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NURM Reforms
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**COMMUNITY PARTICIPATION LAW:
*NAGARA RAJ BILL***

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Community Participation Law

The Nagara Raj Bill

By Susanne Cassel and Makarand Bakore¹

JNNURM Reform: *Enactment of a community participation law, so as to institutionalise citizens' participation in local decision making.*

INTRODUCTION

Citizens participate in the political process at national, state and local levels by voting once in five years. Governments solicit citizen feedback to proposed schemes and legislative bills. But citizens are heard after decisions have been made. How often do government invite citizen views at the project conception stage? What platforms guarantee citizens a say *while* decisions are being made? Today listening to citizens' views is more an affection of governments' generosity than a reflection of the acknowledgement of citizens' rights. The government is free to ignore citizen demands and generally chooses to do so. In the absence of any law that mandates community participation in governance, citizens are left at the wilful discretion of government officials.

COMMUNITY PARTICIPATION AND THE 74TH AMENDMENT

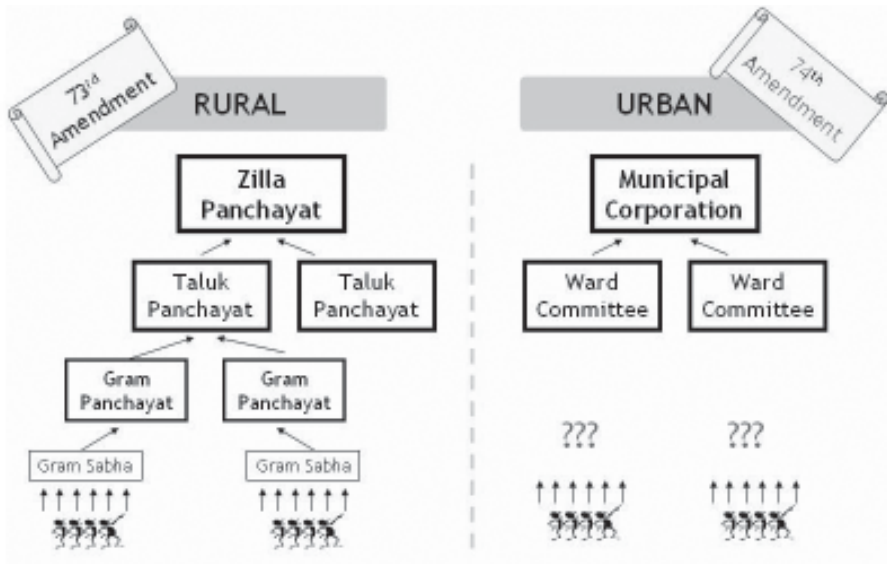
Roads, parks, and garbage collection are, among others, important public services that have a direct impact on our lives. Primary schools, hospitals and markets are critical needs. All of the above come under the purview of the local government, i.e. the Municipality. People need to decide whether they need a park or a school or a community hall in a vacant plot as much as timings of the shops in the municipal markets. This cannot be done by voting once in five years in the local elections. Participation is an on-going process. More so at the local level. Unless institutional structures support citizen participation, it will be left to the administration's choosing.

¹ Susanne interned at CCS and is pursuing the MPA program at Harvard University; Makarand is a Research Associate with CCS, New Delhi. Our thanks to our colleague, Mr. Ali Mehdi, for reviewing this document

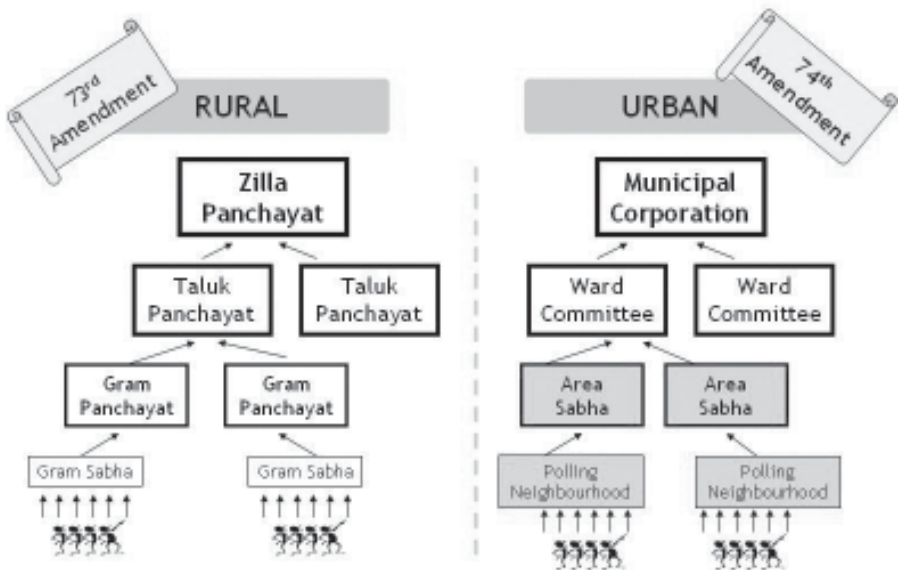
The 74th Amendment makes constitutional provision for Ward Committees (WCs) under the Municipal Corporation. Each WC comprises of an elected councillor of the ward along with residents of the ward as members. The WC deals with issues which directly concern the residents of that ward. In practice, WCs in their current form, have been proved ineffective as they represent too large a group of people (to the tune of a couple of lakhs). Moreover, they have no powers or funds. In some states, residents cannot become members of the WC. Thus, a new community participation law is necessary to create institutionalised space for citizen participation.

INSTITUTIONAL STRUCTURE FOR COMMUNITY PARTICIPATION

There is no corresponding unit in urban areas to that of Gram Panchayat in rural areas. Each citizen in a village is automatically a member of the Gram Sabha.

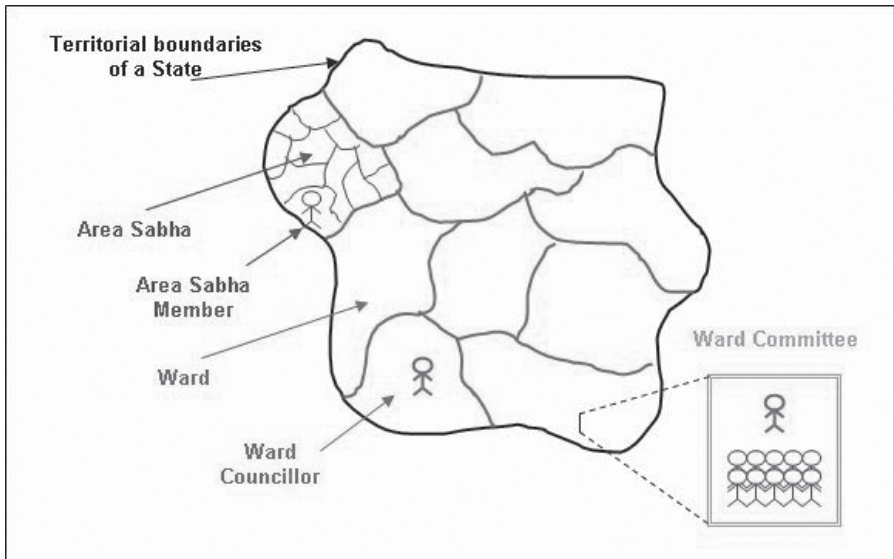


The Community Participation Law creates Area Sabhas in urban areas (corresponding the Gram Sabhas in the rural areas).



Wards need to be further divided into Area Sabhas, which may be two or more contiguous polling booths. Each Area Sabha elects one member into the WC. The WC is chaired by the elected councillor of the ward. Decisions such as park and road maintenance, provision of garbage collection, location of markets etc will be made by the WC. It will have the right to funds. Municipality will provide the administrative setup.

The tenure of the Area Sabha members will be coterminous with that of the Municipality.



Community Participation Institutional Structure

EFFECTS OF COMMUNITY PARTICIPATION LAW

The Community Participation Law must make provisions for the following:

- A. Area Sabha within every ward
- B. Elections of members for each Area Sabha into the WC
- C. Funds, functions and functionaries for the WC

Thus, the law should create the third tier of government (or the first tier, looking bottom-up) ensuring participation of residents at the grassroots level in decision-making through the WCs.

FUNCTIONS OF THE WARD COMMITTEE

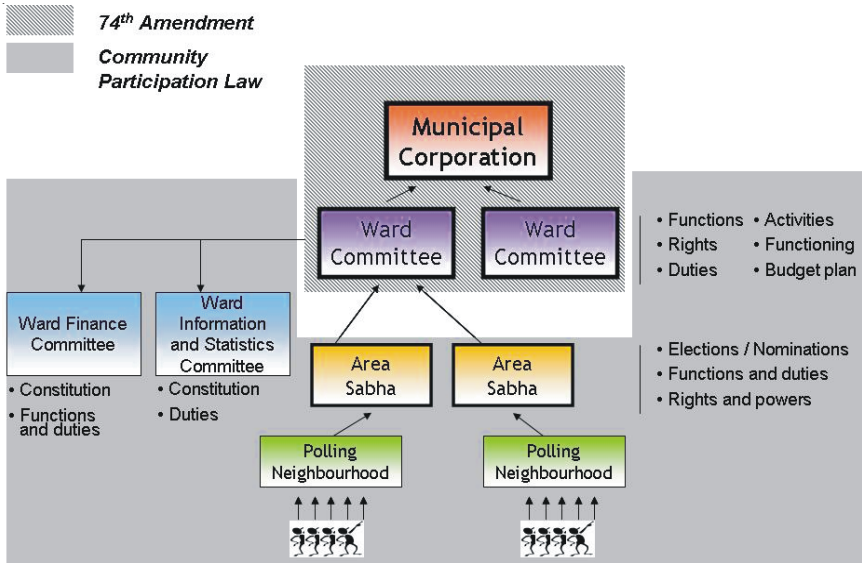
The WC should be entrusted with the following functions:

1. Supervision of municipal work
2. Water and sanitation requirements
3. Identification of slums and their upgradation

Community Participation Law

4. Enforcing building bye-laws
5. Evaluating the Area Sabha needs
6. Public health – information dissemination
7. Environment protection
8. Area Planning
9. Data collection
10. Identification of people for subsidies

SUMMARY OF COMMENTS ON THE NAGARA RAJ BILL



The Nagara Raj Bill is a good attempt to devolve power in urban areas. It envisages creation of Area Sabhas that will elect members into the WCs. This will help increasing participation of citizens in local governance.

1. As process of nominations is not a substitute for elections in any other tier of government, its provision in this bill should be removed. For the same reason, a WC should have elected representatives only. There is no need for nominated members. Experts can always be included in separate committees (e.g. Committee on Ward Planning), just the way the Lok Sabha constitutes committees of experts as and when required.
2. Along with greater representation of citizens, the WCs also need assured finances to carry out the assigned responsibilities. There is no provision to this effect.
3. Provisions to make the councillor accountable need to be added just the way the councillor can take disciplinary action against the Area Sabha representatives.

Community Participation Law

4. Membership of the Ward Finance Committee and Ward Information and Statistics Committee should not be open to councillors and nominated members. Creating that plurality in the WC is important.
5. Dominance of the state over the municipality is evident in the Bill as it empowers the state to nominate members in the WC in case elections are not held and not the Municipality. The rules under this Act are also to be made by the state government.
6. No mention of reservations for the backward classes as discussed in 74th Amendment is to be found in the Bill.

Additional provisions required in the Bill

1. Mechanisms to involve the urban poor and migrant populations which may not be registered in the Area Sabha electorate.
2. Mechanism to involve stake-holders in the Area Sabha and ward planning who may be traders or hawkers but not residents in those areas.
3. The exact process of consultations at the Area Sabha level for urban planning needs to be formalised. In its absence consultations may not be held in its true spirit.
4. Adequate administrative support should be ensured to the Area Sabha and the WC as they have a formidable list of functions and duties assigned to them.
5. The councillors and Area Sabha members should be given executive powers without which it would be impossible for them to carry out their functions.
6. Provision for proactive disclosure of information by the WCs and Area Sabhas on the lines of the Model Municipal Disclosure Bill.
7. Reservation for women and backward classes in the WCs.
8. Procedure to audit accounts of the WCs.

Reforms at Municipal level required for the effective functioning of the Area Sabhas

1. Municipal Corporations should be entrusted with city planning functions along with other functions mentioned in Twelfth Schedule of the Constitution.
2. Mayors and councillors should be given executive powers.

DETAILS COMMENTS ON THE BILL

Abbreviations:

AS	Area Sabha
WC	Ward Committee
WFC	Ward Finance Committee
WISC	Ward Information and Statistics Committee

	SECTION	COMMENTS
1.	<p>S.7(1)</p> <p>In the event of the failure of the State Election Commission, or the agency appointed in its place by the State government, for any reason whatsoever, to conduct elections to the office of Area Sabha Representative for the Areas in any Municipality, each Ward Councillor shall, within a period of eight weeks from the last date on which the elections ought to have been held as described in section 6, call for nominations for the office of Area Sabha Representative for every Area in his ward, in accordance with rules framed in this behalf.</p>	<p>Authorities may be tempted not to hold elections to the WC so that members can be nominated. Elections should be mandatory and provision for nominations should be scrapped.</p>
2	<p>S.7(5)</p> <p>In the event of the failure of the Ward Councillor to call for nominations for the office of Area Sabha Representative for any or all of the Areas within the Ward in the time prescribed, the State Government shall, in accordance with the rules prescribed in this behalf, nominate such persons as it may deem fit to those offices of Area Sabha Representatives not filled by the Ward Councillor; and it may also initiate such disciplinary or other action against the Ward Councillor as the rules prescribed in this behalf by the Government may allow.</p>	<p>In case of failure by the Councillor to call for nominations, the state government is to nominate the members into the WC. It is also going to initiate disciplinary action against the Councillor. These tasks should be entrusted to the municipality and not to the state government.</p>
3	<p>S. 9</p> <p>Functions and duties of an Area Sabha</p> <p>a) To generate proposals and determine the priority of schemes and development programmes</p> <p>b) To identify the most eligible persons from the jurisdiction of the Area Sabha for beneficiary-oriented schemes</p>	<p>The functions seem too many for one member elected from an AS.</p>

	SECTION	COMMENTS
	<p>c) To verify the eligibility of persons getting various kinds of welfare assistance</p> <p>d) To suggest the location of streetlights, street or community water taps, public wells, public sanitation units, and such other public amenity schemes within the area</p> <p>e) To identify the deficiencies in the water supply and street lighting arrangements</p> <p>f) To assist the activities of public health centres in the area</p> <p>g) To provide and mobilise voluntary labour and contributions in cash and kind for development programmes, and to supervise such development works through volunteer teams</p> <p>h) To undertake and support tax mapping, and to remind Area Sabha members of their obligations to pay municipal taxes and user charges</p>	
4	<p>S.9(f) Functions and duties of an Area Sabha - to assist the activities of public health centres in the area, especially in disease prevention and family welfare and create arrangements to report on the incidence of epidemics and natural calamities;</p>	The word 'assist' not defined in the Act.
5	<p>S.9(h) Functions and duties of an Area Sabha- to undertake and support tax apping, and to remind Area Sabha members of their obligations to pay municipal taxes and user charges;</p>	The word 'remind' not defined in the Act.
6	<p>S.10(i) Rights and powers of Area Sabha - to get information from the officials concerned as to the services they will render and the works they propose to do in the succeeding period of three months after the meeting</p>	The word 'officials' not defined in the Act.

	SECTION	COMMENTS
7	<p>S.12 (2) (b) Composition of Ward CommitteeNot more than ten persons representing the civil society from the ward, nominated by the municipality:</p>	<p>There should be no nominated members (as in the Lok Sabha or Legislative Assembly). Domain expertise can be availed by forming external commissions or committees.</p>
8	<p>S.14 (3) (g) Rights of Ward CommitteeHave a proportionate claim on Municipal Development expenditures, based on the Ward Infrastructure Index of that ward compared to the other Wards in the Municipality.</p>	<p>There is an incentive for the WISC to reduce the Infrastructure Index of a ward to get more funds. How can this be monitored?</p>
9	<p>S. 13 – Functions of Ward Committee S. 15 – Duty of Ward Committee</p>	<p>What is the difference between the terms ‘functions’ and ‘duties’ of the WC?</p>
10	<p>S.16 (a) (1) This section mentions the activities to be performed by the Ward Committees. a) Preparation of a Calendar: At the first meeting of the Ward Committee for each budget year, the Ward Committee shall decide upon specific obligatoryagenda for each of the monthly meetings of the Ward Committee, remaining in that calendar year, in addition to the specific obligatory agenda for the first meeting of the following budget year. Nothing in subsection (a) shall prevent: 1. the convenor of a Ward Committee from adding additional agenda for any meeting of the Ward Committee.</p>	<p>The word ‘convenor’ not defined in the Act.</p>

	SECTION	COMMENTS
11	<p>S.16 (d) (3) S.16 (f) (3) S.20 (v) (Regarding punishment of a Area Sabha member by the Councillor. The following appears in all the three sections) Provided that, if the Chairperson of the ward Committee deems it necessary to impose a fine or other such penalty, the decision shall come into force only upon it being approved by a majority vote at the meeting of the Ward Committee</p>	<p>The word 'majority vote' not defined in the Act</p>
12	<p>S.16 (d) (1) (i) Constitution of the Ward Finance Committee - A committee of 3 persons shall be constituted in every Ward as the Ward Finance Committee. (i) The constitution of the Ward Finance Committee shall be through nomination held within 1 month of the constitution of the Ward Committee. The chairperson shall nominate the ward finance committee.</p>	<p>Is the selection of members of the WFC through maximum nominations or nomination by chairperson? If it is through maximum nominations, why not have a vote? The provision allows a member nominated into the WC to be in the WFC. Only elected members should be on the Committee. The provision allows the Chairperson to be on the Committee. This should not be permitted.</p>
13	<p>S.16 (d) (2) (i) The Ward Finance Committee shall prepare the annual budget for the Ward and place it before the</p>	<p>No expressed provision on the authority that will</p>

	SECTION	COMMENTS
	<p>meeting of the Ward Committee which will deliberate upon, and approve the budget. The Budget shall be presented by the Ward Finance Committee within seven months from the closure of the previous financial year.</p>	<p>allocate funds to the WC.</p>
<p>14</p>	<p>S.16 (d) (3) (ii) S.16 (f) (3) (ii) S.20 (v) The Chairperson of the Ward Committee shall take appropriate action, including penalty to the Ward Committee member after giving adequate notice in writing and reasonable opportunity to be heard to the nominee</p>	<p>If the chairperson is responsible, who will take action against him?</p>
<p>15</p>	<p>S.16 (f) (1) (ii) The constitution of the Ward Information and Statistics Committee shall be through nominations by the Chairperson held within 1 month of the constitution of the Ward Committee.</p>	<p>Is the selection of members of the WISC through maximum nominations or nomination by chairperson? If it is through maximum nominations, why not have a vote?The provision allows a member nominated into the WC to be in the WISC. Only elected members should be on the Committee. The provision allows the Chairperson to be on the Committee. This should not be permitted.</p>

	SECTION	COMMENTS
16	S.21 (1)Subject to the provisions of this Act, the State Government may make rules to provide for any matter which is to be or may be prescribed by rules made under this Act.	Why should the state government make the rules under this Act and not the Municipal Corporation?

Community Participation Law

MODEL NAGARA RAJ BILL

GOVERNMENT OF INDIA
MINISTRY OF URBAN DEVELOPMENT
NEW DELHI

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SCHEDULE I - BUDGET CALENDAR

Model Nagara Raj Bill,

A

Bill

to amend the laws relating to the Municipalities in the State of to institutionalise citizens' participation in municipal functions, e.g. setting priorities, budgeting provisions etc. by setting up of Area Sabha and to provide for matters connected therewith or incidental thereto. Be it enacted by the Legislature of the State of in the year of the Republic of India as follows:

Part-I

Preliminary

Short title
extent and
commence
ment

1. (1) This Act may be called the Nagara Raj Bill,
- (2) It extends to the whole of the State of excluding cantonment are as therein
- (3) It shall come into force on such date as the State Government may, by notification, appoint in this behalf.

Definition

2. In this Act, unless the context otherwise requires:
 - (a) **Area** means an Area as determined in the manner prescribed in sub section (b);
 - (b) **Area Sabha** means, in relation to an Area, the body of all the persons registered in the electoral rolls pertaining to every polling booth in the Area, in a Municipality;
 - (c) **Budget year.** –means the period for which the State government lays down the “annual financial statement”.
 - (d) **Chairperson.** - The councilor of each ward shall be the chairperson of that ward committee.
 - (e) **Member.** - The Area Sabha Representative, elected or appointed in the manner as provided under this act, shall be a ‘member’ of the ward committee.
 - (f) **Ward Infrastructure Index.** – Ward Infrastructure Index means a composite index generated by a taking into account the condition of all public infrastructure elements in that Ward.
 - (g) **Ward Committee.** – Means the committee constituted under Section 12 of this act.

PART II

AREA SABHA

Constitution and Governance of Area Sabhas

Determina- tion of Areas

3. The State Government shall by order determine –
- (a) the Areas into which each Ward, and in the absence of a Ward, the Municipality, may be divided; and
 - (b) the territorial extent of each Area, which shall necessarily include the entire geographical territory in which all persons mentioned in the electoral roll of any polling booth in such territory, or, if the Government so decides, two or more contiguous polling booths (not exceeding five such polling booths) in such territory, are ordinarily resident.

Area Sabha Representative

4. There shall be an Area Sabha Representative for each Area.

Disqualifica- tions for be- ing an Area Sabha Representa- tive

5. (1) Any registered voter in an Area may file his nomination for the office of Area Sabha Representative, unless he is disqualified for being chosen as, and for being, an Area Sabha Representative –
- (a) by or under any law for the time being in force for the purposes of elections to the Legislature of the State, or for the purposes of elections to the Municipality;

Provided that no person shall be disqualified on the ground that he is less than twenty five years of age, if he has attained the age of eighteen years; or
 - (b) if he is an elected representative under either the Representation of the People Act, 1951 or this Act.

Election of Area Sabha representa- tive

6. (1) Any person eligible for contesting the elections to the office of Area Sabha Representative in that Area may file in accordance with the procedures that may be laid down under the rules framed in this behalf, his nomination for contesting the elections to such post

within a period of four weeks from the date of announcement of results of the elections to the Municipality.

- (2) Nomination papers for the office of Area Sabha Representative shall be available with the Ward Councillor, at all Municipal offices and at other public places where the public can easily procure the same, one week after the undisputed results of ward elections have been declared.
- (3) Upon filing his duly completed nomination papers with the election officer notified in this behalf by the State Election Commission within the period stipulated in sub-section (1), the nominee shall be entitled to receive a due acknowledgement in respect of the same from the election officer.
- (4) The election to the office of Area Sabha Representative in the various Areas in any Municipality shall be conducted under the aegis of the State Election Commission or an agency that may be appointed in its place by the State government, within a period of four weeks from the last date for filing of nominations for the post of Area Sabha Representative, in the manner prescribed in the rules framed in this behalf by the State Government.

Procedure for nomination of Area Sabha Representative
--

7. (1) In the event of the failure of the State Election Commission, or the agency appointed in its place by the State government, for any reason whatsoever, to conduct elections to the office of Area Sabha Representative for the Areas in any Municipality, each Ward Councillor shall, within a period of eight weeks from the last date on which the elections ought to have been held as described in section 6, call for nominations for the office of Area Sabha Representative for every Area in his ward, in accordance with rules framed in this behalf.
- (2) A “call for nominations”, as described in sub-section (1), may be made by the insertion of an advertisement for the purpose in at least two prominent newspapers in wide circulation, of which at least one shall be a regional

language newspaper. Additionally, every call for nominations must be notified on a prominent notice board in every municipal office or building in the ward.

- (3) Nomination papers for the office of Area Sabha Representative shall be available with the Ward Councillor, Municipal offices and other public places where the public can easily procure the same, eight weeks from the last date on which the elections, as described in section 6, ought to have been held.
- (4) A registered voter of the Area Sabha may nominate any registered voter of the Area Sabha for the office of Area Sabha Representative, by filing the nomination papers in the manner prescribed in this behalf. The eligible nominee with the highest number of registered voter nominations from that Area shall be declared as the Area Sabha Representative for that Area, by the Ward Councillor.
- (5) In the event of the failure of the Ward Councillor to call for nominations for the office of Area Sabha Representative for any or all of the Areas within the Ward in the time prescribed, the State Government shall, in accordance with the rules prescribed in this behalf, nominate such persons as it may deem fit to those offices of Area Sabha Representatives not filled by the Ward Councillor; and it may also initiate such disciplinary or other action against the Ward Councillor as the rules prescribed in this behalf by the Government may allow.

Term of office

8. An Area Sabha Representative shall ordinarily hold office for a duration that is co-terminus with that of the Municipality concerned.

Provided that no person shall continue to hold office as Area Sabha Representative if, at any time during his tenure, he incurs any of the disqualifications prescribed by or under any law for the time being in force for the purpose of elections to the Legislature of the State concerned;

Provided further that no person shall be eligible to continue to hold office as Area Sabha Representative if at any time 6 months after his election to such post he is recalled by a written representation to the Ward Councillor or the Municipality, as the case may be, supported by not less

than one-half of the total members of the Area Sabha concerned;

And provided further still that no person shall be entitled, or continue to be entitled, to hold office as Area Sabha Representative of an area in which he is not ordinarily resident.

**Functions
and Duties of
the Area
Sabha**

9. An Area Sabha may, having regard to its managerial, technical, financial and organizational capacity, and the actual conditions obtaining in the municipal area, perform and discharge the following functions and duties, namely -
 - (a) to generate proposals and determine the priority of schemes and development programmes to be implemented in the jurisdiction of the Area Sabha and forward the same to the Ward Committee, or in its absence, the Municipality, for inclusion in the developmental plans of the Ward Committee or Municipality as the case may be;
 - (b) to identify the most eligible persons from the jurisdiction of the Area Sabha for beneficiary-oriented schemes on the basis of criteria fixed by the Government, and prepare list of eligible beneficiaries in order of priority and forward the same for inclusion in the developmental plans of the Ward or Municipality;
 - (c) to verify the eligibility of persons getting various kinds of welfare assistance from Government such as pensions and subsidies;
 - (d) to suggest the location of streetlights, street or community water taps, public wells, public sanitation units, and such other public amenity schemes within the area of the Area Sabha;
 - (e) to identify the deficiencies in the water supply and street lighting arrangements in the Area Sabha jurisdiction and suggest remedial measures;
 - (f) to assist the activities of public health centres in the area, especially in disease prevention and family welfare and create arrangements to report on the incidence of epidemics and natural calamities;

- (g) to provide and mobilise voluntary labour and contributions in cash and kind for development programmes, and to supervise such development works through volunteer teams;
- (h) to undertake and support tax mapping, and to remind Area Sabha members of their obligations to pay municipal taxes and user charges;

Rights and Powers of the Area Sabha
--

10. An Area Sabha may, subject to the procedures that may be prescribed in this regard, exercise the following rights and powers, namely -

- (i) to get information from the officials concerned as to the services they will render and the works they propose to do in the succeeding period of three months after the meeting;
- (ii) to be informed by the Ward Committee about every decision concerning the jurisdiction of the Area Sabha, and the rationale of such decisions made by the Ward Committee or the Government ,
- (iii) to be informed by the Ward Committee of the follow up action taken on the decisions concerning the jurisdiction of the Area Sabha ;
- (iv) to impart awareness on matters of public interest such as cleanliness, preservation of the environment and prevention of pollution;
- (v) to promote harmony and unity among various groups of people in the area of the Area Sabha and arranging cultural festivals and sports meets to give expression to the talents of the people of the locality; and
- (vi) to co-operate with the Ward Committee in the provision of sanitation arrangements in the area.

PART III

Constitution and Governance of Ward Committees

Area Sabha Representative to be ex-officio member of Ward Committee

11. The Area Sabha Representative of any Area shall be a member of the Ward Committee constituted for the ward within which that Area is situated.

Ward Committee

12. (1) There shall be a Ward Committee for each ward in a Municipality, to be constituted within 6 months of the constitution of the Municipality.

(2) Each Ward Committee shall consist of —

- (a) the member of the municipality representing the ward, who shall be the Chairperson of the Ward Committee;
- (b) not more than ten persons representing the civil society from the ward, nominated by the municipality:

Provided that if the population of the ward is not more than ten thousand, the number of nominated members shall be four, and, thereafter, there shall be one additional member for every four thousand population or part thereof:

Provided further that in reckoning the number of additional members of the Ward Committee exceeding four, any part of less than two thousand population may be ignored;

Provided further that not less than two-thirds of the members of such Committee shall be the Area Sabha Representatives resident in that ward.

Explanation. - For the purposes of this section, ‘civil society’ means any nongovernment organisation or association or persons, established, constituted, or registered under any law for the time being in force and working for social welfare, and includes any community-based organization, professional institution and civic, health, educational, social or cultural body or any trade or industrial organization and such other association or body as the Municipality may decide.

- (3) A person shall be disqualified for being nominated as a member of the Ward Committee under clause (b) of sub-section (2) or to continue as such member, if under the provisions of this Act or any other law for the time being in force, he would be disqualified for being elected as a member of a municipality.
- (4) The Chief Municipal Officer or the Zonal Officer shall be entitled to take part in the meetings and deliberations of the Ward Committee. The Chairman of the Ward Committee may request the representatives of concerned departments as special invitees to participate in the meetings whenever problems respecting their departments are to be discussed.
- (5) The sanitary inspector, or the Zonal Officer wherever available, or any other official, as nominated by the Chief Municipal Officer, shall be the secretary of the Ward Committee. All minutes of the proceedings of the meeting of the Ward Committee shall be recorded by the secretary and a copy of minutes of the proceedings of each meeting shall be forwarded by him to the municipality.
- (6) The term of office of the Ward Committee shall be co-extensive with the term of office of the municipality.

PART IV

RIGHTS AND DUTIES OF WARD COMMITTEES

Functions of the Ward Committee
--

13. The Ward Committee shall discharge the following functions, namely:-
- a) provide assistance in solid waste management in the ward;
 - b) supervision of sanitation work in the ward;
 - c) provide assistance for the preparation and encouragement of the development scheme for the ward;
 - d) encourage harmony and unity among various groups of people in the ward;
 - e) mobilize voluntary labour and donation by way of goods or money for social welfare programs;
 - f) provide assistance in the implementation of development schemes relating to the ward;
 - g) provide assistance for identification of beneficiaries for the implementation of development and welfare schemes;
 - h) encourage art and cultural activities and activities of sports and games;
 - i) ensure people's participation in the voluntary activities necessary for successful implementation of the developmental activities of the municipality;
 - j) assist in the timely collection of taxes, fees and other sums due to the municipality;
 - k) ensure maintenance parks in the ward;
 - l) ensure maintenance of street lighting in the ward;
 - m) perform such other functions as may be assigned to it by the municipality.

**Rights of
the Ward
Committee**

- 14.** (1) The chairman and the members of the Ward Committee shall have the right to seek information from the Chief Municipal Officer regarding any matter relating to the ward.
- (2) The committee shall make periodical reports to the municipality in respect of the matters specified.
- (3) Every Ward Committee shall have the right to:
- a) Obtain full information about the District and Municipal Plans;
 - b) Obtain the full Municipal Budget, within such time as may be reasonable, to verify, seek clarifications and suggest changes that need to be incorporated;
 - c) Obtain the requisite financial and administrative support from the Municipality in managing Bank accounts;
 - d) Be consulted in the development of land use and zoning regulations within its jurisdiction;
 - e) Obtain full details on all revenue items including taxes and budgetary allocations which should be presented in a simplified manner which is manageable by the Ward Committee;
 - f) Retain up to 50% of the Ward Revenues for local development, until a predefined minimum level of Ward Infrastructure index, which shall be notified by the State Government, has been created in the Ward;
 - g) Have a proportionate claim on Municipal Development expenditures, based on the Ward Infrastructure Index of that ward compared to the other Wards in the Municipality.

**Duties of
the Ward
Committee**

15. (1) Every Ward Committee shall have the duty to:
- a) Produce the Ward Plans in a manner consistent with the District Plans and complete this exercise within the time specified by the state government;
 - b) Prepare the Ward budget in accordance with the Ward Plans and complete this exercise within the time specified by the state government;
 - c) Encourage local-level alternatives for implementation in all the areas that the Ward Committee has responsibility for;
 - d) Ensure optimal collection of all revenue sources as specified in the schedule;
 - e) SMap the Ward Infrastructure Index for that ward.

PART V

ACTIVITIES OF THE WARD COMMITTEE

**ACTIVITIES
OF
THE WARD
COMMITTEE**

16. This section mentions the activities to be performed by the Ward Committees. These activities are:

- a) **Preparation of a Calendar:** At the first meeting of the Ward Committee for each budget year, the Ward Committee shall decide upon specific obligatory agenda for each of the monthly meetings of the Ward Committee, remaining in that calendar year, in addition to the specific obligatory agenda for the first meeting of the following budget year.

Nothing in subsection (a) shall prevent :

- 1. the convenor of a Ward Committee from adding

additional agenda for any meeting of the Ward Committee.

2. any other member of the Ward Committee may, at a meeting of the Ward Committee, move a resolution to add to the specific obligatory agenda decided upon for the meeting in question or any subsequent meeting.

b) Preparation and compilation of plans – The Ward committee shall prepare the Annual Ward Plan and forward the same to the concerned Municipality for its integration with the Annual Municipal Plan.

c) Preparation of Ward budget –

- (i) A ward level budget calendar shall be prepared annually in accordance with Schedule I. The ward committee shall ensure that the budget calendar is strictly adhered to and prepare the budget for their ward 6 weeks before the Municipal budget. The Municipality may suggest changes that may be effected into the Ward level Budget after discussion with the Ward Committee.

(ii) The Municipality budget shall

- (1) aggregate all the ward budgets which have been prepared in accordance with subsection (i) of this Section
- (2) have additional account heads for specific receipts and expenditures at the municipality level

d) Maintenance of Accounts –

- 1) **Constitution of the Ward Finance Committee** - A committee of 3 persons shall be constituted in every Ward as the Ward Finance Committee.

- (i) The constitution of the Ward Finance Committee shall be through nomination held within 1 month of the constitution of the Ward Committee. The chairperson shall nominate the ward finance committee.
- (ii) The Ward Finance Committee shall also appoint from amongst themselves, one person as the Chairperson, who shall be the authorized signatory for maintenance and use of accounts.

2) Functions and Duties of the Ward Finance Committee

- (i) The Ward Finance Committee shall prepare the annual budget for the Ward and place it before the meeting of the Ward Committee which will deliberate upon, and approve the budget. The Budget shall be presented by the Ward Finance Committee within seven months from the closure of the previous financial year.
- (ii) The Ward Finance Committee shall also maintain ward-level bank accounts for all the receipts and expenditure activities of the ward.
- (iii) The Ward Finance Committee shall ensure that all funds transfers shall be made out of this account to appropriate account heads of the municipality.
- (iv) The Ward Finance Committee shall present accounts every 3 months at the meeting of the Ward Committee.
- (v) The Ward Finance Committee shall prepare a quarterly report of the financial transactions of the Ward Committee, which shall include details of its receipts and expenditures and also its projections and suggestions for the next quarter. This report shall be made available to every member of the Ward Committee one week prior to the designated meeting for discussion of the report.

(vi) The report of the Ward Finance Committee shall be made available for public scrutiny.

3) Penalties –

- i) Non-compliance of the provisions in (b) (i) – (vi) above would incur penalty for the concerned member in default.
- ii) The Chairperson of the Ward Committee shall take appropriate action, including penalty to the Ward Committee member after giving adequate notice in writing and reasonable opportunity to be heard to the nominee;

Provided that, if the Chairperson of the ward Committee deems it necessary to impose a fine or other such penalty, the decision shall come into force only upon it being approved by a majority vote at the meeting of the Ward Committee;

Provided further that the power to impose penalty shall not extend to the dismissal of the concerned Ward committee member.

4) Perusal of Bills –

- (i) For every expenditure, the members of the Ward Committee shall requisition the required amount from the Chairperson and will present bills for the expenditure incurred.
- (ii) The Chairperson shall make available the sum so requisitioned in keeping with the budgetary allocation.

(e) Supervisory Mechanism:

- (1) The municipality shall take up the responsibility of providing administrative and infrastructure support to the ward Committee for its proper functioning.

- (2) The Ward Committee shall create mechanisms for checks and balances over the government personnel in their ward. Ward committees shall have the power to recommend to the competent authority for imposition of penalties in respect of a Government employee for misconduct and negligence of duties.

(f) Ward Development:

There shall be a Ward information and Statistics Committee which shall be formed for various developmental and planning works. The constitution and functions of the Committee are given below.

(1) Constitution of the Ward Information and Statistics Committee

- (i) A committee of 3 persons shall be constituted in every Ward as 1the Ward Information and Statistics Committee.
- (ii) The constitution of the Ward Information and Statistics Committee shall be through nominations by the Chairperson held within 1 month of the constitution of the Ward Committee.

Provided that members of the Ward Finance Committee shall not be members of the Ward Information and Statistics Committee.

- (iii) The Ward Information and Statistics Committee shall also appoint from amongst themselves, one person as the presiding member who will preside over the meetings of the Ward Information and Statistics Committee.

(2) Duties of the Ward Information and Statistics Committee

- (i) It shall be the duty of the Ward Information and Statistics Committee to compile, maintain and update annually the following information about the ward in the format prescribed by the concerned Municipality for this purpose. Such information shall include:

**POWER TO
MAKE
RULES**

- (A) Economic Information including the number and nature of commercial establishments in the ward and employment data in these establishments;
 - (B) Information relating to Land Use includes the changes in patterns of land use, data relating public spaces and civic amenity sites, traffic patterns and public transportation hubs and preservation and restoration of environment, natural resources and heritage sites
 - (C) Infrastructure Index including the extent of infrastructural development, current and pending projects, and the infrastructural requirements of the ward.
- (ii) The report prepared in accordance with subsection (f) (2) (B) shall be used by the Ward Committee in determining and enforcing the Zoning provisions. It shall be made available on a quarterly basis to the meetings of the ward Committee, reflecting changes since the presentation of the previous report.
 - (iii) The report prepared in accordance with (f) (2) (C) above shall be used by the Ward Committee in allocation of development expenditure by the Ward Finance Committee. It shall be made available on a quarterly basis to the meetings of the Ward Committee, reflecting changes since the presentation of the previous report.
 - (iv) **Spatial Planning:** The Ward Committee shall:
 - 1. participate in all development plans of the city
 - 2. enforce zoning and land use regulations
 - 3. participate in the creation and enforcement of new instruments like transferable development rights, etc.
- (3) Penalties
- i) Non-compliance of the provisions in (2) (i) – (v) above would incur penalty for the concerned member in default.
 - ii) The Chairperson of the Ward Committee shall take appropriate action, including penalty to the Ward Committee.

Provided that, if the Chairperson of the ward Committee deems it necessary to impose a fine or other such penalty, the decision shall come into force only upon it being approved by a majority vote at the meeting of the Ward Committee;

Provided further that the power to impose penalty shall not extend to the dismissal of the concerned Ward Committee member.

- (g) Comprehensive intervention for urban poor activities:

The Ward Committee shall be responsible for

- (i) integrating all existing activities undertaken by the Government
- (ii) preparing and maintaining beneficiary list for all the programmes and schemes undertaken by the government in co ordination with the relevant government agencies
- (iii) preparing a report on the housing and public distribution system in each ward.

- (h) Ensure Universal access for selected public services:

The Ward Committee shall be responsible in ensuring universal access in selected public services like education, health care, water supply and sanitation.

- (i) Alternative Options

Without prejudice to the generality of the foregoing provision,

- a) Ward Committee shall be responsible for decentralized management of the following functions:

Community Participation Law

- (i) primary collection of Solid Waste Management and decentralized management of solid waste;
 - (ii) desilting of drains;
 - (iii) maintenance of street-lights;
 - (iv) maintenance of parks,
 - (v) deweeding of paths
 - (vi) Road works including construction maintenance and restoration of ; and
 - (vii) General beautification of the locality.
- b) the Ward Committee shall be specifically empowered to examine various alternative implementation options in the above mentioned areas c) the proposal with respect to the alternative implementation option by the local communities shall be submitted to the Ward Committee and shall be taken up for discussion at the next meeting of the Ward Committee.

PART VI

FUNCTIONING OF WARD COMMITTEES

Additional Meetings of Ward Committees

17. It shall be the duty of the Ward Committee Chairperson to conduct Ward Committee meetings at least annually for consultation, on, the following subjects:-
- i. Preparation of Ward Plan;
 - ii. Preparation of Ward Budget;
 - iii. Preparation of Ward maps, ward infrastructure index and other alternate functions.

Agenda

18. The Chairperson shall set the agenda for each ward committee meeting.

Preparation of Ward Budget

19. To facilitate the proper preparation of the budget, a Ward Committee meeting shall compulsorily be held at least three weeks before the preparation of the Ward Budget. All reports presented by the Ward Finance Committee for the past year shall be discussed.

Procedure for Conducting Ward Committee meetings

20. Following procedure shall be followed while conducting meetings of the Ward Committee:
- i. Reasonable notice of the Ward Committee meetings should be given at least one week in advance and placed in the notice boards of all municipality offices in the ward.
 - ii. All residents of the ward shall be entitled to participate in the Ward Committee. The media will be encouraged to actively participate in the proceedings.
 - iii. Minutes of the Ward Committee meetings shall be maintained. These minutes shall be made available to the general public for perusal. They shall be kept at the office of the Ward Committee.
 - iv. These minutes shall be presented at the next meeting of the Ward Committee and this information shall be made use of by the appropriate sub-committees in their functions.

v. Grievances:

Grievances for not holding or improperly conducting Ward Committees shall be addressed to the Chairperson of the Ward Committee. The Chairperson shall take appropriate action, including penalty to the Ward Committee member after giving adequate notice in writing and reasonable opportunity to be heard to the nominee;

Provided that, if the Chairperson deems it necessary to impose a fine or other such penalty, the decision shall come into force only upon it being approved by a majority vote at the meeting of the Ward Committee;

Provided further that the power to impose penalty shall not extend to the dismissal of the concerned Ward Committee member.

**Power of
make rules**

21. (1) Subject to the provisions of this Act, the State Government may make rules to provide for any matter which is to be or may be prescribed by rules made under this Act.
- (2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters namely:-
- a. Procedure for election of the Chairperson of the Area Sabha;
 - b. Convening and conducting the meetings of the Area Sabha and Ward Committee;
 - c. Preparation and compilation of development plans for the ward;
 - d. Preparation of annual budget of the ward; and
 - e. Maintenance of Accounts

SCHEDULE I- BUDGET CALENDAR

Month	Primary Activity	Secondary Activity
APRIL	area plan	
MAY	ward plan	
JUNE	ward plan	
JULY	area budget	
AUGUST	area budget	
SEPTEMBER	ward budget	
OCTOBER	ward budget	
NOVEMBER	municipalities budget	
DECEMBER	municipalities budget	
JANUARY	works review	
FEBRUARY	works review	
MARCH	works review	

(continued from back cover)

Optional Reforms (Common to state and local bodies)

1. Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc
2. Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes
3. Introduction of Property Title Certification System in ULBs
4. Earmarking at least 20-25% of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidization
5. Introduction of computerized process of registration of land and property
6. Revision of bye-laws to make rain water harvesting mandatory in all buildings to come up in future and for adoption of water conservation measures
7. Bye-laws on reuse of recycled water
8. Administrative reforms, i.e., reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard*
9. Structural reforms
10. Encouraging public-private partnership*

The National Urban Renewal Mission (NURM) is a project of the central government. Through this project, the central government will fund 63 cities for developing urban infrastructure and services. The cities will have to carry out mandated reforms in return. The mission will last for a period of seven years starting December 2005. The total central government funding will be Rs. 50,000 crores. Adding the contribution of states and municipalities, the amount will go up to Rs. 1,25,000 crores over the seven year period.

REFORMS UNDER NURM

CCS research papers are available for the starred reforms.

State Level Mandatory Reforms

1. Effective implementation of decentralization initiatives as envisaged in the Constitution (Seventy-fourth) Amendment Act, 1992 *
2. Repeal of Urban Land (Ceiling and Regulation) Act, 1976 *
3. Reform of Rent Control laws, by balancing the interests of landlords and tenants *
4. Rationalisation of stamp duty to bring it down to no more than 5 per cent within seven years
5. Enactment of public disclosure law *
6. Enactment of a community participation law, so as to institutionalise citizens' participation in local decision making *
7. Association of elected municipalities with the city planning function

Municipal Level Mandatory Reforms

1. Adoption of a modern, accrual-based, double entry system of accounting*
2. Introduction of a system of e-governance using IT applications, GIS and MIS for various urban services
3. Reform of property with GIS, and arrangements for its effective implementation so as raise collection efficiency to 85 per cent
4. Levy of reasonable user charges, with the objective that full cost of operation and maintenance is collected within seven years *
5. Internal earmarking of budgets for basic services to the urban poor
6. Provision of basic services to the urban poor, including security of tenure at affordable prices

(continued on back page)



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