

**GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS  
LOK SABHA  
UNSTARRED QUESTION NO. 4743  
TO BE ANSWERED ON AUGUST 21, 2025**

**IMPLEMENTATION FRAMEWORK AND GUIDELINES FOR URBAN  
CHALLENGE FUND**

**NO. 4743. SHRI GAURAV GOGOI:**

**Will the Minister of HOUSING AND URBAN AFFAIRS be pleased to state:**

- (a) whether the Government has prepared comprehensive guidelines, eligibility norms and implementation mechanisms for the Rupees one lakh crore Urban Challenge Fund announced by the Government and if so, the details thereof;**
- (b) whether the Government has conducted any stakeholder consultations or capacity assessments before announcing this Fund, especially regarding the proposals for 'Cities as Growth Hubs', 'Creative Redevelopment' and improvements in 'Water and Sanitation' and if so, the details thereof;**
- (c) the steps taken/being taken by the Government to ensure balanced and inclusive allocation of funds under the scheme, particularly for smaller cities and tier-2 urban centres;**
- (d) whether specific provisions have been made under the Fund to support urban development in the North Eastern States given their unique geographic, demographic and infrastructural challenges and if so, the details thereof; and**
- (e) the timeline fixed for operationalising the Urban Challenge Fund and the monitoring framework in place to assess impact across different sectors and regions?**

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

**(a) to (e): The Government of India, in the budget for 2024-25, announced to facilitate development of Cities as Growth hubs, formulation of a framework for enabling policies, market-based mechanisms and regulation for Creative Brownfield Redevelopment of existing cities and, to promote water supply, sewage treatment and solid waste management projects and services for 100 large cities through bankable projects. In this context, Ministry of Housing and Urban Affairs (MoHUA) facilitated visits of Asian Development Bank and World Bank Group to 10 cities for development of knowledge framework. MoHUA has conducted detailed stakeholder consultations with cities, State Governments & Financial institutions as a preparatory step for Urban Challenge Fund and also have taken up initiatives under SSASCI (Scheme for Special Assistance to States for Capital Investment) 2024-25.**

**The Government of India, in the budget for 2025-26 has announced to set up an Urban Challenge Fund (UCF) of ₹1 lakh crore to implement the proposals for ‘Cities as Growth Hubs’, ‘Creative Redevelopment of Cities’ and ‘Water and Sanitation’. As per the budget announcement, this fund is planned to finance up to 25 per cent of the cost of bankable projects with a stipulation that at least 50 per cent of the cost is funded from bonds, bank loans, and Public Private Partnerships (PPPs). ₹10,000 crore has been allocated for the financial year 2025-26. The objective is to enhance urban resilience and economic productivity through integrated urban planning, land-use efficiency, and sustainable financing. The Scheme for UCF is under consideration.**

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