

**GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS  
RAJYA SABHA  
UNSTARRED QUESTION NO. 3414  
ANSWERED ON 23/03/2026**

**ALLOCATION UNDER URBAN CHALLENGE FUND**

**3414. SHRI TIRUCHI SIVA:**

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

- (a) details of funding allocated to the Urban Challenge Fund (UCF) in 2025-26;
- (b) details of usage of the funding allocated to the UCF in 2025-26;
- (c) whether the programme guidelines have been finalised and approved by the cabinet for the UCF;
- (d) if so, rationale for delay in usage of funds allocated;
- (e) if not, rationale for allocating high amount of money to the fund but not utilising it;
- (f) list of States from whom proposals under UCF have been received; and
- (g) whether there are plans to expedite the process to operationalise the funds allocated?

**ANSWER**

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

(a) to (g): Government, in the Budget 2025-26, has announced setting up of an Urban Challenge Fund (UCF) of ₹1 lakh crore. UCF supports the strengthening of urban infrastructure through implementation of projects under three verticals namely 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and, 'Water and Sanitation'. Cabinet has granted approval for UCF on 13 February, 2026.

In the Revised Estimate 2025-26, ₹ 1,000 Crore was allocated to UCF. Till date, no project has been approved and no fund has been utilized under UCF. Guidelines for UCF are under preparation.

\*\*\*\*\*