Emerging Good Practice in Urban Water Projects

India: Andhra Pradesh Municipal Development Project

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Project Objectives & Challenge

Urban development investments and management have not kept pace with the increasing demand for urban facilities and services in Andhra Pradesh. This weighs down businesses and quality of life, especially for the poor. The main causes include restrictive regulations, weak institutional and fiscal capacity, and ineffective planning.

The World Bank is currently working with the Government of Andhra Pradesh on four projects that seek to remove infrastructure bottlenecks in the province and strengthen the performance of existing institutions.

The Municipal Development Project’s objective is to help improve urban services and the capacity of Urban Local Bodies in Andhra Pradesh. One of its initial focus areas is the expansion of water and sanitation services at participating Urban Local Bodies (ULBs).

For example, in Guntur, by year five, population with direct access to piped water will increase from 216,000 to 381,000. Household and business surveys will be utilized to measure success of the project with the goal of an additional 15 percent of the population in project areas reporting improved urban services by year five.

Client Initiatives for Improved Governance in the Water Sector

In 2005 Government of India rolled out the Jawaharlal Nehru National Urban Renewal Mission, which provides grants for urban infrastructure and housing. The Mission requires state and local reforms, including the relaxation of restrictive regulations on land and housing, reduction of transaction taxes, increasing public participation, and enhancing municipal revenues and financial management. The Government of India has furthermore increased the authority of Urban Local Bodies and enhanced public disclosure with the Right to Information Act of 2005.
Andhra Pradesh has enacted a State Anti-Corruption program. In addition, all Urban Local Bodies (ULB) are implementing Citizens’ Charters. They are tasked with improving quality of public service through setting standards for service delivery. They assist in enforcing citizen rights and redressal of grievances.¹ Most of the ULBs have or are establishing Citizen Information Centers to provide a One-Stop-Shop for public services.

**Governance Measures Supported by the Project**

**Accountability**
ULBs will be eligible for project funds only by:
- Having municipal account/financial statement audits satisfactory and up to date;
- Showing an operating budget surplus, equal to or more than 15 percent of the subproject costs;
- Providing a satisfactory Municipal Reform Action Plan that has been formally adopted by the municipal council and includes a set of specific actions to increase the operating surplus to enhance technical and management capacity. The Plan must include a specific plan to raise user charges to cover operation and maintenance costs for the new facilities to be developed as part of the project to ensure sustainability.

The project will support the development of an incentive system to reward performance of ULBs. Furthermore, the project will assist development of a framework and pilots for urban infrastructure PPPs.

**Participation**
The project mandates active information dissemination, citizen participation, and grievance redressal systems in the hope of adding another deterrent to low-quality work or corruption. Stakeholders are able to influence project design and implementation. The participatory and inclusive approach will be the basis for ULB sub-project prioritization and preparation process, giving relevant stakeholders the opportunity to participate throughout.

**Transparency**
As part of the project, the Commissioner and Director of Municipal Administration is establishing a 'Complaint Cell” and Public Information Office to complement local public information and grievance redressal systems, and handle the concerns of project-affected people, ULBs and contractors. The project implementing agencies have already launched a dedicated project website (apmdp.gov.in), which provides exhaustive information and documents on the project to the public at large, marking a good beginning in terms of high standard of disclosure and participation.

**Reference Documents and Contacts**

For more information on this project, please visit:

¹ The Citizens’ Charters are part of the Department of Administrative Reforms and Public Grievances at the Ministry of Personnel, Public Grievances and Pensions.
This note is part of a review of infrastructure sector projects to identify emerging good practice within the governance and anti-corruption (GAC) agenda under the GAC in Infrastructure initiative by the Transport, Water and ICT Anchor. The focus is on GAC measures designed to improve accountability, participation and transparency by client sector institutions. The purpose of this series is to provide information that may be of interest to those involved in designing and implementing projects in the water sector.

The series is based on a review of project documents in recently approved projects. Therefore, no attempt has been made to evaluate the effectiveness of the measures introduced. Task Team Leaders for the featured projects have reviewed the notes and, in some cases, provided additional information.

The GAC in Infrastructure website provides links to publications and additional reference materials.

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