

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
LOK SABHA UNSTARRED QUESTION NO. 2558
TO BE ANSWERED ON MARCH 17, 2022**

FRAMEWORK TO INCUBATE NEW CITIES

NO. 2558. SHRI RAVNEET SINGH BITTU:

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

- (a) whether the Government proposes to create a framework to incubate new cities in different States in the country as per the recommendations of the 15th Finance Commission;**
- (b) if so, the details thereof along with the parameters based on which these cities are to be selected under the programme along with the total funds allocated for the project;**
- (c) whether any timeline has been fixed for the operationalisation and the finalization of this project;**
- (d) if so, the details thereof and if not, the reasons therefor; and**
- (e) the details of the likely benefits to be accrued to these new cities in future?**

ANSWER

**THE MINISTER OF STATE IN THE
MINISTRY OF HOUSING AND URBAN AFFAIRS
(SHRI KAUSHAL KISHORE)**

(a) & (b): 15th Finance Commission (15th FC) has allocated ₹8,000 crore for performance based challenge fund for incubation of 8 new cities, wherein the amount available for each proposed new city is ₹1,000 crore. As per the recommendations of the Commission, Ministry of Housing and Urban Affairs is to set up an Expert Committee and specify minimum eligibility conditions & bid parameters for the States to compete by 31 March, 2022.

In this regard, the Ministry has constituted the Expert Committee on 27 December, 2021 and finalization of the minimum eligibility conditions and bid parameters for selection the cities is underway.

(c) & (d): Timelines stipulated by the Commission in its report for performance based challenge fund are mentioned in the table below:

Activity	Timeline
Set up of Expert Committee	31 January, 2022
Bid Parameters finalization by Expert Committee	31 March, 2022
Receive bids from States	30 September, 2022
Winners announcement	31 December, 2022
Recommend release of first tranche of grant	31 March, 2023

(e): As per the recommendation of 15th FC, each selected city will receive ₹1,000 crore worth of financial assistance as viability gap funding under the performance based challenge fund for incubation the cities.
