

O.I.H

GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS

LOK SABHA  
UNSTARRED QUESTION NO. †2377  
TO BE ANSWERED ON JANUARY 02, 2018  
FUNDS FOR URBAN INFRASTRUCTURE

No. †2377. DR. SWAMI SAKSHIJI MAHARAJ:

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

- (a) Whether Rs. 40 lakh crore is required for the development of urban infrastructure and Rs. 20 lakh crore for the maintenance of these cities in the country in the coming decades and if so, the details thereof;
- (b) Whether the Government has estimated an infrastructure expenditure of Rs. 6.8 lakh crore only for smart city projects; and
- (c) Whether the proposed allocation of Rs. 48,000 crore is insufficient for the ambitious smart city construction work and if so, the reaction of the Government thereto?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF  
MINISTRY OF HOUSING AND URBAN AFFAIRS

(SHRI HARDEEP SINGH PURI)

- (a) The Ministry of Housing and Urban Affairs constituted a High Powered Expert Committee (HPEC) to provide an estimate of investment requirement for Urban Infrastructure Services including the maintenance & replacement required on a cycle basis. As per the report of HPEC, the estimated urban investment requirement for the 20-year period from 2012-13 to 2031-32 is Rs. 39.2 lakh crore, the breakup of which is given below:

Cond.../-

| S.No | Sector                         | Investment Estimate<br>(Rs. Lakh) |
|------|--------------------------------|-----------------------------------|
| 1.   | Water Supply                   | 320908                            |
| 2    | Sewerage                       | 242688                            |
| 3    | SWM                            | 48582                             |
| 4    | Storm Water Drains             | 191031                            |
| 5    | Urban Roads                    | 1728941                           |
| 6    | Mass Transit                   | 449426                            |
| 7    | Street Lighting                | 18580                             |
| 8    | Traffic Support Infrastructure | 97985                             |
| 9    | Renewal and redevelopment      | 408955                            |
| 10   | Other sectors                  | 309815                            |
|      | Total                          | 3918670                           |

\*Source HPEC Report,2012

About Rs.20 Lakh crore has been estimated for operation and maintenance of all the cities and towns.

(b) 90 Smart Cities selected so far, have indicated total investment of Rs.1,91,155 crore in their Smart City Proposals (SCPs).

(c) Under Smart Cities Mission, the Central Government proposes to give financial support to the Mission to the extent of Rs. 48,000 crore over five years i.e. Rs.100 crore per city per year for development of 100 cities throughout the country. An equal amount on a matching basis will have to be contributed by the State/Urban Local Bodies (ULBs). The balance funds as required by the city as per the Smart City proposal are expected to be mobilized by the city from State's/ ULB's own resources through collection of user fee, beneficiary charges, impact fee, land monetization, debt, borrowings from financial institutions

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including bilateral as well as multilateral institutions, private sector through PPPs and convergence with other Missions etc.

To bridge the gap between Government (Government of India and State) assistance and requirement of cities, the Ministry of Housing and Urban Affairs (MoHUA) is taking following steps:

- Assisting cities to maximize internal sources of revenue such as Property Tax, Advertisement Tax etc.
- Facilitating implementation of various projects under convergence with other schemes such as Solar Rooftop, Integrated Power Development Scheme (IPDS) etc.
- Handholding cities to access the bond markets and prepare Public Private Partnership projects for accessing private funds, etc.
- Supporting for Multilateral and Bilateral assistance, providing support.

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