

Overview of the Report

Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) fall under Panchayat Raj and Rural Development (PR&RD) and Municipal Administration and Urban Development (MA&UD) departments respectively.

The Audit Reports on Local Bodies have been presented to the State Legislature since March 2008. Total seven Audit Reports (2005-06 to 2013-14 for erstwhile State of Andhra Pradesh excluding 2010-11 and 2011-12) were presented in the State Legislature of Andhra Pradesh and three Audit Reports for the years 2014-15, 2015-16 and 2016-17 in the State Legislature of Telangana.

However, Explanatory notes were not received for any of the paragraphs and reviews included in the above Audit Reports. Separate Committee for Local Bodies was not yet constituted by the State Legislature to discuss these Audit Reports.

This Report of the Comptroller and Auditor General of India (C&AG) on Government of Telangana includes results of one Performance Audit on 'Solid Waste Management in Urban Local Bodies' and two Compliance Audit paragraphs of ULBs.

An overview of the significant audit observations is given below:

Performance Audit

Solid Waste Management in Urban Local Bodies

Municipal Solid Waste Management in urban areas has emerged as one of the biggest challenges that our country faces today. The situation is aggravated by rapid urbanisation. Inadequate management of waste has significant negative externalities in terms of public health and environmental outcomes. Besides, it has an adverse impact on the aesthetic appearance of the surroundings. Effective Solid Waste Management (SWM) requires a comprehensive and integrated approach, involving the Government, waste generators, communities, and individual households. Sustainable waste management practices can minimise the environmental impact of waste and promote a more sustainable and cleaner future.

Some of the key components and strategies involved in Solid Waste Management are (i) Waste minimisation, (ii) Source segregation and sorting, (iii) Collection and Transportation, (iv) Recycling and Resource Recovery, (v) Public Awareness and Capacity Building and (vi) Treatment and Disposal.

In the State of Telangana, there are 142 Urban Local Bodies (ULBs) (13 Municipal Corporations and 129 Municipalities). The urban population as per 2011 census in all these 142 ULBs is 1,44,40,527, out of which population of Greater Hyderabad Municipal Corporation (GHMC) is 67,39,158 (47 per cent).

Solid Waste generated in the State of Telangana (9,965 TPD) constitutes 6.23 *per cent* of the total Solid Waste generated in the country (1,60,039 TPD) as per the Annual Report of Central Pollution Control Board, New Delhi for the year 2020-21.

Government of Telangana (GoT) in compliance with the Solid Waste Management Rules, 2016 had issued State Policy and Strategy on Solid Waste Management in September 2018.

Municipal Administration and Urban Development (MA&UD) Department in the State is entrusted with the responsibility of Solid Waste Management at the State Level. The Municipal Corporations and Municipalities are responsible for SWM at District Level. The Telangana State Pollution Control Board (TSPCB) is a statutory authority entrusted to implement Environmental Laws and Rules within the jurisdiction of the State. TSPCB should enforce the SWM Rules in the State through ULBs and review implementation of these Rules.

The Performance Audit of ‘Solid Waste Management in Urban Local Bodies’ was conducted covering a period of five years from 2017-18 to 2021-22. For this audit, out of 142 ULBs in the State, 15 ULBs were sample selected- (i) GHMC (three Zones: Charminar, Khairatabad and Kukatpally) with two Circles each (Malakpet, Santoshnagar, Khairatabad, Jubilee Hills, Moosapet and Kukatpally) (ii) 2 Municipal Corporations (Khammam and Peerzadiguda) and (iii) 12 Municipalities (Bollaram, Chandur, Haliya, Kalwakurthy, Khanapur, Kothagudem, Mahabubnagar, Mancherial, Nagaram, Wardhannapet, Yellareddy and Zaheerabad).

Significant Audit findings are summarised below:

Chapter-II: Strategy and Planning of Solid Waste Management

- State Policy document on SWM did not set out definite roles and responsibilities for personnel in ULBs involved in SWM. Effective methods for reduction of Solid Waste in ULBs by adopting the 3R (reduce, reuse and recycle) were not addressed in the State Policy document.
- The State Policy objective of restricting the quantity of Solid Waste reaching the secured landfill to maximum of 20 *per cent* of waste generated was achieved only in GHMC, which indicated good practices.
- The test-checked ULBs had not prepared long-term and short-term plans for SWM, which deprived the ULBs of the opportunity of adopting a systematic approach to SWM.

Chapter-III: Financial Management

- The test-checked other 14 ULBs did not make adequate provision of funds for capital investments for Solid Waste Management services and did not fully utilise the funds allocated by the State under Swachh Bharat Mission (SBM)-Urban towards SWM component, leaving 37 *per cent* of funds unutilised as on 31 March 2022.
- Greater Hyderabad Municipal Corporation did not review the mechanism for collection of user charges for MSW from the Railway stations under its limits and not reconciled

the user charges collected from the Railway stations generating more than 100 kgs of MSW per day, as these are to be categorised as Bulk Waste Generators (BWGs) in accordance with SWM, Rules 2016.

- Greater Hyderabad Municipal Corporation failed to collect Tipping fee of ₹47.77 crore from nine Urban Local Bodies, one Gram Panchayat and Secunderabad Cantonment Board.

Chapter-IV: Segregation, Collection and Transportation of Municipal Solid Waste

- Despite issue of bins for source segregation and placement of community/litter bins at strategic collection points, the objective of source segregation was not achieved in the test-checked ULBs, as the MSW collected was either transported in vehicles in a mixed manner or dumped in the dumpsites in a mixed manner without segregation.
- The State Government did not issue guidelines for involvement of and social inclusion of waste pickers/ rag pickers in SWM and there was also no scheme for registration of waste pickers and waste dealers.
- Greater Hyderabad Municipal Corporation paid an amount of ₹313.20 crore to the Concessionaire towards treatment and disposal (T&D) charges of dry waste of 44.16 lakh MT during the period February 2012 to July 2020, despite the Concessionaire not processing the dry waste.

Chapter-V: Processing and Disposal of Municipal Solid Waste

- The Concessionaire company did not create a special Fund for Environment protection measures with a capital cost of ₹34 crore and recurring cost of ₹12 lakh per annum, as per conditions set forth in the Environmental Clearance given by SEIAA for Waste to Energy plant.
- State Government did not allocate suitable lands for establishment of landfill sites in the test-checked other 14 ULBs even after a lapse of more than five years of notification of the SWM Rules, 2016 resulting in more than 50 *per cent* of unprocessed MSW disposed to open dumpsites, posing health and environment hazards in the area.

In the Jawaharnagar Treatment and Disposal (T&D) facility under GHMC jurisdiction, various facilities were established for processing Municipal Solid Waste, *i.e.*, weigh bridges at the entrance of the T&D facility for weighing MSW, Plastic recycling unit, Biogas plant, Refuse Derived Fuel (RDF) unit, Compost yard and the Waste to Energy Plant. The entire T&D facility area was covered with plantation and greenery and had internal roads. These indicated good practices followed for processing and disposal of MSW in the Jawaharnagar T&D facility.

Chapter-VI: Construction and Demolition waste

- The State Government had not notified a State Policy for Construction and Demolition (C&D) Waste Management as of September 2023. Though C&D Waste Processing Plants were set up in GHMC at four places, the GHMC Act, 1955 (Act II of 1956) was not amended to make suitable provisions for C&D waste management.

- The test-checked other 14 ULBs had neither identified suitable places for C&D waste disposal nor prepared a comprehensive plan for setting up of processing facilities to process C&D waste, though mandated as per Telangana Municipalities Act, 2019.
- The Concessionaire company did not operate plant for Construction and Demolition (C&D) waste at full capacity which resulted in accumulation of C&D waste of 3,51,186 MT in Jeedimetla and 7,11,300 MT in Fathullaguda plants as on 31 March 2022.

Fathullaguda and Jeedimetla Construction & Demolition (C&D) waste plants under GHMC jurisdiction provided facilities, like (i) Weighbridge, (ii) Green cover, (iii) approach roads, and (iv) PPE kits to the personnel handling C&D waste, which indicated good practices.

Chapter-VII: Monitoring and Evaluation

- Monitoring by TSPCB on implementation of SWM Rules, 2016 in the State was not effective and also there was no monitoring in Jawaharnagar T&D facility for compliance of the standards of all the parameters, as specified in Schedules-I and II under the Rules and the MSWM Manual, 2016.
- Ward level Committees were not constituted in all the test-checked ULBs for reviewing the performance of SWM activities during the audit period. A dedicated Monitoring & Evaluation Team was not formed for monitoring of SWM activities in all the test-checked ULBs.

Recommendations:

1. *State Government should set definite roles and responsibilities in the State Policy for TSPCB and for the personnel in ULBs regarding monitoring and evaluation of SWM activities.*
2. *State Government should promote waste minimisation through the adoption of the 3R approach (reduce, reuse, recycle) and should encourage citizens to practice home composting.*
3. *State Government should direct ULBs to conduct surveys at regular intervals for assessment of MSW as per methodology prescribed in the MSWM Manual and SLB Handbook of MoUD, GoI.*
4. *State Government should issue necessary directions to the ULBs for preparation of long-term and short-term plans for a systematic approach to SWM and to plan for required infrastructure.*
5. *State Government should direct the ULBs to make adequate budget provision towards SWM and effectively utilise the SBM-Urban funds received towards SWM component for creating adequate infrastructural facilities.*
6. *State Government should direct GHMC for undertaking periodical revision of user charges for household MSW collection, to notify area-wise rates and variable rates based on the category of the waste generators.*

7. *State Government should direct the ULBs to identify BWGs and apply the prescribed user charges rates for collection of MSW.*
8. *State Government should direct the ULBs to review the mechanism of collection of user charges for MSW from all the Railway stations under the ULBs jurisdiction in consonance with the Manual provisions.*
9. *State Government should direct the ULBs to ensure 100 per cent collection, segregation of MSW at household level and transportation of segregated waste to the Treatment and Disposal facilities.*
10. *State Government should direct the ULBs to notify the items classified as DHW and Sanitary waste and publicise the methodologies and appropriate strategies for their effective disposal in consonance with MSWM Manual provisions.*
11. *State Government should direct the TSPCB to reconcile the data on Municipal Solid Waste with the figures available with the ULBs before it is incorporated in the Annual Report on implementation of SWM Rules, 2016.*
12. *State Government should formulate guidelines for involvement of and social inclusion of waste pickers/ rag pickers of informal sector in SWM and also evolve a scheme for registration of waste pickers and waste dealers as mandated in the State Policy.*
13. *State Government should develop action plans for allocating suitable lands to ULBs for establishing sanitary landfill sites and also for setting up of MSW T&D facilities with necessary infrastructure.*
14. *State Government should notify a State Policy for C&D Waste Management and allocate suitable lands to the ULBs for proper disposal of C&D waste.*
15. *State Government should direct GHMC to make suitable provisions for C&D waste management in GHMC Act.*
16. *State Government should direct the TSPCB for ensuring monitoring of the implementation of SWM Rules, 2016 in the State and to take action on ULBs dumping MSW in water bodies.*
17. *State Government should direct the ULBs for constitution of Ward level Committees for reviewing the performance of SWM activities and also to set up dedicated Monitoring & Evaluation Team in all the ULBs to monitor the SWM activities.*

Compliance Audit Paragraphs

Incorrect levy of Environment Impact Fee of ₹2.29 crore

Greater Hyderabad Municipal Corporation failed to comply with Government orders on levy and collection of Environment Impact fee while granting Building Permissions, resulting in loss of revenue of ₹2.29 crore to the Government.

(Paragraph 1.1/Part-III)

Short collection/remittance of Library Cess

Short collection/ remittance of Library Cess amounting to ₹324.96 crore by Urban Local Bodies in the State had resulted in non-compliance to the Telangana Public Libraries Act, 1960 provisions and legislative intention of funding the Zilla Grandhalaya Samsthas was not achieved.

(Paragraph 1.2/Part-III)