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POLICY AND INSTITUTIONAL IMPERATIVES FOR INDIA'S URBAN RENAISSANCE

DHAVAL DESAI AND NANDAN DAWDA

Editors

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Editors' Note

India's urbanisation is at a critical juncture, with unprecedented opportunities emerging amid formidable challenges. With more than 50 percent of the country's population expected to live in cities by 2047,¹ rapid urban growth will radically transform India's demographic landscape, putting enormous stress on urban services and resources. While the imminent urban expansion has immense potential for contributing to prosperity, it is riddled with numerous complexities and challenges that impede inclusive, resilient and sustainable growth for all.

Indeed, as cities are poised to propel national economic growth momentum, governments across the federal tiers must rethink

the country's urban governance mechanisms and institutional architectures if India is to maintain its promised growth trajectory in the *Amrit Kaal*² (or “immortal era”, the 25-year period from 2022 to 2047, when India turns 100).³ At this critical urban moment for India, ORF publishes this unique anthology, “Policy and Institutional Imperatives for India's Urban Renaissance,” which seeks to illuminate pathways for innovative governance frameworks and institutional reforms in the country.

The compendium is divided into two sections. The first section focuses on rethinking urban policy frameworks and innovative institutional reforms, and the second deals with the need for coordinated governance across all the government tiers and how states and cities must respond to the opportunities brought forth by Central schemes. The 14 articles intersect at certain points, as they equally aim to explore themes of governance, policy frameworks, and institutional mechanisms.

Governance lies at the heart of effective urban management—the cornerstone for formulating, implementing, monitoring, and evaluating policies. This compendium examines governance mechanisms and the intricate interplay between central, state, and local authorities. It sheds light on the evolving nature of governance structures and the imperative of adaptive, responsive governance amid existing and emerging urban complexities.

Policy frameworks serve as blueprints for action, delineating the goals, strategies, and interventions necessary to drive sustainable urban development. Our contributing authors explore policy imperatives across various domains—from urban planning and infrastructure to housing, transportation, water, environmental sustainability, and social security. The articles draw upon evidence-based and comparative analyses to offer insights into the efficacy of existing policies and propose innovative approaches to address emerging urban challenges.



Institutional mechanisms provide the scaffolding to translate governance aspirations and policy directives into tangible on-ground outcomes. Our authors underscore the need for institutional reform, capacity building, and innovation to enhance the resilience and effectiveness of urban governance structures.

Beyond widening the scope of academic discourse, this publication offers practical insights for policymakers and urban practitioners, and outlines actionable knowledge to tackle real-world challenges confronting an urbanising India.

Hitesh Vaidya and Chetan Vaidya open the volume with their article where, citing examples of global cities, they identify India's policy gaps and institutional infirmities and explore recommendations for how India can achieve people-centred urban development. This, the authors argue, should have a strategic focus, and promote multi-level coordination, data-driven, collaborative and participatory governance; as well as capacity building and fiscal empowerment of city governments.

Confronting the delicate issue of delimitation of election constituencies that has led to certain urban agglomerations being underrepresented in the state Legislatures and the Lok Sabha, *Ritwika Sharma* calls on the Government of India to pave the way for the immediate rollout of the pending Census of India and conduct a fresh delimitation exercise. Delimitation has implications for representative democracy and federalism, and it must no longer remain a political domain but become a collaborative exercise, with the active engagement of experts in political science, urban governance, constitutional law, and psephology.

Nandan Dawda then charts the evolution of India's urban transport policies, explaining how the unresolved challenges in their practical implementation and the lack of integration between various transport schemes and missions have created unsustainable transportation systems in Indian cities. The author recommends holistic policy reforms focusing on integrated transport planning, covering all modes of transportation, both public and private.



In their piece, *Himani Jain and Sourav Dhar* also tackle the subject of urban transport, and propose the setting up of a Regional Unified Transport Authority (RUTA) whereby each region can have mobility interdependence with at least one million-plus city or a large economic hub or urban continuum. Consolidated mobility services markets will facilitate private sector participation, synchronise public transit planning, and optimise operations costs.

Sivasubramaniam Jayaraman and Vaishali Singh, for their part, examine the progressive measures taken by several cities across India to rethink urban transport policies and institutions. They call for the broader and deeper adoption of autonomous Unified Metropolitan Transport Authorities (UMTAs) in all cities with the financial empowerment and decision-making freedom to meet the ever-changing urban transportation demands.

Yet, transportation is only one among the critical issues that cities need to address if they were to become truly engines of growth and development; an equally urgent imperative is to tackle the grave gaps in women's safety and security. In their article, *Nikhat Shaikh and Ankita K* enumerate the critical role of One-Stop Centres (OSCs), offering the experience of two OSCs in Mumbai for lessons and calling for these centres to be upscaled.

Rounding off the first section is a contribution from *Vinita Ajgaonkar and Rama Shyam*, which discusses the findings from a primary survey of the beneficiaries of all the Central and state government social welfare schemes in informal settlements across the Mumbai Metropolitan Region. The survey aimed to identify the hurdles encountered by these schemes in reaching the eligible targeted beneficiaries. They recommend specific interventions that will consider the ground realities confronting the urban poor to broaden existing social safety nets through improved mechanisms to measure 'absolute poverty' indicators in urban India.

The second section of this compendium begins with an article by *Ramanath Jha*, evaluating the Central government's efforts for urban reforms through decentralised governance and financial



empowerment of the Urban Local Bodies (ULBs). The author cautions that “there is no space for unfunded mandates for the well-being of the ULBs,” underscoring why the Government of India must rethink its approach and be involved more with its cities if the country is to achieve its promise of becoming an economic powerhouse by 2047.

In the subsequent essay, *Deepty Jain* advocates both top-down and bottom-up targeted approaches at the national and state levels with an integrated reporting and monitoring system to identify potential strategies for achieving the SDGs and India’s net-zero commitments.

Sejal Patel then highlights the need to align the states and cities with the ‘rightsized’ role of the Government of India to address the growing shortage of affordable housing in India’s cities. Evaluating the performance of the Pradhan Mantri Awas Yojana-Urban (PMAY-U) and its various sub-schemes, she urges the Ministry of Housing Urban Affairs to conduct regular performance and reform audits of all the housing projects planned and implemented by the states and ULBs.

Highlighting the numerous overlapping mandates in city governance between the ULBs, state departments and parastatals and the state’s predominance in decision-making, *Dhaval Desai* calls for the emancipation of the third tier of government as India aspires to grow as a developed economy by 2047.

Janak Parmar, in his article, makes a case for the proactive implementation of the ULB governance and institutional reforms mandated by the central government. He advocates for a more assertive role of the Government of India through dedicated monitoring mechanisms, regular and transparent audits, and performance reviews.

What follows is a piece by *Saswat Bandyopadhyay and Gargi Mishra*, which highlights the fragmented infrastructure delivery and poor land-use planning in India. They advocate for a ‘City Infrastructure



Investment Pipeline' of projects prioritised and aligned with spatial evidence-based development plans of cities, optimally leveraging the land value appreciation through planned urban growth.

Vikas Rana closes the volume explaining why and how, amid the water crises facing urban India, cities must turn the problem of wastewater generation into an advantage. This can be done, he argues, by establishing the necessary strategies and mechanisms to achieve a circular water economy.

As India embarks on its journey toward an urban renaissance, the need for informed, collaborative action has never been more pressing. It is our hope that the expert insights curated in this publication will provoke debates and inspire innovation, which in turn can help propel India's cities toward a future that is prosperous, sustainable, and inclusive.

This volume is a testament to the collective wisdom of scholars, policymakers, and practitioners who have dedicated themselves to understanding India's urban dynamics. It recognises the pivotal role of government and its multiple institutions in steering the course of urbanisation and how the effectiveness of governance machinery and institutional architecture—from municipal administrations to national policies—profoundly influences the liveability, resilience, and equity of urban spaces.

- *Dhaval Desai and Nandan Dawda*



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I

**Policy Frameworks
and Institutional
Reforms**



India's Urban Transformation: The Need for a Paradigm Shift

Hitesh Vaidya and Chetan Vaidya

India's cities are at a crossroads. Powering over 60 percent¹ of the country's Gross Domestic Product (GDP), they hold a key to achieving India's vision of becoming a US\$30-trillion economy by 2047,² where 'vocal for local'³ fuels innovation and forges a self-sustainable India that fulfils its net-zero commitment⁴ by 2070. However, outdated policies, crumbling infrastructure, and inadequate housing threaten to hamper progress. In order to lead cities in India into a new era, there is need for a fundamental transformation that unleashes their potential and prioritises their needs.

The Challenge

Despite existing expertise and innovation, fragmentation and information silos impede knowledge-sharing and problem-solving in cities, limiting their ability to address the escalating urban challenges of lack of housing and essential services, and environmental degradation. However, these same challenges also offer opportunities. A transformation in the following two areas of urban governance can help India reshape its urban trajectory and create inclusive, sustainable, and prosperous cities:

- **Policy frameworks:** Policies must embrace inclusive growth, environmental responsibility, and active citizen participation.
- **Institutions:** Urban institutions must promote ethical leadership and a culture of collaboration and innovation.

1. Reimagining Urban Policy Frameworks

National Urban Policies⁵ (NUPs) gained worldwide recognition following the United Nations Habitat III 'New Urban Agenda'⁶ and the Sustainable Development Goals.⁷ Envisioned as building blocks for sustainable urban transformation through local-national collaborations, well-designed NUPs can drive positive change. The rigorous evaluation of NUPs, identification of critical success factors, and implementation of innovative solutions can maximise the potential of NUPs. The following paragraphs offer valuable insights from successful NUPs in different parts of the world.

- **Singapore:** Integrated planning and sustainability with resource efficiency, public housing, and efficient transportation have propelled Singapore's economic growth⁸ while ensuring environmental stewardship and social equity. Its land-use planning emphasises dense, mixed-use development through optimising space and preventing urban sprawl. High-quality public housing⁹ and a well-integrated public transport network¹⁰ have reduced congestion and pollution.



- **Canada:** Canadian cities enjoy fiscal autonomy, allowing them to raise revenue, set local need-based spending priorities, and foster greater accountability within city governments. Some Canadian cities have pioneered participatory budgeting,¹¹ allowing citizens to prioritise areas for the allocation of municipal funds.
- **The Netherlands:** Dutch cities prioritise participatory urban design,¹² involving residents, businesses, and other stakeholders in shaping urban spaces and revitalisation projects, from the earliest planning stages to implementation and evaluation. These inclusive strategies actively seek input from marginalised groups, the youth, older people, and those overlooked in traditional planning.
- **Colombia:** Medellin, Colombia was once described as the most dangerous city in the world, with astounding gaps between the wealthy and the poor, vastly different access to services, and the highest homicide rates globally.¹³ It would eventually pursue social investments to upgrade the infrastructure in informal settlements, provide access to essential services, and build public spaces like libraries, parks, and community centres to foster civic pride.¹⁴ Medellin's cable car system provides affordable, rapid transit that connects vulnerable communities on steep hillsides to the city's economic centre, opening up job opportunities and reducing isolation.¹⁵

For its part, the Indian government—recognising the role of cities in achieving national goals—proposed the National Urban Policy Framework (NUPF)¹⁶ in 2018. As urban development is a state subject, the NUPF empowered states to tailor their urban policies to their unique needs by adopting balanced 'top-down' and 'bottom-up' approaches. The framework aimed to align capacity building, finance, and governance based on ten core principles to create cities that will promote people's quality of life, nurture responsive management and sustainability, and foster equal opportunities. However, the NUPF was not fully finalised and implemented.



India needs to transform its city planning and governance mechanisms through measures that will harmonise economic viability, sustainability, and inclusion. This can be achieved by imbibing learnings from the successful urban revitalisation interventions listed earlier. The following interventions could also enhance the responsiveness of local governments, reduce dependency on higher funding levels, enable participatory practices—from design and implementation to evaluation and monitoring—and catalyse inclusive growth:

- **Strategic focus:** Prioritise and identify critical themes for targeted impact.
- **Multilevel coordination:** Emphasise vertical coordination across national, regional, and local levels of government to maximise effectiveness.
- **Data-driven governance:** Employ robust data systems to inform policymaking, monitoring, and evaluation.
- **Fiscal empowerment:** Give cities more flexibility by decentralising fiscal authority to align their spending with local priorities.
- **Collaborative and participatory:** Use various methods, including workshops, design charrettes, online platforms, visualisation tools, and pop-up events to gather feedback and build consensus.

2. Modernising Institutions

The quality and effectiveness of urban governance in India will be determined by how the country navigates the functional and financial complexities of urban local bodies (ULBs) to create inclusive urban policies. Fragmented authority, siloed thinking, and bureaucratic delays have hindered progress on delivery of urban services, revenue generation, and infrastructure development. The immediate need is to strengthen urban governance institutions, which often lack a single, empowered leadership to make critical decisions. The varying capacities and core responsibilities of these institutions necessitate state laws that can address their needs while ensuring funding for essential services, earmarking revenue sources for priority areas, and allowing flexibility within a clear framework



by using modern, transparent, and accountable systems. Innovations such as performance-based budgeting, participatory methods, and streamlined approval mechanisms can enhance effectiveness and link spending to strategic priorities.

The Twelfth Schedule of the Indian Constitution and the 74th Amendment highlight the critical role of municipalities in sanitation, waste management, urban forestry, and ecological protection, which is critical to building climate-resilient cities. State governments must carefully craft environmental legislations that empower municipalities under federal and state environmental laws. The knowledge-sharing of global best practices and mechanisms to resolve potential jurisdictional overlaps with environmental agencies is paramount for success.

Overcoming India's Urban Transformation Challenges

Since 2015, India has focused on tangible, citizen-centric outcomes to address urban challenges through various urban programmes, including Swachh Bharat Mission (SBM),¹⁸ Atal Mission for Rejuvenation and Urban Transformation (AMRUT),¹⁹ and Pradhan Mantri Awas Yojana-Urban (PMAY-U).²⁰ However, it needs to develop integrated and results-driven innovative models, consolidating resources and streamlining processes to sustain this momentum and further empower cities to prioritise outcomes that directly enhance the quality of urban life. In order to ensure accountability, funding must be directly tied to measurable outcomes rather than simply project completion. Alongside incentives for innovation, data-driven decision-making will ensure optimal resource utilisation. In order to build an inclusive, prosperous, and sustainable urban future, India must adopt a multidimensional perspective that incorporates the following elements:

- **People-centred development**
 - Place residents, especially the marginalised, at the heart of all urban interventions.
 - Ensure that policies directly address the needs and aspirations of diverse communities.



- **Strengthening urban governance through collaborations**
 - Empower cities to become the primary drivers of development by providing them the autonomy, resources, and capacity to align with local contexts.
 - Craft legislation to empower municipalities, ensuring a clear understanding of how municipal laws interface with existing federal and state environmental regulations.
 - Recognise the interdependence of urban and rural areas for balanced development, resource management, and food security.
 - Forge strong partnerships between government, businesses, universities, and civil society, creating formal structures to utilise their collective knowledge and problem-solving capabilities.
 - Foster strong horizontal coordination between different government departments, and vertically across national, state, and local levels.
 - Explore innovative, locally appropriate solutions that enhance inclusivity for underserved areas.
 - Resolve jurisdictional overlaps between environmental agencies and municipalities for successful project implementation.
- **Data-driven, performance-focused governance**
 - Shift from project completion to measuring outcomes and incentivising success.
 - Develop robust systems to collect, analyse, and share reliable urban data to inform decision-making and promote continuous improvement.
- **Integrated and spatial evidence-based strategic planning**
 - Promote the development of India-specific digital tools and platforms, allowing large-scale input feedback loops and visualising different design options.
 - Understand and guide migration patterns, demographics, and evolving social structures, which are crucial for planning liveable cities.
 - Strategise the unique needs, potential, and connectivity of large metropolises, mid-sized cities, and smaller towns.



- Ensure a robust infrastructure roadmap, prioritising housing, public spaces, transportation, water, sanitation, and energy, by anticipating future needs.
- Harmonise the built environment and natural forces with policies that promote renewable energy, green spaces, low-carbon solutions, and disaster preparedness, mainstreaming climate actions with city-led nature-based solutions.
- Focus on integrated solutions in neighbourhoods through special urban renewal funds.
- **Robust, participatory municipal finance systems**
 - Empower cities to raise revenue, explore innovative financing models, and align spending with priorities determined through inclusive planning processes.
 - Explore diverse funding models, including performance-linked grants, increased fiscal autonomy, impact investment, municipal bonds, green finance, land monetisation, value-capture mechanisms, and carefully designed public-private partnerships.
- **Social inclusion prioritising underserved areas**
 - Identify areas most affected by poverty, crime, and poor infrastructure.
 - Learn from successful slum-upgrading models with improved access to transportation, sanitation, water, schools, and public spaces.
 - Create formal mechanisms for community-led planning by involving residents in designing their neighbourhoods and partnering with non-government organisations and local groups.
 - Prioritise innovative public transport solutions, enhance connectivity for marginalised communities, create economic opportunities, and promote social inclusion.
- **Mandating participation and building capacity**
 - Invest heavily in skilling urban professionals and modernising academic curricula to bridge the research and policy implementation gap.
 - Amend legislations, ensuring participatory planning, starting with pilot cities to build evidence for scaling.



- Invest in targeted training of municipal staff and civil society organisations to facilitate effective participation and ensure meaningful engagement.
- Facilitate the large-scale citizen input, feedback, and visualisation of different design options through India-specific digital tools.
- Incentivise inclusivity in project funding and showcase successful examples of participatory urban design to build buy-in.
- Forge formal government, businesses, universities, and civil society partnerships to utilise their expertise and generate a culture of problem-solving innovation.

A Call to Action

Cities will help define India's future. Therefore, building just, sustainable, and prosperous cities is a defining challenge of the current era. Urban development is not merely a matter of infrastructure or economic growth; it highlights a profound societal shift that places cities at the heart of development. Through innovations and by drawing from lessons across the world, India's cities can emerge as beacons of resilience and economic opportunities.



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Delimitation and Giving Greater Voice to Urban India

Ritwika Sharma

A pillar of elections in India—and of democracy, overall—is the concept of ‘electoral constituencies’ and how they are carved out. Carving the boundaries (i.e., delimitation) of constituencies—regions whose populations vote for certain political party nominees or independents to represent them in the legislature—is a technical exercise. How India defines and allocates constituencies across territories and groups decides who they will elect and in what way.

The Government of India (GoI) has indicated that the next census and the subsequent delimitation will happen soon after the 2024 Lok Sabha polls.¹ The next comprehensive delimitation and reallocation of parliamentary constituencies, irrespective of when

exactly it takes place, will occur after a gap of more than four decades. A thorough delimitation exercise would encompass addressing critical concerns about underrepresentation in certain parts of the country, especially those urban agglomerations where populations have increased rapidly.

Constitutional Expectations and Political Realities

The Constitution of India lays down the basic principles that undergird delimitation. Article 81 mandates that each state get seats in the Lok Sabha in proportion to its population and that constituencies in a state should roughly have the same population.² The fundamental principle endorsed by the Constitution is one of parity between constituencies within the limits of practicability.³ This parity ensures adherence to the principle of 'one person, one vote, one value'—i.e. the value of one person's vote should be the same as any other person's. When constituencies have different population levels, societal hierarchies decide how some voters effectively have more say than others in how legislatures (such as Parliament and state assemblies) are formed.

To account for population changes, the Constitution also mandates redrawing the boundaries of electoral constituencies and readjusting the allocation of seats in the Lok Sabha and state assemblies after every decennial census. In 1976, however, the 42nd Amendment to the Constitution froze the delimitation of Lok Sabha as well as state assembly constituencies as per the 1971 census up to the census of 2001.⁴ Given the uneven population growth across different parts of India, this freeze was effected to allay the concerns of those states that took the lead in population control and thus faced the prospect of a reduction in their Lok Sabha seats. In 2001, the boundaries of constituencies were redrawn only to account for the population changes.⁵ The total number of seats in the Lok Sabha and state legislative assemblies remained the same. The timeline for revisiting the allocation of seats was pushed further to 2026 in the hope that the country would be able to achieve uniform population growth by then.⁶



The reality today is that the value of a vote in North India is, in effect, much lower than in South India. For example, while each Member of Parliament from Uttar Pradesh represents 18.3 lakh voters, the corresponding number for Kerala is 13.1 lakh.⁷ This means that Kerala is overrepresented in the Lok Sabha, while Uttar Pradesh is underrepresented. The delimitation and the accompanying redrawing of India's electoral constituencies intends to equalise this vote value.

The challenge is that based on current population levels, delimitation will significantly increase the number of constituencies in the northern states, disproportionately increasing their presence in Parliament. Southern states fear that this would come at the cost of their own visibility in Parliament. Earlier this year, the Tamil Nadu legislative assembly adopted a resolution highlighting concerns about the impending delimitation, because it could reduce the state's representation, as well as those of others in the South.⁸ In that regard, this much-delayed exercise will have to balance two competing constitutional values: formal equality in voting, and federalism.

Underrepresentation in Urban Constituencies

At the same time, the upcoming delimitation will have to contend with specific intra-state disparities in representation—those that exist between rural and urban areas within a state. Owing to trends in migration (from rural to urban) as well as natural growth, the urban population in India has increased much faster than in rural areas.⁹ Owing to the freeze on delimitation, the size of the electorate in some urban constituencies has become disproportionately high, which means that the value of an individual's vote in such a constituency is not on a par with that of a citizen voting elsewhere.



To be sure, such disparity is hardly a recent phenomenon and exists even between urban constituencies. The number of extra-large constituencies, with sizeable current electorate size and a high population growth rate, increased substantially after 1991.¹⁰ For instance, in 1999, the Outer Delhi constituency was home to 31,01,838 voters, eight times larger than the Chandni Chowk constituency (of 3,76,603 voters). The Outer Delhi constituency (abolished as of 2008) was the largest during the 1999 general election.¹¹

Considering the country's population growth over the years, the unequal sizes of constituency electorates would have magnified further. While the population in several urban constituencies has substantially increased, their representation in legislatures has not. For instance, as per the 2011 census, the city of Bengaluru had 13.82 percent of Karnataka's population.¹² However, it has about 10-12 percent of seats in Karnataka's Lok Sabha and state legislative assembly.¹³ These distortions are visible in other urban agglomerations as well.

The 2011 census pegged Pune's urban population at 57,51,182, which is over 5 percent of Maharashtra's total population of 1,12,37,433.¹⁴ Ironically, Pune has only one Lok Sabha seat out of Maharashtra's 48.¹⁵ Further, Pune's urban areas have been allotted eight constituencies, which make up a mere 2.7 percent of the 288 legislative assembly seats in Maharashtra.¹⁶

Similarly, Surat's urban population of 48,49,213 in 2011 was 8.02 percent of Gujarat's total population of 6,04,39,692.¹⁷ Nearly 92 percent of this population reside in Surat City, classified as an urban agglomeration in the 2011 census.¹⁸ Parts of Surat City are spread across nine assembly constituencies of Surat East, Surat North, Varachha Road, Karanj, Limbayat, Udhna, Majura, Katargam,



and Surat West. Surat district has 16 assembly constituencies in a 182-member Gujarat legislative assembly.¹⁹ The remaining seven assembly constituencies of Surat district have a mixed rural and urban population,²⁰ except Mahuva, which is entirely rural.²¹ This author's analysis of the census data and Surat district's delimitation matrix found that despite comprising 90 percent of Surat district's urban population, Surat City, with nine assembly constituencies, accounts for only five percent of the total strength of the Gujarat Legislative Assembly.

Table 1. Imbalances in Urban Populations and Elected Representatives in Legislatures

City	State Population	City Population	Lok Sabha Seats (State)	Lok Sabha Seats (City)	Assembly Seats	Approximate Number of Seats for Urban Areas
Pune (Maharashtra)	11,23,74,333	57,51,182 (5.11%)	48	1 (2.08%)	288	8 (2.77%)
Surat (Gujarat)	6,04,39,692	48,49,213 (8.02%)	26	1 (3.84%)	182	9 (4.94%)

Source: Author's own, using data from Census 2011; relevant orders issued by the Chief Electoral Officer, Maharashtra and the Delimitation Commission of India; and official websites of the Surat Municipal Corporation and District Election Office, Surat.

These figures mirror trends from the early 2000s,²² when states such as Maharashtra recorded an urban population of nearly 40 percent, with representation from just about 25 percent of the Members of Legislative Assembly. Owing to the COVID-19 pandemic, India's plans for a census in 2021 have been stalled. The population changes that have occurred since then would have widened the disparity in representation even further. Given the current population levels and the distribution of seats in Parliament and state assemblies, voters in urban areas have less of a say in elections than those in rural areas, and the comparative value of their vote is lower.



The distortion in representation belies the expectations of the Constitution, which requires formal equality in voting and expects each legislator to represent roughly the same number of citizens. The increasing urban population demands efficient and prompt upkeep of cities. Cities such as Pune and Surat are characterised by rapid urbanisation and expansion of city limits, emphasising the need for better representation in legislative bodies. Despite being constitutionally recognised since 1992 following the 74th Amendment to the Constitution, urban local bodies are not equipped to address all urban concerns independently. Not only do they remain financially dependent on state and central transfers for their revenues, but their development as a self-governing third tier of governance has been uneven across states.²³

Unless readjusted and given the number of legislators they numerically deserve, oversized urban constituencies will eventually disenfranchise many urban voters. Especially considering lower voter turnouts in urban areas, this disenfranchisement stands to impact what urban issues are prioritised for discussion before legislatures, particularly the state legislative assemblies.²⁴ Given the importance of cities and urban areas in the economic performance of the country, the need for robust representation of the urban regions before legislatures cannot be overstated.

What Must Follow

In the absence of updated population figures, the magnitude of the urban representational crisis is hard to ascertain. The population census must be top-of-mind for the new government. The subject area of delimitation is staring at a research and knowledge gap of more than four decades since the constitutional freeze. It is imperative to immediately start deliberating over the impending delimitation.



It is also worth arguing that the more credible forum for better representation of state-specific urban areas is less the Parliament, and more the legislative assemblies. The upcoming delimitation must, therefore, give equal importance and thought to state legislative assemblies, given the constitutional freeze applied to them as well. Eventually, delimitation has severe implications for both representative democracy and federalism, making it too critical an exercise as a sole preserve of political leaders. Delimitation must be meaningfully collaborative, with inputs from experts in varied fields including political science, urban governance, constitutional law, and psephology, to name a few.



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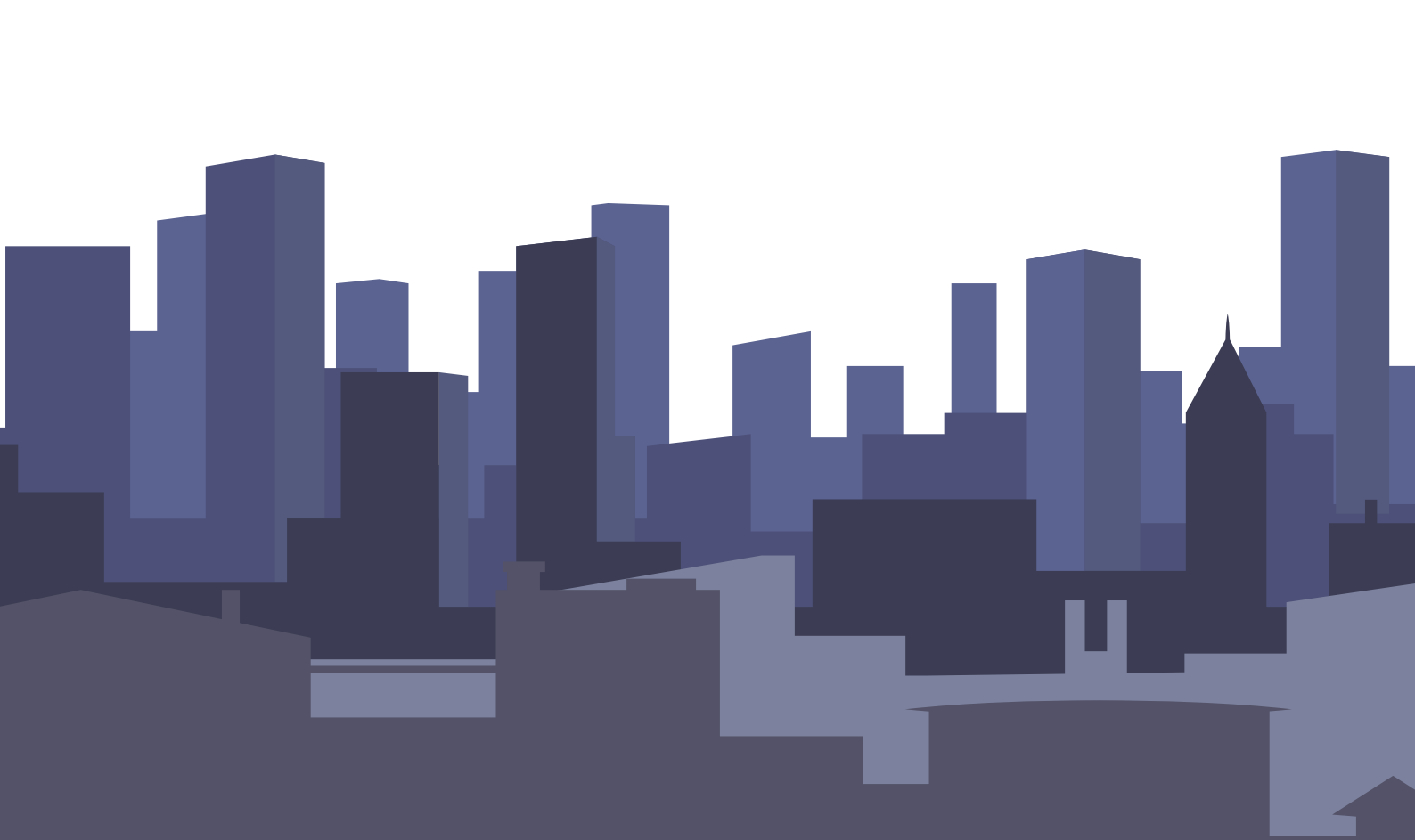
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Mapping the Evolution of India's Urban Transport Planning

Nandan Dawda

The increased dependency of city dwellers on private modes of transportation, spurred by rapid urbanisation and accelerated economic development, raises concerns about the sustainability of urban transport infrastructure.¹ Public transportation systems help mitigate the pollution and traffic congestion resulting from private vehicles. They are also crucial to achieving the UN Sustainable Development Goals² and India's commitment to 'net-zero' carbon emissions by 2070.³

Historically, India's urban transport infrastructure has prioritised vehicular movement over pedestrian needs, leading to insufficient and underdeveloped public transit networks in most cities. The National Urban Transport Policy

(NUTP) of 2006 led to country-wide initiatives aimed at fostering sustainability and enhancing transit services within cities.⁴ However, new public transit modes often lack seamless integration with existing transportation systems at the operational, institutional, and informational levels. Additionally, there is a shortage of physical and fare integration among different modes of transportation in several Indian cities where, instead of synergising, different public transit modes compete with each other. There is also inadequate non-motorised transport (NMT) infrastructure, such as deficient footpaths and bicycle lanes. Consequently, urban transportation systems remain unsustainable and lack cohesive integration.⁵

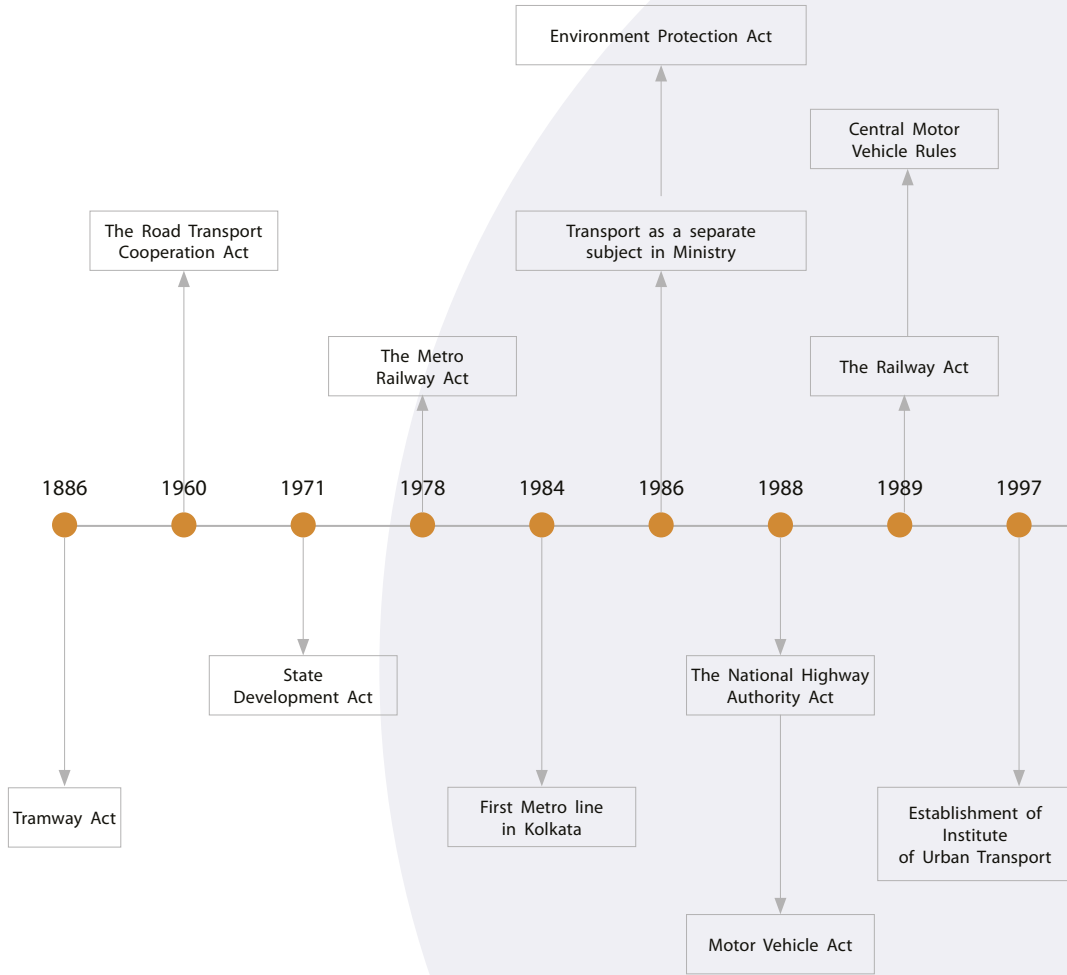
This article examines the progression of India's policy frameworks in transport planning strategies in cities by collecting and examining the metadata and contents of 49 central government planning documents. Among these documents, 20 pertained to plans, missions, or projects; 11 encompassed Acts, rules, or standards; seven provided guidelines for urban transport infrastructure construction; six detailed significant initiatives by the Central Government; and five outlined national-level policies related to urban transport.

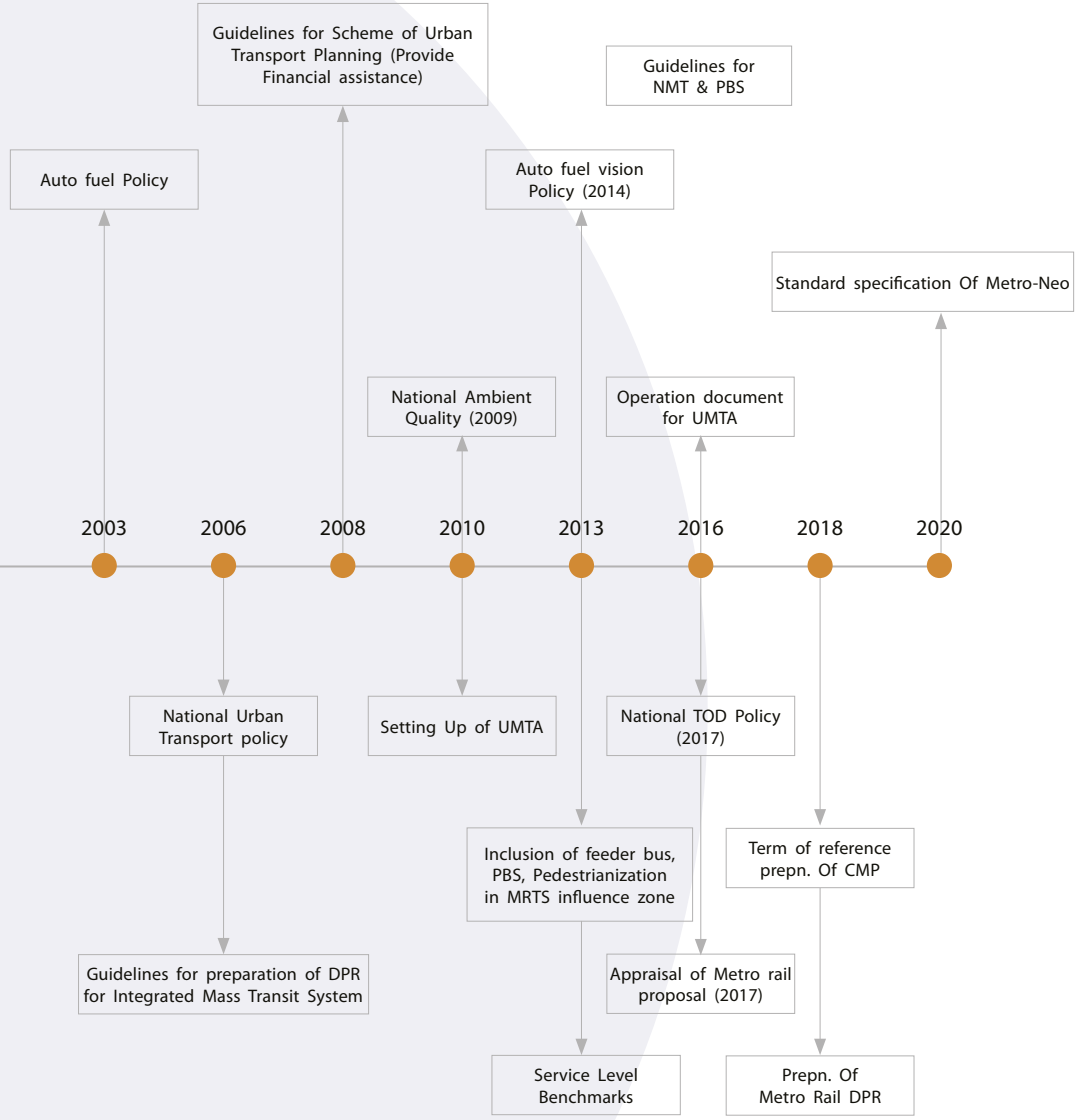
Evolution of Urban Transport Planning in India

Figure 1 shows the trajectory of transport planning strategies in various Indian cities.



Figure 1: Evolution of Urban Transport Planning in India





Transport planning in India can be traced to the 18th century, with the introduction of tramways for public transit in Bombay (now Mumbai), Calcutta (now Kolkata), Madras (now Chennai), Delhi, and Kanpur, regulated by the Tramway Act of 1886. The tramcar was introduced in 1898. The (Indian) Motor Vehicles Act of 1914 regulated vehicle operations. Subsequent amendments, including its 1939 revision, aimed to ensure fair competition between road transport and railways. Regional and state transport authorities were established to oversee the authorisation for goods carriage and public transit.⁶

The Road Transport Corporations Act of 1950 enabled public sector involvement in road-based transit services, empowering state governments to establish road transport corporations in order to allow states and cities to operate intra- and intercity bus services. This legislation led to a government monopoly over road transport, alongside a few private operators, for overseeing transit operations.⁷ The Motor Vehicle Act was revised in 1988 to cover licensing, registration, vehicle control, and special provisions for State Transport Undertakings (STUs), reinforced by the Central Motor Vehicles Rules 1989.⁸

In 1970, Kolkata initiated the Mass Rail Transit System (MRTS) development, backed by the Metro Railway (Construction of Works) Act of 1978, and standardised railway operations through the Railway Act of 1989.⁹ The National Highways Authority of India (NHAI) Act, 1988, promoted private partnerships for highway development and streamlined land acquisition, with a focus on post-independence regional and intercity transport services; however, there were limited urban transport initiatives.

Since 1986, urban transport has been increasingly differentiated from regional transport. The Ministry of Housing and Urban Affairs (MoHUA) assumed federal oversight, resulting in two pivotal initiatives: the establishment of the Institute of Urban Transport in 1997 for building capacity and technical expertise, and the launch of the NUTP in 2006, which prioritised public and non-motorised transport investments to foster



an integrated transport schema over road expansion. It also prompted discourse on sustainable transport modes and a multimodal transport framework, which has been reinforced by complementary policies over the past two decades, like the Metro Rail Policy 2017,¹⁰ Transit-Oriented Development Policy 2017,¹¹ and Auto Fuel Vision and Policy 2025.¹²

Governments at the central and state levels have devised multiple protocols aimed at strengthening integrated transport planning. These include the development of detailed project reports (DPR), the provision of financial resources for transportation research, the establishment of a single metropolitan transportation authority (UMTA), the promotion of non-motorised and public bike-sharing initiatives, and the formulation of Comprehensive Mobility Plans (CMPs) through outlining terms of reference. The national government has also prepared guidelines to advance the National Ambient Air Quality Standards.¹³ Additionally, it has established performance benchmarks for urban transportation systems and infrastructure as well as specifications for urban buses and emerging metro rail systems such as Metro-Neo and Metro-Lite.¹⁴

Critical Evaluation of Urban Transport Planning

The urban transportation ecosystem in India has undergone unique development trajectories, including in public transportation options, NMT infrastructure, multimodal transportation systems, and road network connectivity. The development of cities' transportation systems is heavily influenced by political dynamics, which results in a fragmented transportation landscape that lacks sustainability.¹⁵

Despite policy efforts in the past two decades to establish a cohesive and sustainable transportation system, their practical implementation has been limited. Moreover, individual schemes and missions operate in silos rather than collaboratively, which fail to address transportation challenges.¹⁶ India's administrative framework allocates the responsibility of formulating policies



and plans to both state and central authorities. While state governments hold primary responsibility for urban policy formulation and planning, the Central Government offers support by providing strategies, directives, advisory services, model legislation, and financial assistance. The execution of urban policies is largely at the discretion of state governments. This leads to disparate performances across different cities in terms of sustainable urban transport planning.¹⁷

The Way Forward

Urban transport governance involves multiple stakeholders who impact the quality and quantity of transportation infrastructure and service provision. Effective policy implementation often involves the coordination of various agencies to achieve common objectives. However, the involvement of multiple actors presents challenges to the efficacy of these arrangements, necessitating innovative and adaptable solutions. Although numerous legislations and government missions refer to sustainable transportation, the strategies for its attainment often lack clarity and detail. There is also an apparent lack of continuous monitoring mechanisms and effective coordination among institutions and ministries. Therefore, a robust institutional framework is imperative for the successful implementation of policies.

The dependence on higher levels of government for funding has also impeded progress. Urban local bodies (ULBs) often lack the authority to generate additional revenue autonomously, which poses an obstacle to the enhancement of city infrastructure. Therefore, it is imperative to empower ULBs to function as independent entities capable of accruing funds for infrastructure development projects. Such empowerment would enable ULBs to expand their infrastructure base, enhance the quality of sustainability services, and facilitate the accelerated growth of the Indian economy.



Greater attention needs to be paid to the volume capacity ratio in urban transport infrastructure expansion. While initial investments were directed towards expanding and constructing roads, flyovers, and underpasses, there has been inadequate focus on enhancing sustainable transport modes such as public transportation and NMT. Furthermore, the complexities associated with urban zoning have posed challenges in land acquisition and infrastructure development, resulting in delays in sustainable transport projects.

In order to achieve sustainable urban transport systems, strategic investments need to be made towards the development of public transit systems that are tailored to the needs of cities, alongside the promotion of NMT options. Demand management measures and community engagement in planning are integral to these reforms. Efficient connectivity and accessibility within cities will not be possible without policy reforms that mandate integrated transport planning across all modes of transportation, including public transit, private transport, walking, and cycling.



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Regional Unified Transport Authority: Driving New Indian Mobility

Himani Jain and Sourav Dhar

As India's urban populations continue to rise, its mobility landscape is experiencing a profound transformation.¹ The shift is evident in the rise of cities with populations of more than 500,000—from 100 in 2011 to 150 in 2023, accommodating an additional 150 million inhabitants.²

A glaring disparity has emerged between the major metropolises and their smaller and medium-sized counterparts: While the transport systems of large cities benefit from technical capacities and bureaucratic support, smaller urban centres are struggling to rejuvenate theirs. In the small and medium-sized cities, the support is limited to national schemes such as the Atal Mission for Rejuvenation and Urban

Transformation (AMRUT)³ and the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT).⁴

If India aims to become a US\$5-trillion economy⁵ in the next three years, seamless and robust public connectivity would be among the prerequisites. However, the absence of efficient State Transport Undertakings (STUs) and private operators-run local intracity and mofossil bus services^a at a regional level has resulted in the dominance of private modes of transportation.⁶ Analysis by the Council on Energy, Environment and Water (CEEW) indicates that in 2018, car registrations increased by 35 percent and two-wheeler registrations by 98 percent compared to 2010.⁷ While private vehicles may address immediate mobility needs, the inclination towards using these modes worsens congestion, increases emissions of greenhouse gases (GHG) and pollutants, and adds to India's fuel import dependence.

The transport sector is a significant contributor to India's GHG emissions⁸ and is the fastest-growing source of nitrogen oxides (NOX) in the country.⁹ This challenge leads to substantial health and welfare losses, currently estimated by the World Bank at 7.7 percent of India's GDP.¹⁰

Therefore, development strategies to foster equitable growth across all tiers of cities and rural areas demand a bold regional approach. Such a framework encompasses transportation solutions and institutional reforms to ignite decentralised, integrated initiatives.

^a These are short-distance bus routes connecting cities with nearby towns, villages, and other non-urban regions.



The Imperative of a Balanced Approach

As urbanisation becomes more rapid, the urban continuums along highways and railways are blurring the administrative boundaries between cities, semi-urban areas, and rural areas.¹¹ A symbiotic relationship exists between the rural and urban regions, with the latter increasingly becoming the focal points of economic activity and opportunity, resulting in a significant spike in migration trends towards megacities and state capitals.

With metropolises and megacities fast approaching their population thresholds, an analysis of the Census 2011 data and the trends in the past decade shows that the small towns are urbanising at a rapid pace. For example, a 2020 Economist Intelligence Unit (EIU) survey ranked Kerala's Malappuram as the world's fastest growing city, recording a 44.1-percent population growth rate from 2015 to 2020.¹² Kozhikode (34.5 percent growth) and Kollam (31.7 percent) in Kerala were the other two Indian cities ranked among the world's top ten fastest growing cities. Overall, too, smaller and medium-sized city areas grew by 31 percent between 2001 and 2011.¹³ The growing predominance of these smaller urban areas will make it even more difficult for them to balance the trade-offs between job availability and the provision of services and utilities, including affordable housing.¹⁴

On the other hand, although the urban economic output has overtaken that of the rural economy, overall urban employment remains less than half of that in the rural regions. Consequently, despite rural areas contributing 70 percent to the total workforce, India experienced a decline in job generation in these districts.¹⁵ Therefore, to foster a balanced approach between cities, towns, and rural regions, it is essential to not segregate urban and rural mobility planning within the same region.



The Virtues of Regional Mobility Planning

Evidence from the National Sample Survey Office's Household Consumption Expenditure Survey 2022-23 indicates higher expenditures on private modes and higher travel costs¹⁶ for both urban and rural areas. For example, of the 14 percent monthly per-capita consumption expenditure in both rural and urban areas, expenses towards conveyance (travel fare and fuel) exceeded the spending on education and healthcare. Further, rural areas, which are generally underserved in transport connectivity, pay more than their urban counterparts.

Mobility planning must therefore transcend traditional boundaries and integrate intra-city and regional transport for inter-towns and rural areas. Though India's rural areas are governed under district panchayats or zilla parishads, and urban areas are under municipal councils or municipal corporations, mobility planning must be integrated under a single agency. This would ensure seamless connectivity with similar service levels. Leveraging economies of this scale will streamline and rationalise the operational costs for transit services and make it more cost-effective for users across India. Further, technical expertise from large cities can be leveraged for progress in small towns and rural areas.

Rethinking UMTA as RUTA

A number of central government policies, schemes and programmes—such as the Jawaharlal Nehru National Urban Renewal Mission (2005), the National Urban Transport Policy (2006), and the National Metro Rail Policy (2017)—have repeatedly highlighted the urgent need for city-level Unified Metropolitan Transport Authorities (UMTAs). Only a handful of cities, however, have attempted to constitute such a body,¹⁷ and the few active UMTAs are unable to integrate regional mobility planning needs.¹⁸ The concept of UMTA, which remains largely ineffective in building the desired level of synergy among various transport agencies, must evolve to accommodate the transport needs of small and medium-sized towns in the region as well as inter-city, and rural areas. This



article recommends that the existing UMTA framework evolve and transition into the Regional Unified Transport Authority (RUTA).

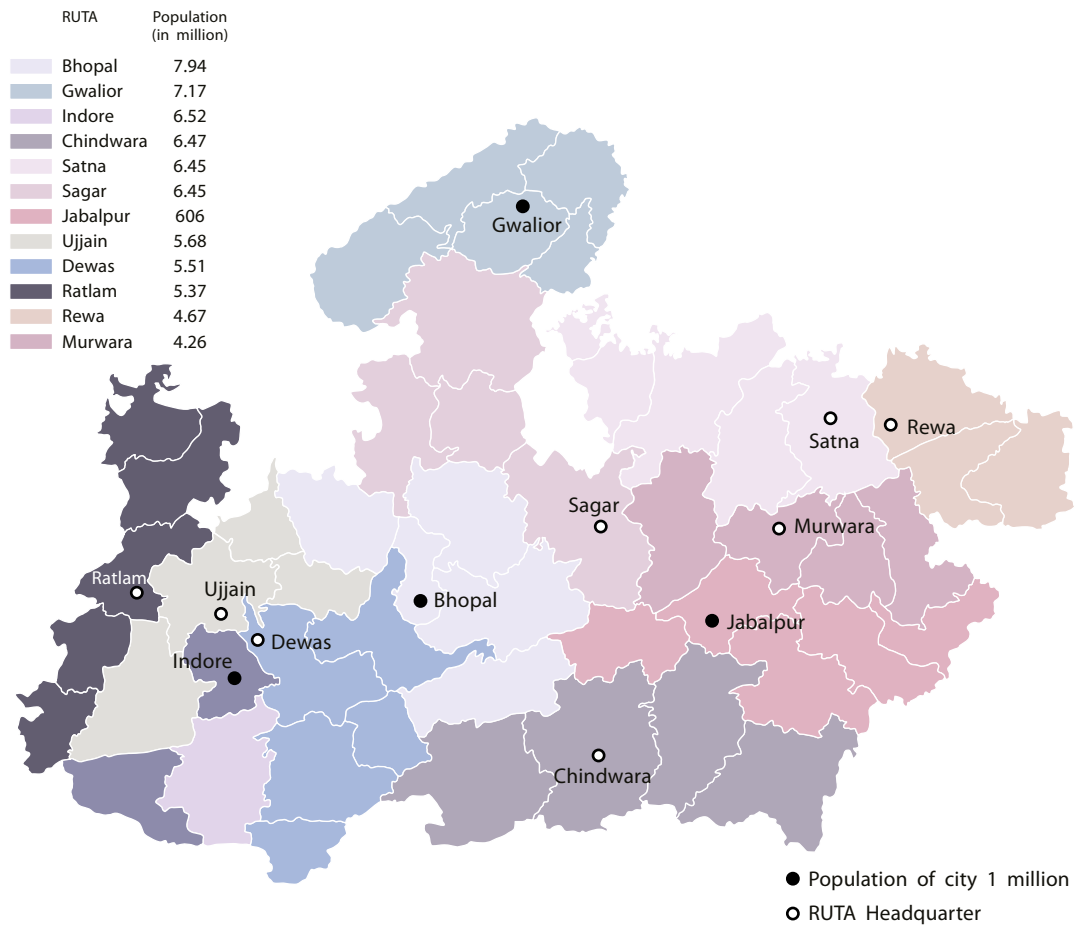
By expanding the purview to a more extensive jurisdiction area, RUTA can effectively navigate the interdependence of rural, metropolitan areas and nearby small and medium-sized towns. Such an expanded scope can foster greater connectivity and accessibility across a spectrum of habitats, thereby enhancing mobility at the regional scale. RUTA can leverage its technical expertise to fulfil the mandates effectively and, most significantly, bridge the gaps in urban transport infrastructure.

Furthermore, RUTA fosters cross-boundary and cross-agency coordination for faster project implementation, traffic management, and other accessibility concerns. It can navigate competing interests effectively, such as prioritising mobility enhancements while mitigating emissions. It can emerge as the guiding force, championing solutions that strike a balance between diverse stakeholder needs for the collective benefit of urban and 'rurban' populations alike. Additionally, RUTA can streamline transport budgets to ensure just and inclusive spending, leading to decentralised development.

RUTA's Jurisdiction for Planning and Implementation

Formed at the state level, RUTA must consider all regions mutually exclusive and collectively exhaustive (MECE). Each region must have a distinct mobility interdependence with at least one million-plus city or a large economic hub or urban continuum. States can explore the development of RUTA boundaries based on proximity to the hub, its development policies and focus, overlapping administrative district boundaries, and RTOs.



Figure 1: Suggested Illustration of Planning RUTAs in Madhya Pradesh

Source: Authors' own

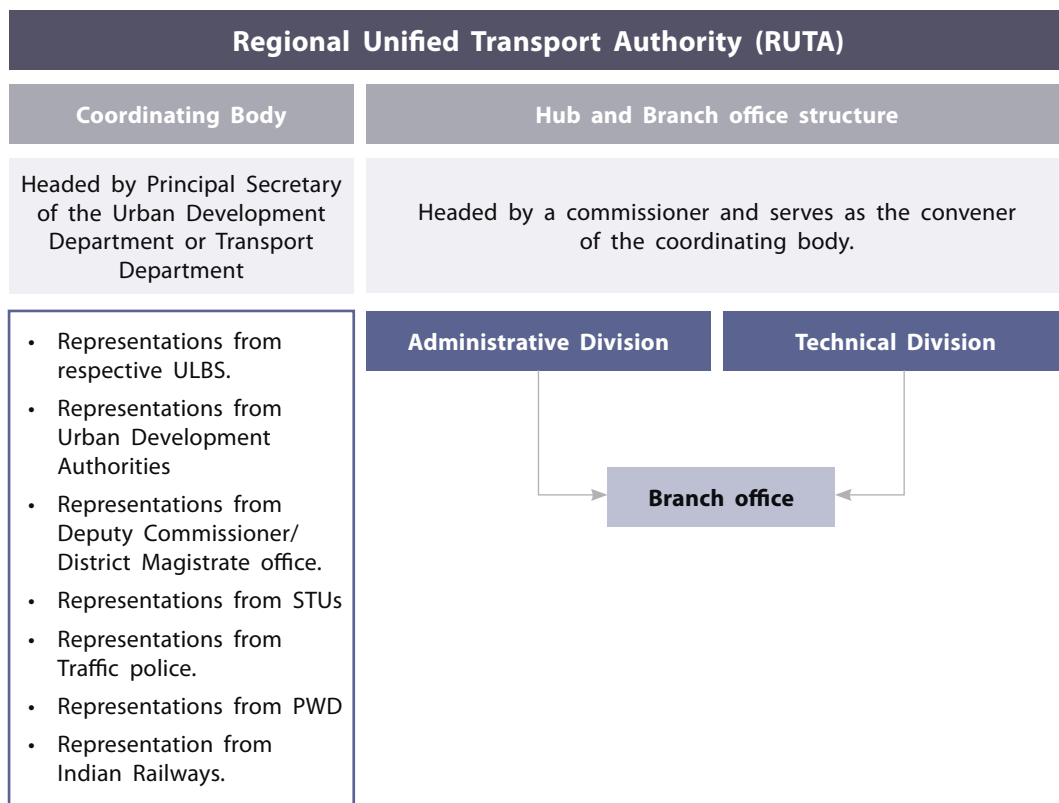
For instance, according to the 2011 census, Bhopal, Indore, and Jabalpur are three million-plus cities in Madhya Pradesh. Urban centres like Ratlam, Ujjain, and Dewas often receive less attention due to their non-metro status. Instead of Indore as a standalone UMTA, the RUTAs, covering 4-7 million population regions, would address the needs of all cities, towns, and rural areas for a more holistic planning.

Proposed Institutional Structure and Role

States must envision RUTAs as overarching entities to develop vision and strategic planning across the region, transcending the confines of traditional metropolitan boundaries. The staffing pattern proposed in UMTA operational guidelines¹⁹ must be adequately revised to include small-medium town representatives, block development officers, and zilla parishad officials. The proposed

RUTAs must specifically focus on public transportation and freight planning, with responsibilities in coordinating with state-level agencies and local authorities. RUTAs may establish hub offices in large cities, with branch offices across regions for efficiency and outreach. RUTAs can be pivotal in managing transport budgets, funding projects, and overseeing their implementation. Moreover, RUTA can take the role of technical capacity building and monitoring for districts and smaller towns.

The RUTA offices must have administrative and technical divisions. Oversight can be provided by a coordinating body chaired by the Principal Secretary of the Urban Development Department or Transport Department, with representatives from STUs, Urban Local Bodies, District Collector, Public Works Department, and the traffic police. A commissioner must head RUTA, serving as the coordinating body's convener. Meanwhile, the technical section, housed within RUTA, must focus on planning, project implementation, and building technical capacity for small-medium towns.



Source: Authors' own

RUTA for Just and Inclusive Development

RUTA can integrate and consolidate fragmented mobility and transport governance while retaining local participation. It will also ease the implementation of state-level policies and programmes, such as EV policies, bus programmes, low-emission zones, scrapping mandates and related public information outreach. Fewer administrative delays and better coordination will substantially fast-track and ease the execution of decisions and projects. The regional confluence will ease synced public transit planning, optimise operations costs, and facilitate private sector participation due to consolidated mobility services markets. RUTA will help rethink India's mobility planning to be more just, equitable, and inclusive.



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Accelerating Urban Transport Reforms for Effective City- Level Action

*Sivasubramaniam Jayaraman
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In the last decade, as India's urban population surged by 26 percent,¹ the use of personal motor vehicles (PMV) grew by 138 percent.² India took 60 years (1951-2008) to reach 105 million registered vehicles and added the same number of vehicles in the subsequent six years (2009-2015), which put pressure on existing road networks and transport systems.³ The current urban transport governance framework is fragmented, with different agencies managing different aspects of the sector; in Delhi alone, over ten agencies handle transport, including three municipal corporations, the Public Works Department (PWD), national and state highways, the Delhi Transport Corporation (DTC), and the Delhi

Integrated Multi-Modal Transit System Limited (DIMTS).⁴ Such fragmentation leads to a lack of coordination and inefficiencies in project implementation and timelines.

There is an urgent need for reforms in India's urban transport governance frameworks to ensure effective city-level action that can keep pace with the rapid population growth and its evolving needs. Such reforms will also require interventions at the national, state, and city levels.

National-Level Interventions: Setting the Vision and Funding Mandates

The National Urban Transport Policy (NUTP), issued by the Ministry of Urban Development (MoUD) in 2006,⁵ was aimed at bringing about comprehensive improvements in urban transport services and infrastructure. The NUTP transformed India's transport priorities, focusing on the mobility of people rather than vehicles and paving the way for schemes and programmes to support states and cities in improving urban mobility, such as the Jawaharlal Nehru National Urban Renewal Mission (JNNURM),⁶ the Smart Cities Mission,⁷ and Faster Adoption & Manufacturing of Hybrid and Electric Vehicles (FAME I and II).⁸ However, the NUTP lacked a definitive vision with specific goals as well as a mandate to enable the funding of state- and city-level initiatives. Consequently, many states and cities struggled to meet the increasing demand for mobility. The approximately 30,000 buses that were introduced across India's urban districts through schemes like JNNURM^{9,10} and FAME¹¹ fell significantly short of the 200,000 requirement.¹² Therefore, the NUTP highlights the need to establish a clear vision for urban mobility and mandate sufficient funding allocations in order to accelerate reforms.

The Cycles4Change,¹³ Streets4People,¹⁴ and Transport4All¹⁵ projects, which were initiated at the national level by the Ministry of Housing and Urban Affairs (MoHUA) in 2021, demonstrated a well-defined vision for urban mobility. The programmes have sought to address funds allocation, peer learning, and institutional synergy.



Utilising a participatory approach, the initiatives provided step-by-step guidance to cities to improve their walking, cycling, and public transport infrastructures. They also included a funding component to test solutions in top-performing cities, fostering intra-state competition and enabling city governments to effectively scale up transformation. The effort led to Healthy Streets Apex Committees being formed in over 30 cities, which set goals for projects and programmes to promote walking and cycling.¹⁶

Simultaneously, Transport4All Taskforces comprising government and non-government stakeholders were created in 100 cities to improve public transport systems.¹⁷ The projects also facilitated knowledge exchange among cities, enabling them to learn from the experiences of others within and outside their state. This collaborative approach led to a rapid improvement in urban mobility infrastructure and services.

Consequently, 15 cities adopted Healthy Streets Policies to establish a framework towards prioritising walking and cycling. Nineteen cities also developed three-year action plans that laid out goals and strategies to achieve the Healthy Streets vision.¹⁸ The plans included strategies and budgets for the city-wide expansion of walking and cycling initiatives, and clearly identified roles and responsibilities of various city agencies towards implementing these strategies. By fostering competition and knowledge exchange as well as providing cities with a clear roadmap and budget for improving sustainable mobility, the initiatives have inspired more than 100 cities to take proactive action towards transforming urban transport in their jurisdictions.¹⁹

State Level: Need for State Funding and City-Level Action Mandates

Some states have attempted to address specific aspects of mobility through policies—for example, on electric vehicles or those for transit-oriented development—which have independent agendas and visions. A holistic approach to sustainable mobility through a state-level Sustainable Urban Transport Policy (SUTP) that can



guide city-level policies and projects could help these policies be more effective. Such an overarching policy can standardise regulations, allocate the required financial resources to ensure on-ground implementation, and facilitate knowledge exchange to drive sustainable mobility initiatives. It can also mandate and monitor city-level actions, ensuring accountability and consistency across jurisdictions.

A few states in India are paving the way for effective urban transport initiatives in cities. In 2017, the Maharashtra Urban Development Department released the draft Maharashtra Urban Mobility Policy.²⁰ Applicable to all urban areas in the state, the policy envisioned modes of transport that are safe, reliable, sustainable, and accessible for all citizens. The policy also included tangible metrics for infrastructure implementation that could measure its success.

To support cities in implementing sustainable mobility projects on ground, the Government of Karnataka set up the State Urban Transport Fund (SUTF),²¹ administered by the Directorate of Urban Land Transport. Mobilised from three sources—a 1-percent cess on Motor Vehicle Tax (MVT), a 2-percent cess on property tax, and budgetary support from the state—the fund promotes the public transport system in cities by assisting in the construction of city transit infrastructure, implementing non-motorised transport (NMT) systems, and developing projects and feasibility study reports, among others. In 2021, the Tamil Nadu Transport Department secured a loan of INR 1,600 crore (approx. US\$200 million) from the KfW Development Bank to procure 2,000 e-buses by 2025 for three cities, including the capital, Chennai, to improve the quality of public transport in these cities.²² Large procurements of electric buses, which are expensive and often beyond the budgets of many cities, could be challenging without state support.



City Level: Need for an Institutional Framework, Policies, and Funding

a. Setting up robust institutional frameworks

The NUTP recommended setting up a Unified Metropolitan Transport Authority (UMTA)²³ in all cities with a population of over one million. UMTAs were envisioned as nodal agencies for all mobility initiatives in a city in order to oversee timely implementation even with the involvement of multiple agencies. They can ensure transparency of decisions across different departments and the accountability of agencies responsible for project delivery.

However, very few cities have established a functional UMTA due to the lack of regulatory mandates to form such an entity.²⁴ The Chennai Unified Metropolitan Transport Authority (CUMTA) Act, which was passed in 2010²⁵ and has been operational since 2019, has brought key agencies and stakeholders together under a single roof, ensuring the seamless integration and implementation of all transport projects across various modes in the city. As a coordinating body, it has helped integrate transport planning and decision-making in Chennai. Karnataka also formed a Non-Motorised Transport Agency (KNMTA) in 2019 to implement a public bicycle-sharing system in Bengaluru, alongside undertaking other NMT activities in the state.²⁶ Similarly, Pune has set up taskforces and cells to oversee the planning, implementation, and maintenance of various NMT initiatives, including²⁷ a participatory NMT Cell to support the transformation of streets across the city.²⁸

b. Adopting progressive policies and plans

There is a need for specific policies and roadmaps that address various aspects of sustainable mobility in cities, including active transport infrastructure for walking and cycling, public transport, parking management, transit-oriented development, low-emission zones, and electrification. These policies must embed the principles of sustainable mobility into the city's transport-related decision-



making. At present, Indian cities lack the processes that could enable data-based decision-making.

Well-designed policies and roadmaps with clear, actionable, measurable targets can help cities monitor their successes and shortcomings, hold relevant stakeholders accountable for implementation, and ensure data-driven decision-making. For instance, Chennai and Pune have adopted urban mobility policies that prioritise walking, cycling, and public transport. Starting in 2014, Chennai adopted India's first NMT policy, which inspired Pune and Pimpri-Chinchwad to adopt the same.²⁹ In 2016, Pune adopted India's first progressive parking policy,³⁰ inspiring Chennai to also start a similar exercise. These policies have initiated a move towards sustainable mobility, created best practices and benchmarks, and inspired other cities.

c. Setting the right budget

Cities remain at the forefront of implementing transport policies and projects, as they have a better understanding of their unique challenges and opportunities compared to other levels of government. Therefore, they are best positioned to efficiently allocate resources to meet ever-changing urban demands.

City-level budgets are critical for public transport services. City-level budget allocation also reduces the burden on state and national governments. For example, the twin cities of Pune and Pimpri-Chinchwad have consistently allocated at least 25 percent of their annual transport budget for the last five years towards improving walking, cycling, and public transport infrastructure.³¹ Similarly, the Greater Chennai Corporation launched the Chennai Mega Streets Programme³² in 2020 to create a city-wide network of streets that have a lifespan of at least 30 years, with funds allocated in the 2020 Tamil Nadu budget for the preparation of detailed project reports (DPRs) and commencement of work.³³



Addressing the complex challenges of urban transport governance demands concerted efforts at multiple levels of governance, from overarching national policies to city-level initiatives. The national government needs to set the right vision, backed by strong funding mandates for states and cities, while facilitating peer-to-peer learning between cities and states to accelerate transformation. As demonstrated in Maharashtra, Karnataka, and Tamil Nadu, it is critical for states to support cities in implementation through policy and funding and mandating city-level action. Additionally, cities need to set up strong institutions such as CUMTA, adopt progressive policies as in the case of Pune, and allocate financial resources to meet ever-changing urban demands to ensure effective action.

Learning from successful experiences can pave the way for sustainable, efficient, and inclusive urban mobility systems. The journey to transform urban transport is long, but with the right policies, funding, and city-level action, it is a goal that could prove to be within reach.



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Empowering Survivors of Gender-Based Violence: Insights from NGO-Led One- Stop Centres

Nikhat Shaikh and Ankita K

Globally, women face discrimination and inequality due to prevailing socio-cultural systems. These gender-based inequalities have long-term adverse effects on individuals and societies. Violence against women and girls also continues to be pervasive,¹ with the determinants being multilevel and intersectional.

In India, different forms of daily aggression against women and girls are overlooked, and typically accepted as norms. According to the National Family Health Survey 2019-21 (NFHS-5), 29.3 percent of married Indian women aged 18-49 years have ever experienced domestic violence.² The actual incidence is likely to be much higher, as many of these crimes are left unreported. The National Crime Records Bureau (NCRB) has recorded an increase in the incidence of crimes against women, with 445,256 cases³

reported in 2022 against 428,278 in 2021. According to the same data set, Maharashtra is the state with the highest observed rise in crimes against women, increasing by 10-15 percent since 2021; Mumbai has one of the highest numbers of reported cases of sexual harassment and human trafficking of women across cities.⁴

The World Health Organization (WHO) has long recognised violence against women and girls as a global public health issue.⁵ Gender equality and the empowerment of women and girls is also a global action agenda item under the United Nations (UN) Sustainable Development Goal 5 (SDG 5).⁶

In 2015, the Ministry of Women and Child Development, Government of India, established One-Stop Centres (OSC), through the Nirbhaya Fund,⁷ to address the interrelated issues of violence against women.⁸ The centres are designed to provide survivors, in one setting, different medical, psychosocial, and legal services. OSCs also facilitate temporary shelters for survivors, preferably in or near a hospital facility. At the district level, OSCs coordinate and converge with other initiatives, such as Anti-Human Trafficking Units (AHTUs),⁹ Women Helpline (WHL),¹⁰ Special Fast Track Courts (SFTCs),¹¹ and District Legal Service Authorities (DLSAs).¹² According to the Ministry of Women and Child Development, there are 752 currently operational OSCs in India, which have assisted 801,062 women between 2015 and 2023.¹³ However, these OSCs face challenges in ensuring the provision of critical assistance and support to women survivors of violence.

Case Study: OSCs in Mumbai

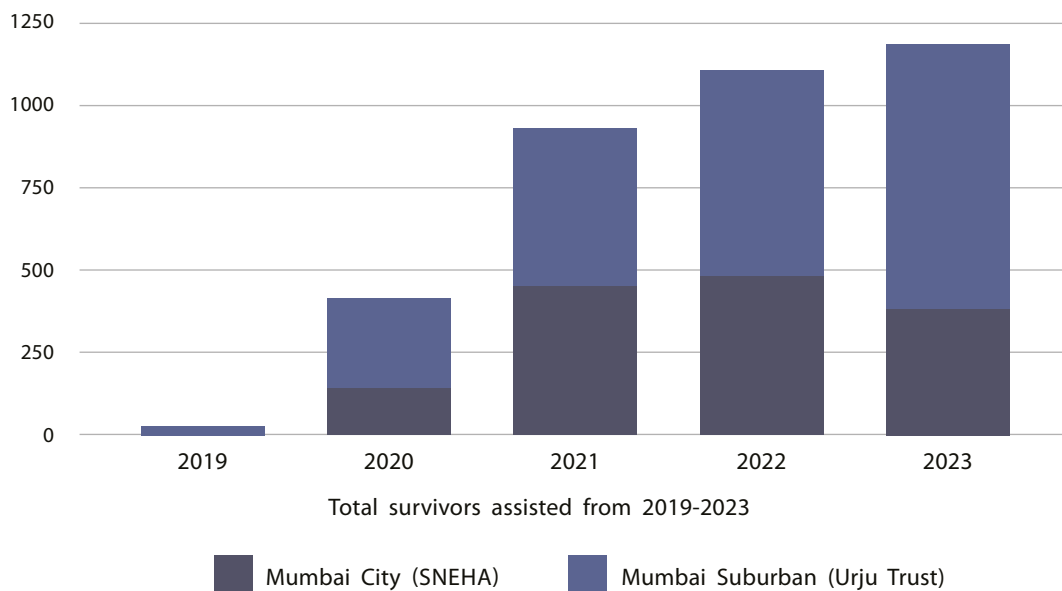
Mumbai city and its suburban districts have an estimated population of 13.1 million.¹⁴ The city has a high incidence of crime, alcoholism, gender-based violence, and structural inequality, as well as a large migrant population who live in conditions of poverty.¹⁵

The Department of Women and Child Development (DWCD) launched the OSC scheme in the city with two NGOs that work across Mumbai and its suburban districts—the Society for Nutrition,



Education and Health Action (SNEHA)^a and Urja Trust.^b Two OSCs were established—one at the King Edward Memorial Hospital (Parel)¹⁶ and the other at the Balasaheb Thackeray Trauma Centre (Jogeshwari)—which provide quality care and support to women and girls who are survivors of gender-based violence. Medical experts and OSC staff attend to survivors who visit the OSCs and facilitate the timely collection of samples for forensic testing. Survivors are not required to visit the police station to record their statements or file complaints. Despite limited resources and the rising incidence of violence, the OSCs have steadily expanded their reach.

Figure 1: One Stop Centres: Reach Across Mumbai Region (2019-2023)

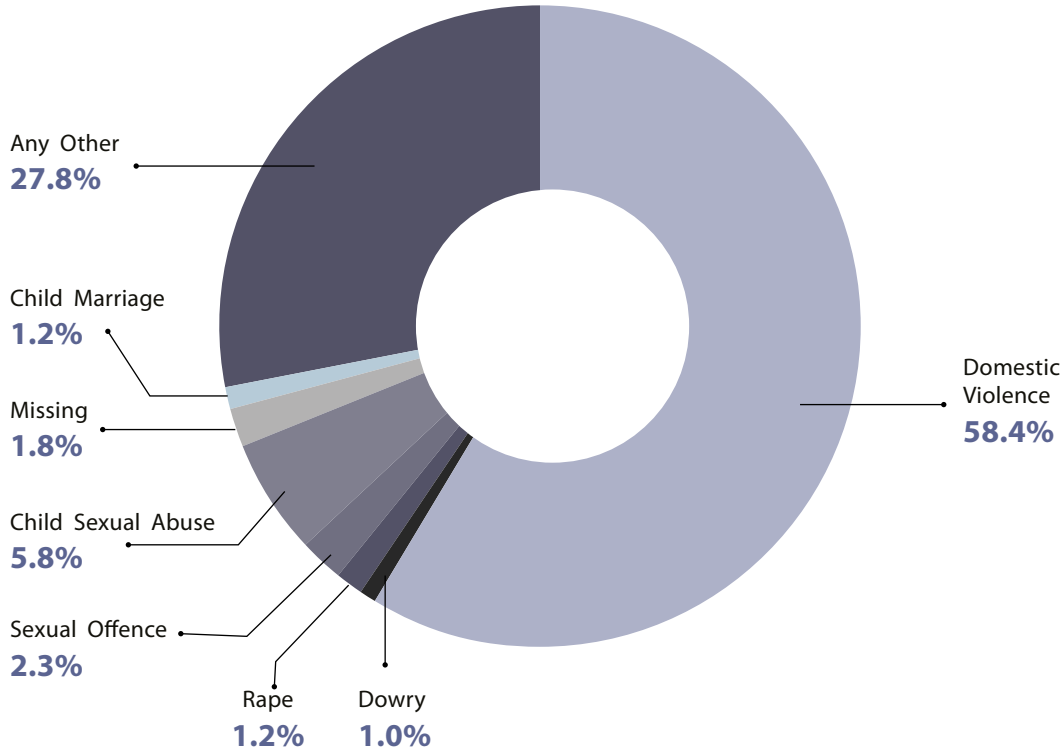


Source: Monitoring & Evaluation Data from SNEHA and Urja Trust

- ^a SNEHA's programme on Prevention of Violence against Women and Children aims to prevent and address violence through gender-transformative change, rights and women-centred interventions at the individual, community, institutional and policy levels. See SNEHA, "Prevention of Violence Against Women and Children," <https://www.snehamumbai.org/prevention-of-violence-against-women-and-children/>. One of the authors of this article is an official of SNEHA.
- ^b Urja Trust works towards gender equity and social inclusion by facilitating residential spaces, holistic health, and civil entitlements using transformative processes for homeless women and LBT+ youth. It also engages with diverse stakeholders, including the state and communities, facilitating training and technical support to functionaries for effective implementation and influencing policy and behavioural change. See Urja Trust, "Our Approach," <https://www.urjatrust.org/our-approach/>. One of the authors of this article is an official of Urja Trust.

Given the relationship between trauma and violence,¹⁷ the OSCs also facilitate psychological aid through crisis counselling and extended counselling to the survivors. The OSCs also coordinate with public health officials, District Legal Service Authorities (DLSAs), protection officers, and the police (for FIR registration), and provide legal support. For survivors under the age of 18, they establish coordination with authorities under the Juvenile Justice (Care and Protection of Children) Act 2000 and the Protection of Children from Sexual Offence Act 2012. More than half (58.4 percent) of registered cases involve domestic violence (see Figure 2), which raises significant concerns and emphasises the need to bolster prevention and redressal mechanisms and recognise domestic violence at the systemic and societal levels. Additionally, the rising number of reported cases of sexual violence against women and children necessitates coordinated efforts with the police, judiciary, child welfare committees, and social services to ensure effective and streamlined interventions.

Figure 2: Disaggregated Data, by Type of Violence (2019-2023)



Source: Monitoring & Evaluation Data from SNEHA and Urja Trust

Learnings, Challenges, and the Way Forward

OSCs help institutionalise a systemic response to survivors of violence against women and children. The government must examine the system's responsiveness along a continuum of 'prevention and response' interventions to address gender-based violence. While managing OSCs has always been difficult, the mandates and responsibilities introduced by recent policy amendments and the Mission Shakti guidelines have made the implementation of OSCs an even bigger challenge.

- **Standardisation of implementation guidelines:** Initiatives should not be singularly attached to individual partner organisations to locate policy, strategy, and practice within rights and state accountability frameworks. Instead, initiatives need to be standardised and supported institutionally through mandates, clear policy guidelines, and protocols to address the specific needs of the survivors.
- **Audit:** Independent social audits by government and NGO-implemented OSCs must incorporate survivor feedback on service provision. Furthermore, the number of OSCs needs to increase and their presence needs to expand in public health facilities such as tertiary and peripheral hospitals.
- **Integration with Mission Shakti:** Launched in 2022 by the central government, Mission Shakti is an umbrella initiative that integrates various existing and new schemes such as the OSCs, WHL,¹⁹ Shakti Sadan,²⁰ Sakhi Niwas,²¹ and Nari Adalat²²—all designed to enhance women's safety and security. The intent and efforts to streamline services at the state and district levels can help overcome operational challenges and avoid significant delays. This must be supplemented by overcoming structural issues, ensuring coordination among stakeholders, and establishing the clarity of public-private partnerships to enhance sustainable multisectoral response to gender-based violence.
- **Regularisation of grant disbursement:** Irregular and delayed grant disbursement to implementing agencies/NGOs



creates uncertainty and increased pressure to raise timely funds for staff salaries in order to prevent attrition. OSCs frequently encounter obstacles with staffing. The centres typically have 13 members: an administrator; case workers; medical, legal, and psychosocial support personnel; and other support staff. In the Mumbai region, NGOs mandated to run the OSCs have opted to recruit additional staff, giving them higher salaries, to ensure adequate quality of care and effective service delivery.

- **Provision of adequate and safe spaces:** Infrastructural issues in cities, such as limited space for temporary shelters and kitchens/pantries, significantly add to the challenges faced by OSCs. The government must allot adequate and dedicated spaces to OSCs in public hospitals to allow them to manage their functions seamlessly.
- **Staff well-being and benefits:** State policies must consider the welfare of individuals working in OSCs, including those related to paid leaves, employment benefits, and social-emotional well-being. As most of the staff comprise contractual workers, primarily women, a comprehensive policy that is compliant with labour laws and sensitive to staff welfare and morale will ensure their retention. In Maharashtra, the Women and Child Department, along with the Urja Trust, implemented a paid-leave policy for all contractual workers in state and central schemes. Such measures must be scaled up nationally.
- **Gender-responsive protocols:** Specific procedures need to be in place to rehabilitate survivors, especially those with multiple needs such as HIV infection, mental illness, disability, pregnancy, or complex health conditions, in order to ensure that their needs are met and their rights protected. Since steps for further rehabilitation need to be mandatorily determined after five days of temporary shelter at an OSC, strengthening the network with public-private partnerships for rehabilitating survivors on a long-term basis with institutional support can support women in need.

- **Capacity building and training:** Stakeholder knowledge must be increased through training on gender and gender-based violence as well as its consequences on women's health, relevant laws, and support services, while emphasising the role of service providers as responders under various laws. Such sustainable, multisectoral engagement can increase referrals, strengthen coordinated response, and augment effectiveness. With the targeted capacity building and training of personnel, OSCs can improve their oversight, monitoring, coordination, review, and corrective approaches.
- **Extending OSC tenure:** The annual renewal of OSC MoUs is a cumbersome and complicated process. To ensure long-term commitment and effective planning, the government must extend the one-year MoUs with implementing partners to three to five years.

Along with Mission Shakti's sub-schemes, OSCs are central to promoting and facilitating alternative dispute resolution and holistic well-being as well as propagating gender justice in society and within families. They are also critical for the success of integrated efforts to ensure women's safety, security, and empowerment. Therefore, in India's rapidly expanding urban landscape, upscaling OSCs to widen their reach and improve effectiveness is paramount to the success of Mission Shakti.



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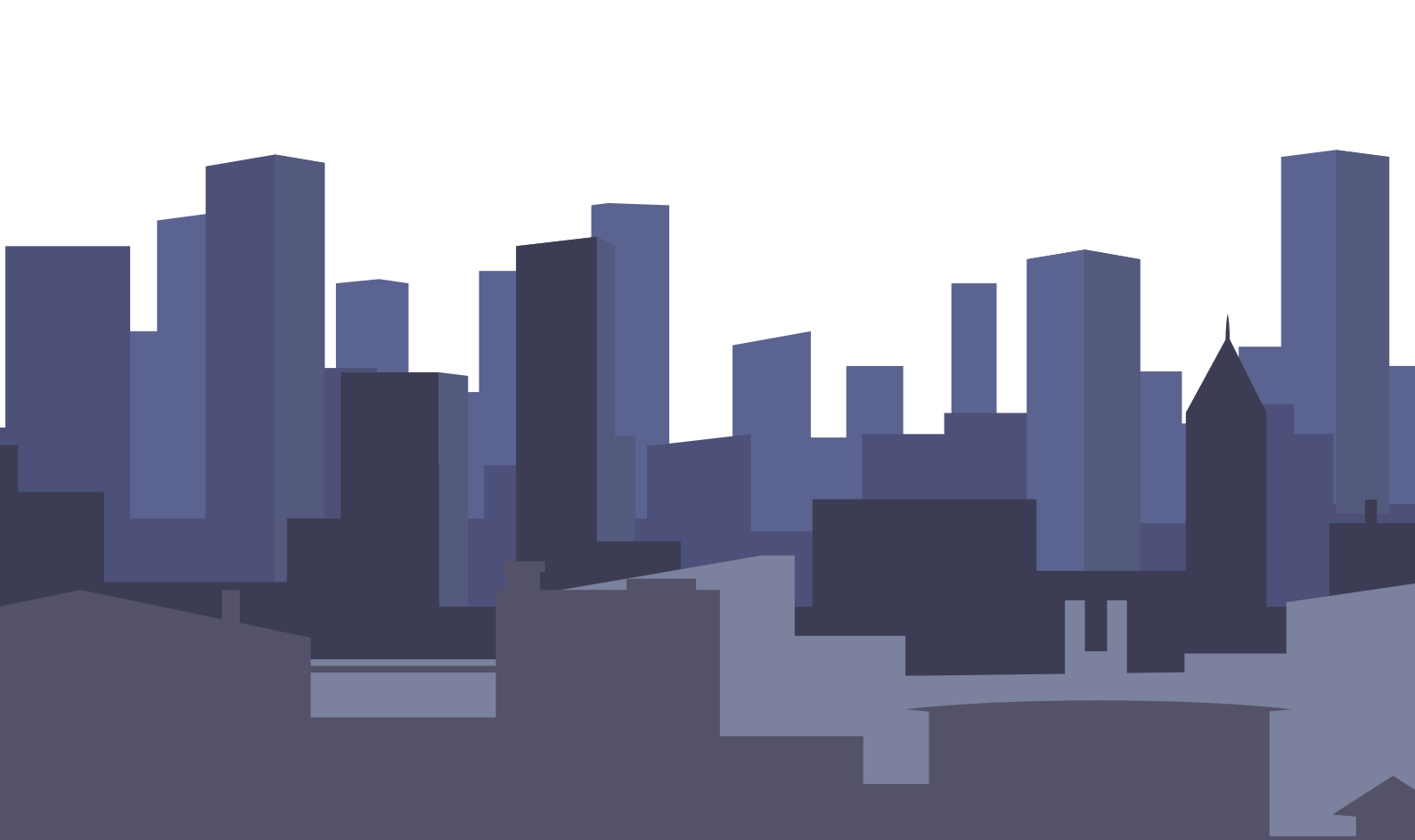
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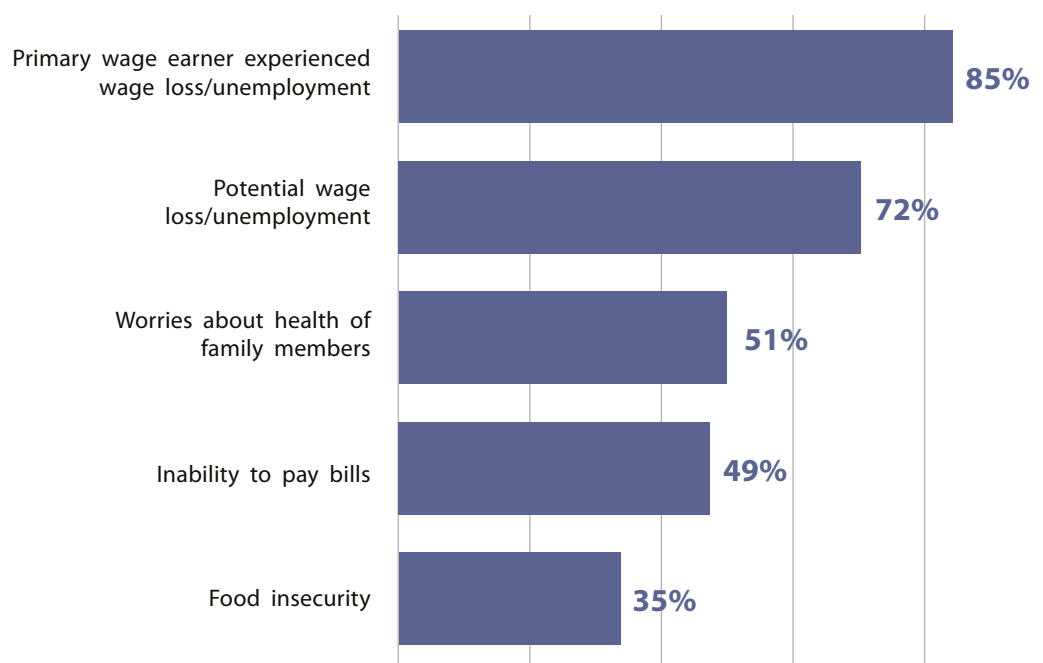
Social Protection Schemes: Welfare Measures or a Test of Resilience for the Urban Poor?

Vinita Ajgaonkar and Rama Shyam

'S ocial determinants of health'¹ are social and economic factors, like food security, financial stability, resources, education, social inclusion, and affordable health services, that influence health outcomes. For poor and disadvantaged populations, the persistent negative patterns in these variables have a disproportionately negative impact on their health outcomes. With the COVID-19 pandemic exacerbating the impact of the various social determinants of health,² there is an urgent need to connect people to a social protection network³ of schemes, programmes, and policies that can safeguard them against food insecurity, poverty, and vulnerability.

The pandemic highlighted the need to improve the awareness and access of target communities to existing social protection schemes. Towards this objective, in 2021, the Society for Nutrition Education and Health Action (SNEHA),^a a non-profit organisation working to promote health equity for vulnerable communities in the Mumbai Metropolitan Region, initiated a social protection helpdesk.^b The helpdesk was set up following a needs assessment survey of 1,567 randomly selected community members which found that the pandemic was more of an economic than a health crisis. The extent and nature of the problem, as highlighted in the survey (see Figure 1), facilitated targeted interventions aimed at making the urban poor aware of their entitlements and improve their socio-economic resilience.

Figure 1: Major Worries during the Pandemic



Source: SNEHA⁴

^a The authors of this article are officials of SNEHA: Rama Shyam is a Programme Director and Vinita Ajgaonkar is an Associate Programme Director, leading the domain that works on social protection.

^b Since 2021, SNEHA's Social Protection Helpdesk has informed more than 100,000 citizens in vulnerable urban communities on various social protection schemes and benefited 60,000 people.

Additional insights into the issue were gained through focused group discussions on social protection schemes and collected feedback about the Public Distribution System (PDS)^c from 337 ration card holders.

This article is based on findings from these qualitative and quantitative assessments and includes insights from field experiences and a literature review. It highlights disparities in the ground-level implementation of social protection schemes and although confined to the Mumbai Metropolitan Region, the findings can inform future policy interventions for the vulnerable urban poor, especially in slum communities across India.

Limited Awareness

The most notable finding was a lack of awareness among intended beneficiaries about the various social protection schemes, their inclusion criteria and procedures, and the entitlements due them. The pervasive confusion can be attributed to the existence of too many schemes with similar intent that have different eligibility criteria, procedures, and documentation requirements. For instance, both the Janani Suraksha Yojana⁵ and the Pradhan Mantri Matru Vandana Yojana⁶ aim to promote maternal and child health. The lack of awareness around eligibility criteria and procedures limits the access and uptake of these schemes.

Unlike in peri-urban areas and villages, where local administrations act as nodal points to receive scheme-related information and relay it to local communities, municipal ward offices in cities lack connections with vulnerable populations. Field-level government staff also do not have adequate information about the schemes that they are supposed to promote.

^c Operated by the Centre and State/Union Territory governments, PDS ensures the distribution of foodgrains and other essential commodities at affordable prices through Fair Price Shops and is critical to managing India's food economy.



Multiple Eligibility Criteria

Different income-limit criteria for various social protection schemes further complicate the problem. For instance, while Below Poverty Line (BPL) ration card holders with an annual family income of INR 15,000 and less are eligible for benefits under the Janani Suraksha Yojana,⁷ those with an income of INR 20,000 or less can access pension under the Sanjay Gandhi Niradhar Anudan Yojana (SGNAY).⁸ For those with a disability, the income eligibility criterion for SGNAY is less than INR 50,000. Such mandates create confusion for families that have multiple vulnerabilities, especially since income certificates are usually scheme-specific.

Moreover, the income criteria set by the government for accessing most social protection schemes have remained unchanged for decades. For example, in Maharashtra, after the National Food Security Act (2013) came into force, priority and *Antyodaya* households, which are entitled to benefits under the Act, were identified based on the socio-economic survey of 1997,⁹ disregarding significant changes in the socio-economic status of beneficiaries over the years.

Documentation is another challenge, especially for migrants who constitute most informal urban communities. The transient hutments of old migrants make it difficult to safekeep the required documents to prove their eligibility for state schemes such as the SGNAY. The booming land prices make landlords reluctant to provide tenants with the mandatory “no-objection certificate” to obtain a local ration card. For new migrants, food security benefits and other schemes such as the Mahatma Jyotiba Phule Jan Arogya Yojana¹⁰ and the Lek Ladki Yojana,¹¹ which necessitate the possession of a ration card, remain inaccessible.

Corruption and Lack of Transparency

“Middlemen” posing as “ration card agents” often charge up to INR 20,000 to supposedly help people in these communities procure new ration cards. Community members highlighted numerous



instances of their applications being accepted only if routed through these agents. Such experiences alienate marginalised communities and discourage them from reporting their grievance and seeking redressal.

Further, pilferages and leakages of food grains from PDS have continued despite computerisation. Ration shopkeepers rarely issue receipts from electronic point-of-sale devices, justifying their malpractices as the only way to survive, given low incentives from the government. Ration shopkeepers also often refuse to recognise the interstate portability of ration cards, leaving rightful migrant beneficiaries in the lurch. The inclusion and exclusion errors in recipient lists have also increased over the years. Recipients fear punitive action if they register a complaint about the poor ration quality or that they are receiving less than the quantity entitled to them.

Transitioning the social security schemes on digital platforms is also accompanied by its own challenges. For example, the Pradhan Mantri Matru Vandana Yojana¹² portal was non-functional for a long part of 2023, creating a backlog and provoking backlash from communities. Limited and far-flung access points further hamper the uptake of some of the schemes. Janaushadhi Yojana¹³ shops that sell generic medicines and provisions like sanitary napkins at reasonable rates are scarce and located far from pockets where such services are most needed.

Streamlining Access to Social Protection Schemes

Three years is a short time for vulnerable families to recover after a pandemic. Though questions have been raised about the measurement of the depth of poverty in the Household Consumption Expenditure Survey 2022-23,^{14,15} the indices considered for the Multidimensional Poverty Index (MPI)^{16,17}—the critical socio-economic indicators, including employment, poverty, and access to nutrition (and not just food)—have been reduced to academic concerns. Ground realities call for the following urgent interventions:



- a. **Awareness and capacity building:** The implementing government agencies and non-profit organisations must undertake regular awareness-building exercises using media and audio-visual material about various schemes, their benefits, eligibility, and required documents. The Citizen Facilitation Centres (CFCs) in different municipal ward offices can provide information about various social protection schemes as well as their basic documentary requirements. Updated information about all social protection schemes should be made available and accessible over the internet, social media platforms, and SMS channels. Non-profit organisations and civil society partners must play an active role in creating awareness, educating communities to navigate technology, providing guidance to procure documents, linking communities with systems, and building their confidence to demand their rights to social protection. Governments must also ensure periodic capacity building and training of personnel entrusted with implementing the schemes.
- b. **Poverty measurement:** The governments must undertake a fresh study to identify BPL families by using revised criteria that align with contemporary contexts, including inflation rates and price indices, rather than relying on sporadic and arbitrary efforts to identify households whose incomes are not commensurate with that specified on their ration cards. Adopting a multidimensional poverty index that does not forgo consumption poverty or the Social Assistance Base¹⁸ concept should be considered to determine eligibility criteria.
- c. **Ease of access:** Lack of access leads to a lack of demand, which affects supply. Increased availability and visibility of Janaushadhi shops can be ensured by setting them up at locations that are familiar and accessible to vulnerable communities. Similarly, for other schemes, there is a need to decentralise the application process and create multiple access points.

- d. **Improved digital processes:** The digital processes for social protection schemes must be streamlined and contain in-built grievance redressal mechanisms. Mobile app-based information and application processes can be easier than navigating websites.
- e. **PDS surveillance:** Vigilance groups such as Ration Dakshata Samiti,¹⁹ aimed at curbing malpractices by ration shop owners, can be reactivated through the participation of citizens and community-based NGOs.



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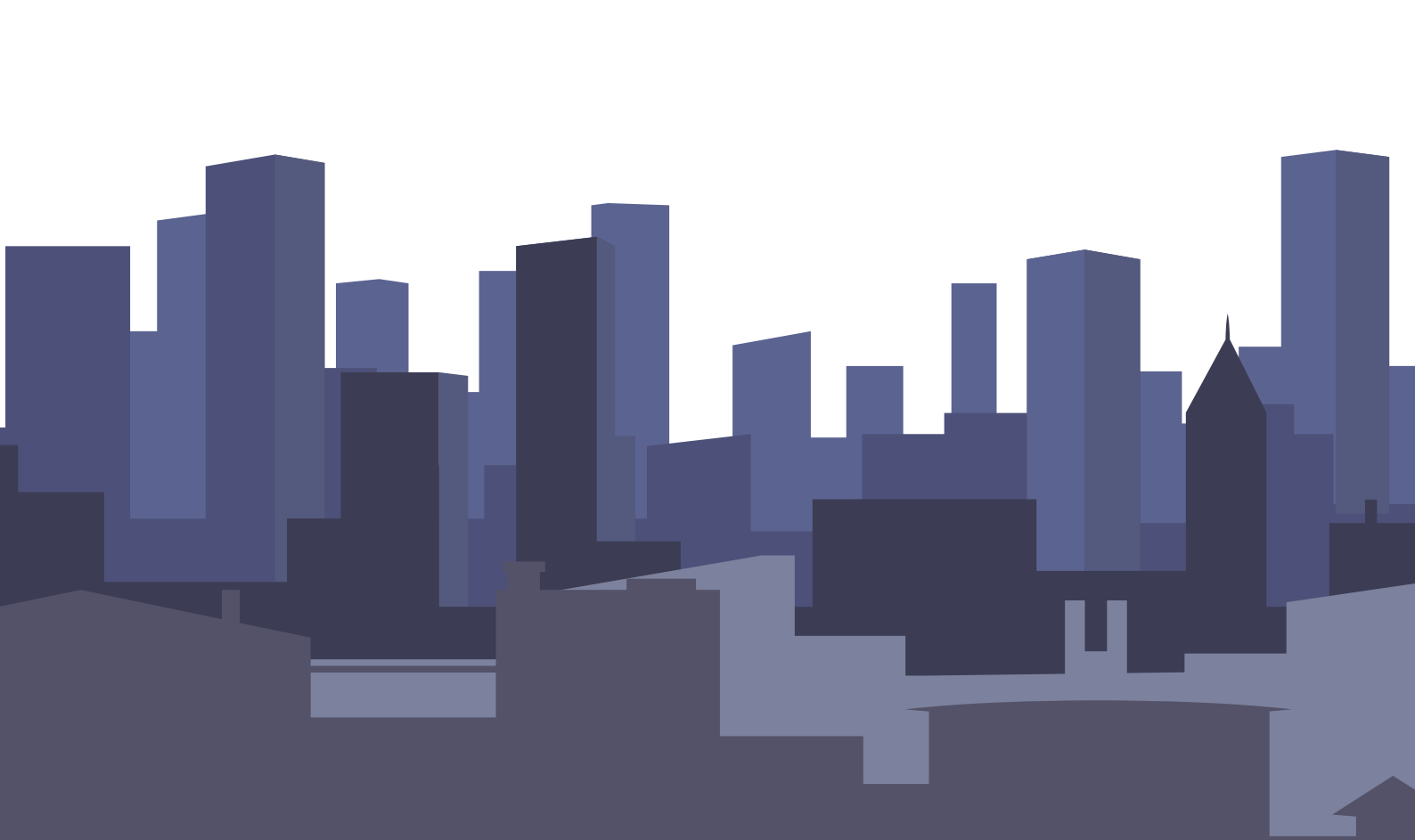
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II

Coordinated Governance for Planned Urban Development



The Union Government of India: From the Margins to the Centre of Urban Planning

Ramanath Jha

Until 1992, the Government of India's (GoI) role in the governance of urban local bodies (ULBs) was, at best, marginal, because the Seventh Schedule of the Constitution of India assigns local governments to the State List.^{a,1} Such a largely hands-off approach was also a legacy of the past, when the developmental thought prevailing in the country was to care for the villages and leave the cities largely on their own.^{b,2}

GoI made the first substantive attempt at overhauling local urban governance in 1992 through the 74th (Constitution Amendment) Act.³ In

^a The subjects mentioned in the State List are those over which the states exercise powers to legislate.

^b Many analysts have sought to prove the historical anti-urban bias in the Indian political system. See, for instance: Isher Judge Ahluwalia, "Urban governance in India," *Journal of Urban Affairs*, Taylor & Francis Online, <https://doi.org/10.1080/07352166.2016.1271614>.

its 'Statement of Objects and Reasons', the Amendment Act stated that local bodies had become weak and were no longer able to discharge their functions.⁴ The primary objective of the Act, therefore, was to empower ULBs so that they could function as "democratic units of self-government"⁵ Unfortunately, this objective did not fructify, and the lacuna can be witnessed in the current plight of ULBs three decades after the Amendment.⁶ The text of the Amendment Act left several infirmities, allowing the states to continue to exercise power over the ULBs and block all reforms at local empowerment.⁷

Given the growing economic contribution of cities to the nation's GDP, now at above 60 percent,⁸ Gol has been attempting to channel more resources into the ULBs through centrally sponsored programmes. This process has gained weight since the launch of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in December 2005.⁹ It was further strengthened by a large basket of Gol's urban programmes in the last decade, including: Atma Nirbhar Bharat; Atal Mission for Rejuvenation and Urban Transformation (AMRUT); Smart Cities Mission; Swaccha Bharat Mission-Urban (SBM-U); Heritage City Development and Augmentation Yojana (HRIDAY); and Pradhan Mantri Awas Yojana-Urban (PMAY-U).¹⁰ However, these programmes have met with limited success in facilitating reforms.

Gol has also introduced model acts for states to adopt, such as the Model Municipal Law and the Model Tenancy Act. Unfortunately, however, the states have largely ignored the guidelines set forth by these models. They feared, for instance, that the Model Tenancy Act could alienate tenants, who are more numerous than landlords. The consequence is that urban local governance in India has for long been bereft of any meaningful reform in the domains of governance, planning, and finance.

Meanwhile, India's urbanisation rate has climbed from 17.29 percent in 1951 to 31.16 percent in 2011, when the last official census was held.¹¹ In the absence of a new census, a fair estimate of the urban expansion is possible only from other sources that have



worked on more recent population projections. The World Bank (WB), for example, estimates that India's urbanisation rate stood at 35.87 percent in 2022 and the total national urban population was at 508.36 million that year.¹² A WB study on urbanisation in South Asia also found that India was experiencing what is known as 'hidden urbanisation', or populations living in areas with urban characteristics being excluded from national urban records.¹³ While the urban sprawl accounted for 55.3 percent of the country's population at around the turn of the first decade of this century, the official 2011 census figures pegged urbanisation at a far lower 31 percent.¹⁴

Even so, empirical evidence over the past decade suggests that the next Indian Census should reveal that some southern and western states have crossed the 50-percent urbanisation mark, and others are very close to it. At the same time, India has seen a sharp rise in the number of mega cities (those with population above 10 million)^c and metropolitan cities (above one million)^d in the country. From 20 such cities in 1971, the number rose to 53 in 2011, holding about 42.3 percent of the urban population.¹⁵

These cities contribute more than 60 percent of India's GDP and are widely regarded as engines of national growth. The vibrancy of cities is critical, for as urbanisation accelerates, the cities' role in national wealth generation ought to grow larger. Yet, many cities have been showing signs of distress and a sharp fall in their quality of life. They are also presenting symptoms of stagnating economies amid population growth. Indeed, the urban input into national GDP has slowed down.¹⁶ This appears to be on account of the fact that falling standards of life are negatively impacting productivity and growth.

^c The United Nations Department of Economic and Social Affairs defines 'megacities' as urban agglomerations with over 10 million inhabitants.

^d The 74th (Constitution Amendment) Act, 1992 defines a 'metropolitan area' as an area having a population of 10 lakhs or more.



Gol will have to push the long-pending urban reforms that are vital for the cities. It will also have to formulate a mechanism by which it assumes a more significant role in the planning and governance of megacities. Both of these tasks would require constitutional amendments.

They also necessitate GOI's prompt action on multiple fronts. First, it should lay down a national policy on urbanisation articulating the broad strategies for urbanisation. Second, the centre would have to ensure that the states implement such a policy in letter and spirit. Third, GOI would have to exhort states to enunciate their own state-level policies on urbanisation that would be aligned with the national urban policy. And lastly, GOI would have to examine the financial vulnerabilities of the ULBs and devise ways for cities to supplement and maintain their assets and suitably perform all mandated functions.

ULB Decentralisation and Financial Autonomy

A key element of a national policy must be the decentralisation of urbanisation. This had already been recommended by the National Commission on Urbanisation (NCU) in 1988 through the twin concepts of Generators of Economic Momentum (GEMS) and Spatial Priority Urban Regions (SPURS). NCU identified 329 cities as GEMs—77 categorised as 'national priority cities', 252 cities as 'state priority cities', and 49 SPURS across India that were likely to urbanise rapidly. Based on an examination of demographic, economic, and administrative factors at the micro level, national and state priority cities were identified and their growth potentials were determined.¹⁸ The NCU report expressed "confidence" that GEMs and SPURs would change the urban settlement patterns in India and reduce "the imbalances of the present metro-dominated urban system" if sufficient investments were made.¹⁹ However, India's urbanisation trends since 1988 indicate that the NCU agenda has remained unfulfilled.



Earlier national programmes, such as the Gol-sponsored Integrated Development of Small and Medium Towns (IDSMT),²⁰ aimed to arrest the increasing tide of migration to big cities by helping small and medium-sized towns to generate employment. Implemented nationwide in 1979-80 in towns with a population of up to 500,000 identified by the states and Union Territories, the IDSMT failed to achieve most of its targets—even drawing flak from the Comptroller and Auditor General (CAG) in 2001.²¹ The CAG noted that neither Gol nor the state governments maintained migration data—the primary requirement to achieve the programme's core objective. It also pointed out the non-availability of financial resources as the most significant reason that impeded the scheme's implementation.

Both the above-cited initiatives made little impact and such an approach will have to be abandoned. Nonetheless, nearly four decades later, the NCU provides a template for Gol to start afresh—though with the necessary changes aligning with the current urban scenario—to ensure a comprehensive transformation of urban India. Through a detailed study of the growth potential of various towns and cities and their impact on the nation, Gol must now select some 500 to 700 towns and cities for special focus and assistance. Learning from NCU's experience, the developmental assistance would have to be substantial for these cities to have the potential for enhanced economic activity and employment opportunities as well as the ability to deliver quality of life.

In the past, Gol has provided cities with specific grants based on the recommendations of the Central Finance Commission (CFC) and State Finance Commissions (SFCs). However, in the context of urban infrastructure requirements, these grants have scarcely helped the urban situation. Here, Gol has a particular responsibility. The GDP size of the ULBs today stands at less than one percent, far below the international standard of 4 to 6 percent.²²

While Gol was commended for implementing the goods and services tax (GST), it overlooked the adverse consequences of the all-subsuming GST on municipal sources of revenue. It behoves Gol, in the background discussed in this article, to share the



GST revenues with the ULBs and match their functions with the finances. The irrelevance of the SFCs, which recommend the quantum of revenue to be shared by the states with ULBs, has worsened the situation.²³ Most states regularly set up SFCs every five years as mandated by the 74th Constitutional Amendment, but they largely ignore their recommendations. Under the GST regime, which has subsumed most ULB revenues, sincere acceptance of the SFC's financial recommendations by the states becomes imperative.

There is no space for unfunded mandates for the well-being of the ULBs. Govt will have to comprehensively rethink its approach and get involved with its cities if India is to achieve its promise of becoming an economic powerhouse by 2047.



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Coordinated Governance for Equitable, Net-Zero Urban Transport Development

Deepty Jain

Cities will play a critical role in fulfilling India's commitments to global targets related to sustainable, low-carbon, and resilient development. The 74th Constitution Amendment Act and multiple schemes initiated by the Central Government have supported city development. However, there could be a shortfall in achieving the targets because of existing policy and institutional frameworks that are not conducive to fostering the required changes.¹ While national policies provide guidelines for achieving the targets, these seldom translate into effective strategies at the local level.

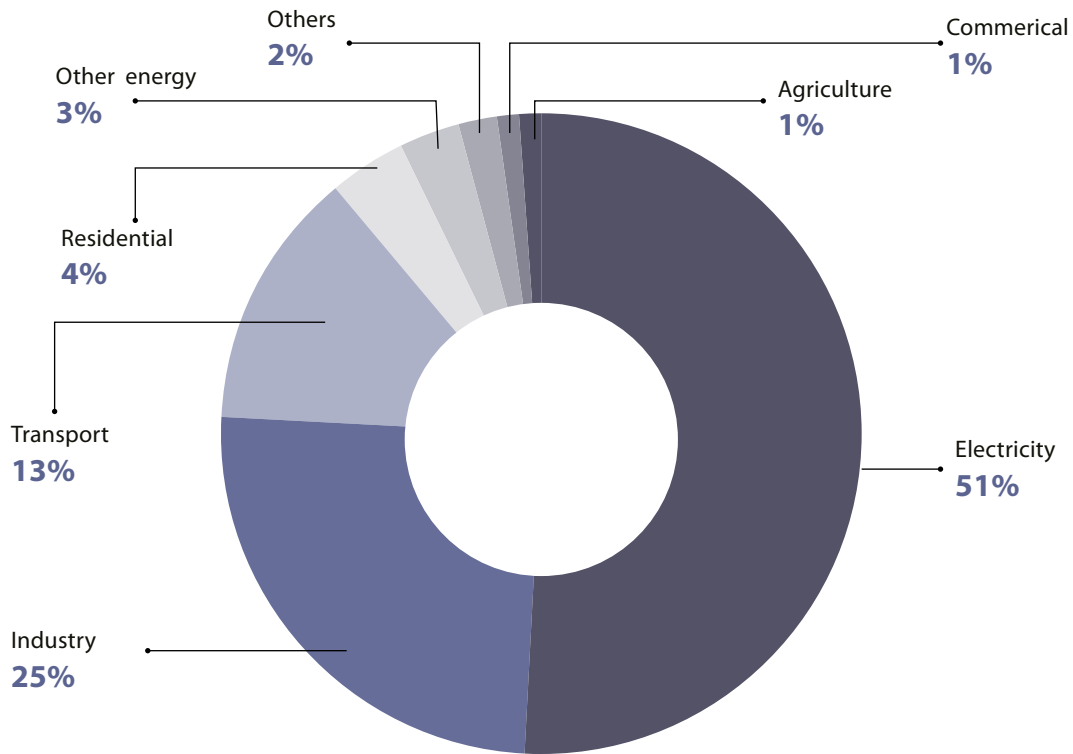
This mismatch between policy intent and implementation is the result of a gap in defining actions at the local level, inappropriate monitoring

mechanisms at various levels of governance, and fragmented and incoherent institutional frameworks and governance mechanisms. For example, the transport department, on its own, cannot guide a sustainable mobility agenda and would need to consult with land development authorities in cases where land development plans are not coherent with the sustainable mobility agenda. This essay explores the required integration between different levels of governance to achieve the specified targets, and the role of the Central Government in establishing such an integration framework.

Key Concerns

In 2022, India committed to reducing the emissions intensity of its gross domestic product (GDP) by 45 percent from the 2005 level by 2030.² Subsequently, the Government of India adopted a net-zero action plan with the horizon year of 2070, which provides strategies for the power, transport, building, and city infrastructure sectors. These include shifting the national grid to renewable energy sources, increasing the carbon sink, enhancing electric mobility, and generating green jobs.³ The government is mobilising the adopted targets in coordination with states and union territories. India's plans to reduce the intensity of emissions include increasing the share of renewable energy sources in power generation. In 2021, the power sector contributed to 51 percent of India's total carbon emissions⁴ (1.2Mt)—higher than the average global energy-related carbon emissions of 36.8 Gt.⁵



Figure 1: Sectoral Contributions to CO₂, India (2021)

Source: Author's own, using data from the International Energy Agency.⁶

Cities will play a critical role in achieving sectoral targets, particularly those of transport. While the transport sector contributed only 12.9 percent of the total emissions in 2021, this share has grown at a 4 percent annual average rate between 2011 and 2021.⁷ Promoting active mobility, such as walking and cycling, and encouraging the use of public transport, particularly buses, can help contain emissions in the Indian context. Emissions from India's transport sector are currently low because of the high dependency on active modes and public transport systems.⁴ However, the infrastructure for active mode users is inadequate, exposing them to uncomfortable and unsafe conditions.⁸ The degrading air quality and increasing noise levels also expose users to more severe health impacts. Public transport users are exposed to similar conditions, as they travel by active modes to access or egress the system, which adds to the disutility of public transport.

In the existing scenario, the active modes are used by people who do not have alternatives.⁹ The existing conditions also push people towards personal motorised modes. Growing income levels will increase the affordability of motorised modes, travel activity, and travel intensity.¹⁰ The pandemic also influenced people to use more personal vehicles.¹¹ Altered environmental conditions, such as degraded air quality and extreme weather events, also lead to people using more motorised transport modes.¹² Altogether, existing infrastructure, growing incomes, and environmental degradation negatively impact the modal share of active and public transport in Indian cities.

This scenario highlights the urgency for India's cities to adopt a retain-reduce-shift-improve approach to keep emissions from the transport sector under check. Such an approach would require enhancing the safety and comfort of active-mode users, reducing travel distances, which indirectly affect the choice of active modes, and providing an efficient bus transport system. Such improvements will enhance mobility for all, irrespective of income, age, gender, and physical health. It will also help achieve net-zero targets. Thus, the government must link net-zero transport actions with the Sustainable Development Goals (SDGs) in the Indian context. The direct targets include Target 3.6 (Reducing road-related deaths),¹³ Target 9.1 (Modal share for all),¹⁴ and Target 11.2 (Access to public transport).¹⁵ The indirect benefits will include Target 5.2 (Ensuring women's safety in public spheres—the percentage of women feeling safe at the roadside and in public transport);¹⁶ Target 7.3 (Improving energy intensity with a potential indicator of energy intensity per passenger km);¹⁷ and Target 11.6 (Air pollution, a potential indicator is emissions reduction per commuter).

It is imperative for India to retain existing active-mode users. Active modes, by addressing a significant travel demand, is witnessing a decline in its modal share.¹⁸ Therefore, India must encourage the use of public transport systems for long-distance trips to ensure reduced emissions per commuter. Better infrastructure for active modes will provide safe access to public transport systems, as the majority of public transport users walk to access the system.

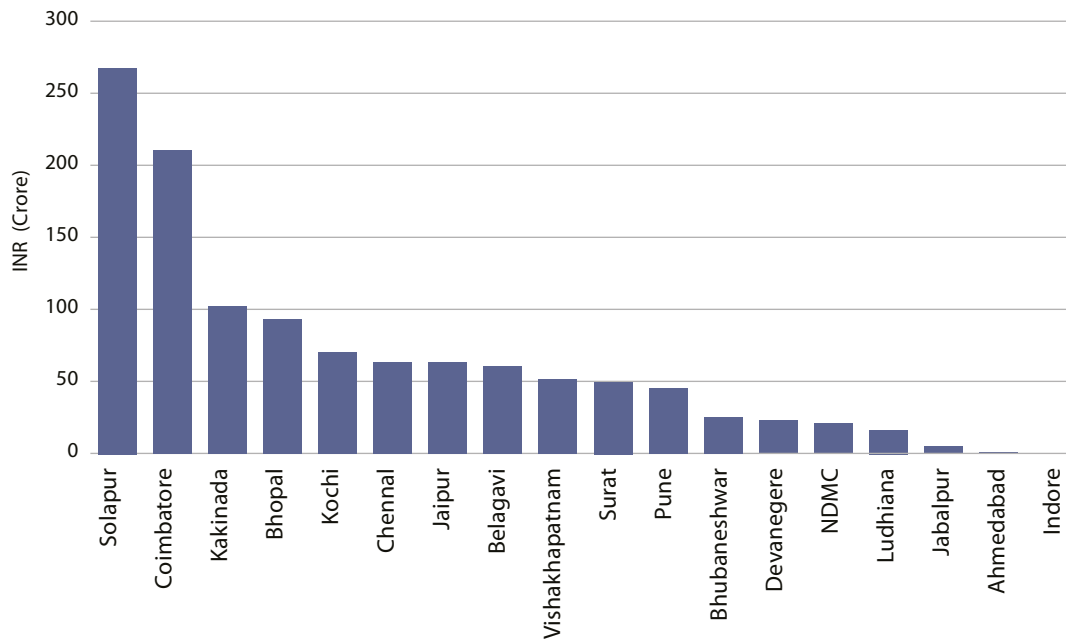


Integrating bicycle infrastructure with public transport infrastructure can also provide better last-mile connectivity. Such measures would require an integrated planning mechanism with the appropriate disbursement of resources. Studies have shown that the 74th Constitutional Amendment Act has not been able to achieve its objective of providing cities with better financial and decision-making power because city legislature is dependent on state law¹⁹ and resource mobilisation is dependent on the economic base of the town.²⁰

The National Urban Transport Policy (2006) provides a framework for improving transport infrastructure and meeting people's mobility needs. However, the policy has not yielded significant changes in the way transport infrastructure is planned and provisioned. The Government of India has also launched multiple schemes to support infrastructure development in cities, such as AMRUT²¹ and the Smart Cities Mission.²² Support is available to states for the procurement of buses, provision of mass transit systems, and development of road infrastructure. Such schemes fund specific projects and require cities to submit proposals and detailed reports. However, the reports seldom discuss the need for the project, consider alternative approaches, or conduct impact assessments. Additionally, most states and cities consider transport projects in isolation—without integration with the city ethos, demography, and socioeconomic and cultural needs—and out of the purview of comprehensive city planning mechanisms. For example, the Comprehensive Mobility Plans for Kolkata,²³ Chandigarh,²⁴ and Pune²⁵ suggest road expansion, building flyovers, and augmenting the bus fleet without considering the city size, needs, and demands, and conducting impact assessments of the proposed strategies and changing development patterns. These projects are primarily mass-transit-centric and based on the projected travel demand on road links, disregarding the need for improved active mobility. The Smart Cities Mission also pays cursory attention to improving active modes. This author's analysis finds that few cities have been able to attract investments of more than INR 500 million for infrastructure provision for active modes, such as Coimbatore's footpaths project and Bhopal's bicycle sharing scheme, in the first round of the Smart Cities Mission.²⁶



Figure 2: Investment for Active Mobility Under Smart Cities Mission (First Round)



Source: Author's own, using data on the first round of infrastructure investments for active mobility for the Smart Cities Mission.²⁷

India's mandate towards achieving net-zero targets and the SDGs requires local actions and monitoring mechanisms. There are national-level net-zero targets as well as national-level and state-level reporting mechanisms for the SDGs. However, the two do not percolate to city-level targets and strategies. The SDG vertical within NITI Aayog is entrusted with monitoring progress and localising SDGs at the state level, among other responsibilities.²⁸ While states and districts report on SDG indicators, local actions are seldom designed according to the performance of urban mobility-related SDGs. Similarly, though there are national-level targets for achieving net-zero emissions by 2070,²⁹ there is a lack of clarity on how much states and cities can contribute to this effort.

Integration Framework

There is a need to integrate decision-making and reporting mechanisms between different levels of governance. Such integration would require defining targets at the city and state

levels and a framework to measure and monitor progress. Decision-making must follow a top-down approach at the national level and a bottom-up approach at the state and city levels. National-level targets must be distributed by sectors and at the state level. Impacts of potential pathways for achieving state-level targets within each sector can help define better strategies. The bottom-up approach will need to consider cities' infrastructure, demand, demography, and socioeconomic profiles.

The alternative scenario-based approach, as described in the revised Comprehensive Mobility Plan toolkit of 2014, can be adopted to understand the potential of strategies in reducing emission intensity while achieving just transitions.³⁰ Some of the indicators identified in the toolkit, such as modal share, safety, and emission intensity, are directly linked to the SDGs. Such strategies and indicators can serve as the foundation for preparing an integrated plan at the city level and defining projects that need attention.

An integrated framework for assessing, reporting, and monitoring must adopt similar indicators at different governance levels. For example, states must consider an action indicator related to the percentage of roads with adequate footpaths to assess existing conditions and monitor progress at the city level. State and national governments can report on the number of cities with benchmark percentages of roads with footpaths. Similarly, an indicator of transport emission intensity per passenger can be measured at both city and national levels. At the national level, states must report periodic city-wise changes in transport emission.

Conclusion

Studies have shown that India may experience a shortfall in achieving net-zero emissions and SDG goals. The transport sector is not a major contributor to emissions in the current scenario, primarily because of a higher dependency on active and public transport modes. However, as the dependency on personal vehicles increases, emissions from the sector will grow. Integrating 'net-zero' with SDGs is needed to achieve "net-zero-just" development, which



requires integrated decision-making processes as well as reporting and monitoring mechanisms at different levels of governance. Such a move would require a top-down approach at the national level to distribute targets by sector and state, whereas a bottom-up approach would be required at the city level in order to identify potential strategies to help achieve the targets.

A similar set of indicators is needed at the city, state, and national levels with regard to the reporting and monitoring framework. The indicators can be used to assess the status quo and define potential solutions based on the city's needs and visions. National-level policy frameworks should serve as a guide for cities, and city-level strategies need to be determined while considering a comprehensive planning approach.



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Aligning the Centre with States and Cities for Affordable Housing in India

Sejal Patel

Cities worldwide, and especially in the Global South, are grappling with rising costs of housing, which has led to the proliferation of underserved informal settlements for the poor. In India's urban districts, this problem is exacerbated by inadequate delivery of serviced land in the city periphery, irrational building regulations, cumbersome approvals processes and transactions, challenges in accessing construction finance, and high-risk/low-yield rental housing. India's urban housing market is therefore characterised by an oversupply of high-end housing, low levels of affordable housing, and an insignificant rental housing supply.

A multipronged approach, where the state is 'rightsized' as an enabler and a provider, is imperative to improving

access to affordable housing.¹ Such an approach recognises the interconnectedness of housing markets and seeks to remove barriers across sub-markets.² Initiatives like the Pradhan Mantri Awas Yojana-Urban (PMAY-U), which aims to facilitate 11.8 million houses in Indian cities by the end of 2024,³ exemplify such 'rightsized' market-enabling approaches that are tailored to bridge housing shortages and future demand.

PMAY-U and its Convergence with Other Housing Sub-Missions

PMAY-U seeks to bridge India's housing shortage, pegged at 18.78 million units in 2012, with economically weaker sections (EWS) and low-income groups (LIG) constituting 96 percent of this shortfall.⁴ PMAY-U encompasses the following four verticals:⁵

- **In-Situ Slum Redevelopment (ISSR)** for eligible residents by the private sector through land value capture and central assistance;
- **Affordable Housing in Partnership (AHP)** that provides central assistance for constructing EWS housing by states in partnership with the private sector;
- **Beneficiary-Led Construction (BLC)**, which provides direct financial assistance for constructing new houses or enhancing existing houses on self-owned land by EWS beneficiaries;
- **Credit-Linked Subsidy Scheme (CLSS)**, which provides home loan interest subsidies to EWS/LIG/middle-income group (MIG) beneficiaries for purchasing new houses or enhancing existing ones.

PMAY-U thus attempts to meet diverse housing demands by offering supply- and demand-side provisional support through these verticals. It captures the variance in housing demand through urban local body (ULB)-level surveys, sets national targets based on the beneficiaries' 'vertical/intervention preference', and supplements its interventions with other grants and reforms-based sub-missions, including the Atal Mission for Rejuvenation and Urban Transformation (AMRUT),⁶ Swachh Bharat Mission (SBM),⁷



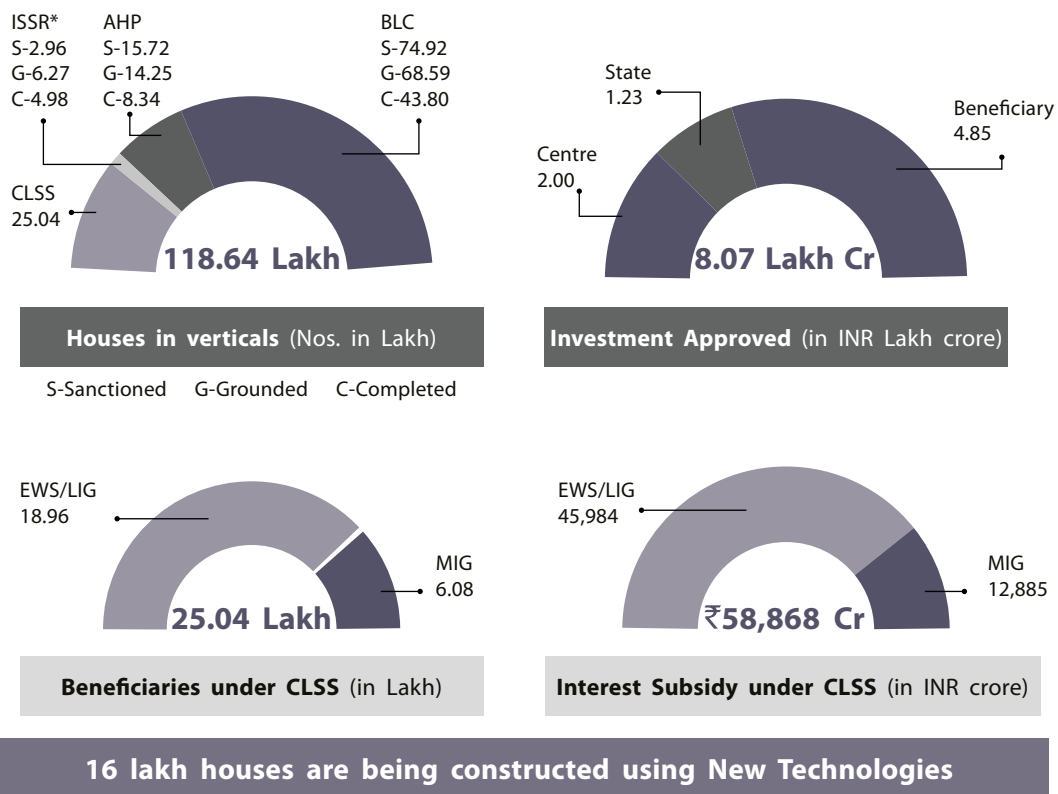
and the Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM).⁸ PMAY-U thus expands its focus beyond EWS/LIG submarkets to include housing for all, rather than the “slum-free cities” premise of earlier housing programmes such as Basic Services for Urban Poor (BSUP) and Rajiv Awas Yojana (RAY).

PMAY-U's demand-driven approach aims to strengthen cooperative federalism and create an enabling framework that allows national and state governments to ‘nudge’ incentive-driven self-investment implemented by ULBs and beneficiaries. It also leverages digital technology to minimise leakages and ensure that the benefits and subsidies reach intended beneficiaries.

PMAY-U has empowered households to opt for self-constructed housing; since its launch in 2015, the BLC uptake has been 63 percent of total sanctioned units (Figure 1). As of 15 April 2024, PMAY-U had delivered 8.302 million houses (69 percent of sanctioned units of 118.64 million), with the remaining 3.498 million units at different stages of construction.⁹



Figure 1: PMAY-U Status (as of 15 April 2024)



Source: Ministry of Housing and Urban Affairs (2021)¹⁰

Provisionary Support for the Homeless

The NULM provides transitional housing or shelters for the homeless in partnership with state governments.¹¹ Enhancing the skills, enterprise, and assets of the poor are vital to help them climb to higher rungs of the housing ladder.

Slum Redevelopment

ISSR aims to transform slum-occupied land into formal dwellings with private participation. Developers get INR 100,000 per family in central assistance, while the state government acts as a market enabler by offering incentives such as additional Floor Space Index (FSI), Transferable Development Rights (TDR), and zoning variance, allowing the commercial exploitation of the projects' 'free sale' components.¹² The ULBs oversee bidding processes and approvals.

Tenable slums on low-potential lands that are unlikely to inspire market-led redevelopment are upgraded with essential services through AMRUT and SBM.

PMAY-U also offers guidelines for rehabilitating untenable slums on hazard-prone sites or reserved lands through ISSR projects with surplus lands, but their convergence lacks a clear roadmap. ISSR has achieved mixed results, primarily because it focuses on building an ecosystem of cooperation and trust between the local government, developers, communities, and non-government organisations (NGOs) and intermediaries.

Credit-Linked Subsidy Scheme

CLSS, a demand-side intervention for ownership housing, provides low-interest loans to eligible EWS, LIG, and MIG families for home construction or enhancement. CLSS's central nodal agencies—the National Housing Bank; Housing and Urban Development Corporation; and the State Bank of India—channel these subsidies to lending institutions and monitor the scheme's progress. The beneficiaries can track applications via SMS alerts and a real-time CLSS AWAs Portal (CLAP) monitoring system.¹³ Digitalisation has enabled the faster processing of applications, validation, timely subsidy release, transparency, and reduced grievances.¹⁴

Beneficiary-Led Construction

BLC, another demand-side intervention, provides direct assistance of INR 150,000 to eligible EWS families for the construction of new houses or the enhancement of existing ones.¹⁵ BLC's high demand, especially in small and medium-sized cities, stems from its comparative flexibility to allow beneficiaries to construct houses on their plots according to their needs and aspirations. The central assistance is released, by phase, after the utilisation certificates of funds and construction progress reports are submitted. BLC accounted for 58 percent (4.38 million) completed units out of the total sanctioned units of 7.49 million by April 2024.¹⁶



Affordable Housing in Partnership

A supply-side intervention, AHP provides financial assistance of INR 150,000 per EWS house built under different partnerships by states and ULBs.¹⁷ A project must have at least 250 houses, with a minimum reservation of 35 percent for EWS. States must release public land, make necessary DCR changes, reduce stamp duty, and provide matching assistance for AHP. AHP accounted for 53 percent (0.83 million) completed units of the total sanctioned units of 1.57 million by 2021.

Rental Housing

India's rental market, governed by state-specific Rent Control Acts that have become outdated, suffers from low yields (3 to 4.5 percent) and high risks and is riddled with tenant-landlord conflicts, some of which end up in litigation.¹⁸ Despite the housing shortage of 18.78 million in 2012, 11 million urban houses remained vacant across different cities due to lack of appropriate legislation and low rental yields.¹⁹

In order to address this gap, the Central Government introduced the Model Tenancy Act (2021)²⁰ for rental housing along the lines of the Real Estate (Regulation and Development) Act (2016)²¹ for ownership housing. States are expected to adapt this by establishing Rules for an institutional dispute resolution framework that conforms to local contexts and comprises the rent authorities, courts, and tribunals. Although the Model Tenancy Act does not address low rental yields, along with the Affordable Rental Housing Complex (ARHC),^{a,22} it is expected to unlock vacant stock and developers' unabsorbed inventory and, in the long-run, incentivise rental housing.

^a PMAY-U's new vertical, announced in July 2020.



ARHC aims to improve access to affordable rental housing for the homeless and slum dwellers through two models:²³

- Converting existing government-funded vacant houses into ARHCs through public-private partnerships (PPPs) or by public agencies, with income tax and GST exemption on profits derived from ARHC operation, thus allowing low-interest project finance, and providing Technology Innovation Grants (TIG) to support fast and high-quality construction;
- Constructing, operating, and maintaining new ARHCs by public/private entities on their vacant lands.

State and local governments enable suppliers by making changes in Development Control Regulations (DCRs). These include a 50-percent additional FSI and zoning variance for commercial development within the ARHC, delivery of on-site services, and single-window approvals for construction within 30 days of application.

Within two years of ARHC's launch in 2020, about 83,534 vacant government-funded houses across 13 states were in different stages of implementation.²⁴

Enabling Markets to Meet the Housing Demand

The Ministry of Housing and Urban Affairs (MoHUA) has also made strategic market-enabling interventions to supplement the aforementioned provisional initiatives.

Delivery of Serviced Land in Inner City and Periphery

Traditional urban policies have densified the core city areas while overlooking the expansion of serviced land on the fringes.²⁵ Insufficient state- and city-level capacities constrain mechanisms like Town Planning Schemes (TPS) and local area-based planning (LAP). To address such gaps, MoHUA prepared a pilot TPS and LAP



training programme supported by financial and technical assistance under AMRUT.²⁶ Planning authorities of 25 states have availed of this programme towards expanding serviced land for housing in city peripheries.

Streamlining the Approval and Transaction Process for Construction Permits

Delays in securing permits after land acquisition, averaging 43 months, hamper project execution, incurring costs of 10-20 percent per housing unit.²⁷ Responding to the World Bank's Doing Business index, the Government of India initiated reforms to improve its global ranking, notably in the parameter of 'Dealing with Construction Permits'. Consecutively, India's rank improved from 182 in 2014²⁸ to 27 in 2020.²⁹

Mumbai and Delhi drove this improvement by introducing Online Building Permission Systems (OBPS) and other measures, reducing the average time to secure permits from 168 to 106 days and transaction costs from 28 to 4 percent of the project cost. MoHUA mandated OBPS as a condition for states and ULBs to qualify for AMRUT grants. As of April 2021, 1,705 cities, including 439 AMRUT cities, had established OBPS.³⁰

Incentives for Mid-Segment Affordable Housing

The Ministry of Finance and the Reserve Bank of India have taken several initiatives to address the 'low-margin-high-risk' scenario in mid-segment 'affordable housing', typically priced at INR 1 to 4.5 million. Under such initiatives, 'affordable housing' projects earn income tax and GST waivers and gain easy access to construction finance and home loans through Priority Sector Lending. Declaring affordable housing as 'infrastructure' also allows developers to access External Commercial Borrowing.³¹



Conclusion

MoHUA's 'rightsized' approach and measures to address affordable housing shortages offer hope for housing affordability and access across income groups. However, sustained commitment from state and local governments to continue on the reform path is crucial for its success. At the same time, it should be noted that the ongoing interventions are based on 2012 data. Considering the current urban scenario, central, state, and local governments should ensure that they do not face a 'one step forward, two steps back' situation. For example, studies predicted an increase in urban housing shortage from 18.78 million (a quarter of households) in 2012 to 47.3 million units (41 percent of households) in 2018.³² Considering the urban realities that the promised post-Lok Sabha elections Census will uncover, the national government must consider upgrading the mission to PMAY-U 2.0.

MoHUA must continue to conduct periodic performance and reform audits of ongoing housing initiatives. States and ULBs must align themselves with national measures by systemising surveys of household parameters, including income distribution, housing consumption patterns, and temporal housing flows and prices to accurately audit housing affordability in local land and labour markets and, accordingly, doing occasional recalibration of interventions. Otherwise, 'Housing for All' would remain a pipe dream.



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Emancipating the Third Tier of Government for India's Urban 'Amrut Kaal'

Dhaval Desai

India stands at the threshold of a surge in urban population over the next two decades.¹ The influx of people into Indian cities is projected to exceed the current urban population, possibly reaching 900 million by 2050.² With more than 50 percent of the country's population expected to turn 'urban' by the middle of the 21st century, the policy and planning needle is being pushed from predominantly rural to urban landscapes.

However, an analysis of rural and urban areas on the indicators of employment generation potential and contribution to the country's GDP reflects an imbalance. For example, agriculture, a predominantly rural activity, employs more than 45 percent of the total workforce but contributes a mere 18 percent

to the gross value added (GVA).³ On the other hand, the industry and service sectors, which mainly function in and around cities, contribute more than 80 percent to India's GVA while employing nearly 55 percent of the workforce.⁴ While the share of agriculture in India's economic growth has declined, its employment generation value remains significant.

To correct this contradiction, India needs to work towards urban ecosystems that enhance its growth momentum and offer more productive employment opportunities.⁵ This will involve the substantive financial empowerment and decision-making autonomy of urban local bodies (ULBs), which were officially recognised by the 74th Constitutional Amendment Act (CAA), 1992 as the "third tier of governance".⁶ However, three decades after the CAA mandated decentralised governance, cities remain under state domination.

The Evolution of India's Urban Policies

Urban development is a state subject under the Constitution of India, and ULBs have historically remained under the absolute financial and functional control of the states. The CAA was the first comprehensive attempt to democratise and decentralise ULBs by empowering them with autonomous status. Before the CAA, states could extend the stipulated term of ULBs or arbitrarily invalidate them, primarily if the ULBs' political predisposition differed from that of the state government. In an attempt to reduce ULBs' financial dependence on the state, the CAA also formalised the appointment of State Finance Commissions (SFCs) to recommend the devolution of funds from the state to the ULBs.⁷

The CAA paved the way for the Government of India (GoI) to pay closer attention to cities. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM), launched in 2005, promised central funds for city infrastructure and service enhancement against specific reforms carried out by states and ULBs.⁸ JNNURM asserted urban reforms by incentivising states and cities. The following year, GoI introduced the National Urban Transport Policy, which focused



on urban mobility by prioritising “moving people” over “moving vehicles”.⁹ Another significant attempt at urban transformation came in 2015 with the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and its sub-missions.¹⁰

Continuing Challenges

Despite its intended objectives to liberate local bodies from indiscriminate state control, the CAA struggled to yield tangible change. Several of its mandates, including financial autonomy and the term and executive powers of the mayor and the local elected representatives, were discretionary, allowing states to continue their hold over ULBs.¹¹ Cities remain under the control of state-appointed commissioners, whereas mayors fill ceremonial positions with no legislative powers.

Overlapping Functional Constraints

While the CAA's Twelfth Schedule delineated 18 municipal functions that states must devolve to the ULBs (see Table 1), these functions are constrained by the overlapping mandates with state-established parastatals.

Table 1: ULBs' Overlapping Mandates with States and Parastatals

Functions Under Sole ULB Jurisdiction	
Function	Activities
Burial and cremation grounds	Construction, operations, maintenance
Cattle pounds, prevention of cruelty to animals	Catching and keeping strays, sterilisation and anti-rabies, ensuring animal safety
Regulation of slaughterhouses and tanneries	Operation and maintenance, waste disposal, ensuring the quality of animals and meat
Registration of births and deaths and other data	Coordination with hospitals, nursing homes, and crematoria for obtaining information, maintaining and updating databases



Functions with Overlapping Jurisdictions with State and Parastatals	
Roads and bridges	Construction and maintenance of roads, bridges, flyovers, drains, culverts, and footpaths
Public amenities, including street lights, parking lots, bus stops, and public conveniences	Bus and bus route operations, street lights, construction and maintenance of parking lots and public toilets
Provision of urban amenities and facilities such as parks, gardens, and playgrounds	Creation, operation, and maintenance of public parks, gardens, and playgrounds
Urban and town planning	Limited to the municipal jurisdiction, with zero control over the metropolitan region
Regulation of land use and building construction	Permission for land-use change and building plan approval, limited to municipal land
Public health, sanitation, conservancy, and solid waste management	A state function in most ULBs, except for sanitation, conservancy, and solid waste management
Fire-fighting services	Shared responsibility in most ULBs between municipal and state fire departments
Water supply for domestic, industrial, and commercial purposes	Responsibility of the state Water Supply and Sewerage Department, except for large municipal corporations
Functions where ULBs are Mere Implementing Agencies	
Planning economic and social development	Implementation of central/state economic programmes and policies of social development
Safeguarding the interests of weaker sections of society, including people with physical and mental disabilities	Aiding in the implementation of central/state programmes (e.g., Pradhan Mantri Awas Yojana-Urban) for self-employment and skill development or low-income households by identifying beneficiaries
Slum improvement, upgradation, redevelopment and rehabilitation	Aiding in the implementation of central/state housing and slum redevelopment programmes by identifying beneficiaries
Urban poverty alleviation	Aiding in the implementation of central/state livelihood and employment programmes (e.g., National Urban Livelihoods Mission) by identifying beneficiaries
Functions with Insignificant Role for ULBs	
Urban forestry, protection of the environment and ecology	Primarily under the control of the state forest department
Promotion of cultural, educational, and aesthetics	Mainly governed by state departments of school and higher education and culture

Source: Compiled by the author from the Comptroller and Auditor General of India Audit Report 2022.



Due to ambiguities in the CAA, states could choose which functions they wanted devolved to the ULBs. While large municipal corporations such as Mumbai perform nearly all the 18 functions, albeit with jurisdictional and functional overlaps with state and parastatals, smaller ULBs continue to play a subordinate role in critical aspects of city governance and administration. India's Comptroller and Auditor General's 2002 audit report for ULB empowerment in Haryana highlights that, of the 18 functions highlighted in the CAA, ULBs were solely responsible for only four. The ULBs had overlapping mandates with the state and parastatals for eight functions, performed "implementation agency" roles in four, and had "insignificant roles" in two.¹³

Worsening Financial Health

Notwithstanding the CAA's discretionary provisions to lend financial autonomy to ULBs through the levy and collection of taxes, duties, tolls, and user charges, as well as grants-in-aid from the state's Consolidated Fund,¹⁴ ULBs across India remain cash-starved, witnessing a growing gap between their functions and available financial resources. The recommendations made by the SFCs regarding ULBs' financial empowerment by states have received superficial recognition, prompting the Reserve Bank of India to observe that "the process of devolving funds to local bodies on the recommendations of SFCs is not working efficiently."¹⁵

Additionally, the CAA overlooked an archaic constitutional provision, which grants the Gol properties exemption from ULB taxes under Article 285.¹⁶ Properties owned by the state also enjoy arbitrary tax exemptions and service-charge subsidies. For example, the Maharashtra government owes INR10.95 billion in stamp duties to the Pune Municipal Corporation.¹⁷ The bungalows used by ministers and senior bureaucrats in Mumbai have an outstanding payment of INR9.5 million in water bills to the Brihanmumbai Municipal Corporation.¹⁸ The Ahmedabad Municipal Corporation has outstanding bills of INR



3.25 billion payable by the Western Railway and multiple state utilities.¹⁹ Likewise, government offices in Bhubaneswar owe INR 300 million in property tax to the city municipal corporation.²⁰ The Greater Hyderabad Municipal Corporation seeks to recover over INR 20 billion in property tax from central government- and state-occupied buildings.²¹

In addition to the CAA's failure to address the fiscal imbalance, stopping short of establishing an independent tax framework for ULBs, the imposition of the Goods and Services Tax (GST) in 2017, which subsumed nearly all local taxes, including octroi and entry tax, further crippled the financial health of cities. A 2019 study of the financial health of municipal corporations of metropolitan regions found that their total revenues dipped as a percentage of GDP from 0.49 percent in 2012-13 to 0.45 percent in 2017-18, just one year after GST implementation.²² Consequently, cash-starved cities now face an even larger unfunded mandate. Ironically, many state governments are resorting to populist measures such as property tax exemptions, which is the biggest ULB revenue earner, after the abolition of the octroi, thus increasing their financial distress.²³

Dysfunctional Urban Planning Function

Most states exercise discretion by not bringing specific amendments to their respective Town and Country Planning Acts to devolve the "urban planning, including town planning" function to the ULBs, as mentioned in the CAA's Twelfth Schedule. Even the few states that have recognised the planning function of ULBs continue to wield their "approval" authority to city Development Plans. They often enforce politically expedient changes in land-use reservations, leading to delays in their implementation.



Conclusion

India needs an urgent overhaul of its urban governance architecture to improve the performance of the cities as potential engines of growth for the national economy. Genuine self-governance of ULBs demands a paradigm and attitude shift on the part of states, which must provide strategic guidance for accelerating urbanisation and give up all functional and operational control. Well-defined, autonomous, independent functional and financial powers of ULBs, led by empowered mayors as chief executives who are answerable to the city electorate, in line with principles of subsidiarity and decentralisation, are imperative for India's urban future.

The failure of the CAA to shepherd such top-down transformation calls for the GoI to contemplate second-generation urban reforms in the context of the current and emerging urban landscape and the critical role of cities in national economic growth. India needs sharper and more binding constitutional amendments that can ensure that states accord better treatment to the third tier of governance and effectively emancipate ULBs in India's Amrut Kaal.



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The Role of the Central Government in Strengthening Urban Local Self-Governance

Janak Parmar

Urbanisation in India is accelerating, with millions of inhabitants migrating from rural to urban areas for better job opportunities, income prospects, and wealth creation. According to India's Economic Survey 2018, the country's urban population is estimated to reach 600 million by 2031¹ and 800 million by 2050.² However, rapid urban growth and ill-prepared municipal self-governance pose significant challenges, including inadequate infrastructure, detrimental sustainable development, socio-economic disparities, and housing shortages, resulting in socially, economically, and environmentally unsustainable situations.³ It is imperative to understand and manage the shifts in the urban

landscape to respond to these challenges and improve the quality of life of India's fast-growing urban populations and equip cities to help ensure India's sustainable and inclusive development.⁴

Disempowered Urbanism: The Languishing Federal Third Tier

The Central Government provides strategic leadership in guiding urban governance reforms by formulating laws, policies, and programmes. However, the effectiveness of these reforms depends on their implementation by states, which often face hindrances such as weak institutional capacities for urban planning and management, lack of political will, bureaucratic red-tape, poor inter-departmental coordination, and financial constraints. Indian cities are not empowered within the centralised framework to confront these challenges. Additionally, mayors and councillors in India have limited power over funds and functionaries, which results in urban local bodies (ULBs) remaining just another civic service agency rather than an empowered local form of self-government. The 74th Constitutional Amendment Act (CAA) 1992 attempted to ensure the improved functioning and abilities of ULBs by transferring a specific set of responsibilities from state governments to ULBs, incorporating public participation in decision-making, and enhancing the skills of ULBs to address the local needs of citizens.⁵

However, the accountability of ULBs is not backed by adequate finances or the capacity for management and planning.⁶ For example, India's total municipal revenues constituted only 1.08 percent of the country's gross domestic product (GDP) in 2007-08, declining to 1.03 percent in 2012-13, and further to 0.72 percent in 2019-20.⁷ In comparison, in 2010, this revenue was 6 percent of the GDP in South Africa, 7.4 percent in Brazil, 13.9 percent in the United Kingdom, and 14.2 percent in Norway.⁸ India also lags in ensuring predictability in transfers from state governments to ULBs. According to various reports from the Asian Development Bank,⁹ World Bank,¹⁰ and McKinsey Global Institute,¹¹ developing Asian countries, including India, face massive shortfalls, such as poor



capacity of officials; lack of planning, empowerment, accountability, and transparency; and inadequate funding and resource enhancement of local governments.

By 2013, only 11 out of 31 states and union territories (UTs) in India had transferred all 18 functions mandated under Schedule 12 of the 74th CAA to ULBs.¹² Even the Brihanmumbai Municipal Corporation—one of the most prosperous municipalities in India, with an annual budget of nearly INR 600 billion—does not have any independent body to lease land and accumulate revenue independently for land-use regulations.¹³ Despite being tasked with managing cities and towns, ULBs in India are not adequately equipped to ensure citizens' participation, with decentralisation and devolution reforms remaining an unfulfilled agenda.¹⁴ As of 2023, only three out of 35 states and UTs have mandated public consultation on city budgets,¹⁵ whereas only five out of 35 states and UTs have enacted a community participation law for citizen engagement by creating ward committees and area *sabhas*. A combination of factors, including fragmentation and ambiguity in responsibilities, inadequate staff strength and skills, political priorities, weak transparency, and conflicting statutes, do not allow ULBs to be approachable and responsive to citizens.

The Role of the Central Government

The Government of India can play a pivotal role in empowering local self-governance by ensuring that states implement the 74th CAA in letter and spirit. It is vital to nurture a metamorphosis of 'urban local bodies' into 'urban local self-governments'. Fostering systematic and well-planned urbanisation is paramount to sustain India's growth trajectory. There is a need to strengthen legal frameworks and accountability mechanisms to ensure the proper implementation and enforcement of model laws and schemes by states. These measures must include a constitutional amendment in existing legislation (for example, the 74th CAA), mobilising financial resources to ULBs, introducing statutes, and establishing authorities that oversee urban governance reforms and monitor compliance. It is also vital to promote the harmonisation of policies



and the standardisation of practices across states through model guidelines and toolkits. Such result-oriented action can minimise inter-state inconsistencies and lead to efficient and equitable urban development planning and implementation.

Mayors and city councillors are the bridge between citizens and the government at the 'first mile'.¹⁶ It is thus imperative to formulate a robust institutional framework for urban local governments through an improved 'Model Municipal Act' to impart substantial autonomy to mayors and councillors for effective self-governance. The Government of India has launched flagship programmes such as the 2005 Jawaharlal Nehru National Urban Renewal Mission (JNNURM),¹⁷ mandating states to formulate separate municipal administration cadres. More recently, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT)¹⁸ included the constitution and professionalisation of municipal cadres among its 11 mandated reforms.

Similarly, the Centre should make provisions such as sound council infrastructure through an empowered secretariat, digitisation (including live-streaming of council proceedings), research support ecosystem, and proper compensation for councillors to strengthen the current functioning of the city councils and corporations. The Greater London Authority and its administration^a is an example.¹⁹ Further, upskilling and reskilling municipal personnel through capacity-building workshops and leadership development programmes can improve their management capacities and governance skills.

^a The Greater London Authority Act, 1999 has empowered the mayor of London with several important functionalities, such as setting annual budget, direct negotiation with federal government to avail funds, spatial planning of city, fabricating housing strategies and waste management strategies, appointing officers for functional bodies such as Transport for London (TfL), London Fire and Emergency Planning Authority, among others. The meetings conducted by the mayor and the city assembly are live-streamed and webcasts can be accessed online.



The Government of India must also mainstream public participation and transparency in urban governance by encouraging states to adopt participatory decision-making processes, open-data initiatives, and citizen feedback mechanisms. This may include promoting awareness campaigns, capacity-building workshops, and technology-enabled platforms to empower citizens, foster transparency, and enhance accountability in urban governance. For instance, cities such as London,²⁰ Singapore,²¹ New York,²² Munich,²³ Shanghai,²⁴ Jakarta,²⁵ and Tokyo²⁶ have an 'open cities' framework that uses web technologies and user interfaces to enable real-time citizen engagement.

This spatial and data-driven framework can provide a common platform for citizens, mayors, councillors, and municipal officials to communicate with each other. Such a framework can also facilitate the direct engagement of citizens through participatory budgeting and volunteer engagement processes, where people can play an active role in resolving civic issues. It is time the Government of India pushes states to implement best practices, including the Model Community Participation Law (CPL) and Model Public Discourse Law (PDL),²⁷ first introduced under JNNURM in 2005 and repeatedly urged by subsequent missions and schemes.

The CPL aimed to institutionalise mechanisms for involving local communities in the planning, implementation, and monitoring of urban development projects. The following are notable features of CPL:

- Formation of ward committees comprising representatives from different sections of society, including residents, civil society organisations, NGOs, elected representatives, academics, and urban experts;
- Mandatory participatory governance through the inclusion of local communities, civil society organisations, welfare associations, NGOs, and other stakeholders in the decision-making process for all urban development projects;
- Consultative processes through public hearings and feedback mechanisms to collect community inputs to ensure that



their priorities and concerns are incorporated into urban planning;

- Capacity building to empower stakeholders to actively participate in urban governance through workshops and awareness campaigns.

The PDL, meanwhile, was introduced to promote transparency, accountability, and public scrutiny of urban development projects and related decisions. Its key provisions include the following:

- Public consultations through public hearings to enable citizens to express their views, raise concerns, and provide feedback on proposed projects and policies;
- Social audits by independent auditors to assess the impacts of development projects on local communities and their effectiveness in addressing the needs of citizens;
- Disclosure of information on the ULB website and through information centres of planned projects, budgets, expenditures, and decision-making processes.

Conclusion

In the last two decades, the Government of India has made various efforts to pursue urban self-governance reforms. These include passing laws such as the Model Municipal Law, Model Tenancy Act, and Model Building By-Laws; implementing schemes such as JNNURM, AMRUT, and Smart Cities Mission; promoting citizen participation platforms like MyGov, Swachhata, and National e-Governance Plan (NeGP); and creating indices such as the 'Ease of Living Index' and the 'Municipal Performance Index'.

Both the Central and state governments must step up efforts at creating pathways for effective urban self-governance. It is imperative that state governments implement the obligations and



institutional reforms mandated by the Central Government. Likewise, the Government of India needs to implement dedicated monitoring mechanisms, regular transparent audits, and performance reviews.

Strengthening Centre-State partnerships is essential to addressing implementation gaps and fostering sustainable and inclusive urban development in Indian cities. Collaboration, coordination, and cooperation among all stakeholders are essential to overcoming challenges, achieving desired outcomes, and enhancing efficiency, effectiveness, and resilience in managing urban areas.



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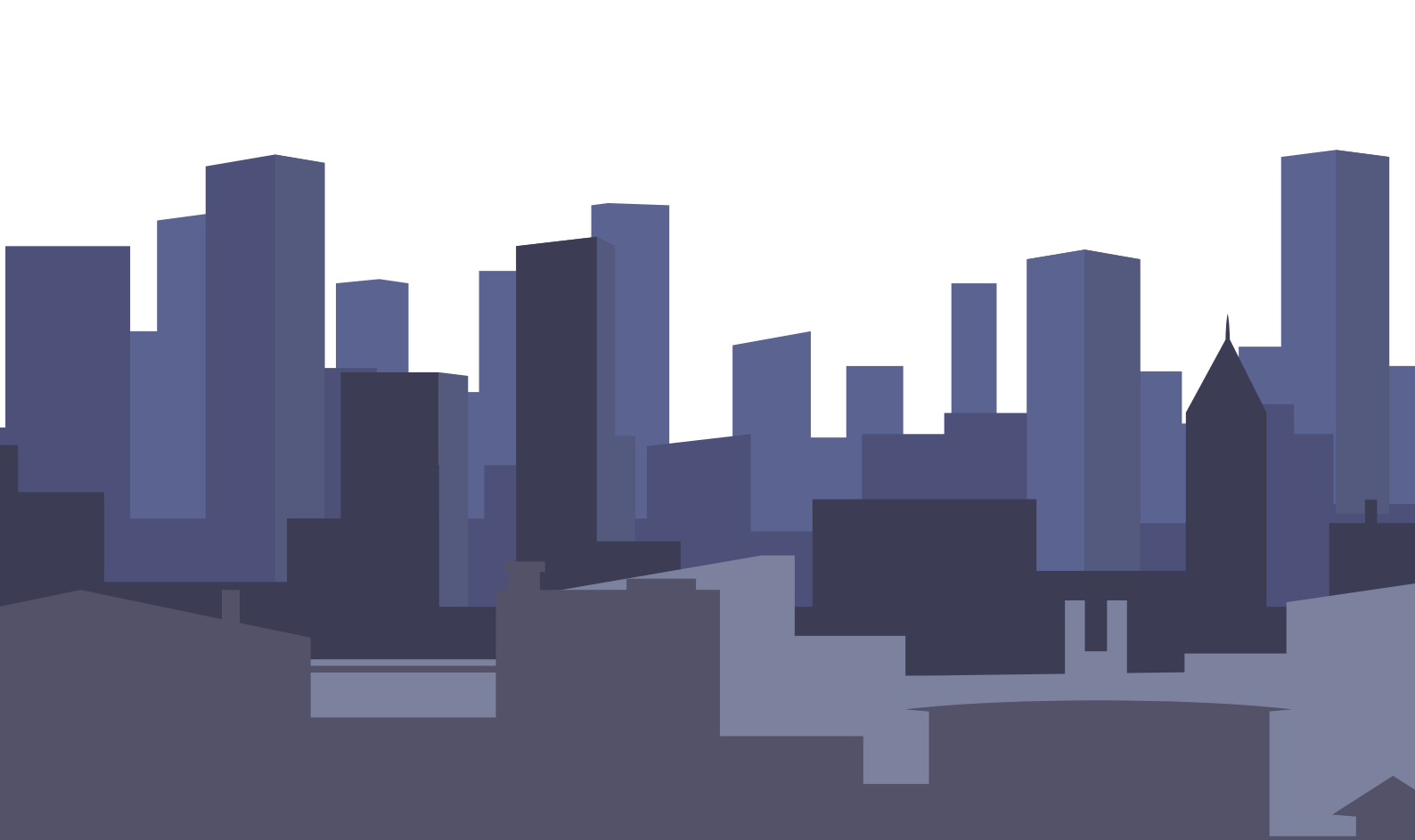


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A City Infrastructure Investment Pipeline for Climate- Resilient Urban Development

Saswat Bandyopadhyay and Gargi Mishra

India aspires to become a US\$40-trillion economy by 2047,¹ and in this quest, cities are pivotal. However, a rapidly urbanising India is confronting multidimensional challenges of inequity, overcrowding, infrastructure gaps, and climate change-induced shocks and stresses. Addressing these challenges while maintaining the desired economic growth momentum requires a strategic reimaging and planning of India's cities through quality infrastructure investments at scale across departments and timeframes.

Infrastructure investments in cities in India are lower than in East Asia and the West.² India's present approach to urban infrastructure planning and development does not align with existing statutory long-term spatial planning tools, such as Master Plans

(MP) or Development Plans (DP). Consequently, urban local bodies (ULBs) roll out mega projects, such as for water supply, sanitation, solid waste management, transport, and urban renewal, under various centrally sponsored schemes (CSS) on an ad-hoc basis, with unplanned land use and weak cross-sectoral linkages, if at all.

Such disjointed land-use planning and infrastructure development processes put cities in a constant fire-fighting mode, with limited room for rethinking long-term approaches to address pressing global issues and climate-induced risks. Therefore, there is a need to reflect on the role of the Centre, State, and ULBs in planning sustainable and resilient infrastructure. This rethinking is necessary to align national, regional, and ULB goals and create pathways towards achieving the Government of India's nationally determined contributions (NDCs)^a to reduce the carbon emissions intensity of its gross domestic product (GDP) by 45 percent from the 2005 level, increase the cumulative electric power installed capacity of the national grid to 50 percent by 2030, and achieve its net-zero target by 2070.³

Fragmented Infrastructure Delivery and Land-Use Planning in Indian Cities

Urban local bodies (ULBs) in India had little functional and financial autonomy in governance and planning until the early 1990s; in developing land and urban public infrastructure, for example, it was the state governments that played the key role.⁴ The economic liberalisation in the early 1990s was a turning point for modern planning and infrastructure development in India. The new economic reforms and the 74th (Constitutional Amendment) Act (1992) advocated for decentralised urban governance and the provision of planning functions for ULBs.

^a The first NDC, submitted on 2 October 2015 to the UNFCCC for the period up to 2030, was revised in August 2022 under the Paris Agreement.



This provided a much-needed impetus to India's hitherto ignored urban challenges. The latter years of the 20th century witnessed a significant transition from the public sector as the primary investor in cities by allowing private-sector involvement. Although public-private partnerships (PPP) enabled by these reforms markedly reduced the share of public investments in urban infrastructure, PPP in the urban infrastructure sector continued to experience the challenges of market failure.⁵

Since the early 2000s, the Central Government has played a pivotal role in facilitating and supporting infrastructure development in cities through various urban reform-linked schemes such as the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), AMRUT 1.0, and AMRUT 2.0.⁶ The JNNURM, launched in 2005, provided infrastructure investment opportunities through PPP projects.⁷ It stressed the preparation of non-statutory city development plans (CDP) to identify projects and guide programme implementation, through the preparation of Detailed Project Reports (DPRs), which states were required to submit to access JNNURM funds for infrastructure projects.⁸

The availability of central funding for projects resulted in states and ULBs planning infrastructure projects through the DPR route while disregarding the long-term statutory Master Plans (called Development Plans in some states) which are the spatial development blueprints of cities with an implementation window of 20 years. This resulted in various infrastructure projects being supported through DPRs and other non-statutory Central funds-linked plans such as City Sanitation Plans (CSPs) and Comprehensive Mobility Plans (CMPs). The approach to urban infrastructure planning and development has largely remained ad-hoc, driven by sporadic centrally sponsored schemes and programmes, without any binding statutory mandate and addressing only short-term priorities.

Since 2014, the Government of India has been making significant investments in developing and upgrading urban infrastructure through national missions aimed at targeted governance and institutional reforms at the state and local levels. As India continues



to urbanise, cities need to explore cutting-edge planning tools for managing peripheral expansion and renewing their central core areas. It must also utilise tools to capture land values to finance sustainable urban development.

The first significant attempt towards planned and integrated urban development was made through the centrally supported AMRUT 1.0, launched in 2015, wherein over 460 cities⁹ were selected for the preparation of GIS-based Master Plans.¹⁰ This was a crucial urban planning reform initiated by the Centre with a budget outlay of INR5.15 billion, to enable cities in preparing base maps, land use maps, and various other thematic maps for infrastructure planning.¹¹ Building on this initiative further in phase two, AMRUT 2.0 in 2021 introduced GIS-based master planning under its incentive reform on urban planning for Class II cities (or those with population of 50,000-99,999). This had a sub-scheme for the preparation of Local Area Planning and Town Planning Scheme (TPS) covering 25 cities to utilise their land potential and capture land value.¹²

Thus, from JNNURM in 2005 to AMRUT 2.0 in 2021, there has been a shift from a project-oriented infrastructure development approach to a more reform-linked integrated approach that connects land use and infrastructure planning. However, the preparation of a city-level infrastructure investment pipeline for quality infrastructure investments is yet to be realised.

Non-Statutory Plans for Sustainable and Resilient Urban Growth

Its size and geographical diversity make India vulnerable to extreme climate-induced risks, shocks, and stresses. According to the Germanwatch Climate Risk Index (2023), India, along with China and the United States, are home to 80 percent of the world's top 50 vulnerable states and provinces.¹³ Recognising these risks, the Indian government has placed cities at the centre of national climate-change mitigation and adaptation plans and actions. India was ranked seventh in the Germanwatch's Climate Change Performance



Index (CCPI) of 2024,¹⁴ the highest among the G20 nations, primarily for its enhanced NDC and commitment to achieving net-zero status by 2070.

The Central Government recognises that maintaining the national growth momentum requires improving, upgrading, and building sustainable and resilient urban infrastructure. For instance, the National Infrastructure Pipeline (NIP), with projected capital investments of INR111 trillion during the FY 2020-25 period,¹⁵ focuses on building high-quality, reliable, sustainable, and resilient infrastructure, including regional and trans-border infrastructure, that can support economic development and human well-being. It seeks to pay attention to affordable and equitable access for all as a primary strategy to achieve the Sustainable Development Goal 9 (SDG 9),¹⁶ which aims to “build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.”

Cities have also responded to emerging climate threats by introducing thematic and sector-specific plans, such as blue-green infrastructure plans, climate action plans, low-carbon cities, and strategies for urban resilience. However, like the centrally funded grants under specific missions and schemes, these plans are facilitated by development cooperation sector agencies and thus lack the necessary integration with long-term statutory plans; they remain more of an ‘obligatory’ measure rather than a statutory mandate. Globally, such city-level climate-smart infrastructure plans in emerging markets have tremendous potential, attracting estimated investments of US\$29.4 trillion through climate finance by 2030.¹⁷ Tapping into such investment opportunities could enable systematic “planning” for infrastructure through spatial planning tools like Master Plans, Local Area Plans, and Town Planning Schemes.



India's concerns are compounded by the absence of a clear urban planning hierarchy in cities and the limited linkage of diverse strategic, sectoral, and thematic instruments with statutory planning mandates.¹⁸ The proactive agency and engagement of national governments has led to tangible transformations at the local level in several developed countries. For example, Infrastructure Australia (IA), a national-level agency established in 2008, is mandated to prioritise, implement and monitor nationally significant infrastructure projects and reforms in Australia, ensuring jurisdictional cooperation and process improvements for PPPs.¹⁹ Similarly, the United Kingdom's National Infrastructure Commission (NIC), set up in 2015, charted out a 30-year strategic vision for infrastructure-led economic development in cities.²⁰

The Way Forward

Currently the fifth largest global economy, India is predicted to surpass Japan and China to emerge as the world's third largest economy by 2027.²¹ However, for these predictions to materialise, there is an urgent need to integrate infrastructure investments with long-term Master Plans or Development Plans. Learning from the limitations of the 74th Constitutional Amendment Act to bring about the desired level of decentralised ULB governance, India needs to implement second-generation urban planning and governance reforms.

The role of the Central Government remains crucial in facilitating land-use-linked, sustainable, and resilient infrastructure development. The appeal of various short-term DPR-based grants and incentives for infrastructure development is also causing cities to miss out on long-term, statutory planning processes. However, the role of statutory spatial planning and its result-oriented implementation in combatting long-term challenges such as climate change cannot be understated.



India's cities can only advance their adaptation, mitigation, and resilience agenda through a government-mandated combination of systemic, risk-informed land-use planning and zoning proposals, development control regulations, and identification of critical infrastructure projects. This transformation would require national frameworks to prioritise long-term goals in a city infrastructure investment pipeline of projects and programmes aligned with land-use-based city development plans that can leverage the appreciation in land value through planned urban growth.



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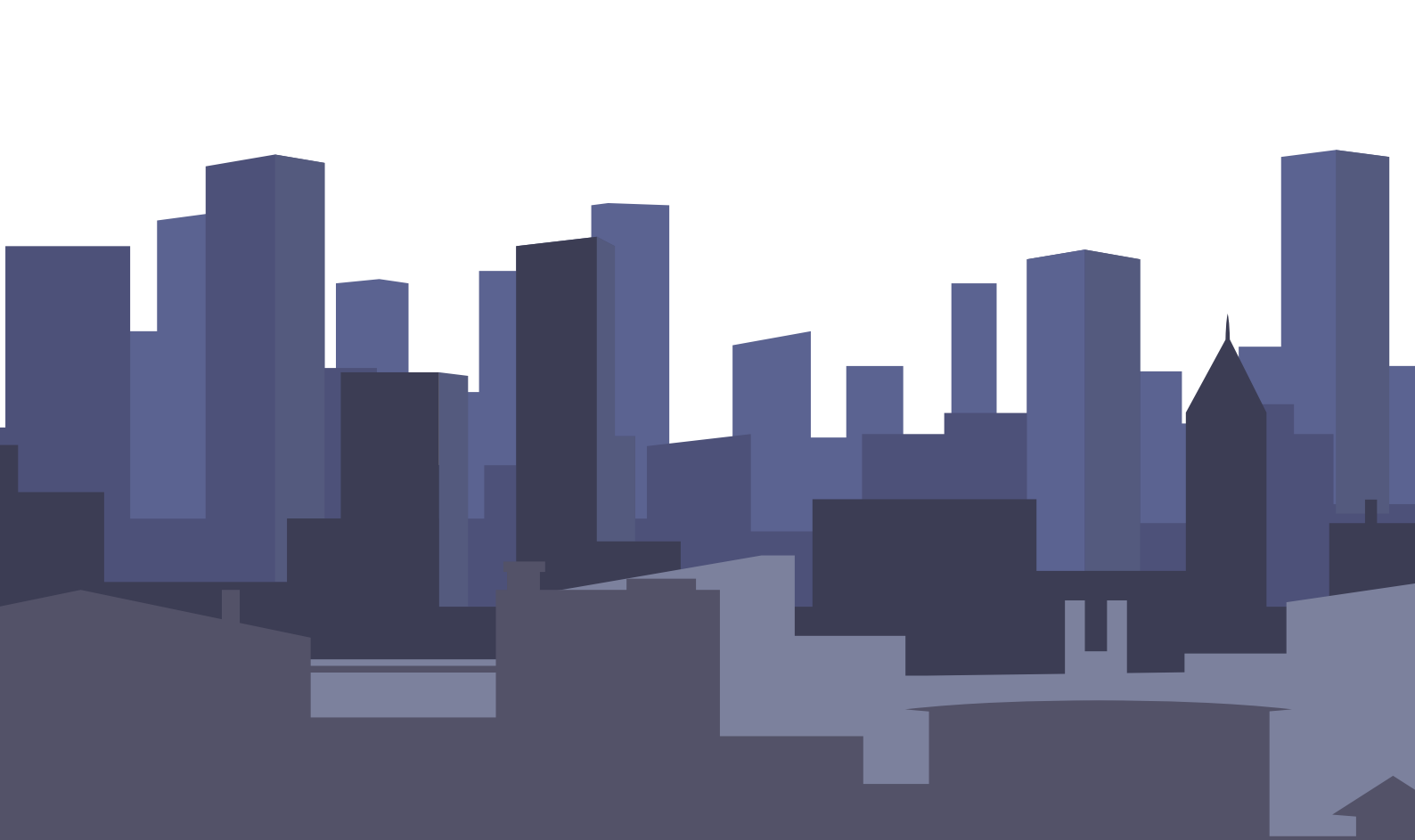


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The Role of the National Government in Tackling India's Urban Water Crisis

Vikas Rana

Urban India is grappling with challenges that threaten water availability, quality, and distribution and equity. Despite increased reliance on groundwater, urban areas are facing an ever-widening gap between water demand and supply. Water losses are worsening, as a result of leakages caused by ageing pipelines, treatment plants, and distribution systems. Systemic inefficiencies are also exacerbating the non-revenue water (NRW)^a quantum of utilities.¹ Compounding the challenges are the unregulated discharge of untreated effluents, sewage, and agricultural

^a Non-Revenue Water (NRW) is the difference between the volume of water fed into the water distribution system and the revenue generated from water billed to the end-users.

runoffs which contaminate water bodies, making the treatment of water a household necessity in cities.

Water scarcity and pollution are increasing the prevalence of water-borne diseases, particularly in areas with inadequate access to safe drinking water and sanitation. With widespread disparities in water access, marginalised communities in informal settlements face even graver challenges in obtaining safe and affordable water for daily use. Inadequate drainage infrastructure has increased urban flooding, disrupting lives and livelihoods and posing risks to public health and safety.

Changing rainfall patterns, droughts, and extreme weather events have strained water resources and infrastructure, further exacerbating urban water stress. Weak governance structures, inadequate regulatory frameworks, and institutional capacity constraints impede effective water management in urban areas, hindering integrated and sustainable solutions.

A comprehensive approach involving infrastructure development, improved water management, pollution control, better sanitation, and effective policies and regulations are required to overcome these challenges and ensure equitable and sustainable access to water for all.

Towards Sustainable Urban Water Systems: Government's Strategic Intent and Implementation

The government of India framed the country's first National Water Policy in 1987, and has updated it twice—in 2002 and 2013. The 1987 policy emphasised water conservation, efficient utilisation, stakeholder involvement, and prioritising drinking water, irrigation, and hydropower needs. The 2002 updated policy introduced concepts like river basin management, community and private sector participation, demand management, water pricing, and quality. The 2012 policy revision incorporated guidelines for emerging challenges like climate change adaptation, enhancing water availability through interbasin transfers and aquifer mapping,



demand management strategies, water pricing regulation, water bodies and infrastructure conservation, integrated project planning with social and environmental considerations, and flood and drought management. It also stressed institutional reforms like river basin organisations and water disputes tribunals. The evolution of India's water policies through the decades has thus aimed to provide a more holistic and integrated framework for sustainable water resources management.²

Urban water sector reforms also received a boost in 2005 through the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). JNNURM encouraged the states and cities to develop service-level benchmarks (SLB) and enhance service delivery standards. It mandated specific reforms to achieve predetermined SLBs in crucial services, including water supply, to qualify for central assistance.³ They included parameters such as determining per-capita water supply, water metering, NRW reduction, cost recovery, and sewerage and stormwater networks. Cities were required to formulate City Development Plans outlining their adherence to these benchmarks and reform agendas, with third-party monitoring to assess the implementation of reforms and the attainment of benchmarks to access JNNURM funds. In 2015, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) prioritised SLBs for state and city utilities to secure mission financing.

AMRUT and the AMRUT 2.0 (2021) aim to enhance urban infrastructure and services, with a total outlay of INR 2.99 trillion, including a Central share of INR 76.7 billion. The mission encourages public-private partnerships and aligns with national programmes like 'Housing for All by 2022' and the 'Swachh Bharat Mission'. AMRUT mandates 11 reforms^b for all participating cities and conducts capacity-building activities for Urban Local Bodies (ULBs).

^b Reforms: E-Governance; Constitution and professionalisation of municipal cadre; Augmenting Double-Entry Accounting; Urban Planning and City Development Plans; Devolution of funds and functions; Review of Building by-laws; Setting up of financial intermediaries at State level; Municipal tax and fees improvement and Improvement in levy and collection of user charges; Credit rating; Energy and water audit; and the Swachh Bharat Mission. See: <http://tcpo.gov.in/urban-missions>.



AMRUT's phase 1 for 500 cities outlined a number of actions designed to enhance access to water and improve sewerage services through e-governance platforms like e-MAAS (e-municipality as a service), facilitating water and sewerage charges, and grievance redressal. Additionally, it sought to implement telescopic water charges with varying rates for individual and institutional assessments while ensuring the protection of vulnerable groups.^c

AMRUT also considered reducing NRW to less than 20 percent across urban India by identifying and rectifying systemic inefficiencies through periodic audits and optimising resource use for water and sewage treatment plants.⁵ It also mandated the mission cities to prepare a roadmap to achieve a billing and collection efficiency of 90 percent,⁶ and prioritised rainwater harvesting at commercial, public, and new buildings to augment water conservation.⁷

AMRUT 2.0 builds upon the initial AMRUT mandate to promote a circular water economy. It aims for universal coverage of tap-water supply to all households in statutory towns and sewerage/septage management, and make urban areas water-secure by developing City Water Balance Plans (CWBP) for a circular water economy focusing on recycling/reusing treated sewage, rejuvenating water bodies, and water conservation.

When AMRUT's first phase ended in 2021, it had grounded projects worth INR 789 billion, carried out works on projects worth INR 477 billion, and completed projects worth INR 164.49 billion.⁸ It facilitated 970,000 water tap connections and 6,200,000 sewer household connections, independently and through convergence with other schemes.⁹ Against the targeted construction of 6,000,000 kilo litres per day sewage treatment plants, AMRUT has achieved

^c These are groups that face discrimination due to various factors such as structural issues, age, and disability. These include women, Scheduled Castes (SC), Scheduled Tribes (ST), children, the elderly, persons with disabilities, poor migrants, people living with HIV/AIDS, and sexual minorities. See: <https://www.legalservicesindia.com/article/1079/Vulnerable-Groups-in-India---Status,-Schemes,-Constitution-of-India.html>.



an STP capacity of 1,909,000 daily.¹⁰ It has eliminated 1,563 waterlogging spots against the targeted 2,804 and developed 3,500 acres of green permeable spaces and parks.¹¹ As of December 2022, states had taken up projects worth INR 822.22 billion, of which INR 327.93 billion was spent on 4,676 completed projects. Projects amounting to INR 494.30 billion are at various stages of implementation.¹² Rajasthan, West Bengal, Andhra Pradesh, Haryana, Maharashtra, Madhya Pradesh, Tamil Nadu, and Telangana are making progress in implementing and advancing the scheme.

Circular Water Economy for Urban India: Key Challenges

The 60-percent gap in wastewater generation and treatment is one of the most significant challenges in urban India's water sector.¹³ Technology barriers, including low technology readiness levels and poor reliability, robustness, resilience, and redundancy assessments, further limit the scope for circularity. Despite extensive lab-scale research on nutrient recovery, including biochemical oxygen demand (BOD), nitrogen and phosphorous, India's conventional wastewater treatment plants are yet to achieve on-site scaling mainly because of prohibitive costs. High variability in wastewater characteristics, low nutrient concentrations, presence of inhibitory substances, skilled workforce shortage, and lack of infrastructure and support systems have also restricted their upscaling. The following are the most critical barriers to nurturing a circular water economy.

- The annual cost of wastewater treatment is INR 3.5 per cubic metre (1 kilo litre). The cost of wastewater treatment for reuse is between INR 6.5 to 9.¹⁴ Given urban India's daily wastewater generation of 7,23,68,000 kilo litres per day, its treatment for reuse, considering the cost of INR 6.5 per kilo litres, will require an annual outlay of more than INR 171.7 billion.¹⁵
- Substantial economic losses due to intermittent supply and high NRW levels in distribution networks.
- Farmers are reluctant to use recycled water, fearing it will hamper the market value of crops—this concern is due to

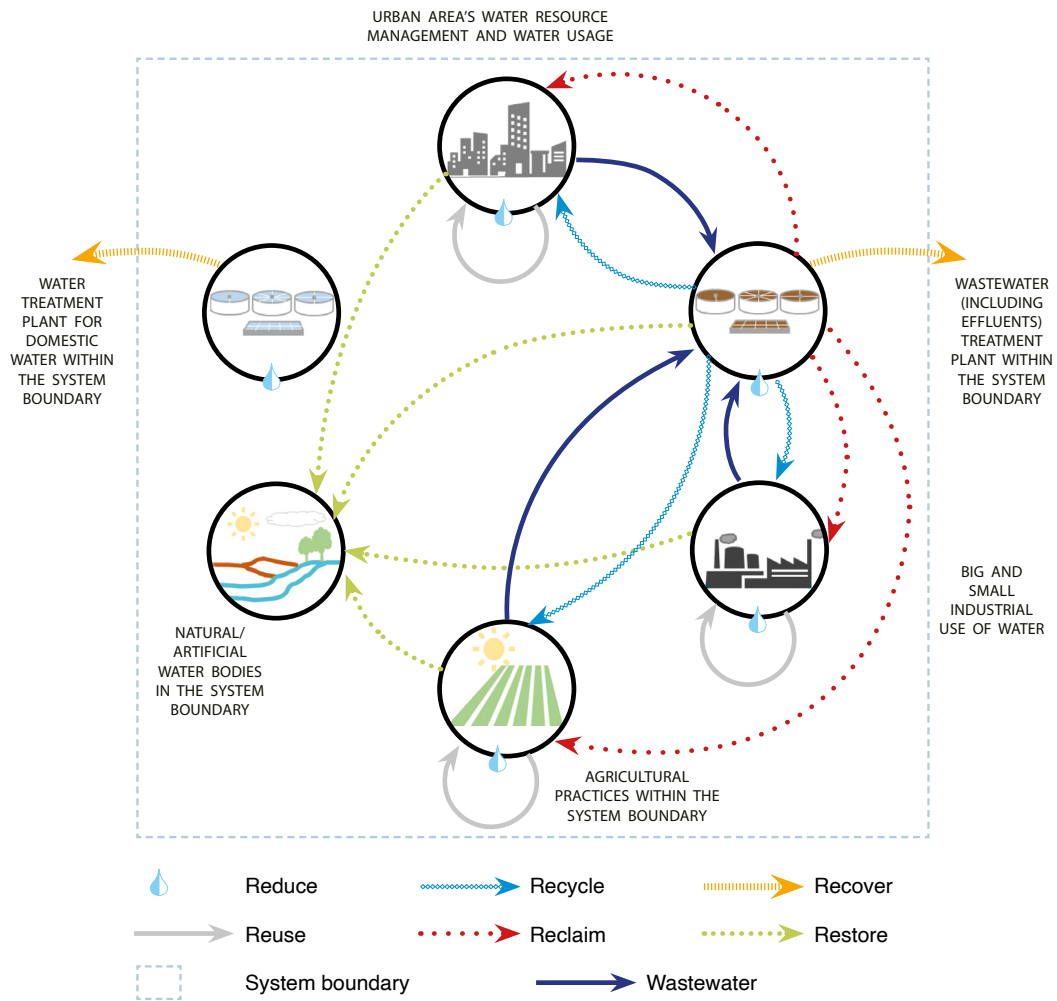


the lack of scientific consensus on the risks associated with the consumption of crops irrigated with recycled water.¹⁶

- Over-dependence on external funding and support agencies and shortage of skilled workforce.
- The policy focuses mainly on supply augmentation, with little attention to wastewater recycling and reclamation.
- Habitual linear use consumption makes it a challenge to implement the '6Rs' (reduce, reuse, recycle, recover, redesign, and remanufacture).
- The absence of policy guidelines with an industry-ecology approach has prevented a circular water economy for bulk users.
- Weak enforcement of water pollution regulations and rampant groundwater extraction.
- Limited public awareness about the benefits of recycling or circular economy principles and a general aversion to reclaimed water, even for non-potable purposes.



Figure 1: The 6Rs of Circular Economy in the Urban Water Sector



Source: "Review of Circular Economy in urban water sector: Challenges and opportunities in India," *Journal of Environmental Management*.¹⁷



Overcoming these barriers with careful assessment, collaborative efforts, technological advancements, supportive policies with economic incentives, and public awareness is crucial for transitioning towards a circular water economy.

The Circular Water Economy Imperative for India

Cities in developing economies worldwide, including São Paulo (Brazil), Buenos Aires (Argentina), Dakar (Senegal), and Arequipa (Peru), are actively exploring circular economy solutions.¹⁸ Opportunities similarly abound for implementing a circular economy in India's water sector. While urban India generates some 72,368,000 kilo litres per day of sewage annually, the operational capacity of STPs is only 26,869,000 kilo litres per day. A staggering 62.9 percent (45,499,000 kilo litres per day) of untreated wastewater is discharged into water bodies and percolates the earth, polluting precious groundwater reserves.

This scenario must be converted into an advantage for India to lay the foundations for a circular water economy. The central government must ensure that states help cities to transform the lack of comprehensive collection infrastructure into an advantage by establishing decentralised wastewater facilities, reducing reliance on centralised systems, and catalysing reclamation and recycling strategies central to a circular economy.

A circular economy will facilitate valuable resources such as water, energy, fertilisers, bioplastics, metals, and protein-based products, thereby generating revenue streams to support the transition towards circularity.¹⁹

A circular water economy also promotes entrepreneurship and employment, particularly in small and medium-sized enterprises engaged in decentralised "reduce, reuse, recycle, reclamation, and recovery" practices.²⁰



Conclusion

The Government of India must be more assertive in driving city-level reforms in the water sector. National policies and schemes like JNNURM have yet to achieve their promise primarily due to the city-level lack of intent, capacity (expertise and financial), and strict mandates for reforms. Therefore, AMRUT's grant disbursement to states must be tied to concrete reforms while insisting on the financial and administrative empowerment of the ULBs, which remain under the quasi-control of the states and parastatals.

Given the limited success of the 74th Constitutional Amendment in decentralised city governance, the Centre must seriously consider a new Constitutional Amendment aimed at sweeping city-level reforms, metropolitan governance, and devolution of functions such as climate action, public health, and digital infrastructure to cities backed by upgraded laws and regulations that consider the new urban realities and aspirations of a 21st-century metropolitan governance framework for larger cities. Such commitment will ensure that cities have the necessary autonomy, resources, and accountability to implement sustainable water management practices and transition towards a circular economy in the water sector.

SLBs, introduced as an eligibility criterion under JNNURM for water supply, sewerage, and solid waste management, must be prepared not merely to access central funds. They must be followed up with corresponding tangible action. Furthermore, the Centre must ensure that states regularly compensate the ULBs for the revenue losses caused by introducing Goods and Services Tax, which subsumed most of the ULB revenues.



Large metropolises and megacities generate the most volumes of wastewater. Given the high cost of wastewater treatment for reuse, all circular water economy interventions must focus on these high-use, high-waste urban geographies. Success here would mean extensively addressing the all-India problem.



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