

GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 3411
ANSWERED ON 23/03/2026

ADOPTION OF COST-EFFECTIVE MRTS FOR TIER-II AND TIER-III CITIES

3411. SHRI S NIRANJAN REDDY:

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

- (a) whether Government has examined the observation of the Standing Committee on Housing and Urban Affairs (2024) that metro rail projects are highly capital-intensive and often unviable in smaller and emerging cities;
- (b) whether the Committee's recommendation to prioritise cost-effective Mass Rapid Transit Systems (MRTS) such as Bus Rapid Transit (BRT), Light Rail Transit (LRT), and Regional Rail for Tier-II and Tier-III cities has been considered;
- (c) whether Government proposes to prepare integrated urban mobility plans for such cities to guide transport investments; and
- (d) the steps being taken to explore Public-Private Partnership (PPP) models for development of MRTS in these cities?

ANSWER

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

(a): Yes.

(b) to (d): Urban Planning, being a State subject, the respective State Governments are responsible for planning and initiating urban transport infrastructure including integration of various modes of transport. Ministry of Housing and Urban Affairs (MoHUA) has issued policies viz. National Urban Transport Policy (NUTP) 2006 and Metro Rail Policy, 2017 which act as a guide to State Governments so that urban transport systems are planned and implemented in the most sustainable and viable manner. MoHUA provides 100% Central Financial Assistance (CFA) for undertaking the activities relating to the preparation of Comprehensive Mobility Plans (CMPs), Detailed Project Report (DPR) and other feasibility transport studies under the sub-scheme namely "Transport Planning and Capacity Building in Urban Transport for metro and non-metro projects" as and when the proposal is received from the respective State Governments/ULBs. As regards encouraging private sector participation and private investment in metro rail projects, it is mentioned that the Metro Rail Policy, 2017 supports Public-Private Partnership (PPP) financing model, which also entails participants of private sector in Operation and Maintenance.
