

## Critical analysis of Pune's transport budget for 2010-11

### Introduction

A city's budgetary allocation offers one of the best windows into the thinking of its administrators and leaders on how a city should develop, because committing money to an activity or project shows real intention on the part of the city.

Parisar analyzed the budget allocation for the transport sector in the budget for 2010-11 as approved by the General Body of the Pune Municipal Corporation (PMC) to understand the vision and direction of the city as far as transport is concerned. In particular, we wished to see whether the city's budget moves towards accomplishing the goals stated in the city's Comprehensive Mobility Plan (50% of all trips by non-motorized transport and 80% of the remaining by public transport) and reflects the vision laid down in the National Urban Transport Policy (NUTP) that encompasses principles such as equitable allocation of road space, priority to public transport (PT), priority to non-motorized transport (NMT) and levy of parking fee to reflect the value of land.

This is the first such exercise undertaken by Parisar, but we hope to not only continue to watch the city's budget for the proposed projects but also look at which of the projects that were promised in the budget were actually undertaken.

### 2. Methodology

We analyze only the total budgeted capital expenditure on various aspects of transport. This is because the capital expenditure for the transport sector is much more than the operational expenditure and it is the planned capital expenditure that gives a clearer idea of the projects and schemes that PMC proposes to implement. We divided the budgeted capital expenditure for transport into the following four categories:

**a Motor vehicle friendly:** This category consists of expenditure that primarily benefits private motor vehicles, and more often than not proves detrimental to PT and NMT. This category includes all work to build flyovers, elevated roads, parking lots, widening (or concretization) of existing roads etc. within the city, as it is well accepted now that construction of such infrastructure only encourages greater use of personalized motor vehicles<sup>1</sup>.

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1 See, for example, "Why are the roads so congested", a report by the Surface Transportation Policy Project, November 1999.

**b NMT friendly:** This category includes all budgeted expenditure that will be definitely be beneficial to pedestrians and/or cyclists. It includes footpaths, pedestrian signals, cycle tracks, signages etc. However, we do not include expenditure budgeted towards pedestrian subways, overbridges and skywalks in this category as it is highly questionable whether these are aimed at helping pedestrians or to enable speedier movement of motorized vehicles. Such expenditure is included in a separate 'doubtful' category (see below).

**c PT friendly:** This category includes all expenditure that will be directly beneficial to existing PT services in the city, namely PMPML and BRT. Parisar is not (yet) convinced that Pune needs a metro and hence expenditure budgeted for this is included in the doubtful category rather than in the PT-friendly category. We are also not fully convinced that the funds budgeted for various BRT related projects are actually helping PT in Pune, given the continuing absence of political or administrative will to ensure the success of BRT. The evidence so far is that most of the BRT funds have actually been used to widen roads (eg., Baner road, Alandi road etc.), and PMC's proposal that many of the proposed corridors will not have a dedicated lane for buses<sup>2</sup> only strengthens the perception that these funds may not benefit public transport as much as private motorized transport. However, we give funds budgeted for BRT the benefit of doubt this year and classify them as PT friendly, in the hope that PMC will take it up in earnest.

**d Projects of doubtful value:** This category includes all such expenditure that appears to be public or non-motorized transport friendly, but is actually of doubtful value to these categories of users. As stated above, examples of this include pedestrian subways, over-bridges, skywalks etc. and the proposed metro.

**e Routine works:** This category includes all the routine work that one would expect the city to undertake, such as resurfacing of roads, repairing of footpaths, street lights, signages etc.

The PMC budget document does not classify its expenses under the heads given above, and the classification has been done by Parisar by going through each of the proposed items. There were some entries in the budget that were a little ambiguous and Parisar had to take a judgement call on classifying them. Therefore, the same analysis by a different agency may throw up slightly different numbers. But we believe that the overall picture that will emerge would be similar.

### 3. Analysis

The Standing Committee of the PMC tabled the budget for 2010-11 on 4th March 2010<sup>3</sup> and it was passed by the General Body of the PMC on 11th March 2010<sup>4</sup>. The total amount budgeted for capital expenditure on transport related activities in the PMC budget for 2010-11 is Rs. 909 crores. This is 28% of the total budget of PMC and as much as 46% of the budgeted capital expenditure for 2010-11. While transport infrastructure is important for a growing city such as Pune, one wonders whether such a capital-intensive approach is what is required to solve the city's transport problems, particularly when the city also faces other critical concerns such as water, sewage, waste management, public health, education etc. Incidentally, the capital expenditure on transport in the budget proposed by the Standing Committee is 22% higher than the Rs. 745.60 cr proposed by the Municipal Commissioner. In this section, we analyze the capital expenditure budgeted for transport in the budget proposed by the Standing Committee and passed by the PMC General Body in greater detail.

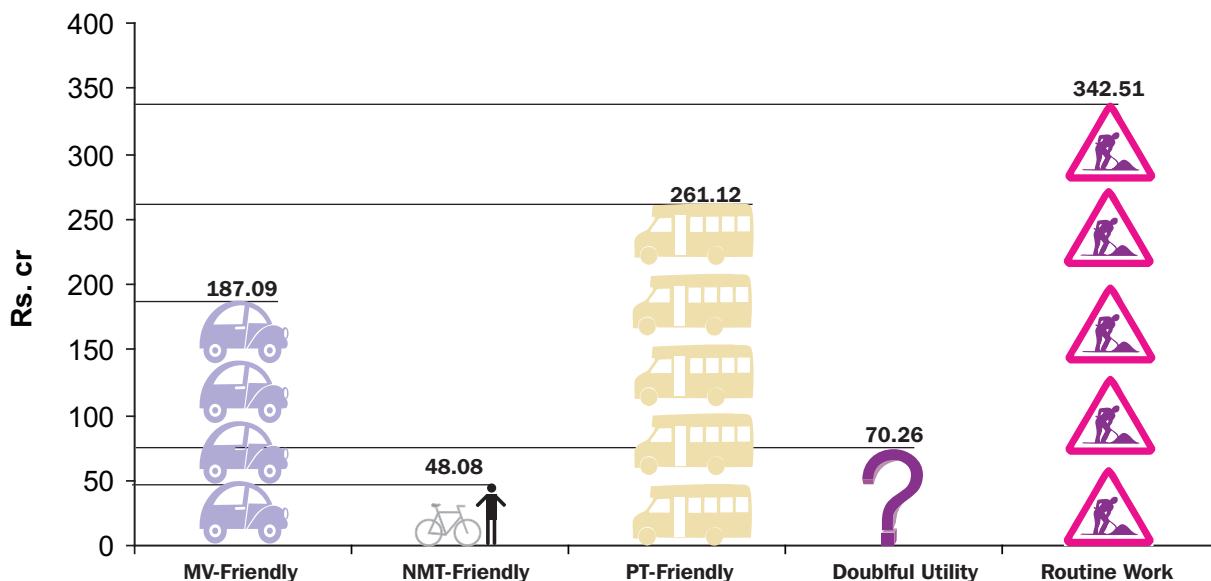
The following chart shows the breakup of the budgeted transport capital expenditure. As can be seen, the largest chunk of the pie goes to 'routine works', which gets over Rs. 342 crores, or 38% of the total transport capital expenditure budget. Next come projects in favour of public transport, mainly the BRT system, with Rs. 261 cr (29%). Schemes that are primarily beneficial to motor vehicles come next with Rs. 187 cr (21%). Rs. 70 cr (8%) is budgeted for many schemes of doubtful utility, while NMT receives Rs. 48 cr (5%).

<sup>2</sup> "State of civic projects to be delayed", *Times of India* (Pune), 3rd Feb 2010

<sup>3</sup> "Rs. 3,196 cr new budget estimate; focus on traffic, public transport", *Indian Express*, 5th Mar 2010

<sup>4</sup> "Civic body passes budget, mud-slinging begins", *Indian Express*, 12th Mar 2010

## Classification of Transport Expenditure

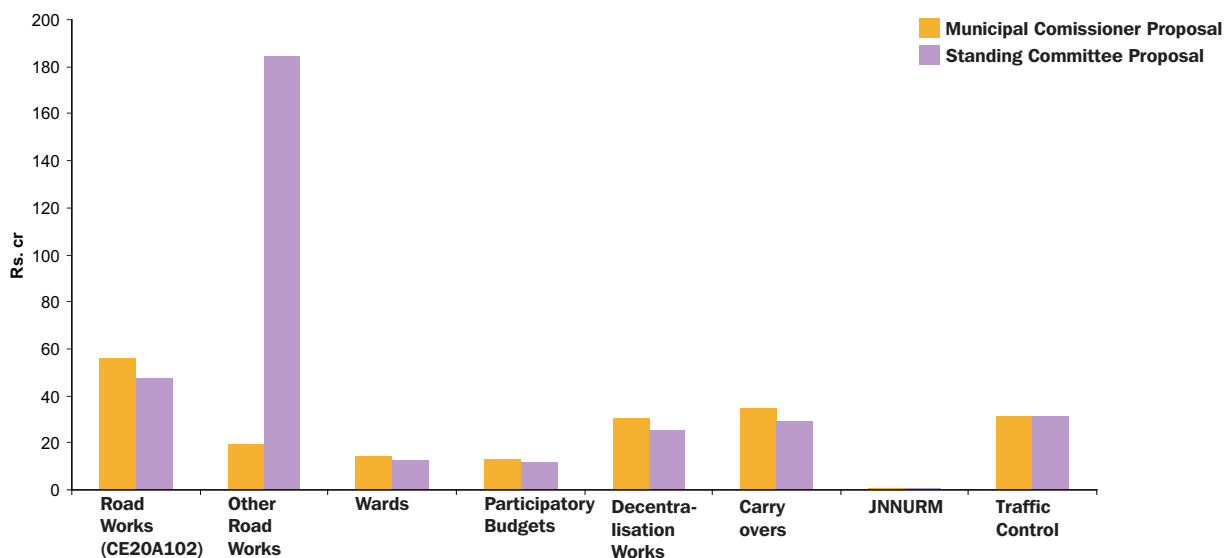


### 3.1 Routine works

The most interesting observation about the budgetary allocation for ‘routine works’ is the difference in allocation to this category in the budgets proposed by the Municipal Commissioner and by the Standing Committee. While the Municipal Commissioner’s budget proposed an expenditure of just under Rs. 201 crores under this category, the Standing Committee allocated Rs. 342 crores for this activity – an increase of 70% over what was proposed by the Municipal Commissioner. Note that this allocation is about 11% of the total PMC budget for 2010-11 (Rs. 3196 cr)!

Interestingly, this increase is in spite of the Standing Committee reducing the allocations to many works proposed by the Municipal Commissioner<sup>5</sup>. The bulk of the increase in the budget for routine works comes from about Rs. 166 cr of items added by the Standing Committee that were not even present in the budget presented by the Municipal Commissioner. The list of items<sup>6</sup> under this head include tarring works at various places, cement-concreting at various places, various miscellaneous works and creating rainwater lines. The necessity to budget such a large sum of money is not obvious at first glance. Moreover, if all these works are indeed required, then it is an interesting question how the PMC administration could have missed out on such a long list of items. The following chart captures this difference between the Municipal Commissioner’s proposal and the Standing Committee’s

### Breakdown of Routine Expenditure



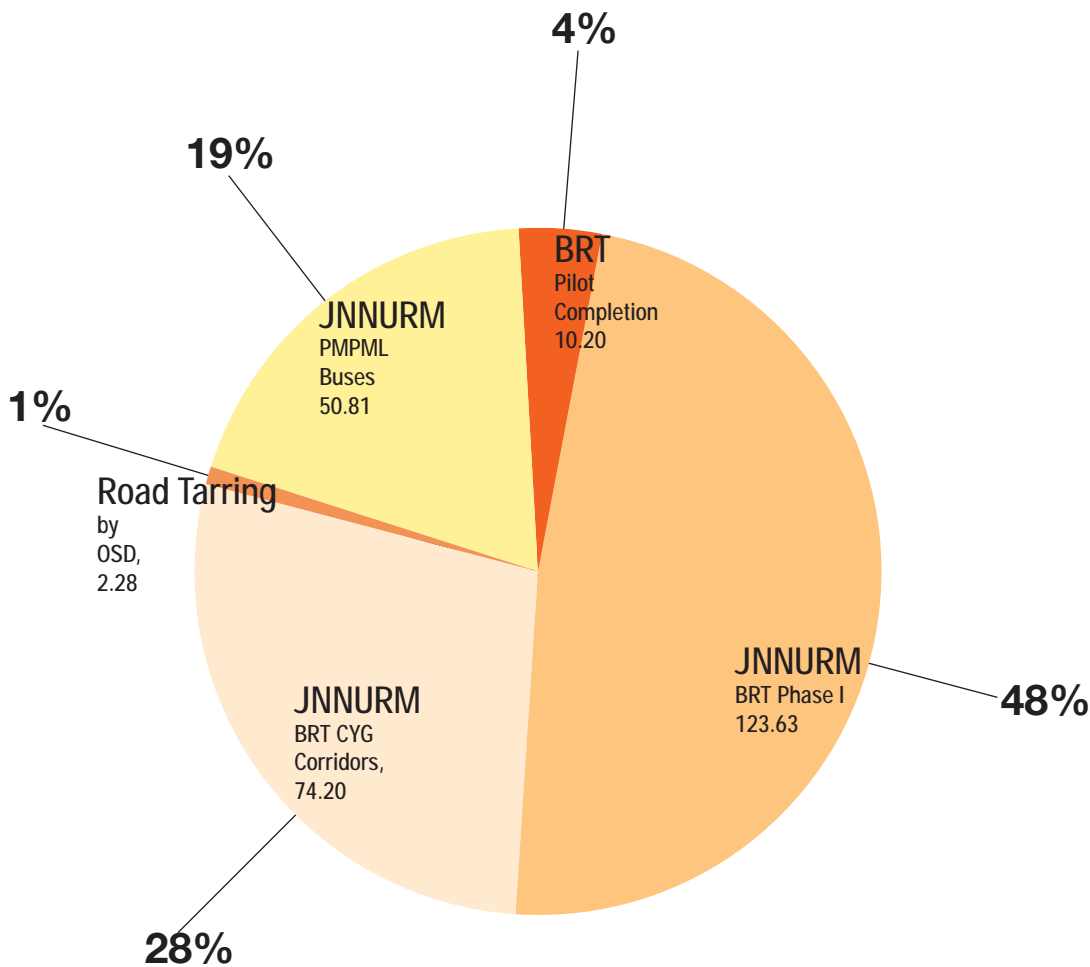
<sup>5</sup> For example, allocations to item codes CE20A102 (list A2), CE20A1243 and CE20B164 are some of the items whose allocation was reduced by the Standing Committee

<sup>6</sup> Items with codes CE20A819, CE20A883, CE20A884, CE20A1195.

### 3.2 Public transport friendly works

Public transport friendly projects and schemes receive 29% or Rs. 261 cr of the budgeted transport expenditure. While this appears healthy on the surface, we are apprehensive of how useful this would really be to public transport. The reason for this, as shown in the following chart, is that a massive portion of this allocation (as much Rs. 208 cr or 80% of the Rs. 261 cr) is for completing the ongoing BRT pilot and working on other BRT corridors. Given that the pilot BRT corridor has not been completed properly more than 3 years after its inauguration with much fan-fare and since past experience suggests that funds obtained and

#### Public Transport Allocation



spent under BRT so far have mainly been used to widen roads<sup>7</sup>, one continues to be skeptical of how well these funds would be used. Further, since there is still no single authority responsible for planning, designing, executing and operating the BRT system (which does not even have a name as yet!), the skepticism only increases. However, as stated earlier, we have chosen to give the benefit of doubt regarding the funds allocation for BRT for this year, and have classified this allocation as public-transport friendly. Whether it really helps improve public transport is something that will be known only at the end of the financial year 2010-11.

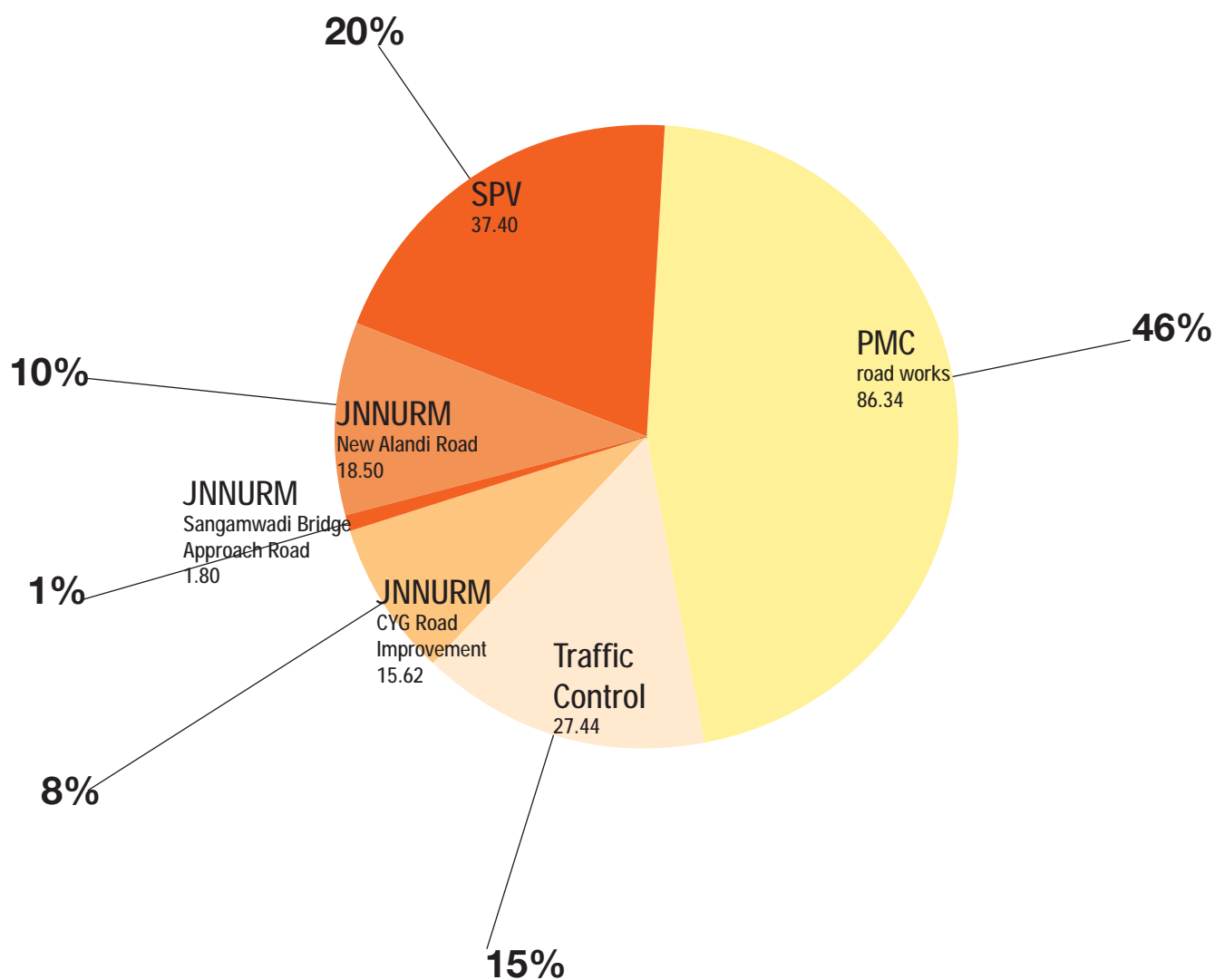
<sup>7</sup> Examples include Baner road, Nagar road and Alandi road.

The allocation of Rs. 50.8 cr to PMPML for purchase of buses is a good beginning, but it is obvious that much more needs to be done to make PMPML a vibrant, effect public transport utility for the city. This includes not only more financial investment (in buses, depots, bus stations etc.) but also aspects such as route, fare and schedule management, capacity building, branding and marketing, passenger information systems etc.

### 3.3 Motor-vehicle friendly works

Rs. 187 cr, or about 21% of the transport capital expenditure budget have been allotted to items that will primarily benefit private motorized transport. Typically, these include items such as widening roads, building flyovers and grade-separators and building parking lots. While it is heartening to note that the amount in this category is less than the amount allocated for public transport (subject to the worries expressed above regarding the effectiveness of the funds allotted to public transport), it is still a significant amount and includes many projects that seem to have been arrived at without any public debate or any apparent justification. These include a flyover from Maldhakka chowk to Sonmarg theatre, flyover near Tata guard room on Nagar road, a parking lot at Omkareshwar dhobi ghat etc.

#### Breakdown of MV - friendly Expenditure



The above chart shows the breakdown in budgeted expenditure on motor-vehicle friendly schemes. As can be seen, nearly half the budgeted expenditure (46%) is for PMC proposed road works (including projects such as grade separators at Sancheti and S. G. Barve chowks etc.), while projects under the special purpose vehicle (SPV) take up another 20% while JNNURM related projects take up 19%.

Further, it is interesting to note that there are at least two items that seem to have budgetary allocations under two different heads:

- 1 The grade separator at Sancheti chowk and S.G. Barve chowk appears to have Rs. 12 cr allocated under item code CE20B213/S30-43, and another Rs. 5 cr allocated under item code CE20A102/A2-998.
- 2 The flyover from Maldhakka chowk to Sonmarg theatre appears to have Rs. 42.5 lakhs allocated under item code FE61A116 and another Rs. 5 cr under item code CE20B213/S30-38.

### **3.4 Doubtful works**

About Rs. 70 cr have been allotted to projects that appear to be public transport or non-motorized transport friendly, but which we believe are of doubtful utility. These include many pedestrian subways and foot over-bridges, in spite of the very recent and public protest against the pedestrian subway at Goodluck chowk which brought that work to a halt.

The proposed projects include a proposed skywalk all the way from Shivajinagar station to Shaniwarwada. The utility of such a long (and expensive) skywalk is questionable. It is also interesting to note that the above skywalk is another of those projects with two allocations in the budget – Rs. 7 cr (under item code CE20B213/S30-44) and Rs. 4.25 cr (under item code FE61A110). Further, there are some allocations totaling Rs. 16 cr that do not figure in the list of proposals submitted by the Municipal Commissioner but only in the budget proposed by the Standing Committee. This includes the Rs. 7 cr allocated for the Shivajinagar-Shaniwarwada skywalk mentioned above, and 9 crores for 6 pedestrian subways.

Another significant portion of the Rs. 70 cr is allotted to the proposed metro rail project (Rs. 21.25 cr). As stated earlier, we do not believe that the need for a metro railway project for Pune city is very apparent.

### **3.5 NMT-friendly works**

It is heartening to note that the PMC has allocated Rs. 48 cr for NMT-friendly works – perhaps the highest such allocation in the history of the city's Municipal Corporation. However, this is still just 5% of the total capital expenditure proposed on transport.

Most of the money has been allocated for pedestrian friendly works such as improving footpaths. While this is good, it is also unfortunate that almost no money has been allocated for cycling friendly activities in the 2010-11 budget. This is in spite of many cycling-friendly items proposed in the 2009-10 budget, such as making all existing cycle tracks usable, starting a pilot rent-and-ride bicycle scheme at Katraj zoo, and commissioning of a city-wide feasibility study of a rent-and-ride bicycle scheme, not even beginning in 2009-10.

One interesting point to note is that the budget proposed by the Municipal Commissioner had allocated only Rs. 27.4 cr to NMT-friendly works and it is the Standing Committee that increased the allocation to Rs. 48 cr. Most of the increase (Rs. 19.4 cr) comes from item code CE20A103 (list S1) which provides for footpaths and paver blocks on many roads of the city. We hope PMC implements these projects over the course of the year to improve the lot of pedestrians in the city, unlike many of the NMT-friendly projects proposed in the 2009-10 budget.

## 4 Conclusions

PMC's budget for 2010-11 is a mixed bag with seemingly reasonable allocations for public transport alongside large allocations for routine works and motor-vehicle friendly schemes. However, there are many reasons for concern with the budget which we list below:

1. The allocation for routine works such as tarring of roads appears to be very high (11% of the total PMC budget) and it is questionable whether such sums need to be spent on them.
2. As discussed above, the bulk of the allocation for public transport (80%) goes towards completing the BRT pilot and building new BRT corridors. If this investment leads towards a truly good BRT system for Pune, the city cannot ask for anything better. However, we are apprehensive of the past repeating itself, with this investment only leading to wider roads (benefiting private motorized transport) and a further deterioration of popular support for BRT due to bad management and poor public outreach.
3. The current budget allocates a significant Rs. 191 cr (21% of the transport capital expenditure budget) for projects that will primarily benefit motorized vehicle users. This includes highly dubious schemes such as various flyovers, grade-separators and parking lots at various places. The statements of the PMC's project director, JNNURM cell as reported in the media<sup>8</sup> clearly indicate that these projects are intended to ease vehicular movement, going directly against the principles of the NUTP that emphasizes the movement of people over the movement of vehicles. Such an allocation not only promotes motorized vehicle travel but also promotes inequity since it makes traveling around the city more difficult without a personal motor vehicle. It not only goes against the principles of NUTP, it also directly contradicts statements made by Union Ministers<sup>9</sup> and the report of the working group on urban transport for the 11th Plan<sup>10</sup>.
4. The budget also allocates Rs. 70 cr to projects that appear to be NMT or public transport friendly but are in reality not necessarily so. In spite of the visible public protests about the Good Luck Chowk pedestrian subway just a few months ago leading to it getting stalled, the budget proposes yet more pedestrian subways and even a 'sky-walk' from Shivajinagar to Shaniwarwada. Similarly, despite public opposition and questions, the metro project for Pune has been rushed through and Rs. 21 cr allocated for it in this year's budget. We believe all such projects must be undertaken only after a lot of public consultation and debate.
5. Cycling has almost completely disappeared from the city's agenda in spite of the city having an MoU with the Interface for Cycling Expertise (I-CE) a Dutch organization working towards building cycling friendly cities in developing countries. This is a worrying sign when countries and cities around the world are increasingly promoting cycling not just as a leisure or sporting activity but as a mode of commuting that is environment friendly, equitable and fun. Thus, even as the city allocated funds last year but did not use them for making existing cycle tracks usable, there have also been some questions raised by political leaders about the usefulness of cycle tracks<sup>11</sup>. The city needs to address this problem urgently as cycling can be a key element of addressing the city's transport woes given the right leadership and vision.
6. It is also confusing to see multiple allocations for the same item. Our analysis identified three such items, namely the proposed grade separator near Sancheti hospital, the proposed flyover near Maldhakka chowk and the skywalk from Shivajinagar to Shaniwarwada. It is not clear whether this is an accounting convenience (to break up the expenditure into multiple lots) or a mistake of double counting. It would be good if PMC can clarify this issue.
7. Finally, it would be desirable for the PMC to adopt an outcome-oriented budget that not only states financial allocations but also what those allocations are expected to achieve. This would also be in line with the recommendations of the report by Janwani analyzing PMC's 2009-10 budget.

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8 See statements in "Subways at Sancheti, Modern Café chowks", *Times of India* (Pune edition), 26th March 2010

9 "We are building flyovers (in cities) for cars only": Jaipal Reddy, Union Minister for Urban Development, at a national conference on good governance in November 2009 and "This shows that the flyover is an example of inadequate planning": Saugata Roy, Union Minister of State for Urban Development at a symposium on traffic calming and pedestrian safety in Kolkata, October 2009.

10 Page 11 of the report: "The construction of flyovers and widening of roads have not produced the desired improvements in all locations."

11 "Cycle tracks lose their flavour with civic panel", *Times of India* (Pune edition), 19th March 2010

Overall, we believe the budget for 2010-11 has been disappointing and has significant room for improvement from an environmentally sustainable and socially equitable development point of view. However, given recent statements by leaders across political parties<sup>12</sup>, we hope that the political leadership of the city will emphasize and demand those projects that are genuinely helpful to pedestrians, cyclists and bus users in the city. Without such projects, it would be impossible to attain the goals of the Comprehensive Mobility Plan, which states that 50% of all trips should be by NMT and 80% of the remaining trips should be by public transport. However, if measures to really promote pedestrians, cyclists and bus users are undertaken, then it will not only help to solve Pune's transport problem but also help to transform Pune into a more liveable city with more open and public spaces, clean air and pleasant and vibrant streets.

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<sup>12</sup> "Strengthen Public Transport, says BJP", *Times of India* (Pune edition), 13th March 2010 and "Congress corporators bat for non-motorized transport in city", *Indian Express* (Pune edition), 14th March 2010

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