

Chapter IV: Empowerment of Urban Local Bodies and their functioning

As per the mandate of the Constitutional Amendment Act, 18 functions were to be devolved to Urban Local Bodies (ULBs) along with necessary powers to enable their implementation. However, it was seen that most of these functions were devolved only partially, and departments of the Government or parastatals continued to implement the remaining activities. The requirement of submission of works proposals for approvals, under Central Finance Commission as well as State Grants, to the Government undermined the autonomy of the ULBs. Several important urban infrastructure schemes were implemented by parastatal agencies without accountability to the ULBs.

The 74th Constitutional Amendment Act, 1992 authorised the State Legislature to enact laws to endow the ULBs with powers and authority to enable them to function as institutions of self-government as well as make provisions for devolution of powers and responsibilities. The Twelfth Schedule of the Constitution enumerated the 18 functions to be devolved to ULBs.

4.1 Devolution of functions vis-à-vis 74th Constitutional Amendment Act in Goa

The Corporation of City of Panaji (CCP) Act, 2002 devolved 28 obligatory (Section 59) and 23 discretionary activities¹ (Section 60) to CCP. These activities, when mapped, covered 16 functions listed in the Twelfth Schedule of the Constitution.

The Goa Municipalities Act (GMA), applicable to Municipal Councils (MCs) in the State, had a provision for 21 obligatory and 22 discretionary activities² (Section 51), before 74th Constitutional Amendment Act was enacted. The GMA was amended after 74th Constitutional Amendment Act to devolve 11 functions listed in the Twelfth Schedule of the Constitution (inserted as Section 322A with enlisting of 11 functions in Schedule X to GMA). Mapping of activities devolved in GMA and 11 functions added after amendment to it, covered 17 out of the 18 functions listed in the Twelfth schedule of the Constitution. The devolution of activities/functions under the CCP Act and GMA are detailed in **Table 4.1**.

¹ Referred as 'Matters to be provided for by Corporation' in the CCP Act

² Referred as 'Obligatory duties and discretional functions of the Council' in the GMA

Table 4.1: Devolution of functions to ULBs in Goa *vis-à-vis* 74th Constitutional Amendment Act

Sl. No.	Functions in Twelfth Schedule	Activities/functions devolved under the provisions of	
		CCP Act, 2002	GMA, 1968
1	Urban planning including town planning	CCP is a planning authority (Section 255 of CCP Act)	Section 322A along with Schedule X: Urban Planning including town planning. Obligatory activity for demarcation of limits of the municipal area (Section 51 (2)(o)).
2	Regulation of land use and construction of buildings	Obligatory activities for complying with environment laws; and removal of dangerous buildings/places (Section 59 (f) and (j)). Discretionary activity for reclaiming unhealthy localities (Section 60 (a)).	Section 322A along with Schedule X: Regulation of land-use/construction of buildings. Obligatory activities for removal/reclaiming of dangerous buildings/unhealthy localities (Section 51 (2)(g)). Discretionary activity for laying out new public streets (Section 51 (3)(a)).
3	Planning for economic and social development	Obligatory activity for planning for economic and social development (Section 59 (b)). Discretionary activity for making surveys (Section 60 (k)).	Discretionary activity for making a survey (Section 51 (3)(f)).
4	Roads and Bridges	Obligatory activities for removal of unauthorised obstructions/projections in public streets/places; naming streets/numbering houses; and provision of traffic signs (Section 59 (h),(r), (y) and (q)) Discretionary activity for Constructing/maintaining roads, buildings and other Government works (Section 60)	Section 322A along with Schedule X: Roads and bridges. Obligatory activities for Constructing/altering/maintaining public streets, culverts; and removal of unauthorised obstructions/projections in public streets/places (Section 51 (2)(g) and (2)(f))
5	Water supply for domestic, industrial and commercial purposes	Obligatory activity for water supply works (Section 59 (m)) Discretionary activities for supply of water to private premises; and construction/maintenance of drinking fountains (Section 60 (n), (s)).	Obligatory activities for obtaining a supply/additional supply of water (Section 51 (2)(j)).

Sl. No.	Functions in Twelfth Schedule	Activities/functions devolved under the provisions of	
		CCP Act, 2002	GMA, 1968
6	Public health, sanitation, conservancy and solid waste management	<p>Obligatory activities for cleaning public streets/sewers; disposal of night-soil/preparation of compost; regulation of dangerous trade; construction/maintenance of public amenities/conveniences/public hospitals/dispensaries; ambulance service; vaccination; prevention of infectious disease, sewage disposal (Section 59 (d), (e), (g), (l), (n), (p), (q), (u) and (z-3)).</p> <p>Discretionary activities of sewage management; organization and management of health laboratories; regulation of offensive trades; miscellaneous matter of public health/safety/convenience (Section 60 (o), (r), (m) and (x)).</p>	<p>Obligatory activities for regulating dangerous trades, crematoriums, Public vaccination, disposing of night-soil and preparation of compost, prevention from communicable disease and public dispensaries (Section 51 (2)(e), (2)(h), (2)(l), (2)(p), (2)(q) and (2)(t)).</p> <p>Discretionary activities for regulation of offensive trades; sewage management; and disposal of sewage (Section 51 (3)(i), (3)(j) and (3)(l)).</p>
7	Fire services	<i>No provision</i>	Obligatory activity for fire extinguishing (Section 51 (2)(d))
8	Urban forestry, protection of the environment and promotion of ecological aspects	<p>Obligatory activity for urban forestry/protection of environment/promotion of ecological aspects (Section 59 (c))</p> <p>Discretionary activity for planting/maintaining trees (Section 60 (h))</p>	Section 322 A along with Schedule X: Urban forestry, environment and promotion of ecological aspects
9	Safeguarding the interests of weaker sections of society, including the handicapped	<i>No provision</i>	<i>No provision</i>

Sl. No.	Functions in Twelfth Schedule	Activities/functions devolved under the provisions of	
		CCP Act, 2002	GMA, 1968
	and mentally retarded		
10	Slum improvement and upgradation	Discretionary activity for slum improvement/upgradation (Section 60 (h))	Section 322 A along with schedule X: Slum improvement and upgradation
11	Urban poverty alleviation	Obligatory activities for prevention of vagrancy; establishing/maintaining poor houses (Section 59 (v)). Discretionary activity for urban poverty alleviation (Section 60 (c)).	Obligatory activity for relief for destitute (Section 51 (2)(r)).
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds	Obligatory activities for maintenance of municipal office/property/public amenities (Section 59 (x) and (z-1)) Discretionary activity for construction/maintenance of public amenities	Section 322 A along with Schedule X: Provision of urban amenities and facilities Discretionary activity of public parks/tree plantation/providing music (Section 51 (3)(c) and (3)(d))
13	Promotion of cultural, educational and aesthetic aspects	Discretionary activities for establishment and maintenance of primary schools; fairs and exhibitions; music in public places; preparation and presentation of address to persons of distinction; public reception ceremony or entertainment (Section 60 (g), (p), (t), (v) and (w)).	Section 51 (2)(u): establishing and maintaining primary schools (Obligatory). Discretionary activities for grants or donations to schools or hostels; and public reception, ceremony, fair, entertainment or exhibition (Section 51 (3)(s) and (3)(u)).
14	Burials and burial grounds; cremations, cremation grounds; and electric crematoriums	Section 59 (k): places for the disposal of the dead and disposal of unclaimed bodies (Obligatory).	Section 322 A along with Schedule X: Burials and cremation and places for them.

Sl. No.	Functions in Twelfth Schedule	Activities/functions devolved under the provisions of	
		CCP Act, 2002	GMA, 1968
15	Cattle pounds; prevention of cruelty to animals	Section 59 (i): cattle-pounds (Obligatory). Discretionary activities for cattle pounds and prevention of cruelty to animals; and destruction/detention, of dogs (Section 60 (d) and(l))	Section 322 A along with Schedule X: Cattle pounds; prevention of cruelty to animals Obligatory activities for accommodation of animals for their supply (Section 51 (2)(m)) Discretionary activities for destruction/detention/preservation of dogs; setting up of dairies or farms and acquisition and maintenance of grazing grounds (Section 51 (3)(h), (3)(t) and (3)(k))
16	Vital statistics including registration of births and deaths	Obligatory activity for registering births and deaths (Section 59 (t)) Discretionary activity for vital statistics (Section 60 (j))	Section 322 A along with Schedule X: Vital statistics Section 51 (3)(e): vital statistics (Discretionary)
17	Public amenities including street lighting, parking lots, bus stops and public conveniences	Obligatory activity for lighting public streets, places and buildings (Section 59 (a)) Discretionary activities for parking; and transport facilities (Section 60 (i) and(u)).	Section 322 A along with Schedule X: Public amenities including street lighting, parking lots, bus stops and public conveniences Obligatory activity for lighting/watering/cleaning public streets, places, sewers and buildings; and Constructing and maintaining public streets/markets/urinals/drains/tanks, <i>etc.</i> ; and naming streets and numbering of premises (Section 51 (2)(a), (2)(b), (2)(c), (2)(i) and (2)(k)). Discretionary activities for establishing/maintaining public buildings and making contributions for construction/establishment/maintenance of such buildings (hospitals/schools/libraries, museums/asylums/gymnasiums <i>etc.</i>); construction of dwellings for the poorer classes; providing transport facilities; supply of electrical energy or gas (Section 51 (3)(b), (3)(o), (3)(p), (3)(q) and (3)(r)).

Sl. No.	Functions in Twelfth Schedule	Activities/functions devolved under the provisions of	
		CCP Act, 2002	GMA, 1968
18	Regulation of slaughter houses and tanneries	<p>Obligatory activity for construction/maintenance of public markets/slaughter-houses and their regulation (Section 59 (o))</p> <p>Discretionary activity for regulation of tanneries (Section 60 (e)).</p>	Section 322 A along with schedule X: Regulation of slaughter houses and tanneries

(Source: The Constitution of India, CCP Act, 2002 and GMA, 1968)

There was no provision for the constitutional function of ‘Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded’ either in the CCP Act or the GMA, while the Fire Services function was not devolved to the CCP. Also, some of the functions were only partially devolved, as discussed below.

4.2 Actual status of devolution of functions

Audit observed that 16 and 17 functions were devolved to the CCP (through 51 activities) and MCs (through 43 activities and 11 functions) respectively. However, the actual status showed only partial devolution of majority of the functions. The status of actual devolution and implementation of the constitutionally enumerated functions by ULBs in Goa is detailed in **Table 4.2**.

Table 4.2: The actual status of devolution and implementation of functions to ULBs

Sl. No.	Functions in Twelfth Schedule	CCP	Municipal Councils
1	Urban planning including town planning	Not executed by CCP as this function was carried out by the Department of Town and Country Planning. The CCP Act (Section 255) specifically provided for declaration of municipal area of CCP as a ‘Planning Area’ and CCP as a ‘Planning Authority’ under the Goa Town and Country Planning Act, 1974. However, powers and duties of a ‘Planning Authority’ continued to be executed by the North Goa Planning and Development Authority.	Not executed by MCs as this function was carried out by the Department of Town and Country Planning through the three Planning and Development Authorities in North Goa, South Goa and Mormugoa.

Sl. No.	Functions in Twelfth Schedule	CCP	Municipal Councils
2	Regulation of land use and construction of buildings	CCP's role was restricted to issuing construction licenses and providing occupancy certificates. The functions continued to be executed by the line departments. Demolition of old structures was undertaken by CCP.	Activity of removal of dangerous buildings was executed by the MCs. With regard to regulation of land use and construction of buildings, MCs' role was restricted to issuing construction licenses and providing occupancy certificates. The rest of the activities were being carried out by the three Planning and Development Authorities.
3	Planning for economic and social development	Function not executed as no activity related to planning for economic and social development or surveys was carried out by CCP.	Function not executed by MCs as these activities under the function continued to be executed by Planning and Statistics Department.
4	Roads and Bridges	The obligatory activities were being executed by CCP. However, under discretionary activities, minor maintenance works for roads and footpath was being carried out by using the municipal funds or grants from Government. Eight works amounting to ₹ 3.18 crore relating to roads, footpath, etc. were executed. Streets were named and house numbers were issued by the CCP. Traffic signs were executed by CCP under AMRUT Mission.	Partially executed by MCs depending on the sanction of works and release of grants. However, there was no classification of roads jurisdiction between Public Works Department (PWD) and MCs, construction and maintenance works of roads and bridges in municipal areas were taken by MCs as well as PWD.
5	Water supply for domestic, industrial and commercial purposes	The function of water supply was not transferred to CCP and still vested with Public Works Department. Cleaning and maintenance of wells are taken by CCP.	Water supply was implemented by PWD. However, one MC (Margao) executed four works related to well cleaning (₹ 1.88 lakh) during 2020-21.
6	Public health, sanitation, conservancy and solid waste management	Activities of cleaning public streets, places, and sewers and public spaces open to the enjoyment of the public and	Drive for public vaccination is carried out by Health Department. Two MCs (Mapusa and Margao) executed 27 works amounting to

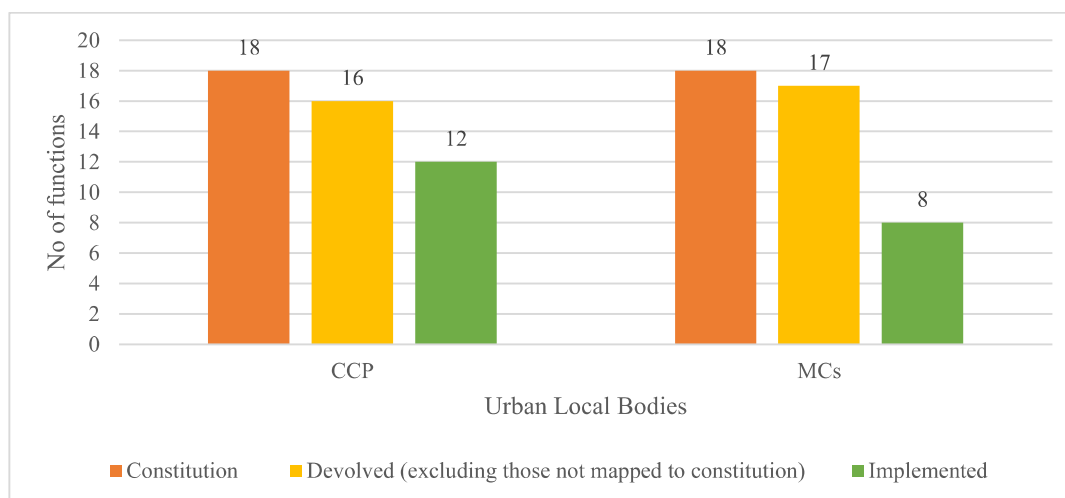
Sl. No.	Functions in Twelfth Schedule	CCP	Municipal Councils
		<p>removing noxious vegetation were being carried out by CCP. Night soil is disposed of by CCP. The activity related to organization of laboratories and examinations was carried out by the Health Department. Trade licenses were issued by CCP and regulation of trade is carried out. Construction and maintenance of public toilets and urinals was executed by CCP. Medical health for public was executed by the Health Department. This activity was carried out by Health Department.</p>	<p>₹ 9.88 crore regarding solid waste management during 2020-21. Night soil is disposed by the MCs. Maintenance of factory for the disposal of sewage is maintained by the PWD. Medical health for public is executed by Health Department. Dispensaries were not vested in the MCs. This activity was carried out by Health Department.</p>
7	Fire services	<i>This function was not devolved</i>	<p>This function is carried out by the Department of Fire and Emergency. Emergency works relating to hiring of casual workers for disaster management and making laborers available to fire station for emergency clearance of uprooted trees and blockades were executed in an <i>ad hoc</i> arrangement between MCs and Department of Fire and Emergency. MCs would hire these laborers and provide them to Fire Department. The hiring work amounting to ₹ 51.84 lakh was executed for the period from 2016-17 to 2020-21 by three MCs (out of four test-checked) viz. Mapusa, Curchorem-Cacora and Pernem MCs.</p>
8	Urban forestry, protection of the environment and promotion of	This function was not carried out by CCP. This function was executed by Forest Department.	No obligatory and discretionary activities provided in the GMA. This function was not carried out by MCs. The function was executed by Forest Department.

Sl. No.	Functions in Twelfth Schedule	CCP	Municipal Councils
	ecological aspects		
9	Safeguarding the interests of weaker sections of society, including handicapped and mentally retarded	<i>This function was not devolved</i>	<i>This function was not devolved</i>
10	Slum improvement and upgradation	This function was not carried out by CCP due to absence of notified slum area under CCP jurisdiction.	No obligatory and discretionary activities listed in the GMA. This function was not carried out by MCs.
11	Urban poverty alleviation	This function was executed by Social Welfare Department. The scheme on the subject was implemented by parastatal.	This function was executed by Social Welfare Department. The scheme on the subject was implemented by parastatal.
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds	Public amenities like parks, gardens and parking spaces were maintained by CCP. Four works amounting to ₹ 1.69 crore were executed.	Activities like maintaining public parks, gardens and providing music for people were executed by MCs.
13	Promotion of cultural, educational and aesthetic aspects	Activities related to primary education was executed by Education Department. Fairs and exhibitions were organized and stalls were regulated by CCP.	Activities related to primary education were established and maintained by Education Department. Fairs and exhibitions were fully executed by MCs.
14	Burials and burial grounds; cremations, cremation grounds; and electric crematoriums	Three burial grounds and one electric crematorium were being maintained by CCP.	Maintenance of burials and burial grounds; crematorium was executed by MCs.

Sl. No.	Functions in Twelfth Schedule	CCP	Municipal Councils
15	Cattle pounds; prevention of cruelty to animals	One pound keeper is appointed but there was no cattle pound. CCP engaged animal welfare organizations for rescue and management of stray cattle and small animals.	Activities under this function were executed by the Department of Animal Husbandry. In three (Mapusa MC, Margao MC and Curchorem-Cacora MC) out of the four test-checked MCs, a pound keeper was appointed by MCs but was looking after clerical work.
16	Vital statistics including registration of births and deaths	Registration of births and deaths was carried out on behalf of Chief Registrar for the State.	Registration of birth and deaths was carried out by MCs.
17	Public amenities including street lighting, parking lots, bus stops and public conveniences	Activity of maintenance of parking spaces was executed by CCP. Motor transport facilities are provided by Kadamba Transport Corporation Limited for the conveyance of the public and Goa Tourism Development Corporation for tourists.	Partially devolved as street lights were maintained by MCs, they provide electric consumables for streetlight and community places. However, other activities related to electricity supply still remained with Electricity Department. MCs executed construction and maintenance of public streets, culverts, municipal boundary marks, markets, latrines, urinals, drains, sewers, drainage-works, sewerage works, baths, drinking fountains, tanks, wells, town halls, municipal offices and shops. All other activities continued to be executed by the line departments. Management of propelled transport facilities for the conveyance of the people was provided by Kadamba Transport Corporation Limited and not by MCs.
18	Regulation of slaughter houses and tanneries	CCP constructs, maintains and regulates market places. No slaughter houses and tanneries were established by CCP.	No slaughter houses and tanneries were established by MCs.

(Source: Information provided by the Department and test-checked ULBs)

The above status of devolution and implementation of functions in ULBs is depicted in **Chart 4.1**.

Chart 4.1: Status of devolution and implementation of functions by ULBs

(Source: Information provided by the Department and test-checked ULBs)

Corporation of City of Panaji

The actual status of devolution of functions *vis-à-vis* the 74th Constitutional Amendment Act is summarized in **Table 4.3**.

Table 4.3: Summary of devolution and transfer of functions to CCP

Sl. No.	Status of devolution /execution	Obligatory activities	Discretionary activities	Number of constitutional functions
1	Functions devolved in CCP Act but not executed by CCP.	03	03	04
2	Functions which are partially devolved in the CCP Act which are partially/fully implemented by CCP.	24	21	12
3	Functions which are not devolved.	--	--	02

(Source: Analysis from CCP Act and scrutiny of records)

Out of 18 constitutionally enumerated functions, four were fully devolved (through three obligatory and three discretionary activities) and 12 were partially devolved (through 24 obligatory and 21 discretionary activities) and the remaining two were not devolved at all.

Four functions were fully devolved for implementation by CCP (Urban planning including town planning; Urban poverty alleviation; Slum improvement and upgradation; and Urban forestry, protection of the environment and promotion of ecological aspects). Urban Planning was executed by the North Goa Planning and Development Authority, a parastatal organization. Urban Poverty Alleviation scheme (Deendayal Antyodaya Yojana-National Urban Livelihoods Mission) was being implemented by Goa State Urban Development Agency (parastatal). The function of ‘Urban forestry, protection of the environment and promotion of ecological aspects’ was being performed by the Forest

Department of the State. Audit noticed that CCP had not effectively implemented these fully devolved functions thereby rendering their devolution inconsequential.

Further, Audit noticed that out of twelve partially devolved functions, five³ functions were being implemented fully, six⁴ implemented partially and one function (Planning for economic and social development) was not being implemented.

Municipal Councils

The actual status of devolution of functions as observed in the four test checked MCs is summarized in the **Table 4.4:**

Table 4.4: Summary of devolution and transfer of functions to MCs

Sl. No.	Status of devolution /implementation	Activities devolved in Section 51 of GMA		Devolution in GMA (Schedule X)	Number of constitutional functions	Remarks
		Obligatory activities	Discretionary activities			
1	Functions which are partially devolved in GMA but not executed by MCs.	05	04	03	07	--
2	Functions which are partially devolved in GMA and partially/ fully implemented by MCs.	15	14	06	08	Out of 8 constitutional functions 3 ⁵ are fully implemented
3	Functions which are devolved in GMA but there is no corresponding obligatory or discretionary activity.	--	--	02	02	Not implemented
4	Functions which are not devolved.	--	--	--	01	--

(Source: Analysis from GMA and scrutiny of records)

As seen from the above table only one of the 18 functions enumerated in the Twelfth Schedule of the constitution was not devolved to the MCs and remaining 17 functions

³ i. Provision of urban amenities and facilities such as parks, garden, playground; ii. Burial and burial grounds, cremations, cremation grounds and electric crematorium; iii. Cattle pound, prevention of cruelty to animals; iv. Vital statistics including registration of births and deaths and v. Public amenities including street lighting, parking lots, bus stops and public conveniences

⁴ i. Regulation of land-use and construction of buildings; ii. Roads and bridges; iii. Water supply for domestic, industrial and commercial purposes; iv. Public health, sanitation conservancy and solid waste management; v. Promotion of cultural, educational and aesthetic aspects and vi. Regulation of slaughter houses and tanneries

⁵ i. Provision of urban amenities and facilities such as parks, gardens, playgrounds; ii. Burials and burial grounds; cremations, cremation grounds; and electric crematoriums; and iii. Vital statistics including registration of births and deaths

were not devolved in full. Further, it is seen that seven functions⁶ of the Twelfth Schedule, which included crucial municipal functions like water supply for domestic, industrial and commercial purposes, urban poverty alleviation, *etc.* which were partially devolved in GMA (through five obligatory and four discretionary activities) were not implemented by the MCs. Only eight partially devolved functions⁷ (through 15 obligatory and 14 discretionary activities in the GMA) were implemented by the MCs. Eleven functions from the Twelfth Schedule of the Constitution were added to GMA through insertion of Section 322A (inserted in 1994). However, there were no corresponding activities (obligatory or discretionary activities) to be carried out by MCs with respect to two functions ‘Urban forestry, protection of the environment and promotion of ecological aspects’ and ‘Slum improvement and upgradation’.

During the Exit Conference (April 2022), the Secretary, Urban Development, agreed to the observations and further informed that CCP was issuing construction licenses after approval of the planning authority.

Recommendation 3: The Government may ensure that the functions devolved to the ULBs are actually carried out by them.

4.3 Inadequate devolution of administrative and financial powers to Urban Local Bodies

Appropriate enabling mechanisms for implementation of the devolved functions is essential for effective discharge of functions by ULBs. The CCP (Section 67 of CCP Act) and MCs (Section 86 read with Section 84 and 93 of the GMA) are authorized to use their respective Corporation/Municipal funds for the purposes mentioned in the respective Acts.

The CCP Act (Section 68, 212 and 214) provided powers for execution of tenders and contracts to the Commissioner, Standing Committee, Corporation and the Government with varying financial limits. Similarly, the GMA (Section 89 and 69) authorized the MCs and Standing Committees thereunder to authorize expenditure within the limits specified. Powers of technical sanction to works were assigned to the specified officers of PWD, GSUDA and Municipal Engineers. Details of delegation of powers in ULBs are given in **Appendix 1**.

Finance Commission (FC) grants were disbursed and lying in the accounts of ULBs. But the works to be carried out by ULBs, using the FC funds were subject to approvals of Directorate and Secretary, Urban Development. Similarly, State Government grants for

⁶ i. Urban planning including town planning, ii. Planning for economic and social development iii. Water supply for domestic, industrial and commercial purposes. iv. Fire services v. Urban poverty alleviation vi. Cattle pounds; prevention of cruelty to animals vii. Regulation of slaughterhouses and tanneries

⁷ i. Regulation of land-use and construction of buildings, ii. Roads and bridges iii. Public health, sanitation conservancy and solid waste management iv. Provision of urban amenities and facilities such as parks, gardens, playgrounds v. Promotion of cultural, educational and aesthetic aspects vi. Burials and burial grounds; cremations, cremation grounds; and electric crematoriums vii. Vital statistics including registration of births and deaths viii. Public amenities including street lighting, parking lots, bus stops and public conveniences

development works were released only after approvals of Directorate and Finance Department.

Actual status of implementation of financial delegation is discussed below in relation to execution of works through grants.

4.3.1 Works executed through Central Finance Commission grants

FC grants are subject to operational guidelines in addition to other specific grant related conditions. The general administrative and financial delegation of powers to ULBs was applicable for utilisation of the grants. Further, conditions prescribed by the DUD at the time of release for submission of utilization certificate and performance report were to be complied with.

Fourteenth FC in its report recognized that a trust-based approach must be adopted for release of grants and recommended that no further conditions or directions, other than those indicated by FC should be imposed either by the Union or the State Government for the release of funds to local bodies.

Audit observed that all the works taken up by ULBs with FC grants were routed through DUD and Secretary, Urban Development for administrative approvals and financial sanctions.

4.3.2 Works executed out of State grants

Inadequate own revenues of the ULBs, as discussed subsequently and lack of assured resources in the absence of SFC recommendations made them dependent on State Government's budgetary grants for execution of works. State Government sanctioned grants ('Development grants' and grants under 'Goa Special Grants to Municipalities Scheme') amounting to ₹ 69.58 crore to ULBs for execution of public works like construction or repairs of drainages, footpaths, roads and community assets, *etc.* for the period 2016-17 to 2020-21.

Audit observed that work proposals to be executed by ULBs through Government grants were subjected to multiple administrative approvals⁸. Grants were sanctioned by the State Finance Department after tenders were finalized by ULBs. The Finance Department accorded sanctions in batches, which caused avoidable delays in the projects. The status of proposals of works by three ULBs, their administrative approvals (AA) and expenditure sanctions (ES) is shown in the **Table 4.5**.

⁸ Approval granted by respective Chief Officers/Commissioner of CCP; Councils/CCP and then by DUD

Table 4.5: Summary of work proposals and their approvals

ULB	No of works with AA	No of works with ES	No of batches for ES	Delays in test checked cases
CCP	130	34	4	AA for 38 works were accorded in April 2016. Only 26 were provided ES (after 12 months to 14 months). Twelve works were awaiting ES.
Mapusa	114	73	9	AA for 61 works were accorded during November 2017 to August 2019. Only 24 were provided ES (after 9 months to 25 months). Thirty-seven works were awaiting ES.
Margao	130	126	6	AA for 69 works were accorded in November 2016 (ES was accorded after 7 months to 14 months).
Total	374	233	19	

(Source: Information provided by DUD)

Out of 374 works proposed and administratively approved, only 233 were provided expenditure sanction in 19 batches and 141 were awaiting such sanctions. It was also seen that 37, 39, 55 and 63 *per cent* of grants sanctioned⁹ for developmental works during 2016-17 to 2020-21 remained unutilized in Margao MC, Curchorem-Cacora MC, Pernem MC and Mapusa MC respectively.

Secretary, Urban Development, confirmed during the Exit Conference (April 2022) that there were delays due to approvals at various levels and added that adequate administrative and financial autonomy for ULBs, including delegation of powers relating to public works would be considered.

Recommendation 4: Adequate administrative and financial autonomy may be allowed to the ULBs in the execution of functions devolved to them.

4.4 Role of parastatals in implementation of schemes

The 74th Constitutional Amendment Act envisaged that the delivery of urban infrastructure and services would be entrusted to the ULBs. The status of actual implementation of devolved functions by ULBs has been detailed in **Appendix 2**. Parastatal agencies such as Goa State Infrastructure Development Corporation (GSIDC), Imagine Panaji Smart City Development Limited (IPSCDL), GSUDA, Planning and Development Authorities, *etc.* were constituted to deliver or facilitate urban infrastructure and services in the State and they played an important role in the execution of functions such as water supply & sanitation, construction of roads, buildings and crematoria, urban/town planning, regulation of land use, *etc.* The parastatals implemented several

⁹ Margao MC: ₹ 2.05 crore unutilized out of ₹ 5.51 crore (37 *per cent*); Pernem MC: ₹ 1.17 crore unutilized out of ₹ 2.13 crore (55 *per cent*); Curchorem-Cacora MC: ₹ 3.33 crore unutilized out of ₹ 8.60 crore (39 *per cent*) and Mapusa MC: ₹ 5.06 crore unutilized out of ₹ 7.98 crore (63 *per cent*)

important schemes¹⁰ in these functional areas. Audit examined the role of parastatals *vis-à-vis* ULBs in the implementation of three such schemes and the findings are discussed below.

4.4.1 Implementation of Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

The Ministry of Urban Development (MoUD), Government of India (GoI) launched (June 2015) the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) with the objective of improving water supply, sewerage, public amenities, and transport in urban areas. Programme Management Structure of the scheme provided (Paragraph 10 of scheme guidelines) that at city level, the ULBs will be responsible for implementation of the mission. The Municipal Commissioner will ensure timely preparation of Service Level Improvement Plans (SLIP). The ULBs were to develop Detailed Project Reports (DPRs)/bid documents/ensure approvals for projects and appoint implementation agencies as per the approvals in State Annual Action Plans (SAAP). The ULBs were to ensure its timely completion.

The scheme guidelines provided (Paragraph 8.1) that if the ULBs did not have adequate capacity to handle projects, specialized parastatal agencies could be engaged through the execution of a tripartite Memorandum of Understanding (MoU) amongst the State Government, the specialized parastatal agencies and the concerned Municipality.

Audit observed that CCP passed a resolution (November 2015) and handed over the work of preparation SLIP and SAAP to GSIDC. However, State level High Powered Committee¹¹ (SLHPC) appointed (March 2016) GSIDC and later IPSCDL (May 2017) as the implementing agency¹² for AMRUT. GSIDC and IPSCDL were unilaterally appointed as the implementing agencies by the Government without any tripartite agreement as envisaged in the scheme guidelines.

The scheme guidelines required that funds (Central and State share) are transferred to ULBs within seven working days of release of the Central share by the MoUD. However, all the funds were directly transferred to GSIDC and IPSCDL by the Government, instead of CCP, effectively denying any control to CCP over the project implementation.

¹⁰ i. GSUDA implemented three central schemes (Deendayal Antyodaya – National Urban Livelihoods Mission (DAY-NULM), Swachh Bharat Mission (Urban), Pradhan Mantri Awas Yojana - Housing for All (Urban), (PMAY-HFA(U)) and one State scheme - Integrated Development of Major Towns (IDMT). ii. Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart City Scheme are implemented by IPSCDL

¹¹ Members of SLHPC were 1. Chief Secretary; 2. Secretary (Urban Development); 3. Secretary (Finance); 4. Secretary (Planning); 5. Chief Town Planner; 6. Director of Urban Development; 7. Mayor/Commissioner, CCP; 8. Chairperson/Chief Officer, Mormugao; and 9. Chairperson/Chief Officer, Margoa; 10. Pr. Chief Engineer and 11. Representative of MoHUA

¹² CCP resolved (24.11.2015) to hand over the work of preparation of SLIPs to the GSIDC. Accordingly, GoG appointed (March 2016) GSIDC as the Directorate of Mission for implementation of AMRUT Mission. GSIDC prepared the SLIP and SAAP for the years 2015-16, 2016-17 and 2017-18 wherein 29 works (₹ 209.18 crore) were approved. Subsequently, GoG appointed (24.05.2017) IPSCDL as a nodal agency with transfer of all unutilized funds from GSIDC

The scheme recommended prioritization of works for universal coverage of water and sewerage. GSIDC proposed 29 works¹³ (₹ 209.18 crore) during the period 2015-16 to 2017-18. Out of 29 works, only four projects (₹18.57 crore) pertained to water supply and sewerage (8.88 *per cent*) but there were 22 works (₹185.47 crore) of Urban Transport (88.67 *per cent*). Further, the SLHPC decided (February 2021) to withdraw the 20 projects which had not commenced and seven¹⁴ new projects of ₹ 169.48 crore were submitted to MoHUA. Three projects out of the seven newly proposed ones were approved (September 2021) by the ministry.

The implementing agencies did not identify the priority areas of works in CCP initially and their delayed identification resulted in delayed execution.

The ULBs were required to monitor the projects closely through their elected representatives and direct citizen feedback using mobiles and e-groups. As CCP had no role in the implementation of these projects, no monitoring was carried out.

Thus, the CCP did not have any role in the implementation of AMRUT, which included projects for important municipal services like water supply, sewerage, public amenities, *etc.* which undermined the CCP's responsibility and accountability for service levels in these areas as well as its power and authority.

4.4.2 Implementation of Smart City Scheme

MoHUA, GoI launched (June 2015) the Smart Cities Mission (SCM) with the objective of promoting cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' solutions. In Goa, Panaji city was selected and the IPSCDL¹⁵ was constituted (June 2016) as an SPV to implement the Mission.

Para 14 of the scheme guideline stipulated that SCM may carry out convergence with other Central and State Government programmes/schemes to derive greater benefit and convergence was to be sought at the planning stage itself.

¹³ Out of the 29 works, four (₹ 18.57 crore) pertained to water supply and sewerage, 22 (₹ 185.47 crore) pertained to Urban Transport and three (₹ 4.14 crore) pertained to Green Spaces and Park Sector.

¹⁴ i. Upgradation of Sewage network for Panaji City (₹ 118.96 crore); ii. Upgradation of Sewage pumping installation at Panaji City (₹ 1.05 crore); iii. Rejuvenation of Campal area of Panaji City as a green space (₹ 30.09 crore); iv. Supply of treated effluent water from Tonca STP to green space and institution in Panaji City (₹ 13.12 crore); v. Development of Community green space at Caranzalem (₹ 3.45 crore); vi. Development of green space near Govt. Quarters Altinho, Panaji (₹ 1.69 crore); and vii. Landscaping for Open spaces at Altinho neighborhood greens (₹ 1.12 crore).

¹⁵ Board of Directors (BoD) of IPSCDL comprised of Government of Goa Officers like Chief Secretary as Chairman and other members included Secretary (Urban Development); Secretary (Finance); Collector, North Goa; Director of Urban Development; Commissioner, CCP; and Pr. Chief Engineer. The BoD also included Under Secretary, Ministry of Housing and Urban Affairs, Government of India; Mayor of CCP; and Member of Legislative Assembly for Panaji assembly constituency.

Audit observed that three projects¹⁶ of CCP proposed under Fourteenth and Fifteenth Finance Commission (FFC) grants had to be terminated after issuing of work orders, as the same areas were proposed for development under projects by IPSCDL. Another work¹⁷ executed by the CCP under Finance Commission grants was removed by the IPSCDL to carry out the work under SCM. Absence of convergence with the CCP's work resulted in termination of works.

4.4.3 Implementation of Swachh Bharat Mission – Urban

The Swachh Bharat Mission (SBM)-Urban is a GoI scheme where the guidelines specified a role for ULBs in all the six¹⁸ components of the mission. GSUDA was appointed as a nodal agency for implementation of the scheme. Audit observed that:

- Individual Household Latrine (IHHL) component of the scheme provided for beneficiary led construction of the IHHL by sanction of grant of ₹ 5,333 (and ₹ 6,667 w.e.f. 2017) in two instalments (Paragraph 4.4.1 and 4.4.3 of the guidelines) by the ULBs after verification of the progress. Audit observed that grant for this component was distributed through ULBs for the first instalment but the second instalment was transferred to the beneficiaries by GSUDA instead of ULBs.
- ULBs are advised (Paragraph 7.10.5 of the guidelines) to use the GeM (Government e-Market place) portal as a one-stop-shop for formally procuring all waste management equipment.

Audit observed that under the component of Solid Waste Management (SWM) of the SBM, GSUDA received the proposals from ULBs for procurements/works and the same were executed after approval of State Level High Powered Committee. Resultantly, GSUDA procured equipments for Solid Waste Management worth ₹ 87.32 lakh between February 2020 to March 2021 through GeM instead of ULBs. This was in contravention of the scheme guidelines and the ULBs were deprived of their role in implementation of SWM component of the scheme.

- Guidelines prescribed (Paragraph 8.4) that Information, Education and Communication (IEC) & Public Awareness (PA) funds were to be transferred at the rate of 50 *per cent* of the grant for utilization by the ULBs. Audit observed that since 2019-20, GSUDA did not transfer grants amounting to ₹ 3.10 crore (between 2019-20 to 2021-22) to ULBs and the same were utilized by GSUDA for expenditure of IEC component, which was contrary to the guidelines of the scheme.

The role of ULBs in implementing SBM in Goa was partially taken over by the parastatal.

DUD replied (September 2022) that GSUDA procured the equipment on behalf of ULBs being the nodal agency for implementation of the scheme. Further, Secretary, Urban

¹⁶ Construction of drain along with laying of RCC slabs in front of St. Inez church and Thakur Garage in ward No. 10 (₹ 11.08 lakh), construction of road with side drain in ward No. 02 (₹ 6.03 lakh) and construction of drain with RCC slabs near Shenaz shopping centre in ward no. 11 and 12 (₹ 7.86 lakh)

¹⁷ Providing and laying of pavers for existing footpath in ward no. 12 (₹ 7.48 lakh)

¹⁸ i. Individual Household Latrines (IHHL) including conversion of insanitary latrines into pour-flush latrines; ii. Community toilets; iii. Public toilets and urinals; iv. Solid waste management; v. IEC & Public Awareness and vi. Capacity building and Administrative and Office Expenses (A&OE)

Development stated in Exit Conference (April 2022) that works pertaining to ULBs were transferred to GSUDA.

The reply was not tenable in view of the guidelines of the scheme to transfer the funds to ULBs rather than make procurement on their behalf.

The parastatals were assigned the responsibility of implementing several urban infrastructure schemes by the State Government, and the same were implemented without accountability to the ULBs which were ultimately responsible for municipal services.

Recommendation 5: Democratically elected ULBs must be given a greater role in the planning and implementation of schemes pertaining to local body functions as per the devolution.

4.5 Planning by Urban Local Bodies

Setting up of District Planning Committee (DPC)¹⁹ is mandated as per Article 243ZD of the Constitution. The GMA provided (Section 184F) that every MC shall prepare every year, a development plan and submit it to the District Planning Committee constituted under Section 239 of the Goa Panchayat Raj Act, 1994.

Necessary planning for execution of devolved functions was mandated to be carried out through the DPC by consolidating the annual plans of MCs in the district. The district plans so prepared would have regard to matters of common interest between the local bodies including sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation, and the extent and type of available resources.

Audit observed that DPCs were formed during the audit period, 2016-21 and for 2021-26 in both the districts. While the North Goa DPC did not hold any meeting, the South Goa DPC held four meetings. However, none of the ULBs prepared/submitted any development plans to the DPC for preparation of consolidated district plans. Consolidated development plan for the district as a whole has never been prepared by either of the DPCs.

Secretary, Urban Development agreed (April 2022) with the observation during the Exit Conference and stated that planning machinery of ULBs would be activated to facilitate the preparation of developmental plans.

Recommendation 6: The State Government may ensure that DPCs are functioning effectively and prepare the District Development Plans by consolidating the plans.

¹⁹ DPC shall consist of members of the Loksabha, Rajyasabha, members of Legislative Assembly, Adhyaksha of the ZP, the President of the Municipal Council having jurisdiction over the headquarters of the district, members specified from elected members of ZP and ULBs. Adhyaksha and Chief Executive Officer of ZPs shall be the ex-officio Chairman and Secretary of the DPC respectively.