



**GCI Thematic Round Table: A Dialogue on
Smart Cities, June 29th, 2015
National Guidelines for Smart Cities in
India**

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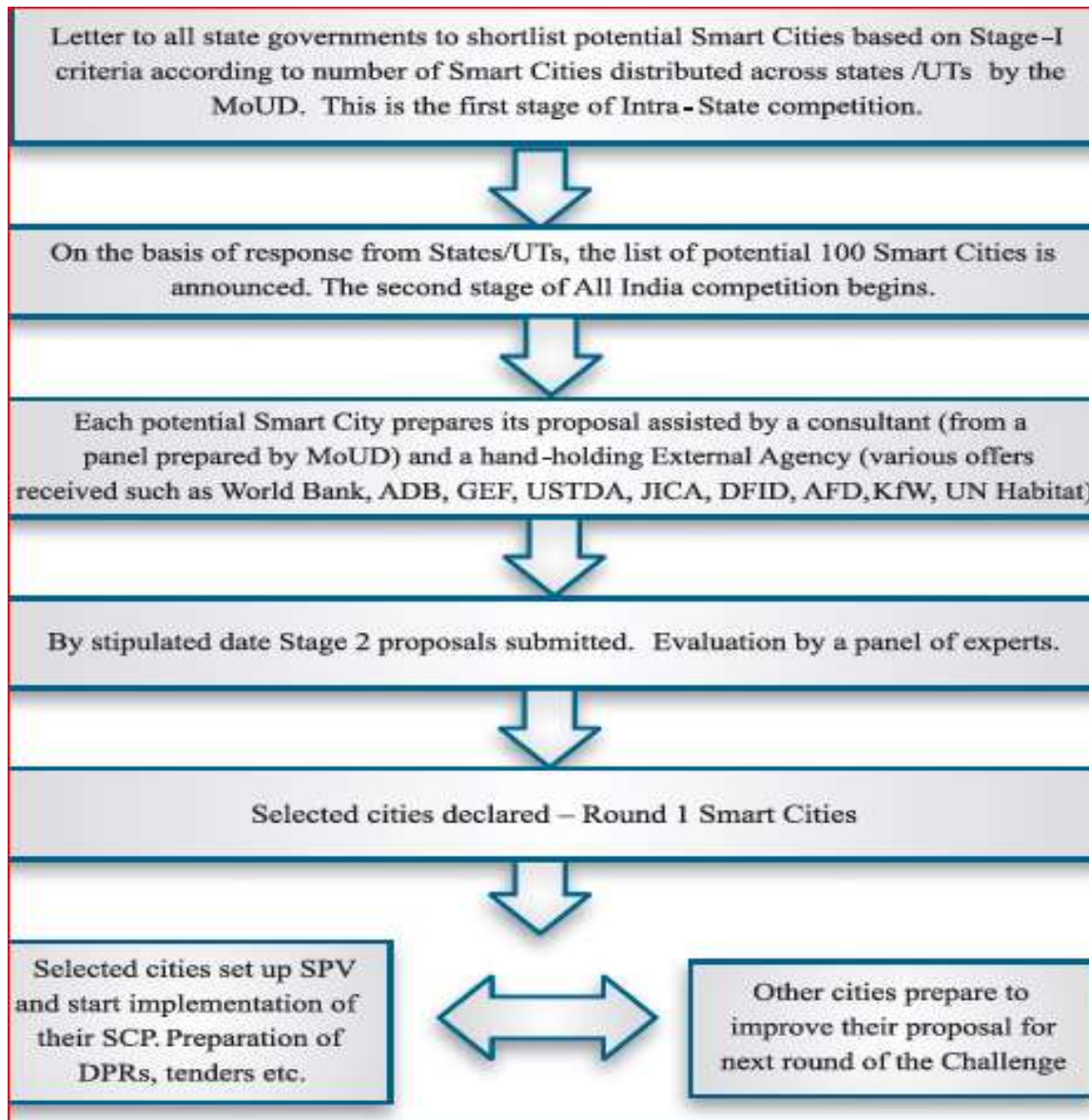


Major Objectives of the Smart Cities Mission

- **Retrofitting** – providing services to those city pockets which are deficient in them
- **Redevelopment** – reconstruction of those city pockets where other interventions are unlikely to bring improvements
- **City-wide improvements** such as Intelligent Transport Solutions, and greenfield smart cities

Excerpt from the Guidelines: Brownfield and Green field

“ The purpose of the Smart Cities Mission is to drive economic growth and improve the quality of life of people by enabling local area development and harnessing technology, especially technology that leads to Smart outcomes. Area-based development will transform existing areas (retrofit and redevelop), including slums, into better planned ones, thereby improving liveability of the whole City. New areas (greenfield) will be developed around cities in order to accommodate the expanding population in urban areas. Application of Smart Solutions will enable cities to use technology, information and data to improve infrastructure and services ”



The core infrastructure elements in a Smart City would include:

- Adequate water supply,
- Assured electricity supply,
- Sanitation, including solid waste management,
- Efficient urban mobility and public transport,
- Affordable housing
- Robust IT connectivity and digitalization,
- Good governance, especially e-Governance and citizen participation,
- Sustainable environment,
- Safety and security of citizens, particularly women, children and the elderly, and
- Health and education

Finance and Urban Governance: Centre-State co-operation

- Rs. 48,000 crores over five years i.e. on an average Rs. 100 crore per city per year
- An equal amount, on a matching basis, will have to be contributed by the State/Urban Local body; therefore, nearly Rupees One lakh crore of Government/ULB funds will be available for Smart Cities development
- The project cost of each Smart City proposal will vary depending upon the level of ambition, model and capacity to execute and repay. It is anticipated that substantial funds will be required to implement the Smart City proposal and towards this end, Government grants of both the Centre and State will be leveraged to attract funding from internal and external sources

Finance and Urban Governance: Centre-State co-operation

- User fees, beneficiary charges and impact fees, land monetization, debt, loans, etc.
- Innovative finance mechanisms such as municipal bonds with credit rating of ULBs,
- Pooled Finance Mechanism, Tax Increment Financing (TIF).
- Other Central Government schemes like Swachh Bharat Mission, AMRUT, National
- Heritage City Development and Augmentation Yojana (HRIDAY)
- Leverage borrowings from financial institutions, including bilateral and multilateral
- institutions, both domestic and external sources
- National Investment and Infrastructure Fund (NIIF)
- Private sector through PPPs.

Strengths

- Scale and Ambition of the Smart Cities Mission shows that an urban imagination is present
- Recognition in policy circles that India's persistent urban problems and low quality of urbanization can be a drag on economic growth
- Let Cities compete with each other for funds
- E-Governance
- The Mission recognizes that India needs private capital and foreign technology for building expensive urban infrastructure
- Public-Private partnerships
- Foreign participation in smart cities mission. 15 countries involved

Issues that remain unaddressed

- Reform of the rent control laws
- Reduction in stamp duties
- Adoption of the double-entry, accrual-based accounting system in municipal finance
- The role of urban local bodies continues to be ambiguous
- Autonomy in governance has not been given to large metropolitan cities
- Further Information:
- <http://smartcities.gov.in/writereaddata/SmartCityGuidelines.pdf>