



KERALA URBAN POLICY 2026-2050

**LOCAL SELF GOVERNMENT DEPARTMENT
GOVERNMENT OF KERALA**

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I. VISION

Kerala stands at a pivotal moment in its development trajectory. The state's unique pattern of urbanisation—marked not by massive metropolitan centres but by a continuous, ribbon-like spread of towns and semi-urban settlements—has created a landscape where rural and urban merge seamlessly. As Kerala moves toward a future where nearly 80% of its population will be urban by 2050, this dispersed growth model faces mounting pressures.

Kerala's local development has been uniquely shaped by its long-standing commitment to decentralisation and participatory planning. Since the devolution of powers and resources to Local Self Governments, towns and cities in the State have evolved through a bottom-up planning process that places citizens at the centre of decision-making. The People's Plan Campaign institutionalised community participation, strengthened local accountability, and enabled Urban Local Self Governments to respond effectively to local needs and aspirations. This governance framework has contributed to comparatively high levels of service coverage, social inclusion, and human development outcomes across Kerala's urban areas, while fostering ingenuity and innovation in local infrastructure development, service delivery, social welfare, and environmental management. The State's urban centres thus reflect a legacy of empowered local institutions and active civic engagement, providing a strong foundation for addressing emerging urban challenges in an integrated and sustainable manner.

Hence, a coherent long-term strategy is essential to address the potential risks arising from the scale and pattern of urbanisation, which could lead to unregulated development and place severe stress on the state's fragile ecosystems and limited resources. The absence of coordinated planning, efficient and sustainable governance mechanisms could undermine the very foundations of Kerala's celebrated social and human development achievements. Hence, Kerala needs a robust urban policy to channel its distinctive model of development into sustainable, resilient, inclusive, environmentally responsible, growth-oriented and economically vibrant regions. By strengthening governance, improving financing, and establishing clear development frameworks, the state can effectively steer urban growth.

In light of this, the long-term perspective for urban development in Kerala shall be as follows:

“The vision for 2050 is a network of well-planned, well-governed, and climate-resilient cities and towns, rooted in the State’s strong tradition of decentralised governance and participatory planning. Urbanisation shall drive equitable and shared prosperity, promote citizen convenience, ensure accessible and high-quality urban amenities, reduce social and spatial disparities, strengthen social support systems and diverse economic opportunities, protect fragile ecosystems, and enhance quality of life for all—especially the vulnerable and marginalised. These urban centres shall be inclusive, technologically enabled, safe, caring, resilient, and aesthetically designed through active citizen participation and empowered local governments. They shall also offer efficient mobility, reliable infrastructure, friendly public spaces and diverse livelihood options and ensure sustainable resource management for current and future generations.”

II. OBJECTIVES

The objectives of this urban policy outline the key priorities required to guide the state towards the vision. The identified objectives are:

1. To establish a long-term, coherent framework for sustainable, resilient, and climate-responsive urban growth that aligns with Kerala’s dispersed settlement pattern and environmental sensitivities.
2. To strengthen urban governance and institutional capacities for effective planning, regulation, service delivery, and accountability.
3. To enable coordinated and integrated planning across municipalities, urbanising panchayats and sectoral agencies to ensure consistency in development decisions and efficient use of resources, also to meet the demands of rapid and growing urbanization.
4. To build upon and deepen the advances made by Urban Local Self Governments in the social sector by ensuring inclusiveness and equity, strengthening service delivery, social protection, and human development outcomes, including that of vulnerable and marginalised groups across Kerala’s urban areas.
5. To ensure financial sustainability and improve resource mobilisation through diversified revenue sources, innovative financing mechanisms, and strengthened municipal financial management.

6. To prevent and reduce unregulated development through citizen education, regulatory frameworks, spatial planning tools, and monitoring mechanisms that safeguard land, environmental assets and ecological security.
7. To enhance urban infrastructure systems with a focus on quality, reliability, coverage, and climate resilience, promoting low-carbon and resource-efficient solutions.
8. To improve the delivery of urban services to citizens through modernised systems, digital platforms, performance-based management, and citizen-centric approaches.
9. To foster economically vibrant and competitive urban regions, strengthening Kerala's towns as engines of innovation, enterprise, employment, and creative and sustainable local economies.
10. To promote balanced and regionally coordinated development that reflects Kerala's unique settlement pattern and reduces spatial disparities across regions.
11. To protect and restore fragile ecosystems and natural resources by embedding environmental sustainability into all urban planning and development decisions.
12. To leverage data, technology, and digital governance for transparent, efficient, and informed urban governance, enabling evidence-based policymaking and real-time monitoring.

III. CONTEXT & CHALLENGES

Kerala is witnessing a profound transformation in its demographic and spatial landscape, with urbanisation accelerating at an unprecedented pace. As estimated by the Kerala Urban Policy Commission, nearly 80 percent of the state's population is expected to live in urban areas by 2050. This shift is particularly striking because Kerala does not urbanise via traditional dense metropolises; rather, its development follows a more dispersed, linearly-sprawling pattern of towns and semi-urban settlements squeezed between the coast and the hills. At the same time, the state is highly vulnerable to climate impacts – including floods, landslides, and coastal erosion – which compound the complexity of planning for infrastructure, land use, and services. Such a confluence of rapid population growth, fragile ecology, and environmental risk makes reactive or piecemeal planning inadequate; there is a clear and urgent need for a forward-looking, integrated urban strategy.

Notwithstanding these pressures, Kerala's existing governance and planning systems face emerging challenges in keeping pace with the scale and complexity of urban transformation. The current framework is characterised by multiple institutions with intersecting mandates, evolving coordination mechanisms, and constrained fiscal flexibility at the level of local self governments, which together limit the effectiveness of integrated, long-term urban development efforts. Consultative and participatory processes in planning development interventions, which were the hallmark of the decentralisation paradigm, have also weakened over time. Spatial planning, an essential prerequisite for urban planning, is also uneven, as only a fraction of Urban Local Self Governments have fully developed master plans. A lack of extensive climate-sensitive zoning often results in development encroaching on ecologically fragile zones. These gaps are further compounded by the lack of sustainable financing, with local governments lacking reliable mechanisms to generate their own revenue or access climate adaptation funds, making it difficult to invest in resilient infrastructure. All of this underscores why the Government of Kerala set up the Urban Policy Commission and convened the 2025 Kerala Urban Conclave to deliberate over these systemic weaknesses and develop a robust long-term urban policy that aligns governance, planning, finance, and climate resilience.

The challenges faced by urban planning in Kerala can be categorised as follows:

Challenge 1: Unique Spatial & Environmental Challenges

Kerala's settlement pattern—often termed a "rurban continuum"—is linear and dispersed, unlike the nucleated cities found elsewhere in India. Moreover, the prospects for land acquisition to expand existing urban amenities are constrained by a lack of available land. This structural form poses immense difficulties for cost-effective urban service delivery and environmental management.

A. Ribbon Development and Costly Infrastructure: The linear, contiguous development along major corridors (ribbon development) renders the provision of essential urban services (sewerage, water supply, public transport) economically inefficient. Infrastructure must be extended over vast distances at a high cost, resulting in lower service coverage and high O&M expenses compared to compact cities.

B. Risk of Homogenisation of Small Towns under Urban Growth: Kerala faces the distinct challenge of managing rapid urbanisation while protecting its small towns that retain a strong rural character. As urban growth intensifies, these settlements risk losing their ecological balance, cultural identity, and community-based livelihoods.

C. Climate Vulnerability and Disaster Exposure: Kerala's narrow geography, bordered by the sea and the Western Ghats, makes its urban areas highly exposed to recurrent, interconnected hazards like floods, landslides, coastal erosion, and extreme heat events. Current planning fails to integrate risk-informed zoning based on climate projections, resulting in new infrastructure being built in high-risk areas.

D. Environmental Degradation and Encroachment: Unchecked urban sprawl continues to encroach upon ecologically sensitive zones, particularly wetlands and paddy fields which act as critical natural buffers for flood control and groundwater recharge. This loss accelerates local flood risks and reduces urban biodiversity.

E. Challenge of Waste Management: Most cities lack functional centralized underground sewage systems, relying on unscientific methods like septic tanks. Furthermore, there is a persistent challenge in scaling up solid waste management leading to pollution and public health issues.

Challenge 2: Institutional & Governance Fragmentation

The ability of Urban Local Self Governments to deliver strategic, long-term development is undermined by fragmentation in authority, capacity, and planning methodologies.

A. Fragmented Governance and Coordination Deficit: Local self-government institutions often lack the necessary financial, institutional, and statutory strength to function as autonomous engines of growth. There is insufficient functional and financial coordination among multiple state departments and parastatal agencies operating within the municipal domain, leading to duplication and weak project execution.

B. Generic Planning Frameworks: There is a pervasive tendency to apply "one-size-fits-all" planning regulations and Master Plans, despite Kerala's diverse urban topology (ranging from dense coastal cities to ecologically sensitive hill towns). This inhibits innovation and prevents the creation of context-specific, resilient development control regulations (DCRs).

C. Inadequate Institutional Structures for Disaster Risk: Disaster management and climate resilience are still treated as parallel functions rather than being formally embedded and institutionalised within the daily city-level planning, land-use, and capital expenditure processes.

Challenge 3: Human Capital & Technical Capacity Gaps

The lack of specialized human resources and modern planning technology severely limits the Urban Local Self Governments' capability to manage complex urban challenges.

A. Critical Shortage of Planning Professionals: Urban planning is not embedded as a prerequisite for local governance. This problem is severely compounded by a massive shortage of trained urban planners in local self governments.

B. Limited Technical Capacity & Data Deficit: Municipalities largely lack access to or the capacity to utilise modern, real-time spatial data tools (like GIS, LiDAR, and urban observatories). This data deficiency makes it impossible to scientifically integrate climate hazard overlays into planning or enforce complex development regulations.

C. Inadequate Professional Capabilities: The present staff pattern in Urban Local Self Governments, dating back to 1988, is inadequate to meet modern urban challenges such as waste management, financial management, urban planning, and specialized domains including mechanical, electrical, legal, and environmental services. The outmoded staff pattern in Urban Local Self Governments has weakened their functioning, restricted the benefits of decentralisation to the public, and left many newly devolved functions without adequate personnel, rendering the old structure unsuitable for present needs.

Challenge 4: Fiscal & Financial Constraints

Urban Local Self Governments struggle to establish fiscal autonomy, which is critical for long-term sustainable development and resilience investment.

A. Insufficient Revenue Models and Dependency: Urban Local Self Governments struggle to mobilise sustainable Own Source Revenue (OSR) due to outdated assessment methodologies and poor collection efficiency. They remain overly dependent on state and central transfers, severely limiting their ability to fund resilient infrastructure and services.

B. Lack of Innovative Financial Mechanisms: Urban Local Self Governments lack the in-house administrative, financial, and legal capacity to prepare bankable, complex urban projects, access better financing instruments such as municipal bonds, and handle modern digital governance platforms effectively. Consequently, they have not been able to adopt innovative financing tools like Land Value Capture (LVC), green fees for eco-sensitive projects, or climate-linked finance, all of which are necessary to internalize the costs of sustainable urban development.

Challenge 5: Emerging Socio-Demographic Challenges

A. Public health: Urban sprawl, coupled with the increased mobility of people brings heightened health risks also. The urban public health infrastructure in the state has not been as strong and proactive as the rural systems. The pressure is further mounted with the expansion of cities and in-migration.

B. Rapid Population Ageing and Care Economy: Kerala faces the most rapidly ageing population in India. Despite the remarkable interventions by local governments in the care sector, urban planning has yet to comprehensively address the spatial and service implications, including the need for age-friendly infrastructure, accessible public spaces, geriatric healthcare, and support structures to combat social isolation for all socioeconomic categories.

C. Urban Mobility Challenges and Traffic Congestion: The state's ribbon development pattern exacerbates traffic congestion as most movement is forced onto primary north-south arterial roads. The massive increase in private vehicle reliance has reduced urban productivity and worsened air quality. The absence of capacities within Urban Local Self Governments for mobility planning further exacerbates this situation.

These challenges warrant Kerala to envision and implement unique urban development strategies, with a focus on improving existing infrastructure, modernising services and civic amenities, providing a quality of life to citizens, and enhancing the possibilities of livelihood diversification and economic growth in urban centres.

IV. BACKGROUND

In December 2023, the Kerala government set up its first-ever Kerala Urban Policy Commission, bringing together national and international urban-development experts to tackle the state's rapid and complex urbanisation. Over the next year, the commission held more than 50 stakeholder consultations across 14 districts, engaging over 2,500 participants and thoroughly examined the urbanization related challenges that the state was facing. The commission submitted its final report in March 2025. To crystallise and expand on the commission's work, Kerala organised the Kerala Urban Conclave in Kochi in September 2025 – a high-profile, two-day global conference attended by over 3,000 delegates, including mayors, policymakers, urban experts from 12 countries and various states in India, and civil society voices. The conclave generated some 300 actionable recommendations, which, along with the Commission report and experiences of the practitioners in the state, drew up this draft of Kerala's 25-year urban policy.

V. GUIDING PRINCIPLES AND PRIORITIES

A. The following principles articulated by the Sen Committee (1996), and embedded in Kerala's decentralisation framework, shall continue to guide urban governance in both the formulation and implementation of the Kerala Urban Policy:

- 1. Autonomy** – Local governments should have genuine functional, financial, and administrative independence, with state supervision limited to essential regulatory functions.
- 2. Subsidiarity** – Decisions and actions should be taken at the lowest effective level of governance; tasks that can be handled locally should not be escalated upward.
- 3. Role Clarity** – Clearly defined responsibilities and functions at each tier of local governance, including distinct roles for elected representatives and bureaucratic personnel.
- 4. Complementarity** – Activities of higher levels should complement those of the lower levels and the programmes implemented by all agencies in a given LSG would be consistent with local needs and priorities and would converge into an integrated local plan.

5. Uniformity – Norms and criteria for governance actions (like beneficiary selection or resource allocation) should be consistent across programmes within a local body's area.

6. People's Participation – Broad, inclusive participation of all community segments in planning, implementation and monitoring; institutional mechanisms like Gram Sabhas and Ward Committees are key.

7. Accountability – Local Self Governments must be continually accountable to their citizens, with mechanisms like social audits and participatory forums to enable oversight beyond periodic elections.

8. Transparency – Decisions and processes must be open and understandable, with information on how funds are allocated and used readily accessible to the public

B. The following attributes are the **priorities** for the cities and towns of Kerala considered in the development as well as the implementation of the Kerala Urban Policy:

1. Liveable: Cities that provide a high quality of life through safe, accessible, and comfortable environments, well-planned public spaces, and reliable basic services.

2. Equitable: Cities where all residents have fair access to amenities, housing, services, opportunities, and decision-making, ensuring social inclusion and reduced disparities.

3. Productive: Cities that drive economic growth, generate employment, and support diverse sectors through efficient infrastructure and vibrant local economies.

4. Dynamic and innovative: Cities that embrace change and innovation, leverage technology, foster creativity and entrepreneurship, develop distinctive local characters, and enable flexible and responsive planning to adapt to evolving urban needs.

5. Sustainable: Cities that meet present needs while preserving resources, minimizing environmental impact, and integrating climate-sensitive planning for future generations.

6. Resilient: Cities capable of anticipating, absorbing, and recovering from shocks and stresses, including disasters, climate risks, and socio-economic disruptions.

VI. PILLARS OF THE KERALA URBAN POLICY

Based on the above, the Kerala Urban Policy has adopted a pillar-wise approach that enables it to address urban development in a structured and comprehensive manner. Each pillar designated as a category represents a distinct dimension of urban governance, from legal frameworks and institutional capacity to citizen engagement and long-term planning. By analysing and strengthening each pillar or category individually, policymakers can identify specific gaps, prioritise interventions, and measure outcomes effectively. This modular approach was adopted to ensure that reforms are both targeted and integrated, fostering a coordinated urban ecosystem in which legislative, institutional, technical, and social dimensions reinforce one another for sustainable development.

Category A - Legislative and Institutional Reforms

Legislative and institutional reform constitutes a foundational pillar for strengthening urban governance. This involves revisiting, updating and modernizing existing laws, regulations, and institutional arrangements to create a participative, responsive, accountable, and transparent governance framework. Reforms aim to clarify roles and responsibilities, improve inter-departmental coordination, and ensure that legal provisions facilitate sustainable urban growth and promote autonomy based on the principles of subsidiarity. By enhancing institutional structures and regulatory mechanisms, cities are better positioned to implement evidence-based policies, reduce administrative bottlenecks, and respond effectively to contemporary urban challenges.

Category B - Capacity Building & Systems Strengthening

Capacity building and systems strengthening are critical for translating policy objectives into effective action. This pillar focuses on developing the competencies of municipal staff, elected representatives, and urban governance institutions, alongside strengthening urban management systems. Emphasis is placed on digital infrastructure, data-driven decision-making platforms, and robust monitoring and evaluation mechanisms. By enhancing institutional and human capacities, cities can improve service delivery efficiency, foster innovation, and respond proactively to emerging urban challenges, ensuring resilient and adaptive governance. Also, urban Local Self Government leadership must be empowered and evaluated through actionable, ground level projects within a dynamic framework of self-government.

Category C - Citizen-Centric Service Delivery and Project Implementation

Citizen-centric service delivery ensures that urban policies and interventions prioritize the needs and aspirations of residents. This pillar emphasises the design and implementation of inclusive, equitable, and responsive projects, schemes, and services that incorporate citizens' participation and feedback. Key focus areas include sanitation, solid waste management, public infrastructure and welfare-oriented beneficiary schemes, complemented by mechanisms for transparency and accountability. By placing citizens at the center of urban governance, cities can foster public trust, enhance participatory decision-making, and ensure sustainable and inclusive urban development.

Category D - Urban Infrastructure and Amenities

The quality, accessibility, and resilience of a city's physical and social infrastructure directly determine its liveability, economic productivity, and environmental sustainability. Reliable services—such as water supply, sanitation, mobility networks, digital connectivity, open spaces, and various civic and social amenities—are fundamental to public health, social inclusion, and overall urban well-being. As cities grow denser and more complex, the need for coordinated planning, upgraded infrastructure systems, and equitable distribution of amenities becomes essential to reduce service gaps, manage risks, and support sustainable urban development. Making this a distinct policy pillar ensures long-term investment, structured planning, and clear accountability for building cities that are efficient, inclusive, and resilient.

Category E - Strategic & Spatial Planning

Strategic planning underpins long-term, sustainable urban development by providing a structured framework for decision-making and investment prioritization. This pillar emphasizes integrated urban planning, including land use, housing, transport, environmental sustainability, and economic development. Evidence-based forecasting, scenario analysis, and resource allocation guide policy and program interventions. By adopting a forward-looking and coordinated planning approach, cities can ensure balanced growth and development, climate resilience, and the systematic delivery of services, creating a roadmap for sustainable, inclusive, and future-ready urbanization.

VII. RECOMMENDATIONS

Category A - Legislative and Institutional Reforms

1. Formation, Upgradation, and Reclassification of Urban Local Self Governments:

The State shall recognise urbanisation as a dynamic and evolving process and shall ensure timely formation, upgradation, and reclassification of Urban Local Self Governments. The decisions shall be guided by objective demographic, economic, spatial, and functional parameters that define urban characteristics, with the objective of ensuring responsive urban governance aligned with the changing realities of urban growth, service delivery demands, and regional development patterns. In doing so, due consideration shall be given to the size, functional role, settlement morphology, and rural-urban characteristics of towns, so that institutional status and governance arrangements remain proportionate, appropriate and adequate.

2. Governance and organizational changes in the functioning of Urban Local Self Governments:

A. Establishment of Metropolitan Planning Committees (MPCs) for regional urban planning: Kerala's urban areas are experiencing rapid growth, functional integration across municipal boundaries, and increasing demands on infrastructure and services. Establishing Metropolitan Planning Committees (MPCs) for the metropolitan areas in the state shall provide a coordinated framework for regional urban planning, ensuring that development is systematic, equitable, and sustainable. MPCs facilitate integrated planning across contiguous urban and peri-urban areas, overcoming the fragmentation caused by multiple municipalities and local bodies acting independently, with appropriate and functional institutional mechanisms to integrate the district-level perspective plans and annual plans approved by the District Planning Committee.

B. Steering Committee and Standing committees: Reflecting the changing roles of the local bodies, there shall be an attempt to redefine and expand the role of Steering and Standing Committees. There shall be more Standing Committees especially in the areas like waste management, climate change, entrepreneurship and employment.

3. Administrative Reforms in Urban Local Self Governments:

There shall be greater focus on building a professionally empowered municipal cadre through clear role definition, internal delegation of powers, and deployment of specialised expertise. These reforms shall strengthen administrative efficiency, accountability, and service delivery

A. Delegation of Powers of Urban Local self Government: The policy direction calls for better delegation of administrative and financial powers to Urban Local Self Government Secretaries, especially those of Corporations. The financial powers of the Secretary, particularly in Corporations, shall be adequately raised to expedite essential procurement and critical service management. At the same time, an independent and appropriate level of financial authority shall be vested in all the Urban Local self Government Secretaries, with suitable amendments to permit expenditure of amounts necessary for the discharge of essential statutory functions. Such delegation shall include powers to sanction expenditure up to prescribed limits for routine operation and maintenance, essential service contracts such as waste management, and minor infrastructure works, enabling timely action subject to post-facto reporting, audit, and Council oversight.

B. Institutionalise Internal Administrative Delegation within Urban Local Self Governments: A structured system of internal delegation shall be established within Urban Local Self Governments, whereby clearly defined administrative, financial, and technical powers are devolved by the Secretary to designated Department Heads and professional officers. This reform shall enable subject-specific decision-making in areas such as engineering, town planning, finance, health, sanitation, and service delivery, ensuring that operational decisions are taken at the appropriate technical level. The existing financial powers delegated to the Corporation Additional Secretary and Deputy Secretary shall be revisited with the amount limits suitably enhanced.

C. Professionalization and Staff Pattern Standardization: The lack of adequate staff strength relative to the population of a local body undermines effective and quality service delivery to the public; therefore, parameters such as staff required per thousand population and the geographical area of the local body shall be explored for staff fixation. In addition to statutory and mandatory functions—including solid and liquid waste management, spatial and land-use planning, urban mobility, and public health—specialised professional functions shall be institutionalised within the urban administrative cadre.

These shall include poverty alleviation and social protection, local economic development, municipal finance and revenue management, data analytics and decision support, digital citizen help desks and legal affairs. Dedicated professional posts and career pathways shall be created for these domains, supported by structured capacity building, performance benchmarks, and periodic cadre reviews, thereby transitioning municipal administration from a generalist model to a professionally differentiated and service-oriented governance framework.

D. Augmentation of Engineering Cadre in Urban Local Self Governments:

Based on a comprehensive work study, the Government shall undertake systematic augmentation of the existing civil engineering cadre in Urban Local Self Governments, followed by the creation of specialised engineering cadres, including Electrical Engineering, Environmental Engineering and Mechanical Engineering. These reforms are intended to equip Urban Local Self Governments with the requisite technical expertise to effectively plan, implement, and manage increasingly complex urban functions such as infrastructure development, solid and liquid waste management, urban mobility systems, and climate-resilient and disaster-responsive service delivery.

E. Avail consultancy services in project design and implementation:

Urban Local Self Governments shall avail consultancy services in project design and implementation to ensure quality assurance, technical excellence, and efficient delivery of urban infrastructure and services. Professional consultants provide specialized expertise in engineering, architecture, environmental management, and project management that may not be available in-house, helping to design technically sound, safe, and sustainable projects. They also support risk assessment, cost optimization, adherence to standards and regulations, and timely execution, reducing delays and cost overruns. The Government shall develop a framework for the accreditation and engagement of individual consultants as well as agencies.

4. Establishment of Kerala Waste Management Authority:

Waste management is an essential function of the local self governments. While they are effectively managing the collection, storage and segregation of waste, the processing of waste, especially non biodegradable waste within a local body is often difficult due to the small size and population of our towns and limited technical capabilities. Hence, to manage specialised, cluster-level, and regional-level waste management (WM) plants through the consolidation of Government funds for centralised facilities, a Kerala Waste Management Authority

(KWMA) may be constituted under the Local Self Government Department (LSGD). Upon its constitution, the Authority shall integrate the waste-management-related functions of line agencies within the LSGD and shall be supported by domain experts in waste technology, environmental management, and public health. It shall also frame state-wide waste management standards, oversee Extended Producer Responsibility (EPR) compliance, and support PPP and circular economy models.

5. Institutionalising Public Private Partnership (PPP):

A framework for institutionalising Public Private Partnership in Urban Local Governments shall be established, and a dedicated PPP Cell shall be instituted in the department to enable transparent, efficient, and accountable collaboration with the private sector for urban infrastructure projects. Such a framework would provide clear guidelines on project selection, risk-sharing, financing, and monitoring, while the PPP cell offers technical support, standardizes contracts, and ensures compliance with regulations. This approach leverages private investment and expertise to improve urban services—like sanitation and waste management, construction and maintenance of urban infrastructure and amenities, renewable energy—accelerates project delivery, optimizes public resources, and aligns with Kerala’s model of inclusive, sustainable urban development.

6. Legislative Reforms for Citizen-friendly Governance:

A. Comprehensive Amendment of Kerala Municipalities Act:

A comprehensive amendment of the Kerala Municipalities Act is necessitated by the increasing complexity of urban functions and this shall also aim at facilitating various reforms proposed as a part of the Kerala Urban Policy. While the present act realises the true spirit of decentralization, the Municipalities and Corporations also need stronger legal backing to raise revenues, manage assets, deliver services currently being delivered by various parastatal agencies and ensure financial sustainability and venture new investments and innovative programmes. The amendment shall further advance citizen participation, modern urban planning and investor friendly Special Investment Areas, climate-resilient governance to meet future challenges. Another major goal of these legislative reforms is to functionally and administratively differentiate between the Corporations and Municipalities, not merely by considering them as separate governance structures but also as urban development regions with distinctive character which requires a differential approach in governance, project management and service delivery. The provisions of the new Act would also address urban planning

in contiguous areas, taking into account present and future trends in urbanisation. The government shall form a committee for the comprehensive amendment of the Act.

B. Reforms to focus on Better Governance, Ease of Living and Ease of Doing Business: The state recognises that the Municipal Rules require further streamlining by simplifying the statutes on permissions and utilities for businesses, organizations and citizens. The focus shall be on making them more people-friendly, reducing procedural delays, discretionary decision making, and increasing transparency. Urban centres shall be empowered to act as hubs of economic development, nurtured by productive functions in peri-urban and adjoining rural areas. The rules under Town and Country Planning Act including land pooling rules will be further simplified to propel the urban development commensurate with the level of urbanization. Further, digitalization and organizational rearrangement shall also focus on better systems for approvals and inspections, and reduced documentation. As far as the administration is concerned, the amendments shall aim mainly at clearer functional authority, fiscal empowerment and accountability. Regular stakeholder consultations with businesses and residents shall be undertaken to help create statutes and systems for responsive, transparent, and efficient urban governance.

7. Institutional Reforms for Own Sources Revenue Enhancement and Fiscal Discipline:

The State shall undertake targeted institutional reforms to strengthen Own-Source Revenue (OSR) generation and fiscal discipline in Urban Local Self Governments, with the objective of enhancing financial autonomy, efficiency, and long-term sustainability. These reforms aim to improve revenue predictability, and enable Urban Local Self Governments to finance quality urban services and infrastructure.

A. Revenue Collection Reforms: Measures shall include 100% digitalisation of all municipal assets and properties including implementation of digital twin models, GIS-based assessment, expansion of digital payment platforms, and reduction of discretion in assessment and collection through automated, data-driven processes. Non-tax revenues shall be strengthened through rational user charges, asset monetisation, value-capture instruments, and climate-linked fees.

B. Formation of a Board to focus on Revenue: A Statutory Board shall be constituted to guide revenue policy reforms, promote fiscal discipline, standardise practices, monitor OSR performance across Urban Local Self Governments. Accounting, audit, and budgeting systems shall be professionalised and aligned with performance-based expenditure management and fiscal responsibility norms. Prudential norms shall be prescribed for lending, guarantees, and credit enhancement operations, including caps on exposure to individual Urban Local Self Governments, minimum own-source revenue and debt service coverage thresholds, and mandatory compliance with standardised municipal accounting and audit frameworks.

C. Restructuring & Capacity Building of Kerala Urban and Rural Development Finance Corporation (KURDFC): The KURDFC shall transition from a loan disbursing authority to take on a larger catalytic role by mobilising long-term capital for urban infrastructure, strengthening municipal creditworthiness, structuring innovative financial instruments etc. It shall also assist Urban Local Self Governments in project preparation, financial structuring, risk assessment, and compliance with disclosure and repayment frameworks, thereby improving creditworthiness and investor confidence. Access to KURDFC-supported financing shall be conditional upon demonstrated fiscal discipline, timely audits, and transparent disclosure of liabilities.

8. Role of Special Purpose Vehicles (SPVs):

Cities and towns in Kerala shall use Special Purpose Vehicles (SPVs), wherever required, for faster, professionally managed project implementation without the procedural delays common in traditional systems. SPVs can pool funds from multiple sources—government, loans, CSR, and private partners—and ring-fence them for specific projects. They provide flexibility in hiring technical experts, contracting, and adopting modern project management practices. SPVs also improve transparency and accountability through clear governance structures and outcome-based monitoring. Overall, they shall be used in the execution of complex urban projects—mobility, housing, IT, environment, waste management etc.—more efficiently and at higher quality, until such time that robust in-house capacities of Urban Local Self Governments are institutionalised.

9. Institutional Convergence and Integrated Urban Governance:

Urban Local Self Governments in the state shall promote institutional convergence as a core governance principle, ensuring coordinated planning, financing, and implementation across departments of Government, transferred institutions, programmes, and allied sectors, so as to overcome fragmentation,

optimise resource use, and deliver integrated, citizen-centric urban outcomes. Convergence shall also be fostered across local bodies, complementing the coherent, hierarchical system of strategic and spatial planning envisaged under this Policy.

A. Integrated Planning Mechanisms: Alignment of City Development Plans, Annual Plans, Master Plans, Risk-Informed Master Plans (RIMPs), and Local Economic Development Plans with sectoral plans of line departments. Institutionalised convergence at the planning stage through joint plan appraisal and approval mechanisms involving relevant departments and agencies. A well-grounded mechanism to integrate the district-level perspectives and plans by the District Planning Committee shall be developed.

B. Convergent Financing and Resource Pooling: Frameworks for pooling funds from Urban Local self Government budgets, State and Central schemes, climate finance, and external funding sources for integrated urban projects.

10. Participatory Urban Governance:

The State shall mandate Urban Local Self Governments to institutionalise participatory governance beyond Ward Sabhas through digital platforms for online meetings, information disclosure, and public consultations. In this regard, an e-Ward Sabha platform shall be set up for digital participation of citizens. Standardised participatory planning tools shall be adopted to involve citizens in plan preparation, budgeting, and project prioritisation, with public feedback requirements at key stages of implementation. Urban Local Self Governments shall establish continuous feedback and grievance redressal systems, integrating both digital and offline channels to ensure inclusion of women, the elderly, migrant populations, and vulnerable groups. Citizen participation outcomes shall be documented and linked to decision-making, project approvals, and performance assessment of Urban Local Self Governments.

11. Harmonising Elected Leadership and Local Bureaucracy:

There shall be a focus to systematise the reduction of tensions between elected representatives and the local bureaucracy which is a critical governance challenge affecting the Urban Local Self Governments. Role clarity and mutual accountability through legislative reforms, capacity building, and institutional dialogue, supported by venues for shared understanding of problems, formal coordination mechanisms and conflict-resolution processes, to foster trust, professionalism, and collaborative leadership in urban governance shall be adopted.

Category B - Capacity Building & Systems Strengthening

1. KILA Centre for Urban Governance shall be a Centre of Excellence:

The urban governance centre at KILA shall serve as the apex academic, training and knowledge centre for Urban Local Self Governments. Focus shall be on enhancing specialised capabilities in the areas of policy and economic planning, local democracy and people's participation, spatial planning, creative economy, digital planning and governance, behaviourally informed governance and municipal fiscal health. Practitioners and academicians shall be invited for collaborations in training, research, policy and programme design.

2. Institutionalize Academia-Research-CSO Partnerships for Knowledge-Driven Urban Governance:

This mandates the formal integration of technical expertise from universities, research bodies, and local insights from Civil Society Organisations (CSOs) into planning and project execution. This mechanism ensures evidence-based, inclusive, and adaptive governance, creating a knowledge ecosystem for complex challenges like climate resilience and housing.

3. Develop performance indicators for scientific grading of Urban Local Self Governments:

Data-driven performance management is key to administrative excellence. This policy mandates the development of objective, scientific performance indicators for grading Urban Local Self Governments and their officers. Input shall be drawn from service delivery and process platforms for scientific grading. This system promotes accountability, incentivizes professionalism, facilitates inter-city benchmarking, and ensures public resources are optimally aligned with results-oriented urban development goals.

4. Data-driven Policy Making by Urban Local Self Governments

A. Establish State and City-level Urban Data Observatories: There shall be a State level Urban data observatory under LSGD Department and City-level Urban Data Observatories at Urban Local self Government level as integrated data repositories and analysis platforms to enable evidence-based urban

planning and efficient service delivery. Centralized, real-time data on demographics, infrastructure, land use, mobility, environment, natural resources, economic development, investment, and service performance allows Urban Local Self Governments and policymakers to make informed decisions, anticipate challenges, and optimize resource allocation. Data observatories also support effective monitoring of urban projects, performance evaluation, and climate and disaster-resilient planning, while facilitating transparency, research collaborations, and citizen engagement. This shall entail the restructuring and retraining of the department's statistical wing.

B. Build Urban Local self Government capacity to use data in Own Source Revenue, planning, and implementation: Dedicated Data Analysts shall be positioned in major Urban Local Self Governments to institutionalise data-driven governance and enhance evidence-based decision-making. Each Municipal Corporation and selected Municipalities shall host an Urban Data Cell staffed by trained analysts specialising in GIS, financial analytics, and dashboard management. Working under the department and linked to the State LSGD Data Observatory, they shall support property tax optimisation, service delivery monitoring, and predictive planning through integrated platforms such as K-SMART.

5. Performance-linked Incentive Framework for Urban Local Self Governments:

A Performance-Linked Incentive Framework, modelled as a Kerala LSGI Challenge Fund, shall be introduced under LSGD to reward Urban Local Self Governments demonstrating excellence in fiscal management, service delivery, innovation, and citizen participation. Performance metrics—such as OSR growth, sanitation outcomes, digital governance, and participatory planning—shall be tracked through digital dashboards and validated via periodic third-party assessments. High-performing Urban Local Self Governments shall receive untied incentive grants or access to competitive project funding under the Challenge Fund which shall be managed by the Department with technical support from KILA and NIUA, fostering healthy competition, efficiency, and innovation across Kerala's urban governance ecosystem.

6. Professionalise Accounting and Audit System:

Accounting and audit systems in Urban Local Governments shall be fully professionalised to strengthen decentralised planning and ensure fiscal discipline, transparency, and creditworthiness. The Department shall update and notify a Uniform Accounting Framework aligned with the National accounting benchmarks. A revised Chart of Accounts and a standardised Municipal Budget Manual shall be introduced to ensure uniform classification of receipts, expenditure, assets, and liabilities, enabling comparability, accurate financial reporting, and outcome-based budgeting. All accounting and budgeting processes shall be fully integrated with the digital service delivery system (KSMART), ensuring real-time financial data, automated reconciliation, and comprehensive digital audit trails. Dedicated municipal finance officers and accountants shall be trained and certified with periodic refresher courses on financial management, internal controls, and e-audit tools.

Category C - Citizen-Centric Service Delivery and Project Implementation

1. Service-wise Coverage under City Performance and Service Monitoring Cell:

Each Urban Local Self Government shall set up a City Performance and Service Monitoring Cell equipped with a digital dashboard linked to the State Urban Data Observatory. This cell shall monitor all constitutional and statutory municipal services, with clearly defined service indicators, quality benchmarks, and citizen-centric outcomes. The scope of monitoring shall include the following service domains:

- A. Urban Amenities and Public Infrastructure
- B. Solid and Liquid Waste Management
- C. Water Supply, Drainage, and Urban Flood Management

2. Digital Governance:

Through the implementation of KSMART, the department has given a strategic direction to the cities in adopting technology in service delivery and project implementation. The cities and towns shall develop capacities to enable digital tools to improve service delivery and strengthen project implementation in all the possible areas. By integrating technologies such as Geographic Information Systems (GIS) and Artificial Intelligence (AI), local self governments can plan more efficiently and respond to citizen needs more rapidly. To support these efforts, the Department via Information Kerala Mission shall continue to develop digital platforms more dynamically and comprehensively with full scale deployment of artificial intelligence for aiding service delivery and customizable city exclusive applications.

3. Create Digital Public Dashboards for Transparency:

Kerala's Urban Local Self Governments should create digital public dashboards to promote transparency, accountability, and citizen engagement in urban governance. These dashboards provide real-time information on project status, budgets, service delivery, complaints, and performance metrics, allowing residents to monitor Urban Local Self Government activities, status and quality of services and hold officials accountable. Digital dashboards also improve administrative efficiency by centralizing data, enabling evidence-based decision-making, and facilitating timely interventions. By making information publicly accessible, Urban Local Self Governments build trust, encourage participatory governance, and foster a culture of openness, ultimately leading to more responsive, efficient, and citizen-centric urban management.

4. Institutionalise Social Audits in Developmental and Welfare Schemes:

The Department shall institutionalize social audits in developmental and welfare schemes to ensure transparency, accountability, and community participation in governance. These Social audits shall enable citizens to verify whether projects and programs are implemented as planned, funds are properly utilized, and benefits reach the intended beneficiaries. This process helps detect irregularities, reduce corruption, and improve the quality and effectiveness of services. By actively involving communities in monitoring and evaluation, Urban Local Self Governments strengthen

public trust, promote inclusive decision-making, and foster a culture of responsive, citizen-centric governance, ensuring that developmental and welfare initiatives achieve their intended social impact.

5. Localise Creative-City Concepts (literary, heritage, cultural):

The localisation of Creative City concepts shall transform Kerala's urban centres into culturally vibrant and economically dynamic hubs recognised on national and global platforms. Each city shall identify its core creative identity—such as literature (Ex:Thiruvananthapuram), heritage and festivals (Ex:Thrissur), craftsmanship and cuisine, or performing arts (Ex: Kochi)—and integrate it into its City Development and Tourism Master Plans. Municipalities, in collaboration with the Departments of Culture, Tourism, and Archaeology, shall develop cultural districts, cultural centres, heritage walks, and creative industry clusters, while embedding cultural aesthetics in public spaces and architecture. This approach shall strengthen city branding, creative livelihoods, and cultural tourism.

6. Goal oriented and Outcome Driven Planning Processes

A. Localization of SDGs: The department shall ensure that all Urban Local Self Governments adopt the localization of the Sustainable Development Goals (SDGs) as a core framework for urban governance, by aligning their plans, budgets, service delivery, and monitoring systems with relevant SDG goals and targets, so as to translate global development commitments into measurable and inclusive local outcomes that improve the quality of life of all urban residents.

B. Outcome based planning: The State shall institutionalize outcome-based planning across all Urban Local Self Governments by shifting the focus from input- and activity-driven approaches to clearly defined, measurable urban outcomes, ensuring that plans, projects, and budgets are guided by service delivery results, quality-of-life improvements, and long-term sustainability, while enabling comparability, accountability, and performance improvement across the urban system.

7. Entrepreneurship and Livelihood Services for Citizens:

Urban Local Self Governments shall provide integrated entrepreneurship and livelihood support services to help citizens start, sustain, and grow local enterprises. Each city shall prepare and operationalise a City Entrepreneurship and Innovation Plan, translating local economic strengths into accessible services such as business facilitation, incubation support, skilling and employability and market access. Municipalities shall facilitate urban incubation spaces, startup zones, transit-oriented growth hubs, work near home hubs, satellite workspaces, and market linkages in collaboration with stakeholder agencies supported by local chambers, and academic institutions. The framework shall integrate with city-level local economic development plans (which shall be prepared based on workforce and market demand) and state-of-the-art skilling plans, enabling inclusive job creation and MSME growth. The objective is to foster entrepreneurial ecosystems that leverage urban assets, promote self-employment and local employment opportunities, and attract private investment for sustainable city economies.

8. Sanitation and Waste Management Services for Citizens:

Urban Local Self Governments shall deliver reliable, safe, and environmentally compliant sanitation and waste management services through the preparation and operationalisation of city-level solid and liquid waste management plans. Solid waste management plans shall ensure complete and assured household-level services, including waste segregation and collection; decentralised or centralised treatment systems for wet waste; and recycling or safe end disposal of dry waste. Effective liquid waste and faecal sludge management systems—ranging from household greywater treatment and faecal sludge removal to centralised Faecal Sludge Treatment Plants (FSTPs)—shall be operationalised in accordance with liquid waste management plans. Operational systems shall enable performance monitoring, resource optimisation, and compliance with national sanitation and environmental standards. Urban Local Self Governments shall actively engage communities and entrepreneurs to promote segregation, recycling, and circular economy practices, ensuring clean public spaces and healthier living conditions.

9. Education:

Municipalities and Corporations in Kerala shall invest to improve the quality of transferred schools mainly by strengthening infrastructure—classrooms, labs, sanitation, and digital facilities—to create a better learning environment. They can ensure timely maintenance, provide essential non-teaching support staff, and streamline school-level service delivery so that teachers can focus on academics. Cities shall continue to support digital learning through smart classrooms and technology-enabled learning tools. By promoting community participation, health services, counselling, and student welfare initiatives, Urban Local Self Governments can address non-academic factors that influence learning quality. Together, these interventions significantly enhance overall school performance even within the existing academic governance framework.

10. Healthcare Services and Urban Well-being:

A. Strengthening Health Infrastructure and Services: Municipalities and corporations in Kerala, unlike their rural counterparts, have relatively weaker public health systems. Hence there shall be better focus on enhancing the number and quality of transferred health centres and hospitals. Strengthening infrastructure—clean buildings, functional equipment, upgraded labs, and patient-friendly facilities, ensuring adequate support staff, efficient maintenance, and uninterrupted basic services like sanitation, water, and waste management which supplement healthcare shall be of top priority. Urban Local Self Governments shall work in close coordination with the Health Department to improve service coverage, support preventive and promotive health programmes, and strengthen community outreach through primary healthcare institutions.

B. Integrate Health and Well-being through Urban Planning and Environmental Systems: Kerala shall move towards a preventive and integrated urban health approach by embedding public health and well-being considerations into urban planning, project design, and service delivery systems. Master Plans and infrastructure projects shall incorporate health determinants such as air and water quality, disease surveillance, walkability, road safety, mental well-being, and access to green and blue spaces. Urban development projects shall be designed to reduce health risks and promote active, inclusive, and healthy lifestyles, making cities safer and healthier for all citizens.

11. Various Transferred Institutions and Other Entities:

Urban Local Self Governments shall prepare and implement sector-wise improvement plans for transferred institutions in agriculture, fisheries, veterinary services, and child development. These plans shall address physical infrastructure, essential equipment, digital systems, and service standards, with dedicated financial allocations and convergence with line departments. In agriculture and fisheries, priority shall be given to urban livelihood support, extension services, climate-resilient practices, and market linkages. Veterinary institutions shall be strengthened to provide timely preventive and curative care, disease surveillance, and support to urban livestock. Anganwadis, shall be upgraded as safe, inclusive, and nutrition-secure spaces with improved early childhood care, health, and learning outcomes. Dedicated financial allocations, convergence with line departments, and performance-based monitoring will ensure accountability, service quality, and equitable access, especially for vulnerable and marginalised urban populations.

12. Urban poverty alleviation:

Leveraging empowered local governments, and lessons learnt from Destitute Free Kerala and Extreme Poverty Eradication projects, urban poverty alleviation efforts shall prioritise secure livelihoods, affordable housing, universal access to basic services, and social protection for the most vulnerable. Cities and towns shall use their strengths in community involvement and participatory planning for the comprehensive identification of vulnerable communities and families, extension of a social safety net and targeted services to urban poor.

Category D - Urban Infrastructure and Amenities

1. Assessment of Infrastructure Gaps :

The infrastructure planning shall start with comprehensive infrastructure gap assessments and project preparedness instead of the current system of choosing projects based on local demand and fund availability. Moving from a supply-driven to a preparedness-driven model shall ensure that urban infrastructure is responsive, efficient, and better integrated with city development objectives.

2. Environmental and social safeguards:

Large Urban Development and Infrastructure Projects shall incorporate robust environmental and social safeguards to ensure responsible and sustainable implementation. This policy direction requires that potential impacts on ecosystems, communities, heritage areas, and vulnerable populations be assessed early in the planning process and appropriately mitigated. Safeguard measures shall include environmental impact assessments, social impact evaluations, climate resilience considerations, and mechanisms for community engagement. Embedding these safeguards shall promote transparency, reduce project risks, and ensure that urban development advances in a manner that protects natural resources, enhances social well-being, and fosters long-term sustainability.

3. Embed inclusivity benchmarks (child-women-elderly-differently-abled) into engineering design codes and building rules:

Universal accessibility shall be mainstreamed across the urban built environment, including streets, public amenities, parks, open spaces, public transport systems, and—where feasible—at the individual building unit level. All public infrastructure and urban development projects shall adhere to applicable national and state accessibility standards and incorporate inclusive design requirements at the planning, design, approval, and implementation stages.

4. Urban Mobility:

Although the direct management of urban transport systems may lie outside the full jurisdiction of Urban Local Self Governments, city road networks and associated infrastructure shall be planned to support safer, more efficient, and more sustainable mobility. Policy direction shall focus on reducing congestion

based on the strengths and requirements of each city. Efforts shall be taken to create compact, pedestrian-friendly cities with safe, accessible walking infrastructure, strong last-mile connectivity, and traffic decongestion measures such as parking management and pedestrianisation. The cities shall progressively advance towards universally accessible and energy efficient public and para-transit systems.

5. City Beautification and Green Spaces:

Emphasis shall be laid on urban design aesthetics and planned beautification of cities, with special focus on well-designed streets, public spaces, preservation of heritage structures and landmarks. It shall prioritize the creation, protection, and enhancement of green spaces, including parks, urban forests, and waterfronts, to improve liveability and environmental quality. Well-designed thematic public spaces—streets, parks, plazas, and waterfronts—that would catalyse economic activity, enhance ecological resilience, and create inclusive, people-centred cities shall be established.

6. Housing:

Universal housing for urban poor shall continue to be the top priority of the state. Ensuring that every household has access to safe, adequate, and affordable shelter is a fundamental component of inclusive urban development. While the primary focus shall be on free housing for urban poor, the Urban Local Self Governments shall venture into affordable housing schemes for low and middle income groups also. Equal emphasis shall be placed on improving housing amenities and liveability, ensuring access to water supply, sanitation, drainage, electricity, waste management, digital connectivity, green spaces, and social infrastructure. The future housing development shall aim at more compact neighbourhoods with intense provisions of social amenities.

7. Water Management and Supply Solutions:

City corporations shall evolve capabilities to augment and maintain the city based water supply systems. While the source management shall continue to vest with Kerala Water Authority (KWA), efforts shall be made to augment local city level sources, increase water conservation efforts and reduce the mounting pressure on groundwater.

8. Waste Management:

A. Solid Waste Management: Cities and towns in Kerala shall adopt an integrated and sustainable approach to solid waste management, ensuring that waste is minimized at the source, efficiently collected, scientifically processed, and safely disposed of in compliance with environmental standards. Cities shall continue to focus on strengthening waste segregation at household and institutional levels, increasing the coverage, frequency and efficiency of door-to-door collection systems, and enhancing the capacity of facilities such as resource recovery centres, composting units, biomethanation plants. In line with the state policy, cities shall continue to handle collection of all kinds of waste and processing of biowaste, while the processing of non biowaste shall be handled centrally or regionally. Immediate goal shall be 100% biowaste management through in situ facilities and community facilities in municipal areas and Compressed biogas plants in all corporations.

B. Liquid Waste Management: Wastewater management shall focus on expanding existing sewerage networks and setting up new plants and networks in all the city corporations, along with facilities for co-treatment. Due to the cost and land constraints, the municipalities shall ensure black water treatment through Faecal Sludge Treatment plants whereas grey water shall be handled in the decentralised manner through soakpits etc. Focus shall be laid on ensuring proper operation and maintenance of treatment systems, and promoting reuse of treated wastewater for non-potable purposes.

Considering the prevalent 'not in my backyard syndrome' and local protests, incentivization of public as well as local bodies will be enabled appropriately. Citizen participation, behavioural change initiatives, and partnerships with private providers and community organizations shall be integral to achieving clean, healthy, and environmentally resilient urban environments.

Category E - Strategic and Spatial Planning

1. Integrated Development Planning, Economic and Spatial Governance

The department shall shift its focus of urban planning from a conventional land-use focus to an integrated strategic approach, where land-use decisions are explicitly driven by development priorities, local economic potential and growth strategies.

A. Spatial Planning Network: All spatial plans shall be supported by a unified, state-wide geospatial and planning information system integrating land records, land use, infrastructure networks and environmental assets enabling evidence-based decision-making and transparent public investment which is responsive to local contexts, and capable of guiding long-term urban transformation. The focus shall be on the following:

a. Institutionalise Hierarchical and Adaptive Spatial Planning Framework: The State shall institutionalise a hierarchical, integrated, and adaptive spatial planning framework aligned with the State Perspective Plan, under which spatial development shall be guided through a tiered system of plans. In accordance with this framework, Metropolitan Development Plans shall be prepared at the first tier; Regional Plans covering urban agglomerations and their adjoining urban, peri-urban, and rural areas shall be prepared at the second tier; and Master Plans for urban areas shall be prepared at the third tier, all in conformity with higher-order plans. In alignment with the higher-order plans, third-tier urban or rural area master plans shall be developed in consultation with different tiers of the local governments and in consideration of the priorities of the district perspective plans. To ensure responsiveness to the dynamic nature of cities, such plans shall be subject to periodic review and revision at intervals with provision for interim revision based on significant demographic, environmental, infrastructure, or policy changes.

b. Micro-Level Planning for Context-Sensitive Urban Development: The Department shall prepare lower-level plans, including Local Area Plans, Detailed Town Planning Schemes, Ward Plans, and Neighbourhood Improvement Plans, to operationalise the objectives of Master Plans at the micro level. These plans shall enable area-specific, context-sensitive interventions addressing socio-economic

needs, mobility, environmental conditions, and spatial characteristics, and shall guide development controls, public realm improvements, infrastructure upgrading, affordable housing, heritage conservation, and climate-resilient investments. This approach also supports the distinct development needs of small towns, prevents inappropriate urban intensification and safeguards local character.

c. Scientific Implementation of Differential Development Control Regulations (DCRs): Moving beyond uniform rules, this reform would introduce context-sensitive and performance-based development control regulations that respond to variations in risk, environmental sensitivity, and development potential. This approach ensures building safety, manages density effectively, prevents development in high-risk areas, and systematically transitions the state towards advanced, performance-based building codes.

B. Spatial Planning for Fiscal Sustainability: Urban spatial planning shall integrate Value Capture Financing (VCF) mechanisms within a framework of social regulation, democratic governance, and public control, recognizing that land value gains arise from collective public investment and planning. Instruments such as betterment levies, impact fees, Transferable Development Rights, and land pooling shall be deployed transparently to not only strengthen the municipal fiscal capacity but also to ensure that a fair share of land value gains is reinvested in affordable housing, resilient infrastructure, inclusive public spaces, and livelihood-oriented economic development. This approach shall strengthen the autonomy of Urban Local Self Governments while ensuring that financial mechanisms remain aligned with public purpose and social equity. The State shall also focus on strengthening the institutional and technical capacities of Urban Local Self Governments for the design, implementation, and governance of these instruments.

C. Cities as Economic Growth Hubs: Land-use decisions and development plans shall be consciously aligned with city-specific growth strategies that recognize production systems and their resultant economic activities as central drivers of urban growth. Cities shall leverage regional strengths in manufacturing, services, trade, tourism, knowledge industries, the informal economy, and emerging production networks to build diversified and resilient economic bases. Given that the State is endowed with high human development indicators, strong educational institutions, digital connectivity,

and a skilled workforce, deliberate efforts shall be made to nurture and expand a vibrant knowledge economy as a core pillar of urban transformation. Urban infrastructure, mobility, housing, and public spaces shall be planned in tandem with employment generation, enterprise development, production clusters, innovation ecosystems, and value-chain integration over the long term. Through this integrated approach, cities will function as dynamic economic ecosystems that stimulate production, attract investment, foster innovation, support livelihoods, and drive sustainable and inclusive growth.

2. Disaster Management and Building Climate Change Resilience:

The Department shall embed climate resilience and disaster vulnerability into every layer of urban planning, finance, and infrastructure development, safeguarding lives, livelihoods, and assets.

A. Integration of Risk and Climate Change Factors into Urban Planning :

Urban planning and development processes shall systematically integrate risk assessments and climate considerations into land-use planning, infrastructure design, and investment decisions. Planning frameworks shall incorporate hazard analysis, vulnerability assessments, and long-term climate projections to ensure that urban growth and infrastructure development are resilient, adaptive, and sustainable. For instance, given Kerala's climate vulnerability, adopting Risk-Informed Master Plans (RIMPs) and Local Area Plans on Climate Change (LAPCCs) are essential for integrating hazard assessments and climate projections into all land-use and infrastructure decisions.

B. Accelerate the Urban Circular Economy Transition: This shifts the focus from simple waste management to integrating regenerative principles across urban planning and design. By mapping material flows, establishing Circular Economy Zones (CEZs), and promoting C&D waste reuse, the goal is to reduce the carbon footprint, create carbon neutral cities and foster new green economic opportunities.

C. Prepare long-term Investment Roadmap for Resilient Infrastructure:

The department shall prepare a long-term roadmap that enables the government to prioritise investments based on future risk scenarios, avoid costly damage and retrofits, and ensure that critical infrastructure—water and

sanitation systems, transport networks, housing, health facilities, and public utilities—is designed to withstand emerging hazards such as floods, sea-level rise, extreme rainfall, and landslides.

D. Establishment of a Dedicated Climate Finance Mechanism: A dedicated climate finance mechanism shall be established as a specialised investment vehicle and special purpose institutional arrangement for the systematic management of climate and resilience financing. The mechanism shall mobilise, pool, and coordinate capital from domestic and international sources, including infrastructure financing institutions, development finance agencies, and climate-focused funds, to support priority green infrastructure and climate-resilient urban projects.

E. Embracing green, energy efficient urban infrastructure and Renewable Energy: There shall be a strong emphasis on energy-efficient infrastructure and renewable energy as core pillars of urban sustainability and climate resilience. The adoption of energy-efficient designs and installations in public buildings shall be prioritised. The Government shall encourage the transition to renewable energy sources through appropriate incentives, actively promote and incentivise green buildings that adopt energy-efficient design, sustainable materials, and resource-efficient technologies, and enforce stringent energy-efficiency norms, thereby reducing urban carbon footprints and enhancing long-term environmental resilience.

VIII. MONITORING AND REVIEW OF THE POLICY

The State shall institutionalise a transparent, outcome-oriented system for monitoring and periodic review of the Urban Policy to ensure effective implementation, accountability, and continuous learning. Monitoring shall focus on key spatial, economic, fiscal, environmental, and social outcomes, and shall be integrated into existing planning, financial, and digital governance systems to avoid duplication and reporting burdens. The Policy shall be reviewed every five years to assess relevance, effectiveness, and emerging challenges, and the findings shall inform mid-course corrections, regulatory reforms, and investment priorities.

IX. IMPLEMENTATION

The State, and in particular the Local Self Government Department, its agencies, and Urban Local Self Governments, shall collectively drive the effective implementation of this Urban Policy. Implementation shall be through a time-bound, institutionally anchored, and outcome-oriented framework that translates policy intent into action. Clear roles for State departments, Urban Local Self Governments, and allied agencies, supported by capacity building and enabling regulations, shall be ensured for effective execution. Policy directions shall be integrated into statutes, plan guidelines, sectoral programmes, and budgeting processes appropriately.



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LOCAL SELF GOVERNMENT DEPARTMENT
GOVERNMENT OF KERALA

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