

Standing Committee Report Summary

Smart Cities Mission - An Evaluation

- The Standing Committee on Housing and Urban Affairs (Chair: Mr Rajiv Ranjan) submitted its report on “Smart Cities Mission: An evaluation”, on February 8, 2024. The Smart Cities Mission (SCM) was launched in 2015 to provide infrastructure, clean and sustainable environment to citizens. The Standing Committee report gives the following overarching recommendations:
- **Special Purpose Vehicles (SPVs):** The Smart Cities mission is implemented by SPVs which are equally owned by Urban Local Bodies (ULBs) and states. The board of directors of SPVs include central and state government representatives and chief executive officers (CEOs). The Committee noted that the frequent transfer of CEOs and lack of clear guidelines is one of the major challenges faced by SPVs. It recommended: (i) appointing dedicated CEOs with a minimum fixed tenure, (ii) ensuring representation of experts and concerned stakeholders in SPVs, and (iii) utilising an SPV’s existing expertise in future projects.
- **Inclusion of Members of Parliament:** The Mission institutes the Smart City Advisory Forum at the city-level and state level, which includes MPs, MLAs and the mayor. This provides a mechanism for consultation with public representatives. The Committee observed that the Forums in Amravati and Imphal did not meet at all and in other cities a maximum of eight meetings were held in five years. It also noted that MPs are not included in the State-Level Advisory Forums, which has led to delay in completion, and changing and dropping of many projects. The Committee recommended including MPs in the Advisory Body and consulting with them regarding project identification, selection and implementation as they have grassroots level expertise. Further, it recommended for Forum meetings to be held quarterly or bi-annually.
- **Pan city projects:** Pan city projects address common issues faced by all cities such as waste management, drinking water supply and traffic management. The Committee noted that pan city projects comprise less than 50% of total projects in 76 out of 100 smart cities. The Committee recommend that SCM should emphasize more on pan city projects to ensure comprehensive and holistic development. This would include focusing on implementation of smart solutions that optimise resource allocation and reduce wastage.
- **Digital infrastructure protection:** There are various digital infrastructure platforms under SCM which generate and use large volumes of data. The Committee recommended formulating a mechanism to protect digital infrastructure from cyber threats and maintain data privacy. It also highlighted the need for the maintenance of digital and physical assets. It recommended building comprehensive operation and maintenance strategies to increase lifetime utility and ensure timely upgradation of assets under the mission.
- **Strengthening ULB capabilities:** The Committee observed that progress of SCM is slow in many small cities including those in north eastern states. Many smart cities did not have the capacity to plan and spend thousand crore projects. Despite providing 90% Mission funds from the centre, eight out of the 15 bottom-ranking cities in terms of mission progress, are from the North-east. As of December 2023, 47% projects are at work order stage in the 20 bottom most ranking cities. The Committee recommended that a plan should be made to strengthen ULBs’ capabilities in small cities. They also recommend the central government to assist states in need of organisational restructuring and capacity building to improve financial mechanisms of these states.
- **Public Private Partnerships:** 21% of the smart cities’ funds were expended via public-private partnerships (PPP). However, half of the smart cities could not take any project under the PPP model. Projects that have been taken up constitute only 6% of the total PPP cost. The Committee recommend that the government should analyse the reasons behind low private investments and take remedial steps towards the same.
- **Completion of projects:** The Committee noted that 400 projects under SCM may take time to complete beyond December 2023. The mission has been extended up to June 2024. The ministry stated that beyond this, the responsibility and cost of incomplete projects will be borne by the states on their own. The Committee recommended that the ministry’s role should not be confined transfer of share and asked them to remain watchful to ensure execution and completion of the projects by intervening to facilitate with inputs and expertise.

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