

**O.I.H.**

**GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS  
LOK SABHA**

**UNSTARRED QUESTION NO. 3187  
TO BE ANSWERED ON AUGUST 07, 2025**

**GREEN MUNICIPAL BONDS UNDER SBM-U**

**NO. 3187. SMT. HEMA MALINI:**

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

- (a) whether the Green Municipal Bonds providing a sustainable model for financing urban infrastructure has added a new chapter in financial landscape of India under Swachh Bharat Mission -Urban (SBM-U) and if so, the details thereof;**
- (b) whether the successful issuance of first certified Green Municipal Bond of the country by Ghaziabad city of Uttar Pradesh is a landmark step towards promoting sustainable infrastructure and urban resilience and if so, the details thereof; and**
- (c) whether Green Municipal Bonds are likely to be a model for future cities across the country to combine fiscal discipline with environmental responsibility and if so, the details thereof?**

**ANSWER**

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

**(a) The Ministry of Housing & Urban Affairs (MoHUA) has been providing incentives under Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and AMRUT 2.0 to encourage Urban Local Bodies (ULBs) for the issuance of municipal bonds at the rate of ₹13 crore per ₹100 crore of bonds issued, subject to a maximum incentive of ₹26 crore per ULB. A second-time incentive is also available to ULBs exclusively for the issuance of green bonds, with an incentive of ₹10 crore per ₹100 crore bonds issued, capped at ₹20 crore. So far, ₹5,359 crore has been raised through municipal bonds/ green bonds to finance urban infrastructure by 18 ULBs namely Agra, Ahmedabad, Amaravati, Bhopal, Chennai, Gandhinagar, Ghaziabad, Hyderabad, Indore, Lucknow, Rajkot, Prayagraj, Pune, Surat, Vadodara, Varanasi, Visakhapatnam, and Pimpri-Chinchwad. A total of ₹377.33 crore has been released as incentive, including for Green Bonds issued by Ahmedabad, Ghaziabad, Indore, Pimpri-Chinchwad and Vadodara.**

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**(b) Ghaziabad Municipal Corporation (GMC) has issued a Green Bond worth ₹150 crore, for which MoHUA has released an incentive of ₹19.5 crore. The successful issuance of this bond demonstrates the preparedness of GMC to meet regulatory requirements, secure credit ratings and access capital markets.**

**(c) Green Municipal Bonds are emerging as a scalable model for cities by facilitating access to climate-aligned financing while promoting fiscal discipline. Their structured and transparent issuance process supports sustainable urban services.**

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