Third-Party Audits for Smart Cities Mission

Source: LM

Why in News?

Recently, a **Parliamentary Standing Committee** on housing and urban affairs has called for **third-party assessments** of projects under the **Smart Cities Mission (SCM).**

- This is aimed at **addressing gaps in implementation**, especially in smaller cities.

Parliamentary Standing Committee:

- **About:**
    - The **Standing Committees** are permanent (constituted every year or periodically) and work on a continuous basis.
- **Types of Committees:**
    - Based on their functions, membership, and tenure, committees are classified into two types: **Standing Committees** and **Ad Hoc Committees.**
    - **Standing Committees are categorized into 6 types:**
        - Financial Committees
        - **Departmental Standing Committees**
        - Committees to Enquire
        - Committees to Scrutinise and Control
        - Committees Relating to the Day-to-Day Business of the House
        - House-Keeping Committees or Service Committees
    - **Ad Hoc Committees** are temporary in nature and are dissolved upon completing their assigned tasks. These are further divided into:
        - Inquiry Committees
        - Advisory Committees

What is the Need of a Third-Party Audit for the SCM?

- **Assessment and Transparency:** Third-party evaluations offer an **unbiased analysis of project** progress and impact under the SCM, helping to **identify implementation**

gaps and **areas for improvement**.

- They also **enhance [transparency,](link) fostering trust** among stakeholders, including citizens, government bodies, and investors.

- **Evidence-Based Policy:** It can explore how the expertise of **[Special Purpose Vehicles (SPVs)](link)** in urban development can be applied to other initiatives like **[AMRUT](link)** and **[DAY-NULM](link),** enhancing the broader impact of urban transformation programs.
- **Addressing Disparities:** Larger cities perform well due to better resources, while **smaller cities, especially in the northeast, face challenges** in project execution, so independent audits can **highlight these disparities and suggest improvements.**
  - Also, the third-party assessments can **tailor strategies for tier 2 cities**, **promoting balanced development and decongesting metropolitan areas.**
- **Strengthening Urban Local Bodies (ULBs):** Many **[ULBs](link)** lack the technical and financial capacity to manage large-scale projects under SCM.
  - Third-party assessments can **identify best practices to enhance urban planning and governance** while providing **data-driven insights** for **informed policymaking and efficient resource allocation.**
- **Future Planning and Sustainability:** It will provide valuable insights for **planning future phases of the SCM,** ensuring **sustainability and alignment** with urban growth needs.
  - They also contribute to a **more integrated approach to urban development,** considering economic, social, and environmental factors.

What is the Smart Cities Mission (SCM)?

- **About: SCM** is a **Centrally Sponsored Scheme** launched in **June 2015** with the aim to **transform 100 cities** of India by providing them with necessary **core infrastructure.**
  - **Additionally, to provide a clean and sustainable environment** in cities to enable a decent quality of life to their citizens through the application of **"Smart Solutions.**
- **Objectives:**
  - **Promote efficient use of resources**, green spaces, and environmental sustainability. Ensure access to clean water, electricity, sanitation, healthcare, and public amenities.
  - Enhance **governance through digital platforms,** e-governance, and citizen participation. Provide affordable housing solutions, especially for economically weaker sections.
  - Improve public transport systems and **reduce congestion** with smart traffic management.
  - Ensure the **safety of citizens, particularly vulnerable groups,** through surveillance and emergency services. Create robust IT infrastructure for seamless access to services and information.
  - Develop **model cities to showcase best practices** for other cities to replicate.
- **Key Components:**
  - **Area-Based Development:**
    - **Redevelopment:** Upgrading existing urban areas with enhanced infrastructure (e.g., Bhendi Bazaar, Mumbai).
    - **Retrofitting:** Modernizing infrastructure in existing localities (e.g., Ahmedabad's Local Area Development).
    - **Greenfield Development:** Building new, sustainable urban spaces (e.g., New Town Kolkata, GIFT City).
  - **Pan-City Solutions:**
    - Adoption of **[Information and Communication Technology (ICT)](link)** solutions across sectors like **[e-governance](link), waste and water management, urban mobility**, and **energy efficiency.**
- **Governance Structure:** Implementation through **Special Purpose Vehicles (SPVs)** established under the **[Companies Act, 2013](link)**, led by bureaucrats or industry representatives.
  - Emphasis on a **[Public-Private Partnership (PPP) model](link)** for funding.

Note: Key Developments Under SCM

- **Projects Completed:**
  - Initially set for completion by 2020, the SCM deadline was extended to **March 2025.**

- As of 3rd July 2024, out of **8,000+ multi-sectoral projects** worth **Rs 1.6 lakh crore, 7,188 projects (90%)** amounting to **Rs 1,44,237 crore have been completed**.
- The **remaining 830 projects** worth Rs 19,926 crore are in **advanced stages of implementation.**
- **Financial Progress:**
  - The Government of India allocated Rs 48,000 crore, of which Rs 46,585 crore **(97%) has been released to the cities.**
  - **93%** of the released funds have been utilized.
  - **74 cities** have received full financial support under the mission.

What are the Challenges in Implementing SCM Projects?

- **Cost and Funding**: The development of smart city infrastructure requires **significant investment** in upgrading existing systems, deploying sensors, and maintaining networks.
  - While 74 cities have received 100% of their central share, **26 cities are yet to get the full funding** due to the slow progress of projects.
- **Displacement and Social Impact:** According to the **World Bank**, in urban areas of India more than **49% of the population live in slums.**
  - The execution of smart city projects **has led to the displacement of residents in poorer areas, such as street vendors**, disrupting the fabric of urban communities.
- **Delay in Project Completion:** Despite the extension of the deadline, a significant number of projects **(around 10%) are still incomplete**, indicating delays in execution.
  - This can be attributed to factors such as **inadequate planning, lack of technical expertise,** and **issues in land acquisition and clearances.**
- **Privacy and Data Security**: The collection and analysis of vast amounts of data from sensors, devices, and citizens raise concerns about **data breaches, unauthorized access, and misuse.**
  - Ensuring robust **cybersecurity, safeguarding privacy, and implementing clear data governance policies** are essential for building public trust.
- **Lack of Coordination:** Effective coordination between the central, state, and local governments has been a challenge due to **differences in priorities, bureaucratic hurdles,** and **lack of clarity in roles and responsibilities** that have hindered the seamless implementation of the mission.
- **Sustainability Concerns:**There are doubts about the **long-term sustainability** of the smart city projects, as many of them focus on **technology-driven solutions** rather than addressing the **fundamental issues of urban planning and governance**.
  - The SCM acknowledges the **absence of a universal definition for smart city.**

What are the Other Government Initiatives Related to Urban Development?

- **Atal Mission for Urban Rejuvenation and Urban Transformation (AMRUT)**
- **Pradhan Mantri Awas Yojana-Urban (PMAY-U)**
- **Climate Smart Cities Assessment Framework 2.0.**
- **TULIP-The Urban Learning Internship Program.**

Way Forward

- **Addressing Funding Issue**: There is a need to explore the **PPP model** and seek **central, state, and international financial support.** Ensure transparent fund allocation and regular monitoring for efficient utilization and timely project progress.
- **Capacity Building:** Strengthening **Urban Local Bodies (ULBs)** through **capacity-building programs** and central government support for restructuring and skill development will enhance governance and project execution, especially in smaller cities.

- India should leverage its leadership in **sustainable urban development** by collaborating with other developing nations and establishing **knowledge-sharing platforms** to accelerate smart city initiatives regionally and globally.
  - **Timely Project Completion**: There is a need to **prioritize detailed planning, address bottlenecks** like **land acquisition, and deploy specialized project management team**s. **Streamline bureaucratic processes** to ensure timely approvals and clearances for faster execution.
  - **Ensuring Data Security:** Establish a **comprehensive data protection policy** with robust **cybersecurity measures** and **clear governance frameworks** to ensure **transparency and privacy**.
    - Also public awareness should be promoted to build trust and address concerns about data misuse.
  - **Sustainability and Long-Term Planning:** Smart city projects should **prioritize sustainability** by integrating environmental, social, and economic considerations in planning.
    - Developing l**ong-term Operation and Maintenance (O&M) strategies** will be key to ensuring the longevity and adaptability of smart city infrastructure.

Conclusion

The recommendations for third-party assessments and capacity-building in smaller cities highlight the need for robust mechanisms in the Smart Cities Mission. Timely interventions, governance reforms, and actionable insights from impact assessments can address existing challenges and pave the way for a more inclusive and effective urban transformation in India.

Drishti Mains Question:

Discuss the challenges faced by the Smart Cities Mission in India. Suggest measures to address these challenges and ensure the mission's effectiveness in promoting sustainable urban development.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Mains:

Q. With a brief background of quality of urban life in India, introduce the objectives and strategy of the 'Smart City Programme.' **(2016)**

PDF Refernece URL: https://www.drishtiias.com/printpdf/third-party-audits-for-smart-cities-mission