



City Finance Rankings 2022

Why in News?

Recently, the Ministry of Housing and Urban Affairs has launched the '**City Finance Rankings 2022**' under which **Urban Local Bodies (ULB)** in the country will be evaluated on the basis of their financial health.

What is City Finance Rankings 2022?

▪ About:

- All the Participating cities or **ULBs** will be evaluated on **15 indicators across three key municipal finance** assessment parameters, namely:
 - Resource Mobilization
 - Expenditure Performance
 - Fiscal Governance.
- The cities will be ranked at the national level based on their scores under any one of the following four population categories:
 - Above 4 million
 - Between 1-4 million
 - 100,000 to 1 million
 - Less than 100,000
- The top 3 cities in each population category will be recognized and rewarded at the national level as well as within each state/state cluster.

▪ Significance:

- It will help identify areas in the financial performance of the cities **where they can make further improvements.**
- It will motivate city/state officials and decision-makers to implement municipal finance reforms.
- It will enable them to deliver quality infrastructure and services, and hence a good quality of life to citizens.
- At a state- **and national level, the rankings will highlight the outcomes achieved by municipalities and provide critical insights to key policymakers** into the state of finances of urban local bodies.

Source: TH