

PARIVARTHANE VOL.9

BEST PRACTICE ON RESOURCE MOBILISATION AND REVENUE GENERATION

Kodinar town is taluk headquarters of Junagadh district situated in south end of Saurashtra region of Gujarat State. Kodinar is built on bank of Singoda river. Earlier it was known as Kodia tribal camp (neh) and later on it changed as Kodinar. It is very famous for the beach of Diu Union Territory. It is famous because of vicinity of famous tourist place of Diu and Somnath Temple as well religious place of Prachi and famous Gir forest.

The main activity of the Kodinar is trade and commerce. Kodinar is famous at international level for sugarcane and sugar production. It has a sugar factory and Ambuja Cement factory situated on the Veraval Coastal Highway. There are so many types of small industries including fishing products. It has rich agricultural land surrounding, having very good sugarcane, groundnut and mango, coconut and banana cultivation. There are 6 banks, 3 credit societies.

Kodinar though being a D Class Municipality with its integrated development approach has been able to generate resources for various development activities.

THE INITIATIVE

Kodinar Municipality has undertaken innovative management of limited resources, public participation and the development of productive partnerships between the city and the state, civil society, grassroots communities, as well as the private sector.

- Shopping complexes, vegetable and fish markets have been constructed for generating revenue and development of trade and business.
- Kodinar Municipality generates revenue of Rs. 10 lakhs as tax recovery and has 90% tax recovery. The revenues generated from water tax recovery are approximately Rs. 8 lakhs. Stringent measures are taken to ensure that the municipality doesn't issue any certificate/registration/building use permission, etc., to any citizen without pre-checking that all the taxes for the current year has been paid by the citizen.

SITUATION BEFORE THE INITIATIVE

Kodinar like other towns has been facing continuously growing population and the associated infrastructure needs. Resources available to municipality are however not growing at a similar pace. There was a dire need to avail newer sources of revenue by the Municipality to carry out various works of development. Municipality possessed various vacant plots in the heart of the town. A fish market in a dilapidated condition also existed in the heart of the town. This market though located in the center of the town lacked all the basic facilities of storage, drainage, ventilation, organized circulation, disposal, etc resulting in a very unhygienic condition and stagnating market value of the surrounding property.



Kodinar Municipality Profile

Area	16.60 sq. Km.
Population (2001 census):	32606
Density of Population (persons/sq km):	1964
Growth Rate	22.38%
Social Development Indicators (2000-01):	
Below poverty line:	22.45%
Birth rate	25.40
Death rate	7.43
Climate	
Max temp	22°C to 30°C
Min temp	10°C to 15°C
Average rainfall (in mm)	889 mm



IMPLEMENTATION STRATEGIES

An innovative measure to improve finances of the municipality in Kodinar has been the investments in remunerative enterprises like commercial complexes, vegetable market and fish market.

- The original fish market being as kept unclean the municipality had to bear regular complaints of foul smells emanating from the fish market. The municipality took the initiative to evacuate the existing fish and vegetable market, shift the existing market to a new location and construct a new commercial complex in its place.
- A commercial complex (G+2 structure) was constructed at the site of initial market after cleaning the entire site.
- The shops on the ground and 1st floor were auctioned to the citizens at the market rate and the second floor has been given on rent to a co-operative bank after collecting the token amount.
- New Fish Market with Proper space arrangement for individual fish and vegetable vendors with organized circulation facility, proper ventilation, disposal, storage facilities, etc has been made available in the new market area. This was auctioned to the vendors of the initial market.
- The vendors are required to pay taxes to the municipality on monthly basis as decided by the revenue department.
- The task of collecting these taxes has been given on contract basis to a private contractor who was required to collect the fixed amount by month end and deposit the same to the municipality. Three vacant plots located in the center of the town and owned by the municipality have also been taken up and commercial complexes built and auctioned.
- The terrace floor for each of this complex has been rented out for social and commercial activities like marriage receptions, social parties, social ceremonies banks etc.

RESULTS ACHIEVED

- The municipality made a net profit of 1crore and 30 lakhs by constructing and auctioning the commercial complex and new vegetable market.
- This profit amount was used to lay the water supply pipeline to fetch water for the entire town from the Ghatvadgam dam 30 km from Kodinar.
- The revenue generated from these construction & auctioning activities is used for infrastructure development.
- Provision of social spaces for the citizens.

LESSONS LEARNT

Urban local bodies should meditate upon their inner strengths and channelize these for the development and management of resources.

SUSTAINABILITY

By developing new resources and putting into good use the available idle resources, urban local bodies can achieve financial sustainability.

TRANSFERABILITY

This initiative is very much transferable. The success in its transferability lies in identifying similar revenue generation potentials with regards to the local context of urban local body.

REFERENCE

- Best Practice Catalogue 2002 (July 2003), City Managers' Association Gujarat (CMAG), page 139-140.

Issue compiled by Ms. Shilpa Narayanan, Research Associate, CMAK.

Please mail your feedback to bestpractices.cmak@gmail.com