



# URBAN GOVERNANCE DIALOGUE

Transforming Urban Governance

May 2023



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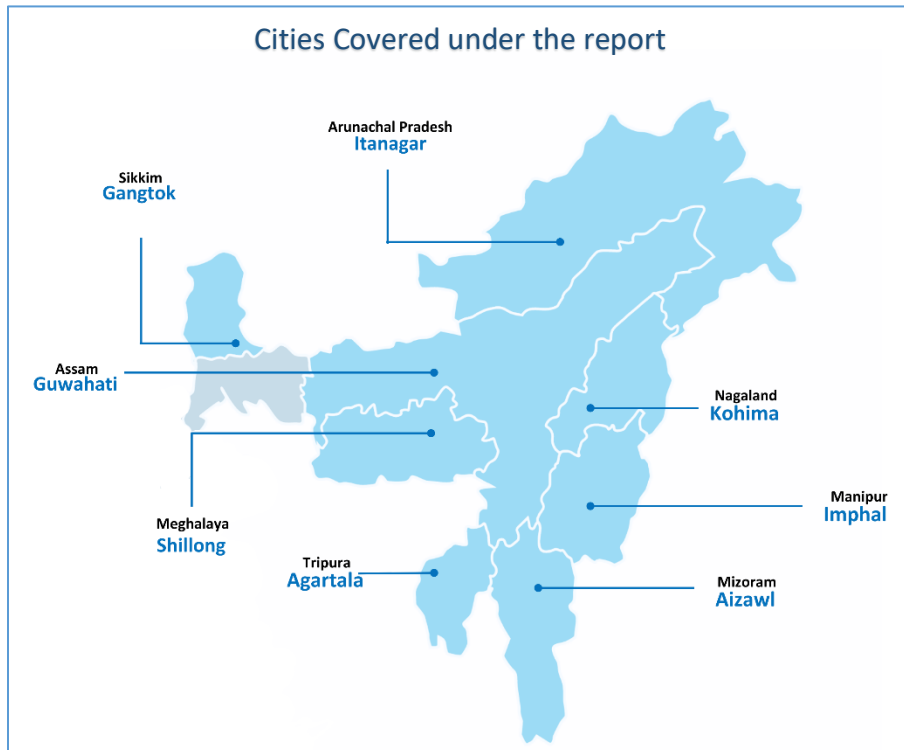
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## Urban Governance Report on Key Findings from North - Eastern States



[Praja Foundation](#) has embarked on an ambitious journey to transform urban governance, to advocate policy changes that will change the way Indian cities are governed. Praja conducted a nation-wide comprehensive study spanned over 3 years (2017-2020), based on which Praja prepared the [Urban Governance Index \(UGI\) in 2020](#). As part of the study, 31 cities across 18 states and 2 UTs were analysed. Continuing the research and advocacy ahead, we have relaunched the **UGI 2.0** study by meeting various stakeholders in 44 cities across 28 states and 2 UTs across India. Praja aims at

building a network that will be leveraged as a platform for knowledge sharing, capacity building, mobilising stakeholders and advocating for policy reforms.

The UGI 2.0 focuses on four themes: empowered mayor, empowered council, fiscal empowerment of city governments and empowered citizens. Further, Praja is studying thematic such as empowered women elected representatives, mayor-in-council system, status of women, children, and elderly, sustainable development goals

(SDG), climate change and urban planning. The initiatives are undertaken to map good practices across the cities to target efficient service delivery, transparency and accountability of city governments.



Praja Foundation released the ['Urban Governance Report on Key Findings from North - Eastern States'](#) at Guwahati, Assam. The Pan-India study on Urban Governance was initiated to build a network that will be leveraged as a platform for knowledge sharing, capacity building, mobilising stakeholders and advocating for policy reforms. This study has now been completed in the North-Eastern states of **Arunachal**

**Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.**

The Regional Consultation was attended by **36 participants** from eight cities. Amongst the attendees were **Mayor** of Itanagar, **Deputy Mayor** of Gangtok, **Presiding Officer** and **Deputy Presiding Officer** of Guwahati, Councillors of Guwahati, **Joint Secretary** (Department of Housing and Urban Affairs) of Assam, **Joint Director** (Directorate of Municipal Affairs) of Nagaland, **Additional/Deputy Municipal Commissioner** from Guwahati, Gangtok and Agartala and **Accounts officer** from Shillong. The elected representatives and administrative officers of these eight cities collectively discussed the urgent need of reforms to empower city government.

The North-East Regional Consultation is a part of Praja's UGI 2.0 study. The study has detailed out the responses of each state to the parameters focussing on the themes to empower city governments. As the third tier of government in the Indian governance system, the city government should have complete authority to carry out all 18 functions and other locally important functions, which affect the day- to-day lives of people.

The report is based on four themes of Praja's framework on urban governance for empowerment of city government – (i) Control and execution of functions and functionaries; (ii) Empowered and accountable elected representatives; (iii) Fiscal decentralisation and (iv) Active citizen participation. Furthermore, the report also attempts to analyse few additional governance issues like a) Women, Children, Elderly and Vulnerability Communities, b) Sustainable Development Goals and c) Climate change, adaptation and mitigation. Multiple stakeholder interviews were conducted to validate the data and understand key insights on the parameters. Overall, total **225 interviews** were carried out with key stakeholders including elected representatives, government officials, and civil society experts from eight states in North-East India.

As seen in the case for few municipal services like solid waste management, water supply and sanitation, when city governments are the main agency involved in delivery of services, there is both innovation and effective delivery. India's growth story is majorly being driven by cities. Nevertheless, to propel the growth in a much larger scale, the focus needs to shift towards creating both competitive and sustainable cities. For enabling this to happen, the aim must remain on bringing in structural reforms, which will facilitate the development of Grassroots

Democracy in cities. This can be achieved through Democratic Empowerment and Accountability of City Governments and Citizen Engagement.

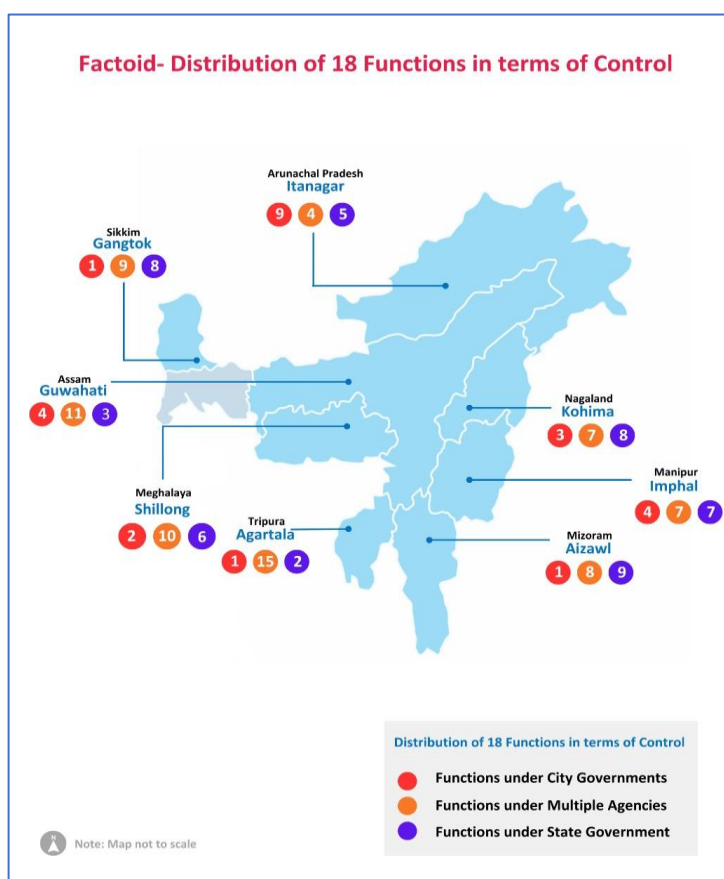
### Control and Execution of Functions and Functionaries

As the third tier of government in the Indian governance system, the city government should have complete authority to carry out all 18 functions and other locally important functions, which affect the day-to-day lives of people. Engagement of multiple government agencies to address similar subjects often leads to the challenge of coordination. It also leads to duplication of work and poor service delivery. Thus, it is essential to authorise a single agency to control the execution of particular functions.

Additionally, parastatal bodies have skillsets and capacity to carry out functions such as urban planning, housing, construction of roads & bridges and water supply etc. Municipal corporations, however, lack such skill sets. Thus, there is a need to build the capacity of urban local governments through regular training.

### Key Insights

- No State has completely devolved all 18 functions to the city governments.
- Arunachal Pradesh has devolved the most number of functions to city government most. 9 functions are devolved to Itanagar Municipal Corporations, whereas Aizawl Municipal Corporation experiences the involvement of state governments in 9 functions.
- While all 8 cities have formed a Smart Cities SPV, councillors are not board members in any city. Only in Aizawl, Mayor is the member of the board of directors.
- Councillors are not a part of the Smart City SPV board in any of the 8 cities, while the Mayor is a board member of the Smart City SPV board, only in Aizawl city.
- Not a single City Government out of the 8 cities has control over human resource recruitment process.



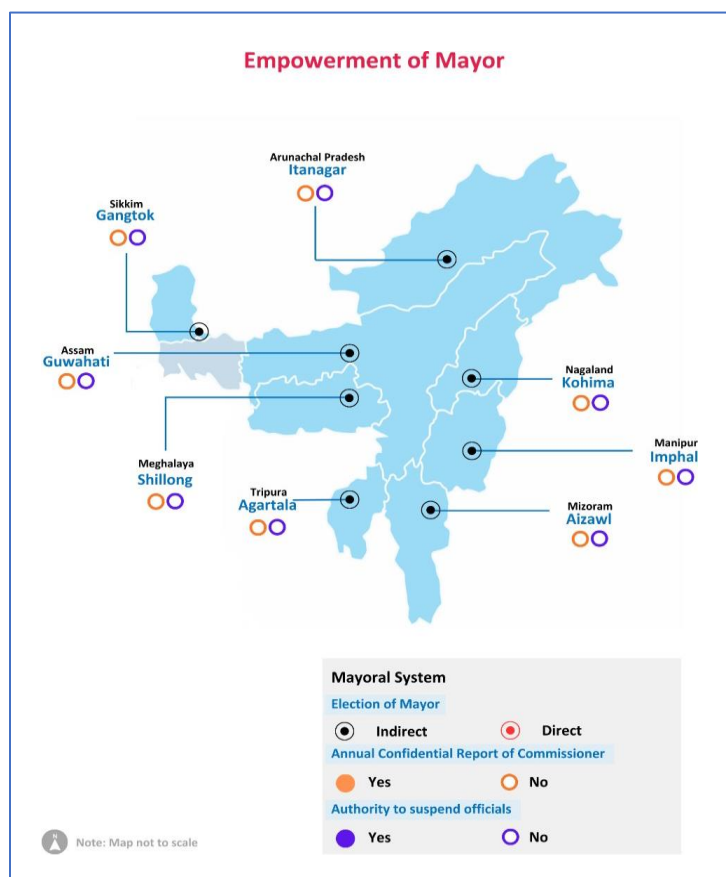
## Empowered and Accountable Elected Representatives

City residents expect the Mayor to solve existing issues in the city. Despite being an elected representative and the first citizen of the city, a mayor lacks administration powers and only has a ceremonial role in the functioning of the municipal corporation. Moreover, the tenure of the Mayoral post should be co-terminus with the term of the municipal corporation. A stable tenure will enable mayors to take decisions with long-term vision.

The city government and local elected representatives i.e., the Mayor and councillors are closest to the citizens and know the needs and demands. However, they are not empowered with decision-making powers. Recognising the dire need for urban governance reforms, given the direction our cities are headed in the country, the elected representatives and administration of our city governments need to be empowered and strengthened for effective deliberation.

### Key Insights

- The term of mayor is also co-terminus with the office of the corporation in all 8-capital cities of North-East India.
- Guwahati and Agartala in North-Est India follow the Mayor-in-Council form of governance structure.
- Councillors in all the 6 cities except Shillong and Kohima (as there is no council present), receive salary, office spaces and other allowances.
- There is 50% reservation for women in the council, in Guwahati and Sikkim, unlike 33% in the other states.
- Council meeting is conducted at least once a month in all cities except Guwahati where it is conducted once in four months.



## Fiscal Decentralisation

The city governments hold responsibility to deliver services to the residents thus, it is necessary to strengthen and study their financial mechanisms. The accountability of the city governments can be effectively ensured and necessary policy reforms can be initiated if financial data of city governments is available in public domain. The twelfth schedule and Article 269 of the Constitution of India outline the list of taxes the Union and State governments can levy. The city government should be devolved the authority to sanction taxes, efficiently collect them, and have the power to revise tax rates. The city government should have the authority to introduce new sources of revenue.

To understand the financial strength of the city governments to be able to raise finances on their own, it is important to understand the percentage of own sources of revenue against the total income of the city governments. City governments need to increase the coverage and collection efficiency of the taxes they can levy to be financially strong. Being the third tier of governance, the city government should be given financial autonomy to take decisions on the municipal budget. The state government should not be the final authority that approves the budget.

### Key Insights

- The 15th Finance Commission has included publishing of budget and audited accounts in public domain as entry-level criteria for availing the grants. However, the cities of Itanagar, Imphal and Shillong have not published budgets on their official website.
- Meghalaya is the only state where City Government holds the power to revise existing tax rates but cannot introduce new source of revenue on its own.
- City Governments in only 4 cities of Guwahati, Shillong, Aizawl and Agartala are only levying property tax.

Municipal Budget Document Availability on the corporation website							
State	Cities	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Arunachal Pradesh	Itanagar	NO	NO	NO	NO	NO	NO
Assam	Guwahati	YES	NO	NO	NO	NO	NO
Manipur	Imphal	NO	NO	NO	NO	NO	NO
Meghalaya	Shillong	YES	YES	NO	NO	NO	YES
Mizoram	Aizawl	NO	NO	NO	NO	NO	NO
Nagaland	Kohima	NO	NO	NO	NO	NO	NO
Sikkim	Gangtok	NO	NO	NO	NO	NO	NO
Tripura	Agartala	YES	YES	YES	YES	NO	YES

Note: Data as of 31st March 2023

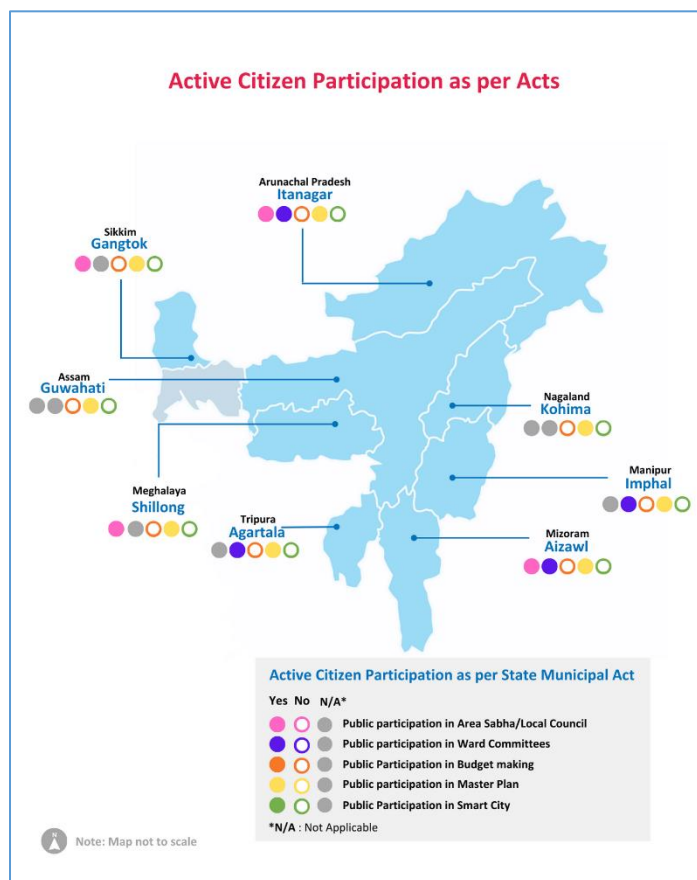
INDEX	
YES	NO

### Active Citizen Participation

Active citizen participation is essential for city governments to ensure participatory and good governance. Citizen participation should take place at Area Sabha and ward committee level, for budget making, master plan and in policies such as Smart City mission. Along with area Sabha, Ward Committees and platforms for citizen grievance redressal, there should be a formal platform to register complaints. The complaint redressal mechanism should be centralised for all the services delivered in the city and then directed to the concerned department. The complaint redressal mechanism should have a provision of feedback and the citizens should do the closing of the complaint.

### Key Insights

- Except Meghalaya, Nagaland and Sikkim all the states have provisions of constituting ward committees in the State Municipal Act.
- Only the Municipal Acts of Arunachal Pradesh, Meghalaya, Mizoram and Sikkim have provisions for constituting Area Sabha.
- None of the States has mechanisms for public participation while preparing the budget.
- Guwahati, Shillong, Aizawl and Agartala are the only cities to publish Citizen’s Charter.
- City Governments in all 8 states receive complaints majorly through offline mode, i.e., complaints received at the office and by sending WhatsApp messages.
- Only Itanagar Municipal Corporation has the provision to provide feedback to the complainant.



### Additional Findings

The National Action Plan on Climate Change had been adopted by India in 2008. It was made to reduce the pressure on the natural resources of the country and thereby adapt to climatic situations and mitigate climate disasters. It is important thereby to localise the climate action plan at the city level. Similarly, the national government has adopted SDGs. There is a need to localise the plans for achieving them at the city government level.

- None of the 8 North-Eastern capital cities has any committee to deliberate on the requirements of the section nor a separate budgetary provision.
- It has been observed that the SDGs are being targeted at the state level. However, the city governments are yet to be involved in achieving these goals at the local level.
- None of the city governments out of the 8 cities studied have any programme for climate change. Aizawl is the only city, which publishes an environment status report on their website.

### Key Recommendations

During the Regional Consultation, significant reforms were suggested by the experts to empower city governments. Some of the key recommendations from the Consultation are:

- The finance (funds) of the Municipal Corporation needs to be improved for effective service delivery. The multiplicity of authorities causes difficulties to plan and implement the best approaches to enhance service delivery and development of the city.
- Need for uniformity in the structure of governance within the cities and departments in the state.
- To make deliberative democracy successful and vibrant, we need to empower the Mayor, Mayor-in-Council, and councillors with so much nitty-gritty to increase accountability.
- Strategies to increase the coverage of revenue collection need to be discussed.
- The first real issue we are facing is our lack of skills and expertise in financial management. There is a lack of effective deliberations too in budget making process. There is a need of proper financial training for ERs or Admins involved in the budget process.

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## Other Highlights

Praj Foundation has signed a **Memorandum of Understanding (MOU)** with [Karnataka Municipal Data Society \(KMDS\)](#) under the Directorate of Municipal Administration (DMA) of the Urban Development Department (UDD), Government of Karnataka. The collaboration aims **to facilitate eGovernance reform and enhance citizen participation through:**

- A. Creating an action plan for a one-step portal at the state level and Urban Local Bodie (ULB) level:** Programme alignment for a singular portal at the state level. Creating modules at the city level and city-wise modules at the ULB level. Post development of the module an app could be launched in the later programme.
- B. Enhancing Grievance Redressal Mechanism (GRM):** Enhancing GRM with functions, action taken report, escalating module at the ULB level, etc.
- C. Creating an e-Governance platform to enhance citizen participation in the ULBs of Karnataka:** The e-Governance platforms will increase citizen participation in the urban governance process and will bring accountability and transparency to the work of the city administration.

- D. **Creating an open data portal for ULBs:** Creating an open data portal for ULBs where data on ongoing projects, budget allocation, etc. will be shared.

These efforts will help to enhance citizen participation in urban governance processes, fostering a more inclusive and transparent system.

Two Urban Local Bodies (ULBs) in Karnataka will be selected for a pilot study and then extended to all ULBs in Karnataka under the Karnataka Municipal Data Society (KMDS).

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We would like to know your views and feedbacks based on the above information shared. Feel free to reach us at [info@praja.org](mailto:info@praja.org)

Kind Regards,



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