

CITY-SYSTEMS DIAGNOSIS OF INDIA'S CITIES AND TOWNS

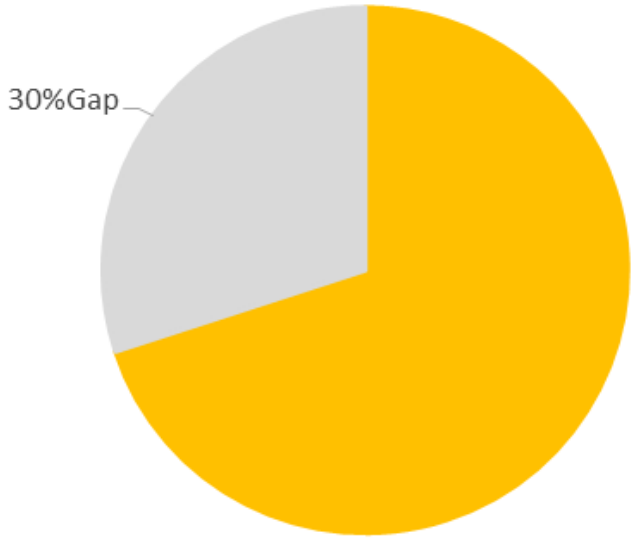


The Annual Survey of India's City-Systems
(ASICS)

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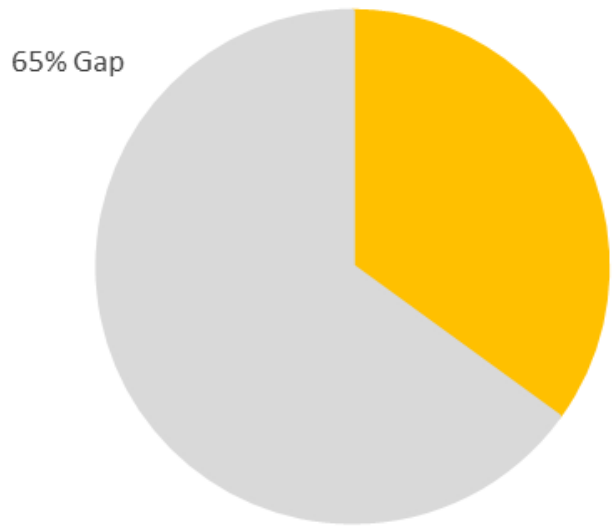
THE POOR STATE OF SERVICE DELIVERY IN INDIA'S CITIES IS LARGELY SELF-EVIDENT

Individual Water Supply Connections



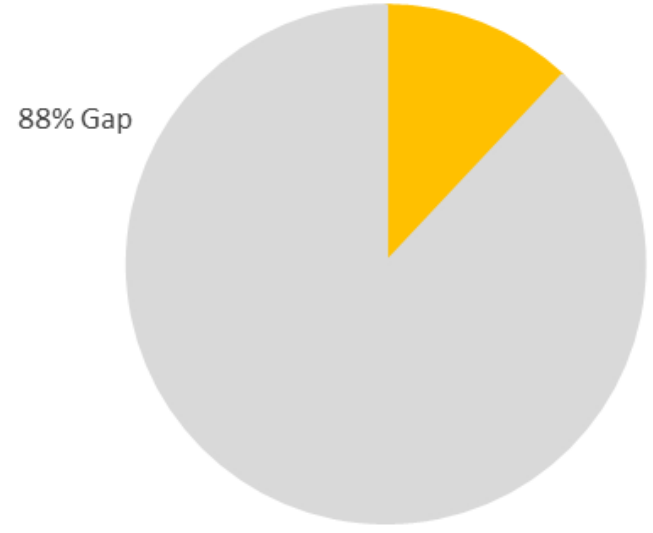
Individual Water Supply Connections

Household Coverage of SWM



Household Coverage of SWM

Coverage of Sewer Networks



Coverage of Sewer Networks

Source: Handbook on Service level Benchmarks 2012, MoUD

2005

Floods in Chennai



2015



2014

Garbage Fires in Mumbai



2016



2015

Lake Frothing in Bengaluru



2017



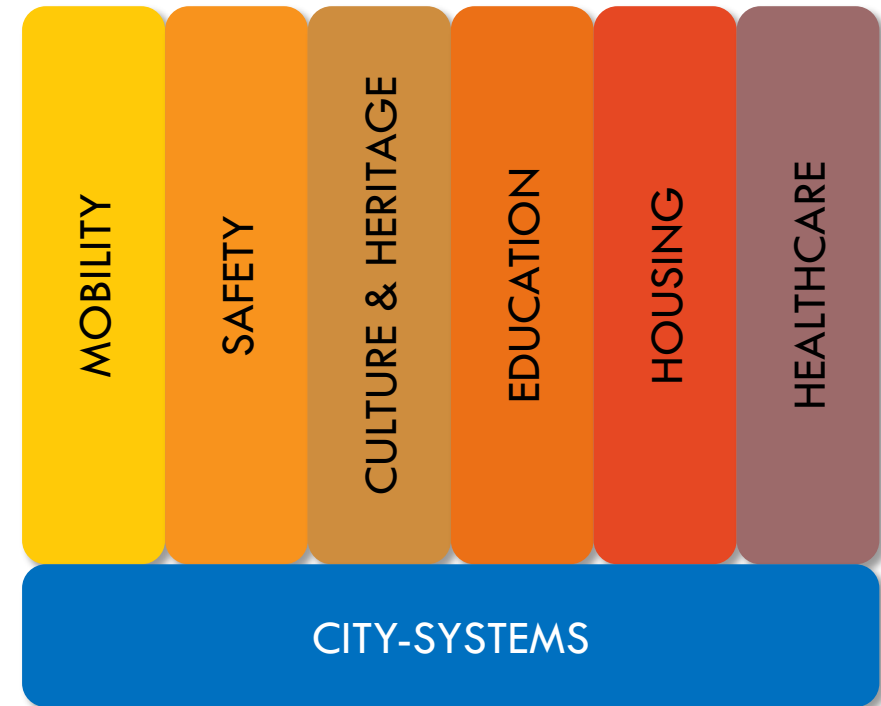
INDIA'S CITIES DON'T HAVE A HUNDRED THOUSAND PROBLEMS — THEY HAVE THE SAME HUNDRED PROBLEMS REPEATED A THOUSAND TIMES

THE ABILITY TO DELIVER GOOD QUALITY OF LIFE DEPENDS ON HOW GOOD **CITY-SYSTEMS** ARE

Laws/Policies → Institutions/Processes → Implementation/Execution



City-Systems are invisible yet critical to good quality of life in our cities.



CITY-SYSTEMS - OUR TAKE ON URBAN GOVERNANCE

The laws, policies, institutions, processes, accountability and citizen-participation mechanisms that together, govern

This framework sees 'urban governance' as comprising four distinct but highly interlinked aspects



City-Systems are the root causes underlying quality of life in cities.

2005

Floods in Chennai



2015



2014

Garbage Fires in Mumbai



2016



2015

Lake Frothing in Bengaluru



2017



THE STATE OF GOVERNANCE IN OUR CITIES IS WEAK — RESULTING IN SUCH ISSUES REPEATING LIKE A STUCK RECORD PLAYER

HOW/WHY ARE WE SAYING SO?

The Annual Survey of India's City-Systems

A diagnostic study of the state of governance in India's cities using the City-Systems framework

Arising out of a need to pull **focus towards root-causes** even as our cities continue to firefight **over symptoms**

WHAT IS ASICS?

Now in its 5th edition, assesses governance in 23 of India's largest cities and scores them on a scale of 0 to 10.

It also scores three global cities to serve as a reference of the distance India's cities need to cover before they can deliver similar quality of life



Questions



Parameters



Cities



Points of investigation



RTI requests








Laws





Financial Documents

WHAT ARE THE KEY ISSUES WITHIN URBAN GOVERNANCE?

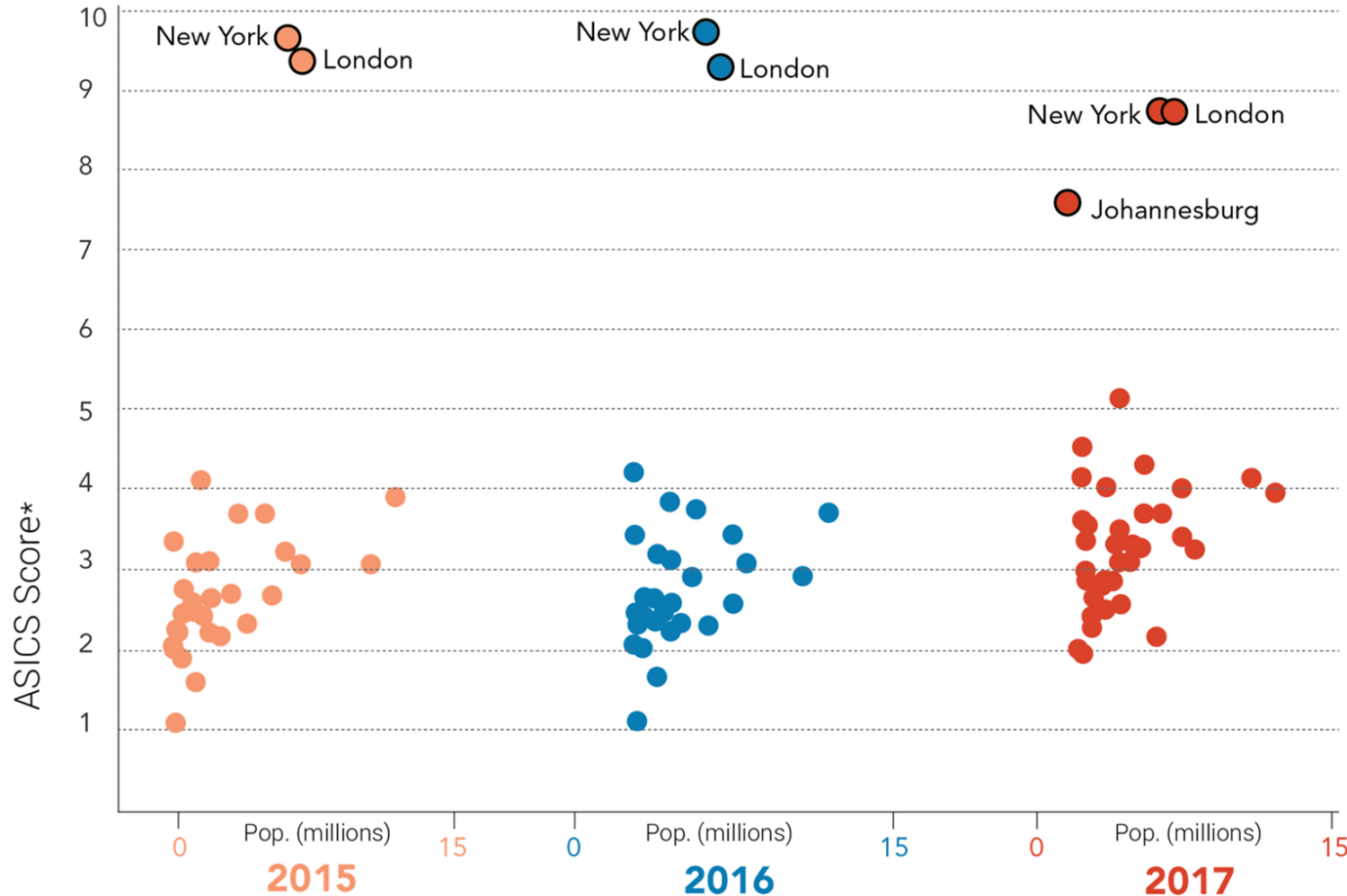
First, a look at ASICS 2017 scores

Rank	City	2017 Score	Score Change vs 16	Rank Change vs 16
1	Pune	5.1	0.9 	1
2	Kolkata	4.6	0.5	1
3	Thiruvananthapuram	4.6	0.2	-2
4	Bhubaneswar	4.6	1.1 	6
5	Surat	4.5	1.3 	12
6	Delhi	4.4	0.8	3
7	Ahmedabad	4.4	1.1	7
8	Hyderabad	4.3	0.3	-3
9	Mumbai	4.2	0.1	-5
10	Ranchi	4.1	0.8 	3
11	Raipur	4.0	0.7 	4
12	Kanpur	3.9	0.2	-5

Rank	City	2017 Score	Score Change vs 16	Rank Change vs 16
13	Lucknow	3.8	0.5	-1
14	Guwahati	3.8	--	--
15	Bhopal	3.7	0.0	-9
16	Ludhiana	3.5	0.5	3
17	Vishakapatnam	3.4	--	--
18	Jaipur	3.4	0.7 	2
19	Chennai	3.3	-0.3	-11
20	Patna	3.3	-0.1	-9
21	Dehradun	3.1	0.0	-3
22	Chandigarh	3.1	1.0 	-1
23	Bangalore	3.0	-0.3	-7

No major changes in scores; our cities are caught in a bad status quo. Some cities showing progress, albeit slow.

THE PACE OF IMPROVEMENT HAS BEEN SLOW



The average score has moved from 3.4 on 10 to just 3.9 on 10 over the last three years.

Pune, in a first for any city over the last five years, has crossed 5 on 10

5 KEY ISSUES IN GOVERNANCE ASICS HAS HIGHLIGHTED

1. Lack of a modern, contemporary framework of spatial planning of cities and design standards for public utilities
2. Weak finances, both in terms of financial sustainability and financial accountability of cities
3. Poor human resource management, in terms of number of staff, skills and competencies of staff, organisation design and performance management
4. Powerless mayors and city councils and severe fragmentation of governance across municipalities, parastatal agencies and state departments
5. Total absence of systematic citizen participation and transparency

01

Our cities lack a modern, contemporary urban planning framework. This may be denying us up to 3% of our GDP each year*.

* *Green Economy Report – UNEP, 2011*

URBAN PLANNING & DESIGN

Timeline of T&CP Acts



2017-Goods & Services Tax

- » Ludhiana
- » Patna
- » Thiruvananthapuram



1991-Economic Liberalisation

- » Kolkata
- » Jaipur
- » Ahmedabad
- » Surat
- » Hyderabad
- » Visakhapatnam
- » Dehradun
- » Bhopal
- » Lucknow
- » Kanpur
- » Chennai
- » Raipur



1967-Green Revolution

- » Chandigarh
- » Ranchi
- » Delhi
- » Bhubaneswar
- » Bengaluru
- » Pune
- » Mumbai
- » Guwahati



1947-India's Independence

What's the problem?

- Outdated town & country planning acts
- Weak preparation, implementation and enforcement of spatial development plans
- Lack of design standards for public utilities

Several lacunae in planning ranging from absence of 3 tiers of Spatial Plans to lack of proper preparation, implementation and enforcement (PIE), lack of defined success or performance measures in spatial plans to absence of a common digital GIS base map across agencies.

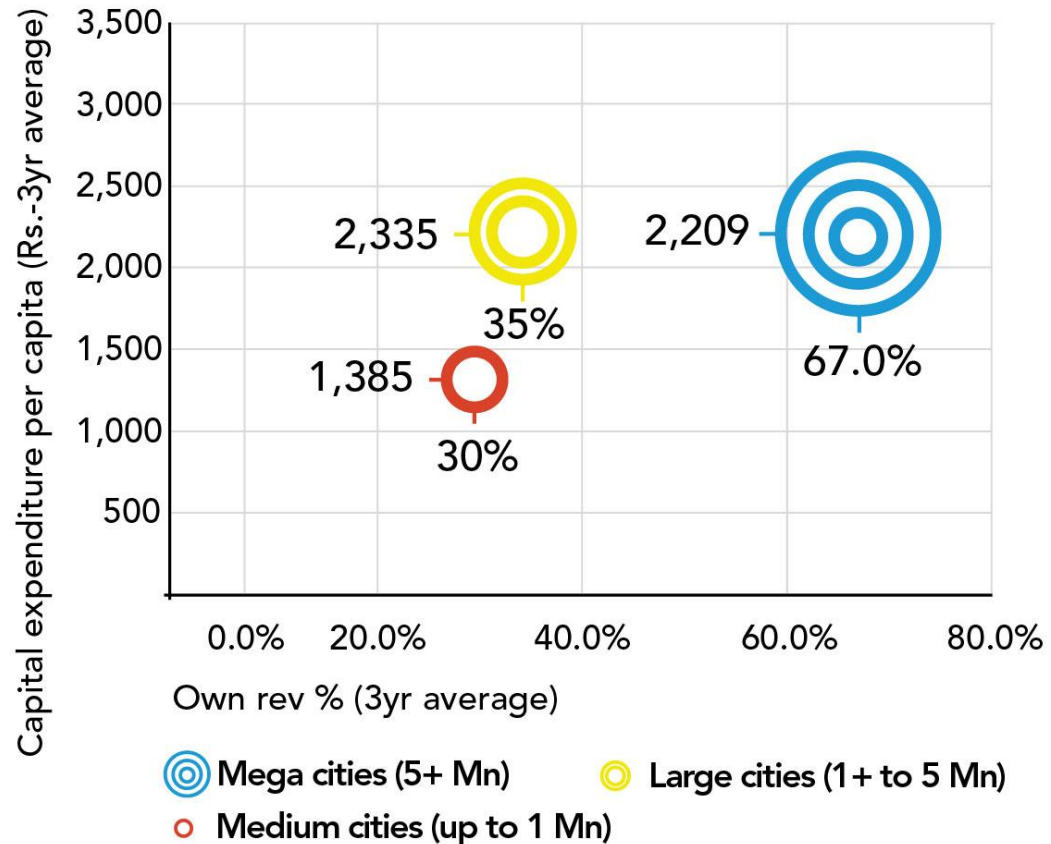
02

Both availability of money and its management are showstoppers in India's cities. Several cities don't generate enough funds to even cover staff salaries and have grossly inadequate financial management systems.

URBAN CAPACITIES & RESOURCES....1

What's the problem?

- Financial sustainability of most municipalities is presently in a precarious position
- Their financial accountability systems and processes are ridden with holes allowing leakages, both wilful and otherwise



60% of ASICS cities have seen stagnant or dipping levels of capital expenditure over the last three years

Only 3 cities have consistently maintained > 50% own revenues to total expenditure %.

A fifth of ASICS cities see budget variance higher than 50% and 11, higher than 33%; variance for Medium Cities is more than 2-times that of Large and Mega Cities

None of the ASICS cities are mandated to get their accounts audited by an independent/external agency

None of the ASICS cities are mandated to have a medium term fiscal plan

URBAN CAPACITIES & RESOURCES...2

Weak Fiscal Decentralisation

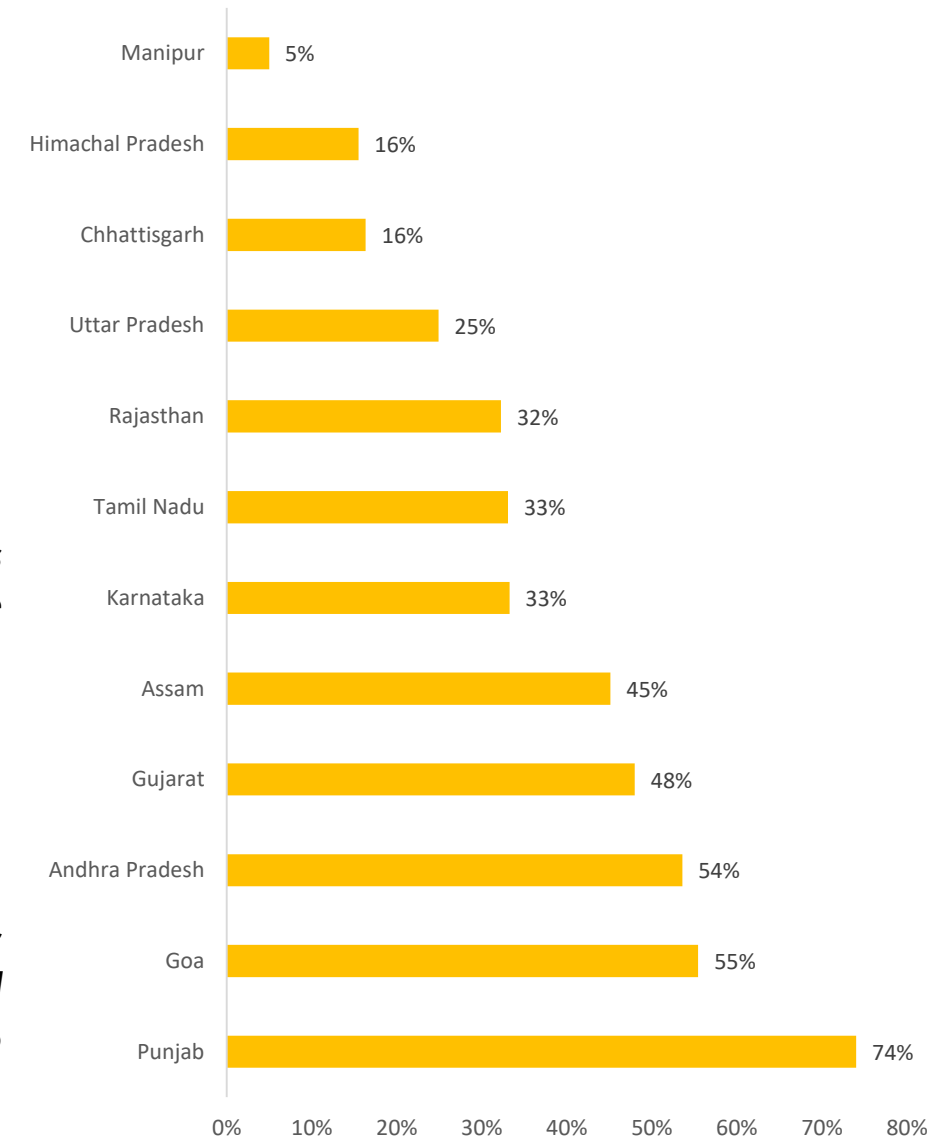
a. Few eligible revenue streams and excessive dependency on State/Central Grants -

Buoyant revenue sources such as stamp duties, and entertainment taxes are not usually devolved to the ULBs. ULBs of large states like Karnataka, Tamil Nadu, Rajasthan, Uttar Pradesh have own revenue % below 40% indicating high dependence on Central and State grants.

b. Limited control over tax rates levied

Parameters like guidance value and base rates, that have a higher bearing on evaluation of taxes, are usually decided by the State and ULBs are only allowed to revise rates, within a specific rate band - also decided by the State.

Own revenues to total revenues



Source: State wise CAG reports

URBAN CAPACITIES & RESOURCES....3

Low threshold for expenditure limits and limited powers over debt and investment

Only Bhubaneshwar, Jaipur, Patna and Ranchi out of the 23 cities assessed under ASICS are authorised to raise borrowings without state government/central government approval, and,

Only 7 of them are authorised to make investments or otherwise apply surplus funds without specific state government/central government approval

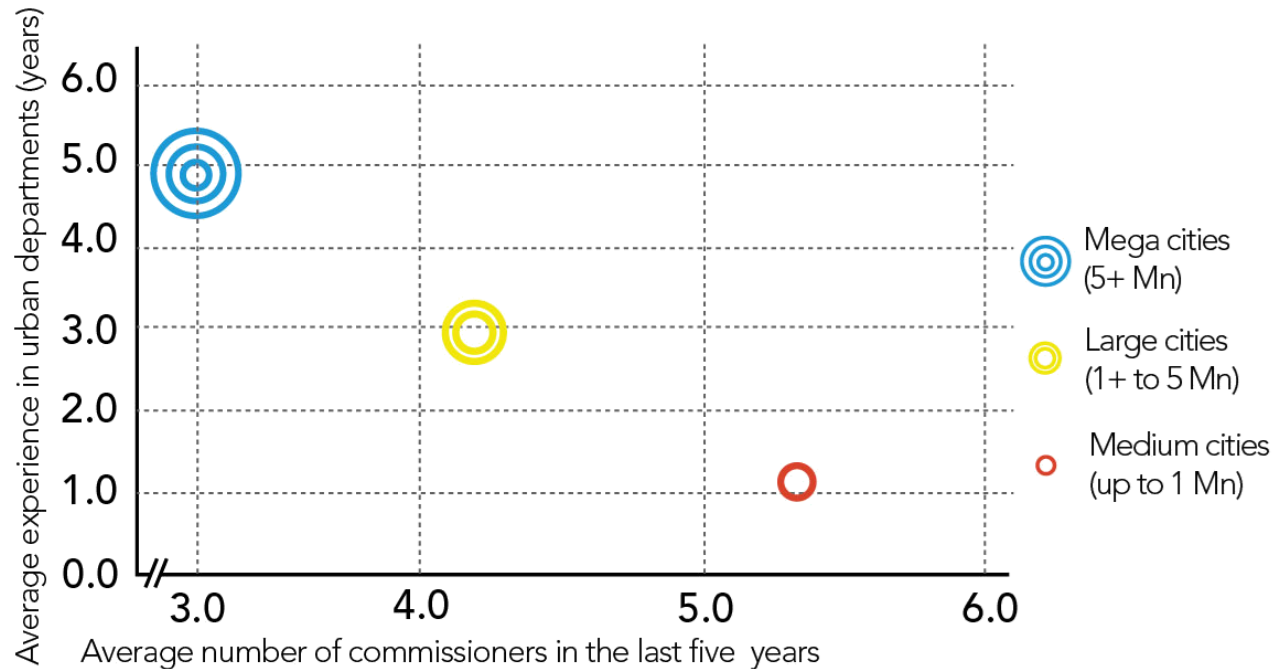
Example – To avail loans above Rs 5 corers, BBMP must obtain the approval of the State

ASICS Cities	Is the ULB authorised to raise borrowings without State Govt./Central Govt. approval?	Is the ULB authorised to make investments or apply surplus funds without specific State/Centrak Govt. approval?
Ahmedabad	0	Yes
Bengaluru	0	0
Bhopal	0	0
Bhubaneswar	Yes	0
Chandigarh	0	0
Chennai	0	0
Dehradun	0	0
Delhi	0	Yes
Guwahati	0	0
Hyderabad	0	Yes
Jaipur	Yes	0
Kanpur	0	0
Kolkata	0	0
Lucknow	0	0
Ludhiana	0	0
Mumbai	0	Yes
Patna	Yes	0
Pune	0	Yes
Raipur	0	0
Ranchi	Yes	Yes
Surat	0	Yes
Thiruvananthapuram	0	0
Visakhapatnam	0	0

03

Human resource management is the Achilles' heel of India's cities. Municipalities have far fewer staff than they need. Their staff do not possess the required skills and competencies and their overall HR system is broken.

URBAN CAPACITIES & RESOURCES....4



What's the problem?

- Municipalities do not have enough number of skilled staff required to meet infrastructure and service delivery needs of citizens
- Municipalities lack proper organisation design and have very poor human resource management policies

35% is the average staff vacancy in ASICS cities

Major Indian cities have significantly lesser manpower to population ratios (Bengaluru - 317 per lakh population) when compared with global cities such as New York (5446), London (2731) and Joburg (2922)

The administrative head of a city does not have a secure or sensible tenure - the commissioner changes as often as once in 15 months

Only a fifth of ASICS cities disclose staffing data to the public online; none disclose grade-wise contractual and permanent staff data

04

Mayor and Councillors, the elected leaders of a city, are not the ones in charge of several key functions in a city. Fragmentation of governance and low levels of empowerment renders them toothless.

EMPOWERED & LEGITIMATE POLITICAL REPRESENTATION

How empowered are our cities and their leaders?	Medium & Large City	Mega City
Total population in cities (in millions)	38.7	44.2
Proportion of cities with a five year mayoral tenure	78%	20%
Proportion of cities with a directly elected mayor	33%	-
Average score for taxation powers	8/10	8/10
Average of own revenues to total expenditure %	31.6%	67.0%
Average per capita capex	1,966	2,209
Average number of functions devolved	8/18	11/18
Average score for powers over staff	4.3/10	5/10

What's the problem?

- Low levels of devolution of the proverbial three Fs - Funds, Functions and Functionaries
- Fragmentation of governance with multiple parastatals and state departments operating within cities

55% of the citizens live in cities where the mayor has a term of 2.5 years or less

No city mayor or council has the power to appoint their city's commissioner

Only 13 ASICS cities' mayors/councils can invest their surplus funds or borrow money without the State govt.'s approval

On average, only 50% of the functions cities are supposed to handle have been devolved to them by State govt.'s – several agencies not answerable to the city provide others

On average, a mayor's salary is as low as 12% of the salary of municipal commissioners

EMPOWERED & LEGITIMATE POLITICAL REPRESENTATION...2

City	Is Mayor Directly	Tenure of Mayor
Bhopal	YES	5
Dehradun	YES	5
Kanpur	YES	5
Lucknow	YES	5
Raipur	YES	5
Ranchi	YES	5
Bhubaneswar	NO	5
Chennai	NO	5
Hyderabad	NO	5
Jaipur	NO	5
Kolkata	NO	5
Patna	NO	5
Thiruvananthapuram	NO	5
Visakhapatnam	NO	5
Ahmedabad	NO	2.5
Mumbai	NO	2.5
Pune	NO	2.5
Surat	NO	2.5
Bengaluru	NO	1
Chandigarh	NO	1
Delhi	NO	1
Ludhiana	NO	1

CRIPPLED MAYOR AND COUNCIL

- Disempowered State Election Commissions
- Non – conduct of regular elections in ULBs
- Low voter turnout for municipal elections

EMPOWERED & LEGITIMATE POLITICAL REPRESENTATION...3

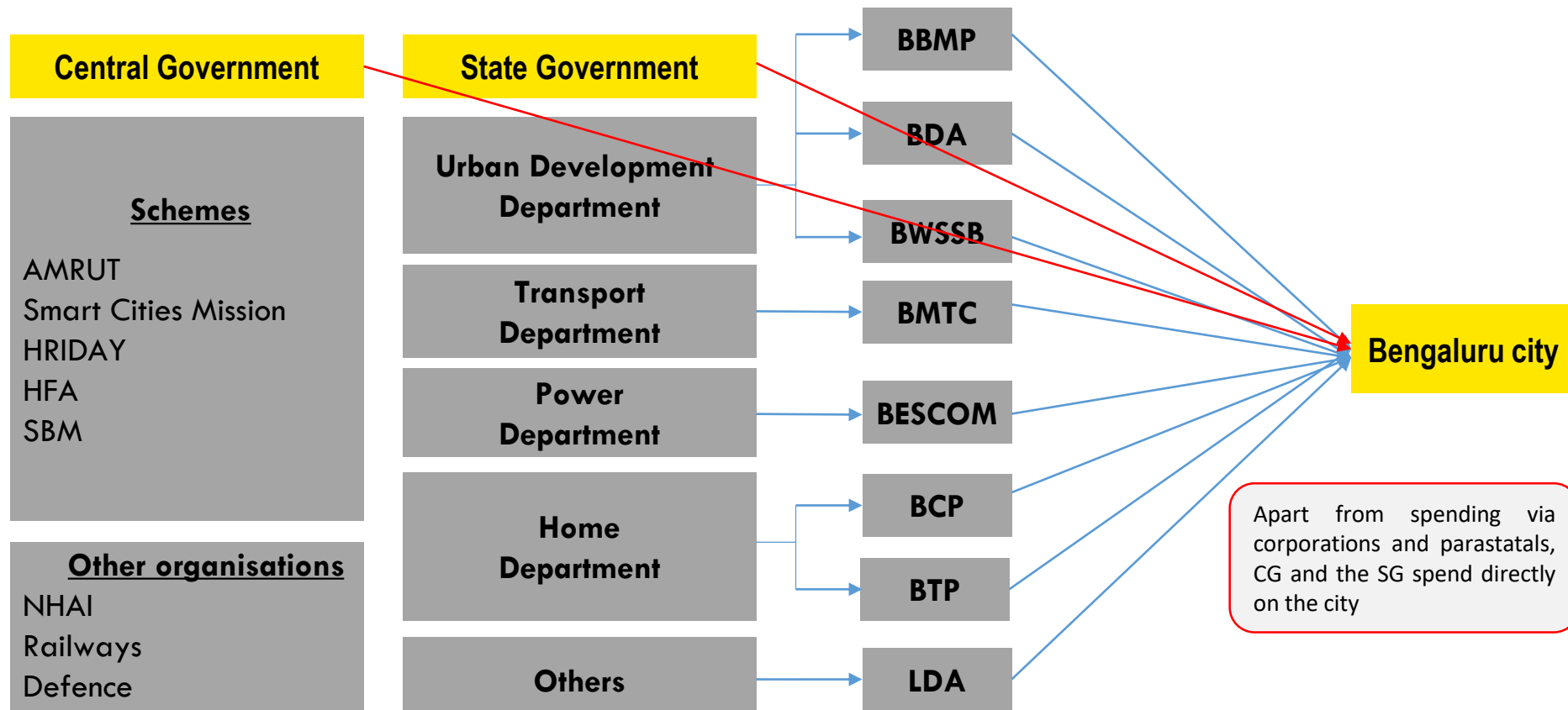
UNFINISHED AGENDA OF DEVOLUTION

Functions (12 th Schedule - 74 th CAA)		Thiruvananthapuram	
		Claimed	Reality
	Roads and bridges	Yes	Yes
	Public health, sanitation conservancy and solid waste management	Yes	Yes
	Public Health	Yes	Yes
	Sanitation conservancy and solid waste management	Yes	Yes
	Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded	Yes	Yes
	Provision of urban amenities and facilities such as parks, gardens, playgrounds	Yes	Yes
	Education	Yes	Yes
	Burials and burial grounds; cremations, cremation grounds; and electric crematoriums	Yes	Yes
	Cattle pounds; prevention of cruelty to animals	Yes	Yes
	Vital statistics including registration of births and deaths	Yes	Yes
	Public amenities including street lighting, parking lots, bus stops and public conveniences	Yes	Yes
	Regulation of slaughter houses and tanneries	Yes	Yes
	Promotion of cultural, educational and aesthetic aspects	Yes	Partial
	Regulation of land-use and construction of buildings	Yes	No
	Planning for economic and social development	Yes	No
	Water supply for domestic, industrial and commercial purposes	Yes	No
	Urban forestry, protection of the environment and promotion of ecological aspects	Yes	No
	Slum improvement and upgradation	Yes	No
	Urban poverty alleviation	Yes	No
	Fire services	No	No
	Culture & Aesthetics	No	No
	Urban planning including town planning	No	No
	Total Functions Devolved	16.5/18	9.5/18

EMPOWERED & LEGITIMATE POLITICAL REPRESENTATION...4

Fragmented City Governance

No integrated view of city!



For example, because of multiple avenues of spending in Bengaluru, one cannot establish the total spending on the infrastructure of Bengaluru city nor can we track the utilisation of assets between the ULB and the parastatals. Without this overall picture, the fund requirement for infrastructure projects cannot be appropriately estimated.

Apart from spending via corporations and parastatals, CG and the SG spend directly on the city

05

India's cities have virtually no platforms where citizens can participate in civic matters in their neighbourhoods. This impacts not just accountability of municipalities, but quality of democracy itself. Low levels of transparency in finances and operations worsens this problem.

TRANSPARENCY ACCOUNTABILITY & CITIZEN PARTICIPATION

What's the problem?

- Ward committees and Area Sabhas do not exist and therefore citizens are disconnected from decision-making in the city and their neighbourhood
- Public Disclosure Law not implemented in spirit despite being enacted

Only 15 ASICS cities have constituted Ward Sabhas and only 2 have constituted Area Sabhas

Only 3 Indian cities disclose basic civic data sets in open data format

Only 11 ASICS cities have the Public Disclosure Law, a landmark transparency law which featured as a mandate under JNNURM, in place. Out of these, only 5 conform to the model PDL

No Indian city has any participatory budgeting process in place

WHAT'S THE BOTTOM-LINE?

The key levers of transformative change in our cities are:

1. Spatial Plans and design standards for public utilities in cities
2. Fiscal decentralization and robust financial management systems
3. Municipal staffing reforms; numbers, skills, org design, performance management
4. Empowered mayors and councils (powers over 3 F's)
5. Platforms for citizen participation, systematic transparency

State Governments need to take leadership on City-Systems reforms, and not rely only on central schemes and mission. Government should also need to adopt a twin track approach of Projects + Reforms



A S I C S

ANNUAL SURVEY OF
INDIA'S CITY-SYSTEMS
2017
SHAPING INDIA'S URBAN AGENDA

For more information, please
get in touch with:
vachana.vr@Janaagraha.org

55% citizens live in cities where the mayor has a term of 2.5 years or less

Only **13** cities have enacted town & country planning acts post liberalisation

15 months is the average tenure of a municipal commissioner

54% cities do not generate enough revenue to even meet their salary costs

70% cities had a budget variance of over **30%**

39% is the average percentage of own revenues to total expenditure