



URBAN GOVERNANCE DIALOGUE

Transforming Urban Governance

May 2026



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Praja Foundation

NATIONAL CONSULTATION ON FISCAL EMPOWERMENT OF CITY GOVERNMENT

Over the past two decades, Praja Foundation has been working towards strengthening accountable governance. **It draws from data-driven research on civic issues to empower citizens and government institutions.** In 2017, Praja embarked on an ambitious 'Transforming Urban Governance' (TUG) initiative across the country to **advocate policy changes that will transform the way Indian cities are governed.**

Continuing their efforts to study the financial strength of the Municipal Corporations, **Praja undertook a study on the Fiscal Empowerment of the City Governments, aligned with the 4th theme of the Urban Governance Index (UGI).** This research emerged from the observation that the municipal finance domain is plagued by a lack of useful data and knowledge resources that are key for informed decision-making.



Praja held a **National Consultation** on **14th May 2026** to present findings of their research. Policy reforms were discussed to **improve financial strength** and to deliberate on the **best fiscal practices** of **city governments** across India.

INAUGURAL SESSION: LAUNCH OF REPORT AND KEYNOTE ADDRESS

The event began with a **keynote address** by **Mr. Nitai Mehta**, Founder and Managing Trustee, Praja Foundation. He underlined Praja's mission of empowering elected representatives and how Praja has advocated policy reforms to improve city governance through their 'Transforming Urban Governance' initiative.



Aviral Dubey, Project Manager, Praja Foundation highlighted major data and governance gaps, including **poor availability of budgets and audit reports online, lack of standardised accounting formats, limited financial transparency** across many city governments, and the **reliance on State and Central grants**.

Ravikant Joshi, Municipal Finance Expert, elaborated further on the **finances across cities**. He reported the study indicated that **cities with population of 10-30 lakhs or less recorded better Own Source Revenue (OSR) growth** than major cities, even exceeding the GDP growth rate, while major cities could not. The average or below-average financial performance of the city governments were also noted.



The report was launched by **Yogesh Sagar**, Member of Legislative Assembly, Government of Maharashtra; **Sushma Kharakwal**, Mayor, Lucknow Municipal Corporation; **Sofia Dahiya**, Principal Chief Controller of Accounts, Ministry of Housing and Urban Affairs (MoHUA); **Sulochana Das**, Mayor of Bhubaneswar Municipal Corporation; **Meenal Choubey**, Mayor of Raipur Municipal Corporation; **Nitai Mehta**, Founder and Trustee, Praja Foundation; **Milind Mhaske**, CEO, Praja Foundation and **Dr. V.N. Alok**, Professor of Public Finance, Indian Institute of Public Administration.

Fiscal Empowerment
of City Government
Report 2026



Scan to Read the Report

PANEL DISCUSSION ON STRENGTHENING OWN SOURCES OF REVENUE IN CITIES

The first session began on the topic of **Strengthening the OSR of Cities** by Aviral Dubey. This session explored the **financial dependence of city governments on external support and grants**, along with a lack of contribution from the city's own resources.



The presentation was followed by a **panel discussion** on how the **Mayor and Officials increased their city's OSR** and what **challenges** they faced while **managing municipal finances** featuring **Yogesh Sagar**, Member of Legislative Assembly, Government of Maharashtra; **Sushma Kharakwal**, Mayor, Lucknow Municipal Corporation; **Shiny Matthew**, Member Standing Committee, Kochi Municipal Corporation; **Chandradeep Kumar (IAS)**, Assistant Commissioner of Ranchi Municipal Corporation and hosted by Ravikant Joshi, Municipal Finance Expert.

The panel generated meaningful discourse on various topics such as:

- the **different methods of generating OSR** required for cities,
- the **role of property tax in revenue**,
- concerns over **revenue leakages**,
- and the **various reforms** implemented to remedy problems.

PANEL DISCUSSION ON INNOVATIVE FINANCIAL MECHANISM IN CITIES

The second session involved a presentation on **'Innovative Financial Mechanism in cities** by **Asif Khan**. He expands on the **variation in financial independence** between large cities and small cities and how **municipal financing mechanisms** can be used to **overcome revenue problems** faced by city governments.



The presentation was followed by a panel discussion featuring **Sulochana Das**, Mayor of Bhubaneswar Municipal Corporation; **Meenal Choubey**, Mayor of Raipur Municipal Corporation; Sofia Dahiya, Principal Chief Controller of Accounts, Ministry of Housing and Urban Affairs (MoHUA); and Dr. V.N. Alok, Professor of Public Finance at the Indian Institute of Public Administration.

The panel reflected on the **challenges** faced by municipal finances across Indian cities, including **dependence on intergovernmental transfers, gaps in financial transparency, limitations in own-source revenue generation**, and the need for **stronger fiscal autonomy**.



The panel provided insights into the problems related to **tax generation** and **collection**, **methods implemented** by city governments to remedy the same, and the **importance of the financial independence** of city governments.

STATE CONSULTATION ON STRENGTHENING DELIBERATIVE STRUCTURES, CITIZEN PARTICIPATION, MUNICIPAL FINANCE & PLANNING IN CITIES OF MAHARASHTRA

A second event was held on **15th May 2026** for the **Maharashtra State Consultation Report**. This event began with a presentation on **Key Recommendations on Urban Governance, Deliberative Structures & Citizen Participation** by Pratiksha Deolokar, Strategic Program Manager, Praja Foundation, where she presented findings from the index and their specific applications to Maharashtra's 29 municipal corporations.



MODERATED DISCUSSION ON LEADING QUESTIONS

Following this, a roundtable discussion took place, featuring representatives from Civil Society Organizations, administrators, and elected representatives from twelve cities across Maharashtra. Participants included: Himgauri Aher-Adke, Mayor of Nashik; Ajiv Patil, Mayor of Vasai-Virar; Harshali Chaudhari, Mayor of Kalyan Dombivli; Dhruvkishor Patil, Deputy Mayor of Mira-Bhayander; Dhairyasheel Jadhav, Transport Manager (Vasai-Virar); Mrudul Joshi, Former Municipal Secretary, BMC; Dr. Kedar Diwan, Mumbai Citizens Forum; P.C. Pisolkar, Retired BMC / Municipal Trainer; Shrinivas Deshmukh, Urban Planner (Nashik / Aurangabad)



The two key questions asked were:



1. How can Maharashtra strengthen the effectiveness of elected representatives and deliberation through standardised Corporation Procedure Rules, regular training, and institutional support?
2. How can citizen participation be institutionalised to meaningfully influence city planning and budget decisions?

The round table featured discussions on key **challenges** facing **Maharashtra's Urban Governance System**, including the **consequences of the nearly five-year absence** of elected representatives, which resulted in **weakened accountability, communication gaps, and inherited administrative decisions**.



Participants emphasised the need for wider adoption of **Corporation Procedure Rules (CPR)** to **strengthen deliberative processes** and **improve the effectiveness of elected representatives** through **clearer procedures** and **regular capacity-building**.

Discussions also highlighted the **limitations** of:

- the **current mayoral system**,
- the urgency of **fiscal reforms** such as **property tax rationalization** and **enhanced municipal financial autonomy**,
- and the **importance of institutionalising citizen participation** through mechanisms that enable residents to contribute meaningfully to planning, budgeting, and governance decisions.



In closing, Pratiksha Deolokar announced that Praja has prepared a **Model CPR** that has been submitted to the **Urban Development Department**. Milind Mhaske closed the session, noting that the honest, cross-sector conversation in the room is itself an example of governance functioning as it should.

MODERATED DISCUSSION ON LEADING QUESTIONS

The second session revolved around **reforms needed to strengthen urban planning mechanisms** in Maharashtra based on findings from the **Spatial Planning Index (SPI) 2024** developed by **UDRI**. The SPI framework evaluates **spatial planning systems** through indicators related to **legislation, institutional structures, planning capacity, GIS systems, monitoring, and citizen participation**.



It began with **Ninad Sansare**, Associate Director, UDRI, sharing the key findings of the report, which shed light on the problems and reforms needed in **State spatial planning**. He highlighted the need for **stronger implementation** and **monitoring mechanisms**, **decentralised planning** at the ward level, **improved GIS-based planning systems**, and **greater citizen participation** in the planning process.

This was followed by a panel discussion by Vidyadhar Pathak, MRTTP Chief Town Planner; Dhruvkishor Patil, MBMC Deputy Mayor; Ajiv Patil, Vasai-Virar Mayor and Marshal Lopes, Vasai-Virar Deputy Mayor; who discussed **challenges relating to housing, transportation, implementation gaps in Development Plans**, and the need for more **inclusive** and **locally responsive** planning systems.



The discussion highlighted **major issues in the spatial planning** of cities in Maharashtra, such as:

- **unequal development,**
- **poor transport infrastructure,**
- **parking management issues,** and
- emphasised the need for **decentralised planning, stronger local governance, practical planning standards, better infrastructure integration, and regionally balanced TDR mechanisms.**

PRESENTATION & MODERATED DISCUSSION ON KEY FINDINGS OF MUNICIPAL FINANCE STUDY OF MAHARASHTRA

The third session began with Pratiksha Deolekar introducing the financial condition of **Municipal Corporations in Maharashtra** and the challenge posed by the **irregular publication of budgets and audit reports** by several Municipal Corporations, **reducing financial transparency**. The growing need for stronger **financial accountability, improved revenue generation, regular public disclosure of financial information,** and **greater citizen participation** was highlighted.



The discussion on this topic was moderated by **Nitin Kareer**, Chairman, Maharashtra State Finance Commission; **Vidyadhar Pathak**, MRTD, Chief Town Planner; **Dhruvkishor Patil**, MBMC, Deputy Mayor; **Ajiv Patil**, Vasai-Virar Mayor and **Marshal Lopes**, Vasai-Virar Deputy Mayor; as panelists.

The discussion focused on **strengthening municipal financial autonomy**, **improving property tax collection and assessment systems**, **addressing challenges arising from irregular revenue flows**, and exploring reforms such as **municipal bonds**, **technology-driven property mapping**, and **greater citizen participation** in financial planning and oversight.



Key concerns were raised in the panel regarding **Municipal Accounting Practices** requiring **stricter financial discipline**, the need for **automatic fund devolution**, ensuring efficient **utilisation of urban funds**, and various **concerns** about the **Municipal Revenue Systems**.

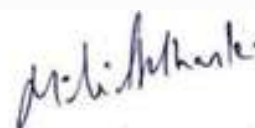
CONCLUSION

The National and State Consultations emphasised that strong cities require strong institutions and that sustainable urban development relies on empowering city governments with necessary authority and resources. Collaborative dialogue among representatives, officials, and experts is crucial for practical reforms. These consultations have identified actionable pathways for more accountable and citizen-centric city governments. Praja Foundation is dedicated to advancing these discussions through research, policy advocacy, and partnerships to enhance urban governance in India.

We would appreciate your views and feedback based on the information shared above. Please feel free to reach out to us at info@praja.org.



Nitai Mehta
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