

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3313
ANSWERED ON:10.12.2002
PRIVATE PARTICIPATION IN URBAN INFRASTRUCTURE
IQBAL AHMED SARADGI

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

- (a) whether the Government are short of Rs.17,000 crore for the development of urban infrastructure facilities;
- (b) whether the Centre, States and local bodies have been able to provide Rs.5,000 crore for development of the urban infrastructure facilities;
- (c) whether the Government have sought wider private participation to meet Rs.17,000 crore fund shortage for urban infrastructure development in the country; and
- (d) if so, the steps being taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI O. RAJAGOPAL)

(a) to (d); As per the India Infrastructure Report brought out and published in 1996 by National Council of Applied Economic Research (NCAER), New Delhi, the investment required for urban infrastructure (water supply, sanitation and roads) is Rs.28,036 crore per year on an average during 1996-2006. It assessed availability of funds in 1995 as approximately Rs.5,000 crore (for water supply and sanitation only).

In order to bridge the resource gap the Government has initiated reforms measures in the development of urban infrastructure. Three new tools, namely, Urban Reforms Incentive fund, City Challenge Fund and State Pooled Finance Development Scheme have been proposed in the Finance Minister's budget speech of 2002-2003 in order to make cities creditworthy for accessing capital market and also ensuring private sector participation.

The issue of Public-Private Partnership for urban infrastructure development was also discussed at the Conference of Ministers of Urban Development, Local Self Government & Housing of States/Union Territories held at New Delhi on 12.9.2002. However, urban development being a State subject, decision for seeking private participation for urban infrastructure development would lie with the States.