SMART CITIES MISSION

- **Overview of Smart Cities Mission Guidelines & Status**

    The Govt. of India announced the Smart Cities Mission (SCM) along with Mission Guidelines on 25.06.2015. The Smart Cities Mission is an innovative and new initiative by the Government of India to drive economic growth and improve the quality of life of people by enabling local development and harnessing technology as a means to create smart outcomes for citizens.

    The main objective of the Smart Cities Mission is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' Solutions. The focus is on sustainable and inclusive development and the idea is to look at compact areas, create a replicable model which will act like a light house to other aspiring cities. The Smart Cities Mission is meant to set examples that can be replicated both within and outside the Smart City, catalysing the creation of similar Smart Cities in various regions and parts of the country.

- **Core Infrastructure Elements in a Smart City:**
    i. adequate water supply,
    ii. assured electricity supply,
    iii. sanitation, including solid waste management,
    iv. efficient urban mobility and public transport,
    v. affordable housing, especially for the poor,
    vi. robust IT connectivity and digitalization,
    vii. good governance, especially e-Governance and citizen participation,
    viii. sustainable environment,

ix.   safety and security of citizens, particularly women, children and the elderly, and

x.   health and education.

- **Smart City Features**
  i.   Promoting mixed land use in area based developments
  ii.   Housing
  iii.   Creating walkable localities
  iv.   Preserving and developing open spaces
  v.   Promoting a variety of transport options
  vi.   Making governance citizen-friendly and cost effective
  vii.   Giving an identity to the city
  viii.   Applying Smart Solutions to infrastructure and services in area-based development in order to make them better.

- **Coverage & Duration**
  i.   The Mission will cover 100 cities and its duration will be five years (FY2015-16 and FY2019-20).
  ii.   The Mission may be continued thereafter in the light of an evaluation to be done by the MoUD & incorporating the learnings into the Mission.

- **Smart Cities Mission Strategy:**
  i.   Pan-city initiative in which at least one Smart Solution is applied city-wide
  ii.   Develop areas step-by-step - three models of area-based developments
    o   Retrofitting,

- o Redevelopment,
- o Greenfield

- **No. of Smart Cities in Each State:** The total number of 100 smart cities has been distributed among the States / UTs on the basis of equitable criteria. The formula gives equal weightage (50:50) to urban population of the State / UTs and the number of statutory towns in the State.

- **Proposal Preparation:** Each aspiring city competes for selection as a smart city in what is called a **'City Challenge'**. There are two stages in the selection process given as under;

  i. **Stage 1 of the competition: SHORT LISTING OF CITIES BY STATES**
    - o The State to short the potential smart cities on the basis of conditions precedent and scoring criteria and in accordance with the total number allocated (Punjab has been allotted with three number of Cities) to it.
    - o The first stage of the competition will be intra-state, in which cities in the State will compete on the conditions precedent and the scoring criteria laid out.
    - o The highest scoring potential smart cities will be shortlisted and recommended to participate in Stage 2 of the Challenge.
    - o The conditions precedent and the forms are given in Annexure 4 of the Guidelines.

- o The information sent by the ULBs in the forms has to be evaluated by the State Mission Director and the evaluation placed before the State-level High Powered Steering Committee (HPSC) for approval. The composition of the State HPSC is given in para 13 of the Guidelines.

- o The cities emerging successful in the first round of competition will be sent by the State as the recommended shortlist of smart cities to MoUD by the stipulated date.

- o The State Government has to fill the form (given in Annexure 3) and send with the recommended list. The MoUD will thereafter announce the list of 100 smart cities.

ii. **Stage 2 of the competition: THE CHALLENGE ROUND FOR SELECTION**

- o In the second stage of the competition, each of the potential 100 smart cities prepares their proposals for participation in the 'City Challenge'.

- o This is a crucial stage as each city's Smart City Proposal (SCP) is expected to contain the model chosen, whether retrofitting or redevelopment or greenfield development or a mix thereof, and additionally include a Pan-City dimension with Smart Solutions.

- o The SCP will also outline the consultations held with the city residents and other stakeholders. The aspirations of the Citizen are required to be matched with the vision contained in the SCP and importantly, what is the

proposal for financing of the smart city plan including the revenue model to attract private participation.

o An evaluation criterion for the SCPs has been worked out by MoUD based on professional advice and this should act as guidance to the cities for preparing their proposal.

o By a stipulated date, to be indicated by MoUD to the States/UTs, proposals will be submitted to MoUD for all these 100 cities.

o These will be evaluated by a Committee involving a panel of national and international experts, organizations and institutions.

o The winners of the first round of Challenge will be announced by MoUD.

o Thereafter, while the winning cities start taking action on making their city smart, those who do not get selected will start work on improving their SCPs for consideration in the second round.

- **Scheme for Selection Process (THREE-STEP PROCESS)**
    i. Screening by Ministry of Urban Development, Govt. of India.
    ii. Assessment by Expert Committee constituted by MoUD, Govt. of India
    iii. Review by Apex Committee, MoUD, Govt. of India.

- **TIMELINE: (15.12.2015 - 25.01.2016)**
    i. Scanning of SCPs (e.g. collating papers, verifying the completeness of SCP, assigning a unique number), by Ministry of Urban Development – 15th Dec to 20 Dec 2015.

ii. Evaluation of SCP by Indian and foreign experts – 20 Dec 2015 to 20 Jan 2016

iii. Selection by the Apex Committee, Ministry of Urban Development – 20 Jan to 25 Jan 2016.

- **Implementation of Smart City Projects by Special Purpose Vehicle (SPV)**

  i. The implementation of the Mission at the City level shall be done by a Special Purpose Vehicle (SPV) created for the purpose.

  ii. The SPV will plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development projects.

  iii. Each smart city will have a SPV which will be headed by a full time CEO and have nominees of Central Government, State Government and ULB on its Board.

- **Special Purpose Vehicle (SPV)**

  i. The SPV will be a limited company incorporated under the Companies Act, 2013 at the city-level, in which the State/UT and the ULB will be the promoters having 50:50 equity shareholding.

  ii. Funds provided by the Govt. of India in the Smart Cities Mission to the SPV will be in the form of tied grant and kept in a separate Grant Fund.

  iii. The State Government and the ULB will determine the paid up capital requirements of the SPV commensurate with the

size of the project, commercial financing required and the financing modalities.

iv. Initially, to ensure a minimum capital base for the SPV, the paid up capital of the SPV should be such that the ULB's share is at least equal to Rs.100 Cr. with an option to increase it to the full amount of the first instalment of Funds provided by GoI (Rs194 Cr.).

With a matching equity contribution by State/ULB, the initial paid up capital of the SPV will thus be Rs.200 Cr. (Rs.100 Cr. of GoI contribution and Rs.100 Cr. of State/UT share).

v. Since the initial GoI contribution is Rs.194 Cr., along with the matching contribution of the State Government, the initial paid up capital can go up to Rs.384 Cr. at the option of the SPV.

- **Financing Pattern**
  i. The Smart City Mission will be operated as a Centrally Sponsored Scheme (CSS) and the Central Government proposes to give financial support to the Mission to the extent of Rs.48,000 Cr. over five years i.e. on an average Rs.100 Cr. per city per year.
  ii. An equal amount, on a matching basis, will have to be contributed by the State/ULB; therefore, nearly Rupees One Lakh Crore of Government/ULB funds will be available for Smart Cities development.
  iii. The distribution of funds under the Scheme will be as follows:
    o 93% project funds.

- 5% A&OE funds for state/ULB (towards preparation of SCPs and for PMCs, Pilot studies connected to area-based developments and deployment and generation of Smart Solutions, capacity building as approved in the Challenge and online services).

- 2% A&OE funds for MoUD (Mission Directorate and connected activities/structures, Research, Pilot studies, Capacity Building, and concurrent evaluation).

- **Funds Release**
  i. After the Stage 1 of the challenge, each potential Smart City will be given an advance of Rs.2 Cr. for preparation of SCP which will come from the city's share of the A&OE funds and will be adjusted in the share of the city.

  ii. In the first year, Government proposes to give Rs.200 Cr. to each selected smart city to create a higher initial corpus. After deducting the Rs.2 Cr. advance and A&OE share of the MoUD, each selected Smart City will be given Rs.194 Cr. out of Rs.200 Cr. in the first year followed by Rs.98 Cr. out of Rs.100 Cr. every year for the next three years.

- **Mission Monitoring**
  i. **National Level**

     An Apex Committee (AC), headed by the Secretary, MoUD and comprising representatives of related Ministries and organisations will approve the Proposals for Smart Cities Mission, monitor their progress and release funds.

ii. State Level

There shall be a State level High Powered Steering Committee (HPSC) chaired by the Chief Secretary, which would steer the Mission Programme in its entirety. The HPSC will have representatives of State Government departments. The Mayor and Municipal Commissioner of the ULB relating to the Smart City would be represented in the HPSC. There would also be a State Mission Director who will be an officer not below the rank of Secretary to the State Government, nominated by the State Government. The State Mission Director will function as the Member-Secretary of the State HPSC. The indicative composition of HPSC is given below:

The key responsibilities of the HPSC are given below.

o Provide guidance to the Mission and provide State level platform for exchange of ideas pertaining to development of Smart Cities.

o Oversee the process of first stage intra-State competition on the basis of Stage 1 criteria.

o Review the SCPs and send to the MoUD for participation in the Challenge.

iii. City Level

A Smart City Advisory Forum will be established at the city level for all 100 Smart Cities to advise and enable collaboration among various stakeholders and will include the District Collector, MP, MLA, Mayor, CEO of SPV, local youths, technical experts, and atleast one member from the

area RWA / Tax payers association, Slum Level Federation and Members of NGO or Mahila Mandal / Youth Associations.

- **Convergence with Other Government Schemes**

  Comprehensive development occurs in areas by integrating the physical, institutional, social and economic infrastructure. Many of the sectoral schemes of the Government converge in this goal, although the path is different. There is a strong complementarily between the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities Mission in achieving urban transformation. While AMRUT follows a project-based approach, the Smart Cities Mission follows an area-based strategy.

  Similarly, great benefit can be derived by seeking convergence of other Central and State Government Programs/Schemes with the Smart Cities Mission. At the planning stage itself, cities must seek convergence in the SCP with AMRUT, Swachh Bharat Mission (SBM), National Heritage City Development and Augmentation Yojana (HRIDAY), Digital India, Skill development, Housing for All, construction of Museums funded by the Culture Department and other programs connected to social