

FIGURE 11.9: SHOWING COMPOSITION OF REVENUE EXPENDITURE FOR UIT

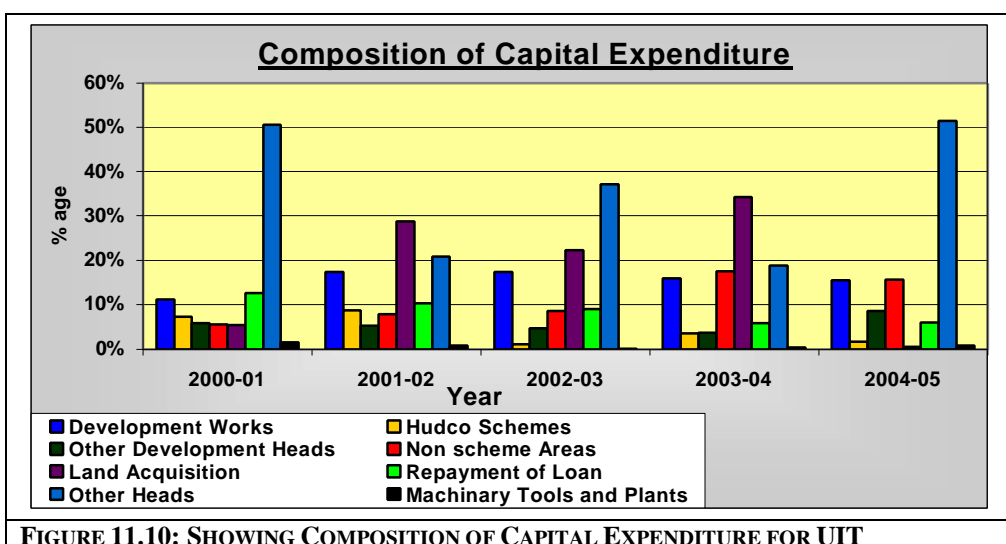


FIGURE 11.10: SHOWING COMPOSITION OF CAPITAL EXPENDITURE FOR UIT

#### 11.1.4 Fiscal Health Indicators

The following table shows fiscal health indicators for Udaipur Urban Improvement Trust as estimated based on data given by UMC.

TABLE 11.4: SHOWING FISCAL HEALTH OF UIT

Finance Indicators	2000-01	2001-02	2002-03	2003-04	2004-05	AVG
Revenue Account Balance	6064688	28241491	17970445	39108084	30858638	
Capital Account Balance	-7640207	69528300	115013547	15476735	111623335	
Total Fiscal Balance	-1575519	97769791	132983992	54584819	142481973	
Operating Ratio (Revenue Expenditure / Revenue Income)	0.85	0.57	0.66	0.49	0.58	0.63
Debt Repayment/ Revenue Income	0.41	0.17	0.21	0.12	0.11	0.21
Establishment Cost/ Revenue Income	0.09	0.06	0.07	0.05	0.05	0.07

Expenditure	2000-01	2001-02	2002-03	2003-04	2004-05	
Share of Salaries and Wages / Allowances	11.66%	12.56%	11.39%	9.53%	10.15%	11.06%
Share of Repairs and Maintenance	3.48%	3.37%	2.45%	2.29%	2.84%	2.89%
Share of Debt Servicing Expenditure	10.01%	7.73%	6.93%	4.74%	4.61%	6.80%
Growth in Share of Salaries and Wages / Allowances		7.71%	-9.31%	-16.38%	6.50%	-2.87%
Growth in Share of Repairs and Maintenance		-3.32%	-27.28%	-6.25%	23.63%	-3.31%
Growth in Share of Debt Servicing Expenditure		-22.70%	-10.46%	-31.60%	-2.69%	-16.86%
Income	2000-01	2001-02	2002-03	2003-04	2004-05	
Share of Tax Revenue	NIL	NIL	NIL	NIL	NIL	
Share of Property Tax Component	NIL	NIL	NIL	NIL	NIL	
Share of Other Taxes	NIL	NIL	NIL	NIL	NIL	
Share of Charges, Fees/ Penalty	20.73%	23.30%	15.91%	25.67%	20.24%	21.17%
Share of Own Sources of Income (Property / Land Sale)	45.83%	36.25%	54.74%	46.40%	50.04%	46.65%
Share of Grants and Contributions	25.52%	34.63%	24.56%	20.38%	24.61%	25.94%
Growth in Tax Revenue	NIL	NIL	NIL	NIL	NIL	
Growth in Property Tax Component	NIL	NIL	NIL	NIL	NIL	
Growth in Other Taxes	NIL	NIL	NIL	NIL	NIL	
Growth in Share of Charges, Fees/ Penalty		12.41%	-31.74%	61.39%	-21.17%	5.22%
Growth in Share of Own Sources of Income (Property / Land Sale)		-20.90%	51.00%	-15.24%	7.84%	5.67%
Growth in Share Grants and Contributions		35.69%	-29.08%	-16.99%	20.72%	2.59%

Source: Income Expenditure Statement, UIT, Udaipur

It can be observed that property / land and plot sale accounts for major part of revenue, followed by Government grants and loans. With addition of charges fees and penalties these three components of income themselves account for over 90% of income to UIT. Absence of any share of tax revenue and property tax component is one of the reasons resulting in high dependency on grants and property sale.

The revenue and capital account balances have been showing a steady growth over the years with total fiscal balance attaining a value of Rs. 14,24,81,973 at the end of fiscal year 2004-05.

Debt Servicing Ratio (DSR) is ratio of debt payment to total revenue income. This indicator helps in assessing the implication of debt on the local body finances. It has been observed that the local body services their debt on regular basis.

Operating ratio, which is defined as ratio of revenue expenditure to revenue income, is an indicator of profitability of operations of a local body. The operating ratio has been less than unity indicating a trend of being within means. But is showing a declining trend thereby indicating that UIT is not-improving, and expenditure is much less as compared to income.

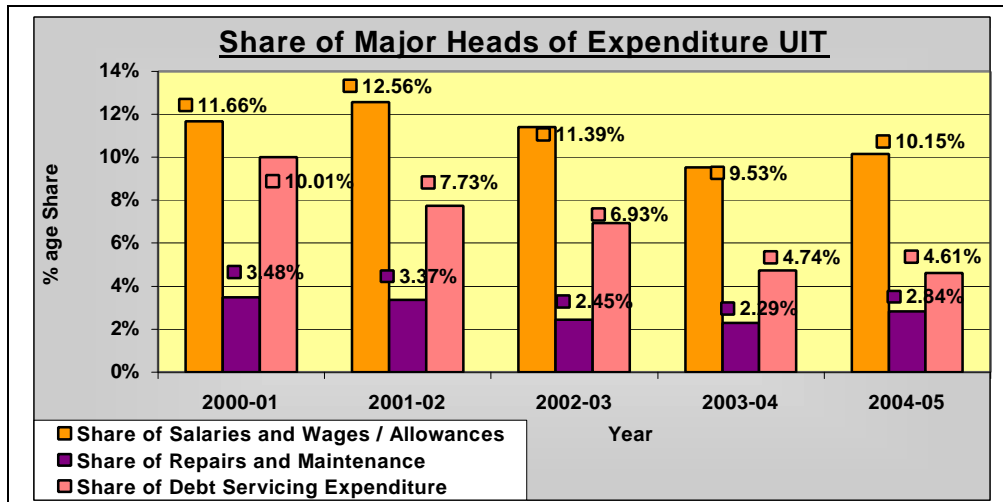


FIGURE 11.11 SHOWING SHARE OF MAJOR HEADS OF INCOME

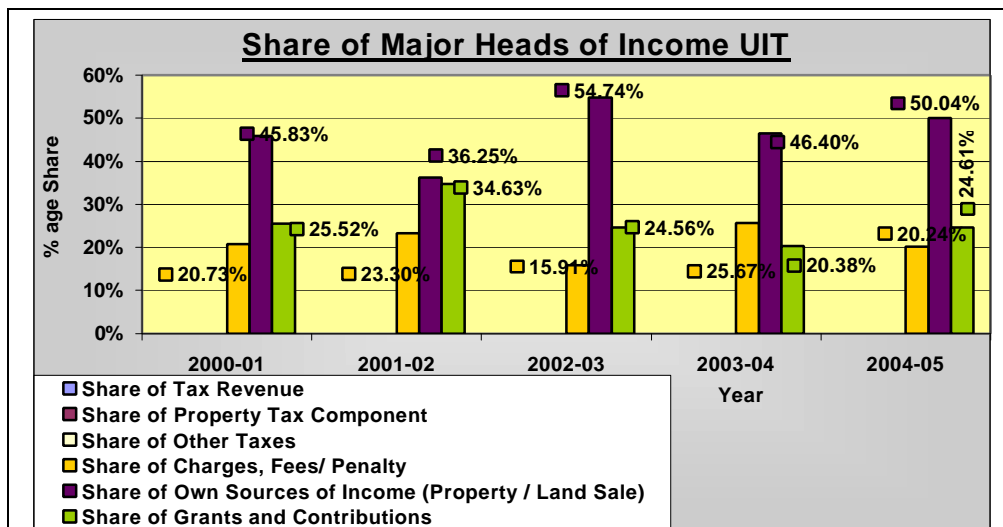


FIGURE 11.12 SHOWING SHARE OF MAJOR HEADS OF EXPENDITURE

## **12.0 STAKEHOLDER CONSULTATIONS**

### **12.1 BUILDING CONSENSUS THROUGH CITY CONSULTATIONS**

The advantages of participatory processes, both in business management and public administration, are well known and widely accepted. In the urban context, where private and public investments and municipal service deliveries affect the well-being of all city residents, participatory processes in decision-making are not only advantageous but also essential.

One of the mechanisms which has proven to be useful in facilitating participation is the "city consultation". City consultations are consistently used in technical cooperation initiatives involving various organizations such as UNCHS (Habitat), joint UNCHS-UNDP Urban Management Programme (UMP) and the joint UNCHS-UNEP Sustainable Cities Programme (SCP). Building on actual city experiences gained over the years, methods and tools to support city consultations have evolved and developed. These methods and tools address the following key questions which pertain to the nature, preparation and conducting of a city consultation.

### **12.2 WHY IS CITY CONSULTATIONS HELD?**

The main purpose of a city consultation is to build consensus among key stakeholders. Depending on the circumstances, a city consultation can be organized around broad urban management themes, or specific issues i.e. lakes and its management is a prominent concern for Udaipur city. In the first case, a city consultation may concentrate on stimulating public debate, exchanging views and agreeing on broad courses of action, and hence may be regarded as a unique/one-off event that could possibly lead to improved responses by the local authorities concerned. In cases where the aim is to address specific issues, a tightly structured city consultation could act as an entry point to a process of negotiating strategies and action plans among stakeholders.

### **12.3 WHO IS INVOLVED?**

Participants in city consultations are "stakeholders" those who are affected by priority issues, and those who have the relevant information, expertise and implementation instruments. Institutional profiling and a survey of stakeholders are important requisites for a good city consultation. Problems and solutions are not therefore discussed in a vacuum but in relation to the mandate and capacities of the respective institutions and interest groups.

"Inclusiveness" is the key element of a city consultation. The urban poor should be among

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<sup>1</sup> Drawn from Guletat Kebede, Adviser to the joint UNCHS-UNEP Sustainable Cities Programme.

the key stakeholders. Gender and poverty concerns should be treated as cross cutting themes and their linkages and interfaces with issues discussed at a city consultation should be highlighted and put to sharp focus through proposition papers and discussant interventions. Above all, disadvantaged groups should be given space during a city consultation to air their concerns and perspectives. The recognition of the urban poor as crucial stakeholders and a willingness to hear their views on issues concerning them are the first steps towards "inclusiveness".