl.	Particulars/Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
D.	MANDATORY REFORMS - URBAN LOCAL BODY LEVEL REFORMS							
D.1	Accrual-based Double Entry Accounting System (as part of Reform Initiative C.2)							
D.2	Introduction of System of E-Governance (as part of Reform Initiative C.4)							
D.3	Reform of Property Tax in Urban Local Bodies (as part of Reform Initiative C.1)							
D.4	Levy Reasonable User Charges - recover Full O&M Cost (as part of Reform Initiative C.3)							
D.5	Provision of Basic Services to Urban Poor	ALREADY IN PLACE						
E.	OPTIONAL REFORMS							
E.1	Revision of Bye-Laws - Building Approval Process							
E.2	Simplification - Conversion Agriculture to Non-Agriculture Use							
E.3	Property Title Certification System							
E.4	Earmarking 20-25% Lands for EWS Housing							
E.5	Computerization of Land & Property Registration	NOT POSSIBLE TO INTRODUCE						
E.6	Bylaws - Rainwater Harvesting Mandatory							
E.7	Byelaws - Reuse of Recycled Water							
E.8	Administrative Reforms - Reduction in Establishment							
E.9	Structural Reforms							
E.10	Encouraging Public-Private Partnerships							

15

TECHNICAL ASSISTANCE

15.1 INTRODUCTION

The objective of the Technical Assistance (TA) is to strengthen project management and institutional capabilities, and improve overall readiness for project implementation by the ULB. TA shall assist the ULBs, to efficiently and effectively manage, coordinate, implement, and monitor the Projects identified, including the institutional and financial reform initiatives under the CCBP. The key outcome of TA shall be (i) identification of key project personnel and creation of project management and project implementation units; (ii) training for the executing and implementing agencies to familiarize them with policies and procedures; (iii) completion of consultants' selection and prequalification of contractors; (iv) preparation of standard bid documents for works and procurement of goods, materials, machinery and supplies; (v) identification of required land and acquisition notification with disclosure to affected people issued by the implementation agencies and prepared resettlement guidelines; and (vi) introduction of institutional and financial reforms. The TA shall assist the ULBs in conducting public awareness and stakeholder consultations to improve understanding and acceptance of the Project and build consensus for introducing institutional and policy reforms outlined in UIDSSMT, whose completion is expected in March 2012.

15.2 METHODOLOGY AND KEY ACTIVITIES

As each ULB has its own historical background, institutional arrangements, financial situation and project implementation experience, the needs and readiness for capacity building will differ. To support up-front capacity building, each ULB should formulate a nodal body for the Project implementation, and to identify the department responsible for each of the three components of the Project. Key activities under each TA component include the following:

1. Component A: Project Implementation Support and Establishment of Managerial Structure

The TA shall refine the managerial and personnel structure for the ULB, and prepare a detailed ToR for the key personnel. The TA shall assist the ULB to define their clear role in undertaking activities under the CCBP. In doing so, the TA has to prepare an operational manual defining the role of each entity in implementing the Project and delegating suitable powers. Furthermore, the TA has to strengthen the supervisory capacity of ULB, TNUDF, the ULBs in monitoring activities related to project implementation.

The TA shall implement the project management systems and procedures proposed in the CCBP. They include, among others, overall project management, contract management, project performance monitoring and evaluation, procurement, recruitment of consultants, project accounting, construction supervision, fund management, and reporting. The TA has to assist the ULB in preparing for project start-up activities, including, among others, preparing of short-range action plans, recruiting and training staff, establishing a steering committee and a central-level project management unit (PMU) within ULB/ TNUDF and state-level PMUs and project implementation units (PIUs), satisfying the conditions for loan effectiveness, short listing, and recruiting of project consultants, preparing budgets and early disbursement requests, preparing standard procurement documents and contracts, and firming up arrangements for land acquisition and resettlement.

The TA shall assist the ULB in learning about TNUDF policies and procedures for procurement, recruitment of consultants, disbursement, fund management, environmental and social safety guards, corruption prevention, auditing, reporting, and other key aspects of project operations. Furthermore, the TA need to help train the ULB personnel in planning, leading, organizing, and coordinating project activities through participatory workshops and on-the-job involvement in project management. These activities shall be carried out after an assessment of the training needs of project states and ULBs.

2. Component B: Institutional and Financial Reforms

The TA consultants need to assist the ULB in carrying out urban management, institutional, and financial reforms recommended by the GoI/GoTN. This include strengthening of ULB with severe deficiencies; initiation of water utilities arrangement in ULB; improvement of urban planning; and improvement of property taxation and user charges for such services as water supply, sewerage, and solid waste management. The following specific activities have to be undertaken in the ULB:

- (i) Verify and evaluate infrastructure assets in the ULB.
- (ii) Prepare and digitize the customer database.
- (iii) Assess human resource capacities and deficiencies in the various sectors, and formulate options for the current employees in the sector.
- (iv) Assess and register property (for tax purposes) and develop a database supported by a management information system/geographical information system to increase property tax and tariff revenues.

3. Component C: Public Relations and Stakeholder Consultation

The TA has to assist the ULB in organizing and carrying out stakeholder consultation and awareness campaigns to (i) improve public understanding and acceptance of the Project, and (ii) seek feedback and build consensus for introducing the institutional reforms recommended by the GoI/GoTN.

15.3 IMPLEMENTATION ARRANGEMENTS

First step towards implementing the projects, ULB may have to establish a tri party agreement with CMA and TNUDF. A Draft Memorandum of Agreement (MoA) is enclosed in the Annexure – 16 and 17 for review.

ULB shall be the Executing Agency for the TA, and is responsible for overall coordination with the TNUDF and CMA. A central-level steering committee and a Project Monitoring Unit (PMU) need to be established within CMA, and a state-level steering committee and PMU / Project Implementation Unit (PIU) is to be established. CMA and the TNUDF shall provide full administrative and technical support to the appointed consultants and coordinate activities with the ULB.

Recently, Municipal Administration and Water Supply (MAWS) Department has issued a G.O dated 11-04-2008 on the subject of delegation of additional powers and functions to Local governments (Refer Annexure – 18 for G.O. No.61). A plan like the City Corporate Cum Business Plan (CCBP) is the first step to accomplish the G.O issued by MAWS department. ULB need to implement the CCBP identified projects under phased manner considering the priority of the stakeholders of the town in conjunction with the policy of GoTN and CMA. The implementation framework for the identified projects is given in the following sections of this report.

16

IMPLEMENTATION FRAMEWORK

16.1 AGENCIES INVOLVED

The ULBs are presently governed by seven Acts, one each for six city Municipal Corporations and one for Municipalities and Town Panchayats. The Town Panchayats which were governed by the Tamil Nadu Panchayats Act (1958) were brought under Tamil Nadu District Municipalities Act (1920) consequent on the historic 74th Constitutional Amendment Act (74th CAA) and on the basis of conformity legislations adopted by the State Legislature from 1st June 1994.

The town Administration is vested with the Local body. With the enactment of Tamil Nadu Urban Local Bodies Act 1998, a full-fledged local body came into function with an elected Chairperson and Councilors. The ULB discharges various obligatory and discretionary functions as per the provisions of the TN ULB Act, 1998, and provides various specified civic services/infrastructure facilities to the citizens of the town. Apart from the ULB, there are other Government departments and their directorates with development related responsibilities and functions. The following table provides an insight into the development related responsibilities and functions of various Government departments/institutions in the region which have a direct bearing on service provision and delivery:

Table 16.1: Development Related Responsibilities and Functions of Various State Government Departments / Institutions

Sl. No.	Name of the Department/ Institution	Responsibilities and Functions
1.	Local Planning Authority, (LPA)	<ul style="list-style-type: none"> LPA was constituted under the Town & Country Planning Act, 1971. Responsible for development of Local Planning area. Preparation of interim, comprehensive and zonal development plans. Enforcement of the provisions of the development plan, zoning regulations and planning and building standards by way of issuing permissions for construction of buildings. Preparation of development schemes and its implementation. All Town planning functions, development controls and building / layout sanctions. Principal objectives of the authority include creation of housing stock, creation of commercial complexes, improvement of city level infrastructure, environmental improvement, parks and plantations in colonies, blocks, institutions and roadsides.
2.	Public Works Department (PWD)	<ul style="list-style-type: none"> Responsible for construction, repair and maintenance of buildings and other related structures financed from the state and capital budget allocations of the GoTN. Also responsible for ensuring that no encroachment or structure, whether temporary or permanent is erected on the land and property under the control of PWD. It is also responsible for removal of such encroachments as per the GoTN rules. Maintaining a register of land, buildings and properties belonging to the GoTN and under the administration of PWD.
3.	Highways Department,	<ul style="list-style-type: none"> Responsible for construction, repair and maintenance of roads, bridges, flyovers and other related structures financed from the state and capital budget allocations of the GoTN. All major arterial roads and link roads that enable links to other parts of the district and state are under the control of the Highways department.
4.	Tamil Nadu Water Supply and Drainage Board (TWAD)	<ul style="list-style-type: none"> Responsible for construction and maintenance of water supply (combined), sanitation and sewerage schemes on behalf of local bodies at ULB cost and in cases of CWSS, appropriate bulk supply charges.
5.	Water Resources Organization, (WRO), GoTN	<ul style="list-style-type: none"> Responsible for maintenance of major rivers / tanks/ irrigation canals and construction and maintenance of major dams including Rain water Harvesting Works under the ownership of PWD within the state.

Sl. No.	Name of the Department/ Institution	Responsibilities and Functions
7.	Tamil Nadu Pollution Control Board, (TNPCB)	<ul style="list-style-type: none"> Responsible for pollution control and environmental protection Dealing with environmental monitoring, certification/clearances and pollution control in the State Also undertakes environmental planning studies, district profiles and environmental management plans
8.	Directorate of Town & Country Planning, (DTCP)	<ul style="list-style-type: none"> Advises the GoTN on matters pertaining to urban and regional planning Supervises the functioning of the respective Local Planning Authority
9.	a) Industries Department, GoTN b) Small Industries Development Corporation (SIDCO), GoTN	<ul style="list-style-type: none"> Responsible for planning and establishment of industrial zones in the State. Responsible for development of industrial estates and industrial areas in districts, creation of industrial infrastructure and amenities there in.
10.	Tamil Nadu Tourism Development Corporation, (TTDC)	<ul style="list-style-type: none"> Responsible for identification and development of tourism importance sites, publicity and development of infrastructure facilities. Arrangement of different tourism packages covering different tourist sites.
11.	Tamil Nadu Slum Clearance Board, (TNSCB)	<ul style="list-style-type: none"> Develops improvement schemes for notified/regularized slum settlements in the state of Tamil Nadu; and Infrastructure provision is financed through loans and grants from GoTN and Gol.
12.	Tamil Nadu Housing Board, (TNHB)	<ul style="list-style-type: none"> Responsible for construction of Group tenements and individual houses for Low, Middle and High-Income Groups.
13.	Tamil Nadu Electricity Board, (TNEB)	<ul style="list-style-type: none"> Responsible for provision of electricity and maintenance within the state.
14.	Tamil Nadu State Transport Corporation, (TNSTC)	<ul style="list-style-type: none"> Responsible for provision of transport facilities through operating buses to the various destinations within state and to neighboring states as well. Responsible for administration and maintenance of buses owned by the TNSTC.
15.	Hindu Religious and Charitable Endowments Administration Department, (HR&CE), GoTN	<ul style="list-style-type: none"> Responsible for administration and maintenance of Temples within the state of Tamil Nadu.
16.	1. Archaeological Survey of India (ASI), Gol 2. State Archaeological Department, GoTN	<ul style="list-style-type: none"> Responsible for identification, protection and preservation of ancient monuments of national and state importance. Also responsible for excavation of new sites of archeological importance.

Source: Analysis

Following table provides an insight into the institutional responsibilities, including the roles played by the private sector for various urban infrastructure and services:

Table 16.2: Institutional Responsibility - Urban Infrastructure

Urban Infrastructure	Planning and Design	Construction	Operation and Maintenance
Water Supply	Local Body/TWAD	Local Body/TWAD	Local Body
Sewerage	Local Body/TWAD	Local Body/TWAD	Local Body
Sanitation	Local Body	Local Body	Local Body
Storm Water Drainage – Major Drains & Canals	PWD/WRO	PWD/WRO	Local Body
Storm Water Drainage & Related Structures along major roads/highways	Highways Department	Highways Department	Local Body
Storm Water Drainage – Minor Drains	Local Body	Local Body	Local Body
Solid Waste Management	Local Body	Local Body	Local Body with Private Sector Participation
Roads (including Flyovers) - Major Roads	Highways Department	Highways Department	Highways Department
Municipal Roads (including Flyovers) - Minor/Internal Roads	Local Body	Local Body	Local Body
Street Lighting	Local Body	Local Body	Local Body with Private Sector Participation

Source: Analysis

16.2 PROJECT FORMULATION

Pursuant to identification of the required investments, development of Detailed Project Reports is an important activity that will essentially jump-start the pre-implementation process. The following recommendations are made to ensure effective project formulation:

- A “Project Formulation & Design Coordination Committee” at the regional level to cover all the identified ULBs may be instituted which may be composed of senior engineers from relevant departments, boards and experts who are involved in related engineering, research and development activities
- A central design database shall be developed by the Committee containing the following information:
 - Design infrastructure (specifications and drawings) from earlier contracts and on the existing system.
 - Design information on the proposed improvements.
 - Details and data on surveys and field investigations performed (topographical/geotechnical /traffic volume counts, etc. as applicable).
- The aforementioned database shall be upgraded and validated into a “Project Implementation and Commissioning Database”, which is explained in the following section.
- The Committee shall also ensure efficient and reliable data sharing between the various entities that are involved in preparation of the projects for subsequent implementation; this measure is intended to mitigate and possibly prevent/ significantly reduce future rework and ensure timely implementation in a cost effective manner.
- It is also recommended that the aforementioned Committee be involved in the implementation stage to ensure that the design intent is conveyed into system implementation, operation and maintenance.

16.3 PROJECT MANAGEMENT

It is recommended to appoint a Project Management Consultant (PMC) who will be entrusted with, but not necessarily be limited to, the following responsibilities:

- Overall project management including financial (specific to project-related investment) management.
- Field coordination of capital works between the client, contractor and design consultant to ensure that the approved design intent is conveyed into implementation and that system operation reflects the same.
- Quality control and specification compliance in all spheres of equipment, labor, material and construction methods.
- Verification and provision of critical decision-making support and recommendations on change orders and/or physical contingencies.
- Facilitate approvals from pertinent authorities for implementation, commissioning and licenses to operate.
- Enforce stringent adherence to an Environmental Management Plan that should be developed specific to each project/sectoral improvement.
- Facilitate creation and operation of a “Project Implementation & Commissioning Database” which shall contain at a minimum, the following information:
 - All information from the Central Design Database;
 - Documentation pertaining to the present project:
 - Design
 - Specifications
 - Drawings
 - Change orders
 - As-built drawings
 - Communication/correspondence files.

- It is also imperative for the Project Management Consultant (PMC) to perform the aforementioned responsibilities to the highest degree of quality since this database will be the ultimate record of the project for future upgrades/modifications.
- Specific attention needs to be paid to documentation/correspondence files since these files will provide future insight to the past chronology of events, issues, resolutions and other relevant information.
- The PMC must also facilitate and assist in implementing a system for sequentially and chronologically appending future modifications to the database, so that all changes made are accurately reflected and available for future reference.
- The PMC should involve the ULB officials in the process so as to take up further such projects by themselves.