

GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 864
TO BE ANSWERED ON DECEMBER 06, 2021

PERFORMANCE BASED CHALLENGE FUND

NO. 864. SHRI PRABHAKAR REDDY VEMIREDDY:

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

- (a) the status of performance based challenge fund of ₹8,000 crore created by Government;
- (b) whether an Expert Committee has been set up by the Ministry to draw eligibility conditions for creating new cities;
- (c) whether only eight States out of twenty nine States would be benefited from the fund;
- (d) if so, whether there is any thinking going on in the Ministry to Finance to increase the fund to ₹15,000 crore so that half of States would be benefited; and
- (e) if not, the reasons therefor?

ANSWER

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

(a) & (c): 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 and a State can have only one new city under the scheme. Therefore, a maximum of eight States can avail this grant for eight new cities over the award period of the Commission. Further, in order to specify the bid parameters, 15th FC has recommended that Ministry of Housing and Urban Affairs set up an expert committee by 31 January, 2022.

(b): No, Sir. The process is under way.

(d) & (e): No, Sir. 15th FC has allocated only ₹8,000 crore for performance based challenge fund for incubation of 8 new cities. Commission has recommended that a maximum of eight States can avail this grant for incubation of 8 new cities over the award period of the Commission. Ministry is working for implementing the above mentioned 15th FC recommendations.
