

- **Capacity development of ULBs for strengthened urban management**, with focus on the following:
 - Strengthening financial and economic viability of ULBs.
 - Capacity building support for preparation of **Integrated City Plans** for the city and the peri-urban area.
 - Preparation of plans for projects for **asset management** and **value creation** and putting in place fiscal tools for revenue enhancement.
 - Training programmes for staff and elected representatives.
 - Support for purchase of office equipment for ULBs.
- **Creation of supporting structures and mechanisms at State and Central level to facilitate capacity building of ULBs**, with following components:
 - Establishment of **National Urban Resource Network (NURN)** to facilitate international, national, state and local level networking, cooperation and exchange of tools, approaches, methodologies, and knowledge that can be applied to urban capacity development at city level.
 - Establishment of **State Reforms and Performance Management Cell (RPMC)** in States/UTs.
 - Strengthening of **Administrative Training Institutes (ATIs)** to support the training needs of States and ULBs Preparation of State capacity building strategy and plan.
 - Research Studies, case studies, training modules, documentation of best practices and evaluation studies.

A concentrated effort is needed from the government to put together a **modern municipal capacity building management system** that will envision what cities need for the next few decades and will pave the way for enhancing service delivery and effective local governance.

12. Assess the performance of the GST Council as a constitutional body vested with powers to take all major decisions relating to Goods and Services Tax. (250 words) 15

Approach:

- Briefly explain the GST council and its constitutional mandate.
- Highlight the positive changes brought by it.
- Mention some key issues associated with it.
- Conclude with a brief way forward.

Answer:

As per **Article 279A** of the Indian Constitution, the Goods & Services Tax (GST) Council is a **joint forum** of the Union and the States. It is chaired by the Union Finance Minister and has membership of Finance Ministers of all the States. It makes **recommendations** to the Union and the State governments related to various **changes to be made in the GST**. These changes include subsuming different kinds of taxes, cesses and surcharges levied by different federal organs. It recommends goods and services that may be subjected to or exempted from the GST. It also recommends model GST laws, principles of levy, special provisions for some states among others.

The GST Council has brought about following **positive changes since its inception**:

- **Facilitated cooperative federalism:** The GST Council has continually worked towards cooperative federalism, by ironing out differences between states with maturity and without prejudice. It has also established Grievance Redressal Committees at Zonal/State levels.
- **Rationalization of tax rates:** GST Council has enabled that multiple state VAT laws and other barriers among states could be lifted and there is consensus on the tax rates to materialise GST as a '**One Nation One Tax**' regime. Further, tax slab/rates have been rationalised and many items kept within the high tax bracket (18-28%) were reviewed and classified as necessities and not luxuries.
- **Institutionalised examination:** The Council has also recommended the formation of a Group of Ministers (GoM) to study the revenue trend, analyse the reasons for structural patterns affecting revenue collection in some states and other issues related to GST.