



What are the built-in performance setbacks in JNNURM?

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Case No 1-0011

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Reframing Urban Inclusion

The opening set of cases produced by IIHS represents a focus central to our institutional mission, its teaching and its practice: urban inclusion. Through an on-going collaborative, multi-year research project titled 'Reframing Urban Inclusion', the 30 cases available on the website, www.cases.iihs.co.in include original teaching and learning cases commissioned and produced at IIHS through support from the Ford Foundation.

The cases were curated to address a particular set of challenges. The first is pedagogical. IIHS' stated aim is to be part of a global moment to re-think urban theory and practice from India, South Asia and the Global South. These cases are a key curricular and pedagogical intervention within that effort. Distributed through open access modes to encourage widespread, public and diverse forms of use, the cases seek to give scholars and educators in the Global South a new canon to teach with, that begins from and is responsive to place.

The second is more outward facing. India is at a critical moment in its urbanisation. The urban agenda has begun to emerge strongly on the national political register, and questions of how to shape policy agendas from housing to employment, planning to service delivery, are more pressing than ever before. It is our hope that these cases will therefore equally be used by and inform an evidence-based, empirically rich, conceptually grounded and reflexive practice and interface with policy.

Since 2013, the project has brought together leading academics and practitioners from different disciplines to identify and contextualise social and economic realities of Indian cities through the case method. We hope that they will provide new evidence of the possible opportunities and mechanisms for urban integration as well as build a conceptual and empirical foundation for politically, socially, and economically inclusive cities.

The project has three thematic foci:

1. Conceptualising Pro-Poor Planning

Urban planning processes determine access to basic resources such as land, shelter and housing, livelihoods, mobility, and security. Inclusive urban planning is aimed at serving all the citizens of the city, reducing vulnerability and addressing exclusion from access to these basic resources.

Cases in this theme (1) untangle the current state of urban planning and its effects on vulnerability and exclusion, (2) explore how meaningful participation can be more effective in pro-poor planning, and (3) highlight opportunities for, and instances of successful integration across agencies and organisations involved in urban planning.

2. Re-visiting Settlement Upgrading

This theme seeks to expand and re-articulate debates on slums in India. The 'slum' is a form of an urban settlement that is situated at the intersection of land markets, new urban political economies, the efficacy of the state as a provider of housing to the poor, differentiated state-citizen relations, splintered urban infrastructure, questions of law, legality and planning, as well as conceptions of urban citizenship.

Cases in this theme (1) explore the processes of settlement and resettlement, paying attention to the market and political forces that shape the outcomes, (2) broaden the scope of settlement transformation from spatial upgradation to impacts on other sites of transformation such as livelihoods and employment, and (3) explore alternative imaginations of 'property rights' and tenure regimes.

3. Re-drawing the Picture: Metrics of Urban Inclusion

The dynamics of urban poverty and vulnerability are poorly understood. We know that the security of tenure, spatial coherence of urban infrastructure and service delivery, transit distances between livelihoods and living spaces, socio- cultural identities and social networks play important roles in inclusive cities. However, we have limited statistical data and information on the locational and distribution patterns of urban India.

Cases in this theme (1) examine the use of data in urban decision making and identify potential sites for intervention, (2) provide a more contextual and holistic analysis of urban dynamics, moving beyond sector-wise administrative data collection methods, and (3) emphasise improvements in information and learning from experience for local decision making.

IIHS Case Method

The IIHS case is a work-in-progress that represents experiments in different forms of creating interdisciplinary and inter-sectoral cases, as well as a diversity of pedagogical environments to learn and teach with these cases. The opening set of cases is, thus, also in a sense, an experiment in form and teaching modes. Given this, we do not claim a singular 'IIHS Case Method' or any one form or definition of a case. Indeed, one of the explicit aims of case development at IIHS is to challenge conventional ideas of what case-based learning is.

How then does a user know how to use cases? Pedagogical transactions will differ from case to case and indeed multiple options will be open within each case. Therefore, in order to aid users, all IIHS cases come with a set of consistent elements that help users navigate through the diversity of form and content. These are:

- **Preface:** Every case begins with an introduction by the case writer that describes their own approach to the case. How did the case writer frame the case? Why did they choose to structure it as they have? What were their intentions in writing the case?
- **Teaching Note:** The second shared case element is the Teaching Note. Here, the case writer lays out their imagination of how they would teach with the case in its current form. They suggest learning outcomes, pedagogical modes, learning environments and assessment frames. True to the diversity of the cases, each of these is particular to the case.
- **The Main Case:** This is the main body of the case—its core empirics, arguments, discourse and data. Across the cases, these come in different forms: PowerPoint presentations, audio-visual material, web interfaces, written text, and data visualisations.
- **Pedagogical Possibilities:** The next element lays out the case writer's suggestions on other ways in which the case could be taught, including in other disciplines or learning environments. These are not as detailed as the Teaching Note but offer a set of possibilities to the user to imagine other uses of the case than those laid out.
- **Case Archive:** The final element of the case is a library of documents—reports to interview transcripts, unedited footage to visual photo libraries—that act as an archive for the case. This repository allows users to also access a host of background and additional information necessary to navigate the larger contexts in which the case is situated.

Each IIHS case—regardless of the diversity of its form—comes structured with these elements. It is our hope that this recognisable framework will enable users to navigate easily across cases with very diverse elements and forms.

Case Note

The background to my undertaking this case study is informed by a long career in the civil services which repeatedly brought me face to face with the enormous amount of waste engendered by certain ill-designed central (and sometimes state) schemes. In some cases these schemes were a transparent exercise in patronage, and in others, an ill-judged attempt at seeking glory through some grandiose 'Tughlaqian' plan. But most often they were well-intentioned efforts at reducing poverty, providing infrastructure or improving services, which had failed to address institutional bottlenecks. Around the turn of the century, new reform-linked central schemes began to be introduced in various sectors—the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is one such major initiative. JNNURM was not only conceptualised as a flagship programme that sought to bring the urban into focus in India's development discourse; it was also a grand attempt to link large-scale financing to institutional change. Was there enough ballast in it to outweigh the incentives guiding the behaviour of the various actors involved in implementing the scheme? This was certainly a question worth studying.

I have spent time looking at the manner in which well-meaning central schemes in other sectors have failed to deliver. How does the experience in sectors like drinking water, sanitation, power and land records compare with the situation in this much-publicised urban sector initiative? What can the design and results of other schemes tell us about how to do things better in the urban space? Pointing urban sector professionals in this direction seemed a worthwhile endeavour.

The choice of Shimla as the location for this case study was dictated by the fact that it is the city where I live and have worked. It is the place I am most familiar with and where it is easiest for me to gather material. Even so, conducting this exercise exposed me to the difficulties of gathering data and collecting information in India. Certainly, for someone without contacts in the government, getting access to a lot of data provided in this case study might have proved well-nigh impossible. So little information is collated in an accessible form that it becomes a Herculean task to sift through files to dredge out what one is looking for. At the same time, I was impressed by the documents that have been placed in the public domain and can, therefore, be accessed quite easily on the internet. The contrast was instructive. There was not so much a resistance to making available information with restricted access as a failure to develop proper stems of record management that had created this situation in the first place. Despite my best attempts, I could not find the proceedings of various meetings, which might have been useful annexures to understand the processes of decision making and monitoring in the government.

The intended output of the case is a narrative history of the implementation of JNNURM in Shimla, which is also offered as a template to assess the 'then and now' in other cities where

the scheme has been implemented. The main additional output deals with principles that ought to govern the design of conditional or specific purpose intergovernmental transfers, the history of such transfers in India and material related to designing better schemes in the Indian context.

Using a simple narrative format, much of this case study is devoted to looking at what happened (or rather what did not) over the JNNURM period. This is followed by some discussion on why JNNURM appears to have delivered so little. I conclude by leaving open the question of what kind of improved design could have yielded better results.

At one level, this case is about the implementation of JNNURM in one of the small Mission cities—Shimla. The scheme was touted as a major central government initiative to address the problems of urban India—both institutional and infrastructure deficits that prevent cities from delivering quality services to their citizens. At this explicit level, the case study brings out the abysmal failure of the scheme to deliver on its objectives and draws attention to the various factors that have been mentioned to explain the failure.

At another level, the case is about the design of this scheme (and special purpose intergovernmental transfers in general) and two inter-related questions: could the results have been better with a different design? And is the newly launched Atal Mission for Rejuvenation and Urban Transformation (AMRUT) likely to perform better? This is the narrative that the case and attendant material seeks to uncover.

Components and Materials

The primary components of this case comprise written material, the main purpose of which is to trace a narrative history of the implementation of JNNURM in Shimla and, simultaneously, to offer a template for similar analysis in other cities where the scheme has been implemented. The case sets the context for the introduction of JNNURM in Shimla and the degree of interest in it, given its purported mission to transform the city. Exhibit 1 provides a list of projects sanctioned for Shimla under JNNURM, which pertain to urban infrastructure and governance and the provision of basic services to the poor. The cases traces a brief history of each of these, including solid waste management, e-Governance, water supply distribution, rejuvenation of the sewerage network, drinking water supply, sanitation. Exhibit 2 looks at the responsibilities of the Shimla Municipal Corporation, both at the level of policy and in practice.

The case also provides an assessment of the financial performance of the Shimla Municipal Corporation during the JNNURM period (Exhibit 3), including key service delivery indicators. The reading list attached to the case contains other examples of output linked transfers in the recent Finance Commission Reports, including examples of good practice, both in the urban sector and elsewhere.

Exhibits

Exhibit 1: Table 1: Projects sanctioned for Shimla under JnNURM

Urban Infrastructure & Governance (UIG) (7 Projects)				(Rs. in Lakh)	
No.	Name of Project	Project Cost	Cumulative Release		
			Central Share	State Share	Total
1.	Widening and lowering of existing tunnel near Auckland House School at Lakkar Bazar, Shimla.	1009.06	524.71	100.91	625.62
2.	Setting up of Solid Waste Management system and processing plant at Bhariyal for Shimla town.	1604.00	320.80	160.40	481.20
3.	Rehabilitation of water supply distribution system for Shimla city.	7236.00	1447.20	144.72	1591.92
4.	Rejuvenation of sewerage network in missing lines and left out areas or worn out sewerage in various zones of Shimla.	5474.00	970.00	263.10	1233.10
5.	Purchase of buses for Shimla city	769.56	547.33	152.04	699.37
6.	Establishment of e-governance in MC Shimla.	1120.00	224.00	28.00	252.00
7.	Sanitary Landfill site for Solid Waste Management Plant at village Bhariyal, Tehsil & Distt. Shimla.	1050.62	210.13	26.27	236.40
	Total	18263.24	4244.17	875.44	5119.61

Basic Services to the Urban Poor (BSUP) (2 Projects)					
1.	Ashiana-I (252 Flats) a housing scheme for the poor of Shimla town.	999.07	176.36	88.98	265.34
2.	Ashiana-II (384 Flats) (176 HIMUDA and 208 MC)	1401.48	560.59	40.94	601.53
	Total	2400.55	736.95	129.92	866.87

Exhibit 2: Shimla Corporation's Responsibilities – in policy and in practice

The Government of India monitoring formats and evaluation show that Himachal Pradesh has scored 100 per cent on mandatory state level reforms. This should mean that the city has been conferred responsibility for all the 18 functions listed in the 12th Schedule of the Constitution and assigned all city planning and service delivery functions. In addition, effective community participation should be a reality. In practice, there was virtually no change in the responsibilities devolved on the corporation for various functions between 2005-2006 and 2013-2014. In water supply, bulk supply continued to be a responsibility of the concerned state government department. Sewerage continued to be (mis)handled by the concerned state government department. Major roads continued to be a responsibility of the state Public Works Department. Education and Health remained wholly state government responsibilities. The Municipal Commissioner continued to sanction building plans subject to clearance of the State Town and Country Planning Department, with appellate and overriding powers vested in the State Government. The sense of a corporation functioning to deliver only a few of the key services in a city (solid waste management, maintenance of a few roads and retail distribution of water supply) remained in place, even as all the relevant check boxes were ticked to show the creation of a self-governed city responsible for delivering all basic services. In effect, the scoring on the reform effort reflected a totally cosmetic exercise which was sufficient to garner a cent percent score.

Exhibit 3: Shimla Corporation's financial performance

The absence of a sense of responsibility (to become a sustainable entity) is starkly visible in the financial performance of the city. In 2006-2007, the difference between the city's own tax revenues and user charges on the one hand and its revenue expenditure (net of depreciation and write offs) on the other hand, was about Rs.19 crore. This had widened to over Rs.39 crore in 2012-2013. The table below conveys the increase in the financial difficulties of the city during the JnNURM period. Over this entire period, the city was consistent in running a revenue deficit that lowered its net worth. The Municipal General Fund declined by almost Rs.100 crore in the period between 2006 and 2013. In cash terms, the deficit was financed by mounting sundry creditors, comprising largely of the amount owed to the state government's irrigation and public health department which supplied the bulk water and ran the sewage treatment plants for the city. The state government had failed to hand over this responsibility to the city despite the JnNURM reform requirements and the city had capitalised on this failure by evading its own responsibility for fiscal prudence! (Annexure-7 has some of the final Annual Accounts of the city between 2005-2006 to 2012-2013).

Table 6: Financial Performance of MC Shimla during JnNURM period

Sl.No.	Indicator	Amount (in Rs.)
1.	Increase in Amount of Own Tax Revenues and User Charges in 2013 compared to 2006	15.36 crore
2.	Increase in Amount of Revenue Expenditure (net of depreciation and write-offs) in 2013 compared to 2006	35.72 crore
3.	Cumulative Revenue Deficit from 2006 to 2013	201.52 crore
4.	Cumulative Reduction in Municipal General Fund between 2006 and 2013	99.28 crore
5.	Cumulative Depreciation provision between 2006 and 2013	112.49 crore
6.	Increase in Sundry Creditors from 2006 to 2013	107.86 crore

Shimla's financial performance during the JnNURM period reflected a business as usual situation.

Teaching Note

This case study is ideally visualised as a course comprising three seminars to be presented by participants during any one teaching term or semester. All three presentations can take place together at the end of the term or semester or be spaced over its duration.

Participants can be divided into teams of up to five to prepare and present the seminar papers.

- a) The first seminar would involve choosing other mission cities to construct a 'then and now' scenario of the city with respect to various parameters at the beginning and end of JNNURM.
- b) The second seminar would involve designing a hypothetical improved version of JNNURM and, based on this, constructing a counterfactual representation of the selected city at the end of the mission period.
- c) The third seminar would take the design of the new AMRUT scheme and estimate the possible results at the end of its timespan for the chosen city.

The question arises as to whether all this can be taught in a short-term training programme. It could, possibly, be condensed into a half-day exercise after distributing the case study to participants for overnight reading. Participants could then be asked to choose between different perspectives and make a case for their position in a debate between the following viewpoints:

- i) JNNURM was well designed. It was the implementation that was responsible for differing results.
- ii) JNNURM needed some changes for it to yield better results. AMRUT has attended to these shortcomings and will deliver.
- iii) Even AMRUT will not deliver improved outcomes since the essential rationale of the programme continues to be the same as that of JNNURM.

A third possibility, where the available time does not permit any significant participant involvement, is to teach the case as a lecture, first giving the bare bones of the story of Shimla, then and now, adding the city stakeholder perception and evaluations as explanations, bringing out the shortcomings addressed by AMRUT and leaving open the question of whether the new mission will succeed.

Accessing the Full Case

The full content of this case is open-access and downloadable at www.cases.iihs.co.in.

The full content of this case includes the following documents:

Folder A: Introduction to the Case

- Terms of Use and Agreement
- Reframing Urban Inclusion
- IIHS Case Method
- Preface Note
- Teaching Note

Folder B: Main Case

Narrative

- A Futile Money Chase: The Story of JNNURM in Shimla

Folder C: Case Archive

- Annexure 1: City Development Plan of Shimla
- Annexure 2: PPP Documents on Water Supply and Sanitation
- Annexure 3: Annual Accounts of MC Shimla for selected years
- Annexure 4: Material on Performance in the Delivery of Basic Services
- Annexure 5: Material on Inter-governmental Financial Transfers and Reading List

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About the Author

Deepak Sanan is a civil servant in the Indian Administrative Services and is currently Additional Chief Secretary (Forest and Environment), Government of Himachal Pradesh. He has over three decades of experience in public policy as part of the government across sectors ranging from revenue, land, housing, and water and sanitation. He has a special interest in the incentives generated by schemes for inter-governmental transfers in India, and has written extensively about them as well as on water and sanitation.

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