

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 1642
ANSWERED ON 04/08/2025**

URBAN DEVELOPMENT INITIATIVES

1642. SHRI RAVI CHANDRA VADDIRAJU:

Will the Minister of Housing and Urban Affairs be pleased to state:

- (a) whether Government has assessed the adequacy and likely impact of urban development initiatives announced in Budget 2025-26, and if so, the details thereof;
- (b) the criteria for selection of cities and beneficiaries under the Urban Challenge Fund and revamped PM SVANidhi scheme;
- (c) the main challenges expected in implementing these initiatives; and
- (d) the measures proposed to address these challenges and ensure improvement in urban infrastructure and quality of life?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF HOUSING AND URBAN AFFAIRS
(SHRI TOKHAN SAHU)**

(a) & (b): The Government of India, in the budget for 2025-26 has announced to set up an Urban Challenge Fund (UCF) of ₹1 lakh crore to implement the proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation'. As per the budget announcement, this fund is planned to finance up to 25 per cent of the cost of bankable projects with a stipulation that at least 50 per cent of the cost is funded from bonds, bank loans, and Public Private Partnerships (PPPs). ₹10,000 crore has been allocated for the financial year 2025-26. Enhanced urban resilience and economic productivity through integrated urban planning, land-use efficiency, and sustainable financing are the likely impact of these initiatives. The revamping of Prime Minister Street Vendor's AtmaNirbhar Nidhi Scheme (PM SVANidhi) scheme has not been approved yet.

(c) & (d): The main challenges in implementing urban development initiatives include variability in the technical and administrative capacity of Urban Local Bodies (ULBs), under-utilisation of allocated funds and delays in project implementation.

To address these challenges, the Government has adopted a multi-pronged approach. Capacity building programmes such as the National Urban Learning Platform (NULP) and iGOT have been launched to strengthen institutional and individual capacities at the city and State/ Union Territories (UTs) levels. The Ministry of Housing and Urban Affairs (MoHUA), in association with 4 Centers of Excellence (CoEs) in Urban Planning and Design, has launched 'Urban Renaissance Tech Program for Urban Managers' on 17 July, 2025. This program aims to develop urban managers with essential technical and managerial skills in implementation of urban initiatives including infrastructure, planning, finance and climate resilience.
