



Recommendations

discussed and drafted in

Roundtable on Urban Policy

SUMMER SESSION
2025



Background

A full-day Roundtable on Urban Policy was organized in Pune on May 10, 2025, by our Think Tank the Policy Research Organization. The meeting was centered around the theme 'Urban Finance and Municipal Budgets'. Invitations were extended to a diverse group of participants including political leaders, representatives of citizen groups, economists, media professionals, social activists from various fields, and administrative officers.

The discussion was highly constructive, focusing on key issues such as strengthening the financial position of municipal corporations, ensuring that funds raised are used effectively, and maintaining transparency in financial matters. Rather than being merely critical, the deliberations led to the formulation of concrete recommendations and demands for governments at all three levels — city, state, and central. These unanimously supported recommendations have been compiled in this document.

Tanmay Kanitkar

President, Policy Research Organization



Recommendations for **The Municipal Corporations**

1. A six-monthly implementation report should be published regarding the development works undertaken and the funds allocated for the newly merged villages in the municipal corporation. This will ensure that relevant data is publicly available for making informed provisions in the subsequent municipal budget.
2. The property tax rate should be linked to the services provided by the municipal corporation. For instance, the availability and quality of services like water supply, sewage treatment, roads, public transport, parks, playgrounds, schools, hospitals, fire services, etc., should form the basis of taxation. Areas with better services should pay higher taxes.
3. Property tax is the primary source of income for municipal corporations worldwide. Its collection should be maximized. At present, while property market values continue to rise, property tax remains low. Property tax rates should be linked to the rates in the ready reckoner, and a permanent formula should be established. This will help the city increase its property tax revenue over time.
4. Currently, Pune Municipal Corporation has outstanding dues worth thousands of crores in property tax and water charges. Concrete measures must be taken to recover these dues promptly. In cases where legal proceedings are ongoing, the government should make efforts to expedite decisions through special courts.
5. Regarding property tax arrears, the corporation implements an 'Amnesty Scheme.' This scheme should be limited to a one-time benefit for any property owner. A rule should be established that no property owner can avail of the Amnesty Scheme more than once.



Recommendations for **The Municipal Corporations**

6. Pune Municipal Corporation has a 'Comprehensive Traffic Plan,' but the budget must make substantial provisions for its implementation. Otherwise, the plan will remain merely on paper. To determine the appropriate budget, an annual 'Traffic Status Report' should be prepared, similar to the 'Environmental Status Report,' and the budget should be planned based on that data and analysis.
7. Under the 'Participatory Budget' initiative, projects directly suggested by citizens are included in the budget. This process of suggesting projects should remain open year-round, not just for a month. Additionally, the PMC's mobile app and website should be equipped to make it easier for citizens to submit suggestions.
8. All the works proposed under the participatory budget and included in the final budget should mandatorily begin within the first six months. A rule should be made that all such works must be completed before the next budget is prepared.
9. The Municipal Corporation should proactively publish details about which citizen-proposed projects were included in the budget, and the rationale behind their inclusion or exclusion. According to Section 4(1)(d) of the Right to Information Act, this is a legal obligation and should be properly implemented.
10. There is a need to increase Pune Municipal Corporation's health budget — it should at least be doubled. This will help establish clinics at the community level and improve the availability of medicines in hospitals beyond just Sassoon Hospital.



Recommendations for **The Municipal Corporations**

11. It is essential to allocate funds in next year's budget for the maintenance and repairs of the infrastructure facilities newly created this year through capital expenditure. This provision should apply not only to the municipal corporation but also to development projects undertaken under central government schemes such as JNNURM or AMRUT, which must include dedicated funding for their upkeep.
12. The Development Plan (DP) outlines the city's planning for the next 20 years. At least 10% of the annual budget should be allocated for its implementation. Additionally, 5% should be earmarked for land acquisition necessary for implementing the DP.
13. There is significant migration into cities, but no government agency has reliable data on migrants. This data should be collected from employers who hire migrant workers. A city-wide register of migrants should be maintained, based on which specific budgetary provisions can be made for the welfare of migrants, especially the urban poor and their families.
14. Apart from the Municipal Corporation Act, several other laws assign specific responsibilities to municipal corporations. To fulfill these responsibilities effectively, it is necessary to make adequate financial provisions for them in the municipal budget.



Recommendations for **The State Government**

1. When new villages are merged into the limits of a municipal corporation, a detailed and transparent plan should be prepared and publicly declared, specifying the estimated cost of developing basic infrastructure in those areas and clearly identifying the sources from which the required funds will be mobilized.
2. In cities, governance often suffers from overlapping authority among multiple agencies such as municipal corporations, development authorities, state departments, and companies like MahaMetro. Each agency has its own priorities and allocates funds accordingly, leading to fragmentation in urban development. To bring consistency and coordination in development efforts, there is a need for a single, empowered authority with clear decision-making power. This authority should ideally be the municipal corporation itself, as it is a local self-government body composed of representatives directly elected by the people.
3. The State Government should annually publish a comparative ranking of all municipal corporations, showing the size of each corporation's budget and the extent of its actual implementation, supported by clear and accessible data.
4. A dedicated public portal should be created for all municipal corporations, similar to the 'e-Gram Swaraj' portal. This portal should enable municipalities to upload their budgets, implementation reports, and updated information on various functions. Importantly, no government funding should be released to any municipal body unless it has uploaded updated and accurate data on this portal.



Recommendations for **The State Government**

5. An annual ranking of municipal corporations should also be published based on the actual implementation of projects, effectiveness in budget execution, and delays in infrastructure development. Similar to how the CIBIL score functions in financial credit assessment, a scoring system should be developed to assess and reflect the efficiency and accountability of urban local bodies.
6. In many cities, villages located on the urban periphery are no longer rural in the conventional sense. Therefore, there is a need to redefine what qualifies as an 'urban area.' In addition, a separate development policy should be formulated specifically for semi-urban zones that are neither fully rural nor fully urban.



Recommendations for **The Government of India**

1. The Government of India provides funds to municipal corporations through various schemes, often attaching specific conditions such as the implementation of area sabha legislation or the adoption of a city-level parking policy. However, despite the passage of several years, many municipal corporations have failed to implement these mandated reforms. A strict policy of "implementation first, funding later" should be adopted, whereby funds are not disbursed unless compliance with such conditions is demonstrated.
2. Although the 74th Constitutional Amendment facilitated the decentralization of political power, it is now necessary to also decentralize financial power. This requires exploring new avenues of revenue generation for municipal corporations. Innovative measures, such as allocating a share of the income tax collected from urban areas directly to municipal corporations, should be considered. Such steps would reduce their dependency on state or central government transfers and empower them to function more independently and effectively.



Recommendations for **Media and Citizens**

1. Efforts should be undertaken to make urban finance, budgetary allocations, their implementation, and the level of transparency key issues in municipal elections.
2. Civic groups must consistently submit policy reform suggestions to the government. These suggestions should receive wide media coverage, and the media should also take responsibility for following up on them and holding the government accountable.
3. Additionally, journalists and media professionals should undergo training focused on public finance to enable more informed and impactful reporting on urban economic matters.



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Credits

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