

India

Project Management of the 100-city smart city mission in India



Deloitte's Smart City Initiative

Around the globe, cities are adapting to technology in ways that bridge the promise of the future with the unique character each has built over the generations. While no two have the same experience, many are learning the same lesson: The path ahead is determined not by how many technologies are in use but by how well they work together.

The Deloitte 360° Smart City Framework allows city stakeholders to speak a common language as they decide together how new tools can improve the experience of city life. Across the domains of economy, mobility, security, education, living, and environment, Smart Cities expand the definition of “infrastructure” and find new connections between old challenges.

In each client story, and in the many more that will follow, people are finding a way to make their environments healthier, greener, more prosperous, and more responsive to residents' everyday needs. What can we learn from their example?

The urban growth rate in India has been steep in the past couple of decades. The steady increase in the number of million-plus urban areas bear witness to this fact. The number of cities with a population of 1 million or more went up from 35 to 53 between 2001 and 2011.¹ During the same time, the number of towns with a population of more than 100,000 rose from 393 to 465.²

The United Nations has predicted that between 2014 and 2050, India will add another 404 million people to its urban population, and will have the highest rate of urbanization among all nations.³

Such rapid urbanization will put tremendous pressure on existing city services such as water, sanitation, sewage, schools, health, and transportation. To accelerate the response to this growing urbanization challenge, in 2015 the Government of India launched the Smart Cities Mission program. The ultimate goal: develop 100 smart cities by 2022. It aims to develop cities that provide essential infrastructure, a decent standard of living for its citizens, and a clean and sustainable environment through the application of smart solutions.⁴

A smart city development push at this scale from a central government is one of its kind. The central government will invest \$7.5 billion over five years—an average of \$16 million per city per year.⁵ The state governments will match the central funds for the cities identified for participation through a competitive selection process.

At the city level, the initiatives will be implemented through a newly formed Special Purpose Vehicle, incorporated as

a public company. The SPV will be headed by a CEO and supported by an external project management consultant to drive the projects.⁶

After the program launch in 2015, the Government of India held the India Smart Cities Challenge inviting participation from cities across India. The focus of the challenge was on selecting at least one potential city from each state, while the total number of cities selected from a state depended on the state population. Bloomberg Philanthropies collaborated with the ministry spearheading the mission, the Ministry of Housing and Urban Affairs (MHUA), to support, design, and deliver the challenge. The use of a competitive framework to advance a major urban development mission and allocate funding was a first for the Government of India.⁷ From the first round of the challenge, 20 cities were shortlisted, also called as lighthouse cities, for the first phase of the Smart Cities Mission.⁸ To date, 90 of the 100 cities have been selected through multiple rounds of the India Smart Cities Challenge.⁹

The Smart Cities Mission finds itself at a crossroads today. The governance structure, financing, participant cities, and smart city projects are all in place. However, the

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success of the program will hinge on how cities and the Government of India are able to track and monitor progress. This is where the central mission management agency under the MHUA plays a vital role.

The mission management agency monitors the progress of all participant cities, keeps track of the appointed project management consultants in each city, provides support in knowledge sharing on best practices and helps resolve specific implementation challenges. The city project management ensures smooth onboarding and roll out of the projects. Each participant city gets to develop its plan in two parts. The first part comprises an “area-based development” that focuses on hard infrastructure to create better planned human settlements and improve the livability of cities.¹⁰ It often starts off with a designated area of the city serving as a demonstration site, to be later replicated across the city over time. About 60–70 percent of smart city funds will flow into such area-based development projects. The second part accounts for “pan-city” initiatives that aim to use information and communication technology (ICT) to develop soft infrastructure such as citizen grievance portal or public Wi-Fi in smaller pockets of a city. Hence, while the pan city initiatives provide smart solutions that will be available to all citizens across the city; the area based development initiatives will benefit the citizens who live or work in that particular area.

The agency tracks progress against these two main components and objectives identified under each. For instance, the

How Deloitte helped

Deloitte is providing overall program management and technical support for the Smart Cities Mission as the Government of India rolls out this Smart Cities initiative across 100 brownfield cities across the country. Policy development, process improvement, and institutional capacity building-related support with regard to cutting-edge technology adoption, innovative financing, and related technical assistance are key areas where Deloitte is heavily involved. Deloitte monitors best practices and lessons learned from the cities and provides a platform to educate other cities facing similar challenges. This ranges from enabling policies to infrastructure development to identifying new technologies for improving urban infrastructure and sustainable development.

In addition, Deloitte is responsible for monitoring and evaluating progress of each project under the Smart Cities Mission. The team is currently developing a national-level results framework, creating dashboards, monitoring projects, and producing status reports. Deloitte also identifies and recommends remedies for bottlenecks in the implementation process and evaluates proposals and potential partnerships to help the country understand the most effective models.

Lastly, Deloitte is helping to build capacity within state and local urban bodies by assessing capacity at all levels and filling capacity gaps through training, knowledge dissemination, and documenting and fostering best practices.

city of Rourkela¹¹ in the state of Odisha has developed multiple goals under its area-based development plan. This includes cutting emergency response times by 20 percent, reducing the slum population by 30 percent, creating a new skill development center, and increasing renewable energy usage by 10 percent.¹² For the pan-city initiative, the city aims to cut waiting time for public transportation by 50 percent, treat and scientifically dispose of 80 percent of solid waste, and improve air quality levels by 20 percent.¹³

Over the next five years, the mission management agency will closely track progress against the goals set by each city; and based on their tracking and monitoring, suggest course correction wherever required.

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Endnotes

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