Chapter II

PLANNING

Selection of cities through smart city challenge process and preparation of Smart City Proposals by the selected cities were the introductory milestones in the implementation of the Mission. As against 135 goals specified in the SCP of smart cities aligned to nine strategic pillars, the achievement was 68 only and other projects are in progress. Smart cities dropped 161 out of 544 (30 *per cent*) projects originally planned, which was against MoHUA instructions.

As against ₹817.42 crore allocation under Pan City, projects were taken up to the tune of ₹1,462.67 crore indicating diversion of funds from ABD to Pan City interventions. Addition of non-ICT projects under Pan City was in contravention of the guidelines.

Non-provision of utility ducts in SPVs other than BenSCL necessitated frequent digging up of the carriageway of the road for laying of utility lines. The intended knowledge sharing and support under sister city concept could not be achieved between Davanagere and Bareilly as only one video conference was held and no city visits took place during the MoU's one-year validity.

2.1   Selection of Smart Cities

As per the Mission Guidelines, the selection of smart cities was carried out in two stages. In the first stage cities in a State compete on conditions prescribed and the scoring criteria laid out in the guidelines. The highest scoring cities were to be shortlisted and recommended to participate in the second stage of the national competition. MoHUA evaluated the smart city proposals of the shortlisted cities and announced the final list of selected 100 smart cities.

HPSC allowed (June 2015) 11[7] City Corporations to participate in the first stage against the allocated six smart cities[8] for Karnataka. These Corporations submitted their self-assessed score card to the SLNA. SLNA after evaluation of the score cards recommended the top six scoring cities, *viz.,* Belagavi,

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[7]   Bengaluru, Hubballi-Dharwad, Mysuru, Mangaluru, Davanagere, Belagavi, Ballari, Vijayapura, Kalaburagi, Shivamogga and Tumakuru.

[8]   In addition, Bengaluru was selected (June 2017) as the seventh smart city based on the request of the State Government.

Davanagere, Hubballi-Dharwad*, Mangaluru, Shivamogga and Tumakuru to the HPSC for approval. The HPSC recommended (July 2015) the above cities to participate in the second stage at the national level.

2.2 Preparation of Smart City Proposal

Each city was to formulate its own concept, vision, mission, and plan (proposal) for a Smart City appropriate to its local context, resources, and levels of ambition. Accordingly, cities formulated their SCP containing the vision, plan for mobilisation of resources and intended outcomes in terms of infrastructure up-gradation and smart applications. The SCP of each smart city outlined the vision and goal of respective cities in line with National Mission Goals after carrying out SWOT[9] analysis. Achievement of the Mission Goal was dependent on fulfilment of city-level goals individually and collectively. The activities envisioned in the SCPs of the smart cities based on 24 smart features[10] was categorised into nine strategic pillars[11] as described in **Table 2.1**.

Table 2.1: SCP activities categorised into strategic pillars

Strategic Pillars	Number of projects taken up						
	Belagavi	Bengaluru	Davanagere	Hubballi-Dharwad	Mangaluru	Shivamogga	Tumakuru
Affordable Housing	1	0	0	2	0	0	2
Basic Amenities	3	0	30	21	6	2	28
Environment and Ecology	4	0	0	0	0	1	2
Economy and Employment	3	22	5	7	1	5	6
Health and Education	0	0	21	5	8	11	37
ICT enabled Smart Solutions	8	4	7	0	8	16	17
Park and Public Spaces	31	0	15	13	18	19	50
Transport, Mobility and Accessibility	43	18	35	6	13	26	27
Energy	12	1	0	0	3	0	10

Source: Information derived from the data furnished by smart cities

There were 135 goals specified in the SCP of smart cities aligned to the above nine strategic pillars. The achievement against the prescribed goals as of June 2024 was as detailed in **Table 2.2**.

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9   Strengths, Weaknesses, Opportunities, Threats.
10   Citizen participation, Identity and culture, Economy and employment, Health, Education, Mixed land use, Compactness, Open Spaces, Housing and inclusiveness, Transport and mobility, walkability, IT connectivity, Intelligent Government Services, Energy Supply, Energy source, Water supply, Wastewater management, Water quality, Air quality, Energy efficiency, Underground electric wiring, Sanitation, Waste management and Safety.
11   Audit grouped 24 smart city features into nine strategic pillars for better presentation.

Table 2.2: Achievement of goals prescribed in the SCPs

Total number of goals in SCP	Number of goals		
	Achieved	Partially Achieved	Not Achieved
135	68	43	24

Source: Information derived from the data furnished by smart cities

City wise details of goals are indicated in **Appendix 2.1**. As observed above, the smart cities could not achieve the planned goals even after nine years of implementing the Mission.

The State Government stated that interventions from multiple departments were required in implementation of the scheme and it will be impractical to expect achievement of all these long-term goals under a single mission.

The deficiencies observed in the planning process of the Mission are detailed in subsequent paragraphs:

2.2.1 Modification of Smart City Proposal

Though the Mission guidelines did not have any provision for modification of SCP, the MoHUA allowed (September 2018) a one-time change in SCP to provide some flexibility in implementing the Mission. To ensure that the change in SCP would not lead to vitiation of the challenge process and its spirit, MoHUA issued (January 2019) advisory elaborating the guidelines for change in SCP. Accordingly, the cities revised their list of projects with the approval of HPSC. However, MoHUA was yet (June 2024) to approve these changes formally. Audit observed that the modification of SCP had an adverse impact on the implementation of the Mission as detailed below:

2.2.1.1 Dropping of projects from the approved SCP

As per the advisory, dropping of projects from SCP, was permissible only in exigent circumstances and the cities were to give clear reasoning for not undertaking the work. On scrutiny of records, Audit observed that SPVs dropped seven to 48 *per cent* of the projects outlined in the SCP. The deletion/dropping of projects from SCP had also been done multiple times in violation of the advisory. Details of dropped projects are indicated in **Table 2.3**.

Table 2.3: Details of dropped projects

Smart City	Projects as per SCP				Deleted projects		Percentage	
	As per SCP	Added subsequently	Total	Outlay (₹ in crore)	Number	Outlay (₹ in crore)	Number	Outlay (₹ in crore)
Belagavi	68	39	107	4,097.37	41	1,335.21	38	32.59
Bengaluru	18	19	37	2,665.01	04	169.92	11	6.38
Davanagere	19	40	59	1,775.09	04	838.82	7	47.26
Hubballi-Dharwad	25	76	101	3,031.76	33	1,464.00	33	48.29
Mangaluru	66	10	76	2,129.76	24	675.02	32	31.69
Shivamogga	55	25	80	1,637.03	36	474.42	45	28.98
Tumakuru	43	41	84	2,725.28	18	798.90	21	29.31
Total	**294**	**250**	**544**	**18,061.30**	**160**	**5,756.29**	**30**	**32**

Source: Information furnished by KUIDFC/ smart cities

Dropping of 160 out of 544 (30 *per cent*) projects originally planned was against MoHUA instructions which permitted such deletions only during exigent circumstances. Audit analysis of dropped projects revealed that projects such as Bus terminal with multi-utility facility, construction of flyover, extension of smart class project for Pre-University college, bus shelter, construction of under pass and water supply *etc*., which derives public utility were dropped based on the reasons *viz.*, high costs, non-availability of space *etc*. Further out of 160 dropped projects, 25 projects faced fund constraints, 21 projects were unfeasible and 16 projects were already executed by other agencies. Other major reasons for dropping of projects were non-availability of land, irresponsive tenders, legal issues *etc*.

The State Government replied (April 2025) that necessary approval of HPSC were obtained. The fact remains that the SPVs could not implement the schemes as proposed in the SCPs.

2.2.1.2 Addition of new projects

As per the MoHUA advisory, adding of new projects in SCP was permissible, provided they adhered to the Mission guidelines which required citizen consultation before selecting projects. Further, adding projects outside ABD areas and including non-ICT projects as Pan City initiatives was not permissible.

On scrutiny of records, Audit observed that 230 projects costing ₹3,406.21 crore[12] were added to the SCP in lieu of dropped projects. Out of 230 projects, 40 projects worth ₹186.79 crore (**Appendix-2.2**) were added to the SCP at the request of line departments/ people's representatives. These projects related to regular civil works such as construction of roads, schools, hospitals *etc*., which were not aligned with the vision and challenge process of smart cities. The selection of these projects was also not based on citizen consultation as per the Mission guidelines.

Also, the Mission guidelines stipulated that Government contribution for smart cities was to be used only to create infrastructure that had public benefit outcomes. In respect of three[13] out of the above 40 projects, the infrastructure created had no public benefit outcome as they were beneficial only to a particular section of society.

Thus, adding of projects to SCP that were not aligned with the city's vision and goals resulted in shifting goal posts and vitiation of the challenge process for selecting smart cities.

The State Government accepted the observation and stated that it will be considered in future project implementation.

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[12] The added projects need not match with deleted projects in physical and financial terms.
[13] Redevelopment of Tennis Court, Interior work for Department of Women and Child and New building for Department of Women and Child.

2.3 Inclusion of projects outside Area Based Development areas:

As per the MoHUA advisory, adding projects outside the ABD area was not permissible, unless the purpose of the work was for first-mile/last-mile connectivity. *viz*., stormwater drainage, water supply, electricity, *etc*. However, the connectivity portion of such projects cannot be a significant part of the project cost. The Smart City Mission is a Centrally Sponsored Scheme where the Central Government provides ₹100 crore per city annually for five years, with an equal matching contribution from the State/ULB. This results in a total funding of ₹1000 crore per city.

Audit observed that in five smart cities (out of seven) as against ₹4,048.33 crore allocated for ABD projects, the actual cost of ABD projects implemented was only ₹3,262.76 crore. However, in these cities, as against ₹817.42 crore allocation under Pan City, projects were taken up for ₹1,462.67 crore indicating diversion from ABD to Pan City interventions. City-wise details as of June 2024 are given in **Table 2.4**.

Table 2.4: Details of ABD/Pan City wise projectivisation

(₹ in crore)

Sl. No	Name of the city	Mission Funds allocated in SCP for		Cost of projects implemented	
		ABD projects	PAN City projects	ABD	PAN City
1	Davanagere	670.34	301.16	362.86	425.28
2	Hubballi-Dharwad	919.00	81.00	698.12	390.16
3	Mangaluru	787.38	184.17	573.49	348.27
4	Shivamogga	882.61	39.09	841.29	89.06
5	Tumakuru	789.00	212.00	787.00	210.00
	Total	**4,048.33**	**817.42**	**3,262.76**	**1,462.77**

Source: Information furnished by KUIDFC/smart cities

The diversion of funds allocated for ABD projects to Pan City projects, resulted in the non-implementation of projects in ABD areas *viz.,* retrofitting, re-development and greenfield development undermining the objective of sustainable and inclusive development of compact areas.

The State Government replied (April 2025) that the rationale for including Pan City projects was to ensure that the benefits of the Mission reached all citizens and not just to those residing in the ABD areas. Further it stated that as on January 2025 ABD projects worth of ₹3,854.97 crore and Pan city projects worth of ₹1,742.31 crore have been executed.

The reply confirms the fact of diversion of funds from ABD to Pan city interventions defeating the objective of creation of replicable model through development of compact areas.

2.4 Transport and Mobility

Under transport and mobility, the selected cities were aimed to improve the overall mobility, addend walkability in the area through carriageway improvement, utility infrastructure, central and city bus terminal improvement, flyover, underpass, road junction improvement, smart parking, cycle tracks and

pedestrian walkways. The status of progress of projects under the above intervention as of June 2024 is given in **Table 2.5**.

Table 2.5: Physical and financial progress under Transport and Mobility as of June 2024

Sl.No	Smart City	No of Projects			Financial progress (₹ in crore)	
		Total	Completed	Ongoing	Project Cost	Expenditure
1	Belagavi	44	40	4	578.50	549.26
2	Bengaluru	15	15	0	516.59	501.86
3	Davanagere	32	31	1	475.49	369.48
4	Hubballi-Dharwad	7	7	0	224.40	215.08
5	Mangaluru	19	8	11	419.21	295.65
6	Shivamogga	22	20	2	554.42	507.46
7	Tumakuru	29	25	4	450.13	402.05
	Grand Total	**168**	**146**	**22**	**3,218.74**	**2,840.84**

Source: Information furnished by Smart Cities

Test check of 40 out of 168 (24 *per cent*) projects under the above intervention revealed the following:

2.4.1 *Provision of utility network in roads*

Improving urban road network was the first logical step towards improving urban mobility. The SCP of the smart cities aimed to develop smart road (*i.e.*, a road designed to include smooth vehicular flow, prioritise pedestrian movement, integrated essential utilities) project as per the Tender SURE[14] guidelines. The Tender SURE Guidelines aimed at solving issues of non-usability of road network due to frequent civil works undertaken by multiple utility agencies to provide underground utilities *viz.*, water supply, telecom lines, power lines, sewage *etc.,* which were haphazardly laid.

Audit examined the DPRs of seven smart cities and it was seen that except Bengaluru Smart City (BenSCL), the utility ducts provided by other SPVs in their smart road projects did not make provision for certain utility ducts *viz.*, water supply, sewerage network, storm water drainage, HT and LT lines, OFC and gas pipeline. This necessitated frequent digging up of the carriageway of the road for laying the above utility lines. During JPV (BBMP and SSCL in September-2022)[15]. Audit observed that digging up of smart roads for laying/maintenance of utility lines by SSCL and construction of foot bridge by BBMP without informing BenSCL, violated SCM/Tender SURE guidelines (**Exhibit 2.1 and 2.2**).

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[14] Tender SURE (Specifications for Urban Roads Execution) street design guidelines were prescribed to fix urban roads in terms of underground utilities and grade mobility for all forms of transport.

[15] Old JPV picture retained to show the step taken by SSCL for maintenance of utility line. Currently, the hole has been filled and is no longer visible.
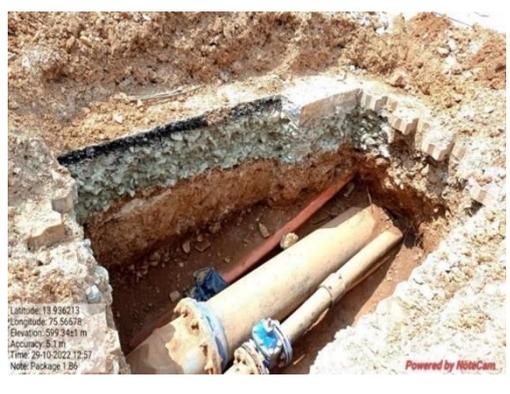
Exhibit 2.1: Smart Road in Racecourse dug up by BBMP	**Exhibit 2.2:** Smart Road in Shivamogga dug up by KUWSDB for 24×7 water supply project

The State Government replied (April 2025) that due to high cost and economic infeasibility, site challenges, inter departmental issues, technical limitations and public impact, utility departments resorted to open trench utility laying method (March 2025).

The reply is not acceptable as the smart road works were to be developed as per the Tender SURE Guidelines, which aimed at reducing inconvenience to the public and hence the objective of providing hassle free movement could not be achieved due to frequent digging of roads for laying and maintenance of utilities.

2.4.2 Non-inclusion of accessible infrastructure for specially abled persons on the roads/footpath projects

Paragraphs 2.3 and 2.6 of Mission Guidelines stipulated that the city's development under the Mission should be inclusive. Further, paragraph 31 of city level model template issued by Government of India (GoI) for preparation of SCP also stipulated inclusion of accessible infrastructure for specially-abled persons under the mission.

In the context of the above, development of roads/footpath packages was to include the provision of tactile tiles for the visually impaired on footpaths. However, the above provision was not made in footpaths constructed in 21 smart road projects undertaken by seven smart cities.

The State Government replied (April 2025) that footpath works taken up in smart cities were mostly retrofitting in nature. The roads where footpath development was contemplated already had developed footpaths and did not have uniform carriage width which was not conducive for construction of continuous and consistent footpaths. Further, it stated that steel handrails were provided in the smart roads to improve access to specially abled persons

The reply was not acceptable as the primary purpose of the handrails was to prevent pedestrians from crossing indiscriminately and slipping onto the carriageway, as outlined in the IRC:103-2012.

2.5	**Implementation of Sister Cities Concept**

The Ministry of Housing and Urban Affairs paired Davanagere (top 20 cities) with Bareilly (bottom 20 cities) under the Sister Cities initiative to improve performance through collaboration. As per the MoU signed on (February 2020), the cities were to conduct monthly video conferences and visit each other's cities at least once in 100 days. However, only one video conference was held, and no city visits took place during the MoU's one-year validity. The MoU was not extended, and the intended knowledge sharing and support for Bareilly's improvement were not achieved. DSCL's claim that a WhatsApp group was used for communication was deemed unacceptable as it did not adhere to the SCM guidelines. Despite this, Bareilly's ranking improved from 86 to 68 in the Geo-spatial Management Information System (GMIS) 100 city ranking as on June 2024.