

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

UNSTARRED QUESTION NO:285  
ANSWERED ON:21.11.2000  
PLAN ALLOCATION FOR URBAN DEVELOPMENT  
T.M. SELVAGANAPATHI

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

- (a) whether the plan allocation for Urban Development has gone down from 8 per cent of the total plan outlay to 2.6 per cent over the years;
- (b) if so, the reasons therefor;
- (c) whether alone in urban infrastructure, Rs.20,000 crore a year would be required over and above the plan resources during the next ten years to make good the deficiencies; and
- (d) if so, the steps taken by the Government in this regard?

**Answer**

MINISTER OF STATE FOR URBAN DEVELOPMENT & POVERTY ALLEVIATION ( SHRI BANDARU DATTATREYA )

(a)&(b): The annual Central Plan allocation for urban development for 1997-98 to 2000-2001 is enclosed as annexure-I.

The allocation of budgetary support to ministries/departments depends upon the overall availability of resources for the plan, the competing demand from other Ministries/departments and the performance in respect of plan programmes of the concerned ministry/department as also the five year plan outlay for the sector.

(c)&(d): According to the India Infrastructure report (National Council of Applied Economic Research), 1996 the total annual estimated need for urban infrastructure (water supply sanitation, solid waste management and roads) during the five year period 1996-2000 was estimated as Rs.28,297 crores per year (total for five year period Rs.1,41,485 crores). The estimated investment during the following five year period 2000-2005 is Rs.27,773 crores per year (total for five year period Rs.1,38,865 crores). Thus, for the total ten year period the estimated investment, required is Rs.280,350 crores. As against this required investment in urban infrastructure the availability of funds was estimated to be about Rs.500 crores per year. Thus, the additional requirement over and above the available funds is about Rs.23,000 crores per year.

The Central Government is following a multi-pronged strategy to raise resources for urban infrastructure. The strategy includes fiscal concessions like tax free municipal bonds, broadening the definition of infrastructure under Section 81-A of the Income Tax Act, tariff reforms encouraging private sector participation, enhancing external aid from bilateral and multilateral agencies, as well as foreign direct investment.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PART (a)&(b) OF LOK SABHA UNSTARRED QUESTION NO. 285 FOR 21.11.2000

ANNUAL CENTRAL PLAN ALLOCATION FOR 1997-98 TO 2000-2001

(Rs. in crore)

YEAR	TOTAL PLAN OUTLAY FOR OUTLAY M/O UD & PA TO TOTAL OUTLAY	PERCENTAGE OF UD & PA OUTLAY	
2000-2001 B.E.	117333.78	2567.40	2.19
1999-2000 R.E.	96309.94	1506.30	1.56
1998-99 R.E.	88481.75	2116.88	2.40
1997-98 R.E.	42464.27	1931.89	4.55