

1. Framework For Million-Plus Cities - Economy

The Union Minister of Housing and Urban Affairs released the report "Moving Towards Effective City Government – A Framework for Million-plus Cities" by NITI Aayog. This comprehensive report addresses persistent governance challenges in India's major urban centres.

About the Report

Vision and Objective

1. India's urbanisation is central to achieving vision of Viksit Bharat by 2047 and progressing towards \$30 trillion economy.
2. Cities are central to driving economic growth, fostering innovation, and generating employment.
3. Report identifies persistent governance issues including weak and fragmented leadership structures.

Key Problems Identified

Governance Deficits

1. Weak and fragmented leadership structures preventing coordinated decision-making.
2. Constrained fiscal capacity limiting investment in infrastructure and services.
3. Capacity gaps that limit service delivery and urban performance.

Systemic Issues

1. Multiple fragmented agencies handling different services creating coordination challenges.
2. Unclear accountability mechanisms undermining transparency and responsiveness.

Call for Reforms

1. The report calls for shift towards empowered city governments through clear realignment of authority, responsibility, and resources at city level.
2. Moving from administrative fragmentation to integrated governance structures.

Key Recommendations of the Report

Strengthening City Leadership

Mayor-in-Council System

1. Introduction of directly elected Mayor with fixed tenure ensuring political legitimacy.
2. Supported by empowered Mayor-in-Council system ensuring continuity, clarity, and accountability in decision-making.
3. Clear delegation of powers and responsibilities to mayor and council members.
4. Regular performance evaluation mechanisms ensuring accountability.

Institutional Clarity

1. Clearly defined roles and responsibilities preventing overlaps and gaps.
2. Transparent decision-making processes enhancing public confidence.

Integrating Urban Service Delivery

Unified Service Delivery

1. Bringing key functions such as water supply, sanitation, and public transport under city government purview.
2. Improves coordination by having single authority responsible for multiple integrated services.
3. Enhances accountability as citizens know whom to approach for grievances.

Coordination Mechanisms

1. Regular inter-departmental coordination ensuring seamless service delivery.
2. Integration of IT systems enabling data sharing and coordinated response.

Enhancing Municipal Finances

Own-Source Revenue

1. Strengthening own-source revenues enabling cities to fund operations and investments.
2. Property taxes, user charges, and other local revenues reduce dependence on transfers.

Fiscal Transfers

1. Ensuring more predictable and timely fiscal transfers through robust State Finance Commissions.

2. Creates certainty enabling long-term planning and investment.

Market-Based Financing

1. Enabling access to market-based financing mechanisms such as municipal bonds.
2. Allows cities to tap capital markets for infrastructure funding.
3. Green bonds and other instruments support sustainable development projects.

Undertaking Institutional Restructuring

Agency Integration

1. Bringing multiple parastatal agencies involved in service delivery under city government oversight.
2. Creates unified command structure with clear hierarchy.

Coordination Frameworks

1. Clearly defined roles and stronger coordination frameworks preventing duplication.
2. Regular meetings and information sharing protocols ensure alignment.

Implementation Requirements

State Reforms

1. States must amend their Municipal Acts to reflect governance reforms.
2. Requires legislative action and political will for devolution of powers.

National Level Support

1. Ministry of Housing and Urban Affairs must update Model Municipal Law.
2. Provide guidance and incentives to support reform adoption across states.
3. Recognition and reward systems for cities implementing reforms.

Structural Issues in Current System

Fragmented Authority

1. Multiple agencies (municipal corporation, water board, transport authority, etc.) operate independently.
2. Creates coordination problems and inefficient service delivery.

Financial Constraints

1. Cities lack adequate own revenue sources depending heavily on state transfers.
2. Limits investment in infrastructure and innovation.

Capacity Issues

1. Shortage of professional managers and technical expertise.
2. Limited training and development opportunities for city administrators.

Accountability Gap

1. Multiple agencies handling same service make accountability unclear.
2. Citizens unsure who to approach for specific grievances.

Significance for Urban Development

Economic Growth

1. Effective city governance essential for attracting investment and business development.
2. Well-governed cities create competitive advantage in global economy.

Service Quality

1. Integrated governance improves water, sanitation, transport, and waste management services.
2. Higher service quality improves quality of life and public health.

Social Inclusion

1. Professional city governance ensures equitable service delivery across all neighbourhoods.
2. Reduces gaps between wealthy and poor areas.

Climate Action

1. Well-organized cities can implement climate mitigation and adaptation measures effectively.
2. Coordinated approach to sustainable urban development.

Conclusion

Report offers comprehensive roadmap for strengthening urban governance in India. Recognizes that country's next phase of growth driven by economically vibrant, well-governed, and liveable cities. Strengthening city governments not only administrative priority but strategic imperative for achieving national development goals. Success requires political will, legislative action, capacity building, and adequate financial resources.

