

GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 242
ANSWERED ON 02/02/2026
OVERBURDENING OF TIER-I CITIES

242. SHRI P. WILSON:

Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:

- (a) whether Government has taken steps to reduce the overburdening of Tier-I cities caused by rapid urbanisation due to migration, non-farm employment and growth of the services sector, and to promote the development of small towns;
- (b) whether any assessment has been made of the impact of such urbanisation beyond the scope of AMRUT and AMRUT 2.0;
- (c) whether existing urban schemes adequately cover new small towns other than Tier-I cities, and if so, the details of infrastructure funds allocated to such identified towns, and if not, the reasons therefor; and
- (d) the steps proposed, to strengthen urban local bodies?

ANSWER

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

(a) to (d): As per 12th Schedule of the Constitution of India, urban planning including town planning is the function of Urban Local Bodies (ULBs)/ Urban Development Authorities. Government of India supplements the efforts of the States through schematic interventions/ advisories.

Government is aware of the urban planning needs and augmentation of urban infrastructure for the growing urban population. For improving infrastructure in urban areas, Ministry of Housing and Urban Affairs (MoHUA) runs various schemes such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) with a focus on core infrastructure sectors like water, sewerage, drainage, urban transport and parks in 500 cities. To carry forward the objective of universal coverage of water supply from 500 cities to all the statutory towns/ ULBs in the country, AMRUT 2.0 has been launched on 1st Oct 2021. AMRUT 2.0 focuses on making the cities 'self-reliant' & 'water secure'. Providing universal coverage of sewerage & septage management in 500 AMRUT cities is other major focus of AMRUT 2.0. Rejuvenation of water bodies and development of green spaces and parks are other components of the Mission.

Formulation of GIS-based Master Plans for AMRUT Cities is one of the important reforms under AMRUT. 'Formulation of GIS based Master Plan for AMRUT Cities' has been approved as a 100% centrally funded sub-scheme under AMRUT. 461 towns in 35 States/ UTs have been onboarded under this sub-scheme. Under this sub-scheme, Final Master Plans have been completed for 288 towns and draft Master Plans have been formulated for another 116 towns. To extend the coverage of this Reform to Class II Towns, the Sub-Scheme 'Formulation of GIS based Master Plans for Class-II towns with the population 50,000 - 99,999' was launched under AMRUT 2.0 in the year 2021 for Class-II towns with the population 50,000 - 99,999'. The Sub-scheme is being implemented in 875 towns with the objectives to develop standardized base maps, land use maps and Master Plans/ Development Plans using Geographical Information System (GIS) technology. So far under this sub-scheme, Final Master Plans have been successfully completed for 63 towns and draft Master Plans have been prepared for another 56 towns.

Further, funds have been allocated under various other schemes of the Ministry for development of infrastructure in urban areas such as Swachh Bharat Mission (Urban), Smart Cities Mission (SCM) Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM) for urban livelihoods and Pradhan Mantri Awas Yojana - Urban (PMAY-U) for housing.

The Government of India has implemented the Scheme for Special Assistance to States for Capital Investment Scheme (SSASCI)- 2022-25, aimed at leveraging urban planning as a key driver of development. This initiative focuses on critical themes, including Governance reforms, Finance Reforms, Urban Planning reforms & Deregulation based reforms to enhance the urban planning ecosystem & bring in efficiency, so far approximately ₹ 11,000 crore has been released to State/UTs

Further, under 2025–26 (Part–X), ₹18,000 crore has been earmarked to continue driving governance reforms, financial reforms, urban land and planning reforms, and compliance reduction and deregulation for ease of doing business.

To give further boost to the urban infrastructure sector, in the Budget 2025-26, Government has announced for an Urban Challenge Fund of ₹1 lakh crore to implement the proposals for ‘Cities as Growth Hubs’, ‘Creative Redevelopment of Cities’ and ‘Water and Sanitation’. This fund is proposed 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 Partnership.
