

**GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 2450  
TO BE ANSWERED ON MARCH 13, 2025**

**NEW INITIATIVES FOR TIER-2 AND TIER-3 CITIES**

**NO. 2450. SHRI ZIA UR REHMAN:**

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

- (a) whether the Government agrees with the view that urban planning needs to account for higher growth of population and requisite needs and creation of infrastructure needs to be fast tracked and de-bottlenecked, suburban areas need to be developed to provide more options for the citizens to move towards the Tier-2 and Tier-3 cities and towns to create more opportunities and develop them as hubs for different sectoral, industrial and economic activities;**
- (b) if so, the details of the initiatives proposed to be taken by the Government in this regard; and**
- (c) if not, the reasons therefor?**

**ANSWER**

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

**(a) to (c): 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 1<sup>st</sup> 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.**

**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) and Pradhan Mantri Awas Yojana - Urban (PMAY-U) for housing.**

**The Government has announced the Scheme for Special Assistance to States for Capital Investment (SSASCI) in 2022-23, 2023-24 and 2024-25, under which States are incentivized for taking the urban planning reforms. The details of urban planning reforms under SSACI are as under:**

**Scheme for Special Assistance to States for Capital Investment 2022-23 – Part – VI (Urban Planning Reforms): The reform components included Modernization of Building Bylaws by removing contradictions and optimizing land use, Adoption of modern urban planning tools like Transferrable Development Rights (TDR), Implementation of Local Area Plans (LAP) and Town Planning Schemes (TPS), Implementation of Transit-oriented Development (ToD). Further States were incentivized for Creation of Sponge Cities, Removing Taxation for running the Buses for Public Transport.**

**Scheme for Special Assistance to States for Capital Investment 2023-24 – Part – III (Urban Planning Reforms):** The reform components included **Augmentation of human resources by hiring qualified urban planners, Implementation of Town Planning Scheme (TPS)/ Land Pooling Scheme, Modernization of Building Bylaws, Promoting in-situ slum rehabilitation, Transit-Oriented Development (TOD), Transferable Development Rights as planning tool, Strengthening natural ecosystems of urban areas through urban planning, development of waterfronts etc.**

**Scheme for Special Assistance to States for Capital Investment 2024-25–Part–XIII (Urban Planning Reforms):** The reform components include **implementation of Town planning Schemes / Land Pooling Scheme, rationalization of Building Bye-laws/ Zoning initiatives, comprehensive parking paradigm, creative re-development of cities, Planning of Peri Urban areas, Transit Oriented Development, Technology based reforms, climate sustainability through urban planning, comprehensive mobility plan for ease of transit in NE/ Hilly states etc.**

**To give further boost to the urban infrastructure sector, in the Budget 2025-26, Government has announced setting up of 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 finances 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 Pubic Private Partnership.**

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