

Smart Cities Mission (SCM)

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Context:

The Smart Cities Mission (SCM), a flagship programme of the NDA-1 government, has taken a back seat in this year's list of poll promises and achievements.

Background:

SCM was announced in June 2015.

What was the SCM? :

1. The SCM had two main aspects: area-based development consisting of three components — redevelopment (city renewal), retrofitting (city improvement), and green field projects (city extension); and pan-city solutions based on ICT. These further comprised some six categories that would include e-governance, waste management, water management, energy management, urban mobility, and skill development.
2. Around ₹2 lakh crore was kept aside for the mission, with public-private partnerships (PPP) an important driver of the same.
3. The mission that was to be completed in 2020, was given two extensions till June 2024. Additionally, to make the mission effective, a business model of governance was adopted bypassing the existing models of city governance in the country.
4. An SPV (special purpose vehicle) led by a bureaucrat or a representative of an MNC, and other major stakeholders was created and registered under the Companies Act. The elected council, thus, had little role in the governance structure.

What is the status of the SCM?

1. The Urban Ministry's dashboard as of April 26, exhibits that 8,033 projects sanctioned under the SCM have seen a fall in the total outlay from the expected ₹2 lakh crore to ₹1,67,875 crore, which is 16% less than the projected capital flow in 100 cities.
2. The dashboard also states that the SCM grant funded 5,533 projects worth ₹65,063 crore that have been completed, while 921 projects worth ₹21,000 crore are still ongoing.
3. As many as 400 projects being undertaken by about 10 cities under the Mission are unlikely to meet the extended deadline of June 2024.
4. Interestingly, the funding pattern shows that not more than 5% has come through the PPP route.

Where did the SCM falter?

1. The selection of 100 cities on a competitive basis was flawed due to the diversity in existing urban realities. The scheme was divorced from the ground realities of urban India — the urbanisation here is dynamic and not static like the West.

2. The SCM became an exclusionary scheme wherein not more than 1% of a city's geographical area was selected for development. For example, Chandigarh which received ₹196 crore in the first tranche under the SCM spent it on smart water meters, a Wi-Fi zone, and solid waste management programmes all ploughed into one pocket-sector 43.
3. According to two major reports by McKinsey, to make Indian cities liveable, a capital expenditure of \$1.2 trillion is required by 2030. In this context, ₹1,67,875 crore is less than \$20 billion in nine years. This comes to around 0.027 % of the total requirement in urban India. Hence, there was little traction for this scheme.
4. Additionally, the SPV model designed for smart cities was not aligned with the 74th Constitutional Amendment, which led to many cities objecting to the governance structure. The design, according to critics, was too top-bottom.
5. Urban India, according to the World Bank has more than 49% of the population living in slums. In the name of executing smart city projects, there was displacement of people living in poorer localities.
6. Another major consequence of the SCM has been enhanced urban flooding. Some of the towns which have historically never been flooded were made vulnerable because of infrastructure development projects that spoiled or dismantled the water channels and contours.

