

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
LOK SABHA
UNSTARRED QUESTION NO. 5497
TO BE ANSWERED ON APRIL 03, 2025**

SCHEMES FOR URBAN CHALLENGE FUND

NO. 5497 SHRI SELVAGANAPATHI T.M.

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

- (a) whether it is a fact that the Government has announced Scheme for Urban Challenge Fund and Scheme for Industrial Housing and if so, the details thereof;**
- (b) whether it is also true that a sum of Rs.10,000 crore and Rs. 2,500 crore have been allocated in the Budget for 2025-26 for Urban Challenge Fund and Industrial Housing Schemes respectively and if so, the details thereof; and**
- (c) whether the Government has framed any rules or norms for these schemes and if so, the details thereof?**

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

(a) to (c) To give boost to the Urban Infrastructure sector, in the Budget 2025-26, Government has announced setting up of Urban Challenge Fund of ₹1 lakh crore to implement the proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation', out of which ₹10,000 crore is for the year 2025-26. 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 Public Private Partnerships. Framing of scheme guidelines is at stakeholders consultation stage.

Further, in the Union Budget 2024-25, Government has announced rental housing with dormitory-type accommodation for industrial workers to be facilitated in Public-Private Partnership (PPP) mode with Viability Gap Funding (VGF) support and commitment from anchor industries. For this purpose, ₹2,500 crore has been provisioned in 2025-26 budget.
