

CHAPTER 8

Adequacy of funding and infrastructure

Objective 7: Whether funding and manpower were adequate for the implementation of rules on waste management and whether the funds/infrastructure was used economically, efficiently and effectively.

In order to effectively implement laws/rules, implementing agencies need to be provided with human and financial resources to undertake the responsibilities allocated to them. Audit observed the following:

8.1 Funding

(a) Municipal solid waste

(i) The Twelfth Finance Commission (TFC) had recommended grants amounting Rs.5,000 crore for municipalities in the states and stated that at least 50 *per cent* of the grants-in-aid provided to each State for the urban local bodies should be earmarked for the scheme of solid waste management through public-private partnership. Out of the 20 states sampled for municipal solid waste, it was noticed that in 60 *per cent* of the sampled states, municipalities received funds from TFC for the creation of solid waste management infrastructure, whereas, 20 *per cent* of the sampled states did not receive any funds from TFC. Position could not be verified in 20 *per cent* of the sampled states. List of states is attached in **Annexure 2**.

(ii) Only 30 *per cent* of the sampled states had made provisions in the budget for management of municipal solid waste and governments in 35 *per cent* of the sampled states did not make any provisions for waste management in their budgets. Position could not be verified in 35 *per cent* of the sampled states. **Karnataka** stated that the state government had spent Rs. one crore on waste management activities during the last five years. List of states is attached in **Annexure 2**. None of the states could indicate the amount spent on waste management activities, citing different reasons like expenditure not made explicit in budget, funds transferred directly to municipalities etc.,.

(b) Bio-medical waste

Regarding bio-medical waste, out of the 15 sampled states, it was noticed that only state governments in 27 *per cent* of the sampled states had made allocation in their budget and 60 *per cent* of the sampled states had not made any allocations in their budget. Position could not be verified in 13 *per cent* of the sampled states. List of states is attached in **Annexure 2**. None of the states could arrive at the total amount spent, citing reasons like funds not provided by state governments, no allocations made under this head of account etc.,.

Thus, enough provision had not been made by the states for creating infrastructure for the management of solid waste as well as bio-medical waste. It was also difficult to assess how much the states were actually spending on waste management.

(c) Some cases of financial irregularities in the states as noticed by Audit are mentioned below:

- Rs.39.52 crore received by the state government of **Orissa** from TFC during 2005-07 were released to 103 urban local bodies for the management of municipal solid waste. Audit scrutiny revealed that Rs.13.61 crore released to three municipalities (Berhampur Municipality, Bhubneshwar Municipal Corporation and Cuttack Municipal Corporation) remained unutilised till the end of December 2007 due to delay in the finalisation of tender for procurement of solid waste management equipment/machinery.
- Urban Local Bodies (ULBs) in **Kerala** were earmarked a grant of Rs.149 crore during 2005-10 for solid waste management schemes. Out of this, Rs.59.60 crore was received by the state during 2005-07. The state was required to spend at least Rs.29.80 crore during 2005-07. The guidelines issued by the Ministry of Panchayati Raj required annual certification by the State Finance Commission of the amount spent by the Urban Local Bodies on the scheme of solid waste management. Audit scrutiny revealed that none of the 58 ULBs were aware of the TFC allocation and conditions of utilisation. The Finance Department of the state government claimed that the TFC grants were released to the ULBs along with other eligible grants. But the ULBs reported, on being queried by Audit, that they had not received this grant. Further there was no evidence of the transfer of the TFC grant by the state government to the ULBs as no distinct heads of accounts were provided in the state budget/accounts and no directions by the state government regarding utilisation of these funds by the ULBs was issued by the government. Thus, the TFC grant provided specifically for solid waste management during 2005-07 were not applied for the intended purpose.
- In **Chhattisgarh**, Directorate of Urban Administration and Development Department, Raipur released Rs.40 lakh to the Raipur Municipal Corporation in 2003 for waste management. Audit scrutiny revealed that Rs.20 lakh was diverted for the construction of drainage in Buddha Talab on the demand of the Raipur Municipal Corporation. It was also noticed that in 2003-04, Rs.2.86 crore was released by the Ministry of Urban Development for the management of municipal solid waste. Out of this, Rs.40 lakh was diverted for the construction of a mini stadium.
- **Karnataka** was provided funds for municipal solid waste works by the Eleventh and Twelfth Finance Commission. The total amount of funds provided to urban local bodies (except Brahat Bangalore Mahanagar Palike) during 2002-03 to 2006-07 was Rs.120.04 crore. A review of the ULBs (apart from BBMP) in September 2007 revealed that the ULBs in the state had spent only 44 *per cent* of the funds allotted to them. Delay was attributed by the Department of Municipal Affairs to various reasons like delay in developmental work at landfill site due to public protest, substantial time spent for preparation of estimates, delay in purchase procedures etc.. Audit observed that the grant of Rs.2 crore allotted to BBMP by TFC still remained unutilised.

- For works relating to solid waste management, **Karnataka** government released only Rs.57.44 crore to ULBs in 2002-04 out of Rs.74.88 crore, received under Eleventh Finance Commission. The balance funds worth Rs.17.44 crore were diverted to other purposes such as street lighting, road works etc.,. No allocation was made in the budget for the subsequent years for the balance amount. The Department of Municipal Affairs stated that the diversion took place as there was slow progress of works under solid waste management. Thus, funds were not utilised for the purpose of solid waste management as intended by the Eleventh Finance Commission.
- In **Tamil Nadu**, the state government released a sum of Rs.18 crore to the Chennai Corporation during 2003-05 for upgrading the two dumpsites in the Chennai Corporation area. However, instead of utilising the money, the corporation kept the money in fixed deposit right from the date of receipt of the funds. The Commissioner, Chennai Corporation was unable to furnish utilisation certificates for the work done till date for upgradation of the dumpsites.

Recommendations

- *All funds, whether provided to municipalities for municipal solid waste management or to hospitals for bio-medical waste management, should be routed through the state budget to ensure clear accounting and estimation of funds being spent on waste management activities.*
- *States should make provisions in the budget for waste management activities relating to municipal solid waste and bio-medical waste and ensure that municipalities and hospitals have adequate funds for waste management.*

8.2 Manpower

Adequacy as well as quality of staff is paramount in implementation and monitoring of projects/programmes. Audit attempted to arrive at a conclusion whether waste management activities and monitoring were hampered due to shortage of technically qualified people. Audit observed that:

- Only state governments of **Karnataka** and **Meghalaya (for Shillong)** assessed the requirement of staff for implementation and monitoring of municipal solid waste and plastic waste rules, whereas, no assessment was made by 40 per cent of the sampled states. The position could not be verified in remaining 50 per cent of the sampled 20 states. List of states is attached in **Annexure 2**.
- 55 per cent of the sampled states reported shortage of manpower in the municipalities hampering municipal solid waste management. It could not be verified whether there was a shortage of manpower in 45 per cent of the sampled 20 states. List of states is attached in **Annexure 2**.
- As regards assessment of requirement of technically qualified people to monitor the implementation of the waste rules, it was noticed that PCBs in only 21 per cent of the sampled states (out of 24) had done this assessment, whereas, PCBs in 42 per cent of the sampled states had not done this assessment. Position could not be

verified in 37 per cent of the sampled states. While PCBs in 54 per cent of the sample had shortages hampering their work, position could not be verified in 46 per cent of the sample states. List of states is attached in **Annexure 2**.

States and PCBs did not assess requirement of staff for efficient and effective implementation and monitoring of waste rules. There was shortage of staff/technically qualified manpower in municipalities/PCBs that was hampering the implementation and monitoring of the waste rules.

MoEF stated in August 2008 that all the municipal bodies were being funded by the Ministry of Urban Development for management of municipal solid waste under the Jawahar Lal National Urban Renewal Mission. MoEF also acknowledged the fact that scientific and technical staff as well as the supporting staff for management of wastes needs to be enhanced.

Recommendation

- *State governments and PCBs may assess their manpower requirements and accordingly, raise a staff dedicated to the implementation and monitoring of waste management activities.*

Conclusion

Adequate provision had not been made by the states for creating infrastructure for management of solid waste as well as bio-medical waste. It was difficult to assess how much the states were actually spending on waste management. In addition, there was shortage of staff in municipalities/PCBs, which was hampering the implementation and monitoring of the waste rules.

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