



Global Compact Network India

Promoting Transparency in Smart Cities: Snapshot on the Consultations

INTRODUCTION

The UN Global Compact is the largest voluntary corporate citizenship initiative in the world and offers a unique platform to engage companies in responsible business behaviour, through its Ten Principles in the areas of human rights, labour standards, environment and anti-corruption. The Indian chapter of the UN Global Compact, 'Global Compact Network India' (GCNI) was formed in November 2003.

GCNI established the Centre of Excellence for Governance, Ethics and Transparency (CEGET) in 2015, with the overall goal of developing a premier knowledge repository that 'conducts innovative action research and training, provides a platform for dialogue and communication and facilitates systematic policy initiatives for strengthening transparency and ethics in business.'

In June 2015 Government of India launched the '100 Smart Cities' Project, key objective of which was to improve the infrastructure of the identified cities to efficiently handle and govern the increased urban population, which is expected to hold 40% of India's population by 2030. The significant differentiator of Smart Cities Project (SCP) is that instead of a top-down approach, the citizens of respective cities have been invited to contribute in the vision development of their localities.

GCNI CEGET developed a pilot intervention for promoting business case for transparency and anti-corruption as an integral part of the Smart Cities Project. Under this pilot plan, CEGET planned to facilitate deliberations in 10 cities to explore the anticorruption measures and due diligence tools best suited to the cities. The 10 cities chosen for the intervention are Amravati, Bhubaneswar, Guwahati, Indore, Lucknow, Mangaluru, Pune, Raipur, Ranchi and Visakhapatnam.

THE CONSULTATIONS

Between December 2015 to February 2016 GCNI facilitated five consultations in the cities of Visakhapatnam, Lucknow, Pune, Ranchi and Bhubaneswar. Details are:

Sl. No.	City	Partner/Collaborator	Date	Venue
1	Visakhapatnam	GITAM Institute of Management, GITAM University	December 15, 2015	GITAM University, Visakhapatnam
2	Lucknow	Department of Business Administration, Lucknow University	December 22, 2015	Hotel Renaissance, Lucknow
3	Pune	Mahratta Chamber of Commerce Industries and Agriculture (MCCIA), Pune	January 29, 2016	MCCIA Trade Tower, Pune
4	Bhubaneswar	Institute of Cost Accountants of India (ICAI) – Eastern India Regional Council, Bhubaneswar	February 18, 2016	ICAI Seminar Hall, Bhubaneswar
5	Ranchi	Institute of Cost Accountants of India (ICAI), Ranchi	February 26, 2016	Hotel Landmark, Ranchi

Stakeholders from Academic institutions, Corporates, PSUs, and Civil Society participated in the deliberations and suggested ways to bring more transparency, integrity and accountability measures in the Smart city plan implementation. Each participant actively discussed about the problems associated with the Smart City Project as well as the potential and opportunities offered by this project for their respective cities. Stakeholders came up with diverse solutions at the Government and individual level to ensure transparency, and increase the feasibility and positive impact of the smart city project.

The key point emerging out of the discussions was to develop an action plan for promoting a business case for transparency in smart cities.

SNAPSHOT OF THE CONSULTATION

The five consultations at Visakhapatnam, Lucknow, Pune, Ranchi and Bhubaneswar highlighted issues pertinent to the respective cities. For example the priority of Visakhapatnam was to have a strong disaster management system in the city, following on the heels of the devastation caused by rains in Chennai; Lucknow shared the need to develop indicators and benchmarks for smart city plan operation; Pune recommended monitoring and management of the project

through peoples' participation; Bhubaneswar suggested clear definition of smart city concept as well as decentralisation into smaller sub units for effective implementation; and Ranchi highlighted that guidelines for Public Private Partnerships and Special Purpose Vehicles need to be transparent. Key challenges identified and suggestions recommended are appended below:

Challenges

Major concerns on the issue of corruption were highlighted by the stakeholders. It was pointed out that as per the latest GFI study money to the tune of 1 trillion Dollars is transacted in illicit manner all over the world, money that could otherwise have been used for economic growth and poverty alleviation. Beyond the damaging economic impact of the overall capital outflows, illicit financial flows have a terrible, subversive impact on governments, victims of crime, and society. They facilitate transnational organized crime, foster corruption, undermine governance, and decrease tax revenues.

In addition to corruption related challenges, concerns were also raised by experts on issues that remain a hurdle to the smart city project. Some of the challenges highlighted by the stakeholders include the following:

- ✚ Efficient provision of basic facilities such as water supply, education, health, solid waste management, traffic management, among others
- ✚ Slums have to be developed in transparent manner protecting their rights specially in case of Rahgiri. [Bhubaneshwar]
- ✚ Major drawbacks in the path of Smart City Projects include lack of public participation and transparency in bureaucracy
- ✚ There is an urgent need of maintaining a strong rule of law and security in the cities, which in itself has the capability of reducing corruption by a huge margin
- ✚ There is delay in the system of getting justice and also the fear of not getting justice at all. Thus, a lot of issues are plaguing the country's judicial system which needs immediate attention.
- ✚ Use of modern technology of crime prediction is extremely important to curb delay in justice so that smart cities flourish
- ✚ The present system of governance is made so complex and time consuming with unnecessary procedures, which affects the business of the corporate players.
- ✚ It is important to bring about an attitudinal change in the masses so that they can have a sense of ownership towards the city, which is a huge task as most of the urban landscape is constituted of migrant people.
- ✚ It is pertinent that such kind of urban development is a continuous process, and is not broken down with change in political leadership.
- ✚ It has to be ensured that the government does not lose steam in the project half way.
- ✚ There should be a minimum level of discretionary powers with the bureaucrats to avoid any kind of misuse of these powers for personal interests.

Recommendations

There was a consensus that in promoting smart cities project it is critical to have clarity on the kind of issues that are to be addressed. A wide spectrum of recommendations emanated from the consultations on aspects such as provision of basic services, promotion of public participation, strengthening governance mechanism, use of modern technology, knowledge sharing, collective action, audit and monitoring, ease of doing business and promoting ethics and transparency. Major recommendations are as under:

(i) **Basic Services:**

- a. Focus to be on health and primary education to empower people and provide good governance
- b. Ensure availability of portable water supply, appropriate drainage systems, electricity, and proper maintenance of old age homes
- c. With respect to traffic management, investment in and improvement of public transport system is critical. Improving the number, efficiency and frequency of public transport, will help in traffic management.

(ii) **Public Participation:**

- a. People's participation and the effectiveness of their role would contribute to the success of the smart city project. Initiatives should be taken by the people and sense of ownership to be promoted by giving citizens greater voice and power to monitor the project.
- b. Training, education and awareness generation is critical for the participation of people. For example, it was pointed by a stakeholder that the level of public participation in development of city plan was very limited in Bhubaneswar compared to Visakhapatnam.
- c. Citizen committees can be formulated with the membership of retired experts in it, which can focus on planning and creating smart citizens. An important underlying message would be that rights come with responsibilities.

(iii) **Involvement of Stakeholders:**

- a. The active involvement of NGO's, academic institutions and professional bodies would add value for the successful implementation of Smart City Project.
- b. These stakeholders to promote awareness on the concept of smart city, facilitate continuous suggestion and feedback, and ensure and encourage ownership / active participation of different sections of society.
- c. By forming pressure groups of few responsible citizens', the government to be empowered to tackle corruption. PPP models will play an important role in the smart city project and along with that the chances of corruption in procurement would be manifold. It is important to bring together a group of like-minded entrepreneurs, who can take the cause forward and fuel public participation in the discussion around promoting transparency in smart city.

(iv) **Involvement of Youth / Students:**

- a. Ethics has to be taught to students and it has to be integrated in everyday activities of the students. Focus should be laid on nation building.

- b. Active involvement of students should be encouraged by giving them assignments and necessary motivation and guidance which will help them come up with practical out of the box solutions.
 - c. Students to be attracted towards the cause through various competition, incentives, lectures and discussions to understand and in turn create awareness about the smart city project.
- (v) **Legal Framework:**
- a. Strong legal framework is critical for the proper implementation of smart city project. Compliance of existing law to be insisted by using deterrence forces like imposing penalty for violation of these laws.
 - b. The Special Purpose Vehicle's formulated for the implementation of the smart cities to promote ease of doing business by implementing a single window for permissions.
- (vi) **Technology:**
- a. IT enabled platform for all procurement in the smart city project
 - b. Government data should be out in the public and analysis should be done, both with a social and economic perspective.
 - c. The Smart City Project to convergence with the Digital India initiative.
 - d. With more usage of smart phones, smart city apps can serve as an effective way to reach out to masses and make it convenient for them to participate and monitor public works.
 - e. It is necessary to have budget for formation of citizen portal. Mobile apps, citizen audit should be promoted for ensuring transparency and accountability.
- (vii) **Audit and Monitoring:**
- a. Mechanisms of internal audit should be promoted by constitution of committees.
 - b. An independent external monitoring body should be in place to check the types of contracts being entered into.
 - c. People, as end consumers, should be given the right to monitor how and where the money is being used, and also to check the quality of end product and services.
 - d. Citizen monitoring and evaluation should be in place that should include the watchdog bodies from industry, in addition to individuals and eminent citizens.
- (viii) **Promoting Transparency:**
- a. All SPV's should maintain their own websites and promote transparency in their operation, which will enhance its credibility among the general public.
 - b. Government to monitor and ensure transparency in various departments of the government.
 - c. While giving contracts, pro-active transparency to be observed and the name, address of organisations which get contract should be disclosed on the websites of the concerned government departments along with their contact details. This will help in promoting transparency and empower the general public.

- d. A common platform or website should be made where all people including general public, students, corporates etc. can visit and find every possible information required to promote transparency.
- e. Adequate protection should be available to whistleblowers.
- f. The outflow of the money and their destination needs to be targeted and it is necessary to assess the total cost of ownership of a project over a product cycle.
- g. There should be usage of tools like Integrity Pact / Integrity Pledge to make the stakeholder refrain from entering into corrupt practices. Strategies should be worked out to convince the companies / employees to sign such a pact / pledge.

(ix) Promoting Ethics:

- a. To eradicate corruption from our society, first the initiative should be taken from our homes and then we may lead it outside to our city and country.
- b. As far as corporate ethics is concerned appropriate investment is required in the Human Resource Department.

(x) Governance Mechanism:

- a. Benchmarking is required to assess per unit cost and the database should be made public. Measurable benchmarks for infrastructure development are critical.
- b. Proper checks should be put in place for the electoral funding, so that good people enter and sustain in government.
- c. Research is needed on the way a government functions. Government should try to make the system more accountable rather with each department naming the “most ethical employee” every month, which will act as an incentive.
- d. Whenever there is a delay in completion of work or payment by any department, the citizens at the receiving end suffer and hence in order to make the departments accountable it is necessary to ensure penalty to be paid to the aggrieved citizen.
- e. Reforms should be initiated in the judicial system.
- f. Emphasis should be on the concept of safe cities which could be achieved by augmentation in the police force. Security and policing should form a major part of the smart city project right from the beginning.
- g. The concept of Ombudsman should be incorporated in the Departments and sectors involved in smart city project.
- h. Focus should be on training, monitoring and managing process of involved stakeholders.
- i. Any smart city at any point of time can only sustain a limited number of people, and if there is a constant influx of people, the city will not be sustainable no matter how improved the infrastructure is. It becomes necessary to develop the areas around the city as well in order to minimise the influx of population into the heart of the city. This development has to be in terms of both infrastructure and job-creation.

(xi) Collective Action:

- a. Sharing the knowledge of challenges and best practices is critical to the promotion of smart cities.

- b. Global and local good practices for smart city should be shared and analysed. Such research on the global and local good practices can be done by the business schools of the concerned city.
- c. Exchange of knowledge between various cities of our country will help in promoting smart city project. Good practices of cities like Bangalore, Hyderabad, etc. can be identified and implemented in other cities too.

CONCLUSION

In the end, everyone agreed that 'Promoting Business Case for Transparency in Smart City Projects' can be achieved by promoting public participation, thus empowering citizens by involving them in policy-making and decision-making activities.

Table: Glimpse of Core Recommendations:

S.No.	Categories	Recommendations
1.	Active Participation	Collective ownership and responsibility to make cities smart by all including NGOs, Corporates, Government and youth, Citizen committees with eminent retired experts, professional bodies, among other
2.	Ethical Behavior/Smart Citizens	Ethics has to be taught to students and it has to be integrated in everyday activities of the people working with both government and private sector to improve civic sense
3.	Transparency and Accountability	Ombudsman should be incorporated in the departments and sectors involved in smart city project Development and well maintained websites with updated information for general public access
4.	Use of advanced technology	Applications for awareness generation and for monitoring and management of the project
5.	Monitoring and Evaluation System	Citizen monitoring and evaluation body should be in place which should include the watchdog bodies from industry in addition to individuals and eminent citizens
6.	Knowledge Sharing	Best global practices as an example of other cities
7.	Online transaction	Use of less or no cash to minimize the possibility of corruption (Escrow Agreement)
8.	Decentralisation	The need to restructure and focus more on decentralisation of governance.
9.	Punishments/Justice	There should be real sense of justice in society in a way that equal punishments should be given for similar crimes with no bias
10.	Recognition	Appraisal of government employees (the ACR Reports) should have integrity as a parameter of evaluation