Indian Economy · GS - III

Discuss the role of urban infrastructure financing in promoting sustainable urbanisation in India. What challenges do urban local bodies face in implementing infrastructure projects?

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 04/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Urban infrastructure financing; municipal capacity; roads and drainage; waste management; public-private partnerships; municipal revenue; environmental sustainability; urban governance.

Model Answer

Introduction

Rapid urbanisation has increased the demand for reliable infrastructure, efficient public services and environmentally sustainable cities. Urban infrastructure financing is essential for meeting these needs.

Role of Urban Infrastructure Financing

Improved Public Services: Investments in roads, drainage, sanitation and waste management improve accessibility, public health and living standards.

Economic Growth: Better infrastructure reduces transportation costs, supports businesses, attracts investment and generates employment.

Environmental Sustainability: Investments in wastewater treatment, scientific waste disposal, green spaces and climate-resilient infrastructure help reduce urban environmental pressures.

Major Challenges

Urban local bodies face inadequate municipal revenues, dependence on government grants, limited technical expertise, project delays and weak coordination among agencies. Poor maintenance and insufficient citizen participation can further reduce project effectiveness.

Way Forward

Cities should strengthen property tax collection, explore municipal bonds and carefully structured public-private partnerships, improve project preparation and adopt transparent procurement. Citizen participation, independent audits and climate-sensitive planning should guide implementation.

Conclusion

Urban infrastructure financing must combine financial sustainability, accountable governance and environmental responsibility to build inclusive, resilient and liveable Indian cities.

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