



## GOVERNMENT OF KERALA

### Abstract

LSGD - Implementation of projects under Urban Challenge Fund (UCF) - Designation of Mission Director, AMRUT as the State Mission Director for Urban Challenge Fund - Orders issued.

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### LOCAL SELF GOVERNMENT (DC) DEPARTMENT

G.O.(Rt)No.1124/2026/LSGD Dated, Thiruvananthapuram, 16-06-2026

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- Read 1 D.O.No.K-17011/03/2026/UCF dated 29.04.2026 from Additional Secretary, Ministry of Housing and Urban Affairs .
- 2 Letter No. SMMU/52/2025-MFE dated 29.05.2026 from Mission Director, AMRUT.  
Letter No. LSGD/PD/2777/2026-REV6 dated 01.06.2026
- 3 from Principal Director, Local Self Government Department.
- 4 Letter No.LSGD/PD/CA1/121/2026 dated 08.06.2026 of Principal Director, Local Self Government Department

### ORDER

Government of India (GoI) introduced the Urban Challenge Fund (UCF) to incentivize States to move towards market based financing of urban development, aims to drive cities towards financially sustainable, resilient, and growth-oriented urban systems. The Urban Challenge Fund (UCF) aims to support States and Urban Local Bodies (ULBs) in developing bankable, transformative, and outcome driven urban infrastructure projects. This fund will finance up to 25 per cent of the cost of bankable projects (as grant) with a stipulation that at least 50 per cent of the cost is funded from bonds, bank loans, and PPPs. Government of India (GoI) has earmarked Rs. 1 lakh crore under Urban Challenge Fund (UCF) for the period from 2026-2031 and aims to attract Rs. 4 lakh crore in total investments by providing up to 25% central assistance for urban projects. This 25% grant is dependent on key commitments by the State with regard to implementation of the UCF including implementation of urban reforms and adherence to all provisions of the UCF guidelines related to project preparation, appraisal, financing, and monitoring which are detailed in the operational guidelines for the implementation of Urban Challenge Fund (UCF).

(2) As per the operational guidelines for the implementation of projects under Urban Challenge Fund (UCF), States/UTs are required to constitute institutional mechanisms including the State High Powered Steering Committee (SHPSC) and State Level Technical Committee (SLTC) for appraisal, monitoring and approval of projects. As per paper read as 1<sup>st</sup> paper above, Ministry of Housing and Urban Affairs (MoHUA) has requested to constitute a State High Powered Steering Committee (SHPSC) State Level Technical Committee (SLTC) for approval, appraisal of DPRs and tender documents for the projects under Urban Challenge Fund (UCF). In order to operationalize the Urban Challenge Fund (UCF) effectively, a State Mission Director is also to be designated.

(3) Further, Urban Challenge Fund (UCF) Team, Ministry of Housing and Urban Affairs (MoHUA) has forwarded Memorandum of Understanding (MoU) for participation and implementation of the Urban Challenge Fund (UCF) between Ministry of Housing and Urban Affairs (MoHUA) and States/UTs. It is also informed that Memorandum of Understanding (MoU) shall be signed by the Secretary/Principal Secretary (UDD) from the State/UTs.

(4) Government have examined the matter in detail and are pleased to accord Administrative sanction for the implementation of projects under Urban Challenge Fund (UCF) in the state with adherence to all provisions of the Urban Challenge Fund (UCF) Operational guidelines related to project preparation, appraisal, financing, and monitoring which are detailed in the MoU and allocation by Government of India (GoI).

(5) Permission is also accorded to the Principal Secretary/Secretary LSGD for signing the Memorandum of Understanding (MoU) with Ministry of Housing and Urban Affairs (MoHUA), Government of India (GoI) on behalf of Government of Kerala (GoK) under the Urban Challenge Fund (UCF).

(6) Mission Director, AMRUT is designated as the State Mission Director for Urban Challenge Fund assigning the following duties:

- a. Function as the nodal authority for the Urban Challenge Fund implementation in the State;
- b. Co-ordinate with MoHUA, Government of India;
- c. Oversee project preparation, appraisal, reform implementation and fund utilisation;
- d. Convene and service the SHPSC and SLTC;
- e. Monitor implementation and ensure compliance with UCF guidelines;
- f. Act as Head of the State Mission Directorate.

(6) Orders on the composition of SHPSC and SLTC as well as the SMMU will be issued separately.

(By order of the Governor)  
G RAMANATH  
DEPUTY SECRETARY

To:

The Principal Director, Local Self Government Department,  
Thiruvananthapuram.

The Director (Urban) Local Self Government Department,  
Thiruvananthapuram.

The Mission Director, AMRUT, Thiruvananthapuram

The Principal Accountant General (Audit 1/Audit  
2/A&E)Kerala, Thiruvananthapuram.

The Executive Director ,Information Kerala Mission, Thiruvananthapuram.

The Director , I & PRD/Web & New Media , Thiruvananthapuram.

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Section Officer