

CityFinance.in – Annual Fiscal Ranking of ULBs

This concept note elaborates on the proposed Annual Fiscal Ranking of Urban Local Bodies (ULBs) to be featured on www.cityfinance.in.

Objective

The objective of the Annual Fiscal Ranking of ULBs is to recognize states and ULBs that have made significant progress in improving the state of municipal finances. Through this ranking exercise, we also hope to drive healthy competition and peer learning among cities and states in respect of best practices in financial management.

States and ULBs will be assessed on the basis of financial accountability, financial performance and financial position. The 2019 edition of Annual Fiscal Ranking of ULBs is restricted to states and ULBs whose financial information is on the CityFinance.in portal on or before 30th November 2019. Data on the portal has been sourced from ULB/UDD websites, through RTIs and against letters circulated by the Ministry of Housing and Urban Affairs ('MoHUA').

Parameters

What will we measure	How will we measure*		Indicator
Financial accountability	Publication of audited annual accounts on ULB/UDD website	1. Have you published? 2. If so, what is the quality	Yes/No
Financial performance	1. Revenue 2. Cost	1. Own source revenue to total expenditure; YoY growth	Higher the better
Financial position	1. Liquidity 2. Solvency	1. Day sales outstanding: Net Receivables/Own revenues 2. Debt service ratio: Total debt outstanding/own revenues	1. Lower the better 2. Higher the better

*Equal weights are awarded for each of the questions

States in which more than 50% of ULBs have published financial information on a public domain, will be eligible for the **Best State Award**. Qualifying states with the maximum cumulative score across ULBs will be awarded the Best State Award.

Categories of award

Category	Number of awards*
Best state	3
Best ULB with population over 1 million (46 ULBs)	5
Best ULB with population over 500k but less than 1 million (42 ULBs)	4
Best ULB with population over 300k population but less than 500k (57 ULBs)	6
Best ULB with population over 100k population but less than 300k (251 ULBs)	20
Best ULB with population over 50k population but less than 100k (546 ULBs)	20
Best ULB with population less than 50k (3019 ULBs)	20

*Under each category, ULBs ranked in the top 10% or top 20 ULBs, whichever is lower, will be recognized and awarded

As on date, 809 ULBs across 20 states qualify for the 2019 edition of the Annual Fiscal Ranking of ULB awards.