

 Early Warning System

ADB-59405-001

Urban Challenge Fund--Catalyzing Transformation in Indian Cities



Quick Facts

Countries	India
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-12-09
Borrower	Government of India
Sectors	Infrastructure
Investment Type(s)	Advisory Services
Investment Amount (USD)	\$ 2.00 million
Grant Amount (USD)	\$ 2.00 million



Project Description

The technical assistance investment aims to support India for operationalizing and implementing the Urban Challenge Fund (UCF) to contribute to the catalytic urban transformation and development of livable cities by designing bankable projects and strengthening the capacity of states and urban local bodies.

The main objective of the TA is to support the Ministry of Housing and Urban Affairs (MOHUA) in developing and operationalizing the UCF through (a) providing policy advice, capacity building and knowledge support with international best practice and technical support at the national level, (b) help cities to prepare strategies, sector assessments, masterplans or action plans or legal and regulatory frameworks for urban sector reform, market assessments, creditworthiness (c) developing a pipeline of state/city level investments by applying innovative and integrated solutions with a focus on the key subsectors of: (i) creative redevelopment of cities; (ii) cities as growth hubs; and (iii) 100 cities: water supply, sewerage management (WSS), and solid waste management (SWM), that could be funded through the UCF, and (d) establishing urban management partnerships for peer-to-peer learning with a view to improving capacity of institutions. The TA will enable enhanced climate action and financing, disaster risk management, and increased private sector participation and investment across the subsectors.

The TA aims to (i) develop integrated urban and regional planning solutions that boost economic, environmental, cultural, and social benefits in India's urban areas for creative redevelopment of cities and cities as growth hubs, promoting planned and sustainable urbanization; (ii) identify and implement financial innovations and mechanisms to improve operational efficiency, financial sustainability, and to facilitate market-based financing in urban infrastructure through the preparation of bankable transactions; and identify pipeline investments for the UCF and ADB financing for urban revitalization / regeneration and economic rejuvenation of identified congested areas of the cities including central business districts and old commercial areas using transit-oriented development (TOD) based growth strategy, mobility solutions, affordable housing, tourism development that support low-carbon initiatives and nature-based solutions; and (iii) strengthen the capacity of institutions, government officials, and stakeholders, in the urban planning, municipal finance, financial management, infrastructure including WSS, SWM and urban roads and public realm related subsector, and facilitate knowledge sharing and twinning arrangements to adopt best practices from the region. The TA will also integrate climate resilience and low-carbon development as cross-cutting priorities. It will support the identification and design of urban infrastructure projects that contribute to climate adaptation and mitigation, including nature-based solutions, resilient infrastructure, and low-emission urban mobility systems.



Investment Description

- Asian Development Bank (ADB)



Contact Information

Responsible ADB Officer: Naik Singru, Ramola

Responsible ADB Department: Sectors Department 2

Responsible ADB Division: Water and Urban Development Sector Office (SD2-WUD)

Executing Agencies: Ministry of Housing and Urban Affairs

ACCESS TO INFORMATION

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Bank Documents

- [Technical Assistance Report](#) [\[Original Source\]](#)