



GOVERNMENT OF KERALA

Abstract

LSGD - Swachh Bharat Mission (Urban) 2.0 – Palakkad Waste-to-Energy/Compressed Bio Gas (CBG) Project – Utilisation of available SBM (Urban) funds towards Viability Gap Funding (VGF) – Sanction accorded – Orders issued.

LOCAL SELF GOVERNMENT (WM) DEPARTMENT

G.O.(Rt)No.1368/2026/LSGD Dated,Thiruvananthapuram, 27-07-2026

1 GO (Ms) No. 269/2021/LSGD dated 20.11.2021

Read

2 GO (Ms) No. 23/2022/LSGD dated 11.02.2022

3 Letter No. KSIDC/TVM/WtE/2026/4071 dated 25.03.2026 from the Project Director (WtE Projects), KSIDC.

4 Letter No. SM/974/2024-D1 dated 12.05.2026 from the Executive Director, Suchitwa Mission

5 GO(Rt)No.1137/2026/LSGD dated 19.06.2026.

ORDER

As per the government orders read as 1st and 2nd papers above, guidelines were issued regarding the Viability Gap Fund (VGF) to Integrated Solid Waste Management Projects with Waste to Energy Plants in the state and associated financial mechanism. It has been specified in the order cited second above, that the Government of India share in the total VGF payable for the WtE projects shall be met from the funds allotted to the state under Swachh Bharat Mission / SBM (Urban) 2.0 (CSS 60:40).

2. As per letter read as 4th paper above, the Executive Director, Suchitwa Mission has reported that the Central Government was approached for approval of VGF in respect of the Palakkad WtE project, and that in-principle approval was obtained during the 16th NARC

(National Advisory & Review Committee) meeting held on 29.11.2026. Subsequently, at the 18th NARC meeting held on 27.03.2026, final approval has been secured for a Central share of Rs. 6.32 Crore as Viability Gap Fund for the Palakkad Waste to Energy Plant under SBM (U) 2.0. The Executive Director, Suchitwa Mission has also informed that together with the proportionate state share of Rs. 4.21 crores, a total amount of Rs. 10.53 Crores can be utilized as VGF for the Palakkad WtE project and requested government to issue necessary orders in this regard.

3. As per Government order read as 5th paper above, an amount of Rs. 18,76,66,000/- (Rupees Eighteen Crore Seventy Six Lakh Sixty Six Thousand Only) has been sanctioned as Central share and matching State share under Swachh Bharat Mission (Urban) 2.0 for the year 2026-27, of which Rs 886.67 Lakh is earmarked for the Solid Waste Management component.

4. As per letter read as 3rd paper above, the Project Director (WtE Projects), KSIDC has requested the release of an amount of Rs 7,23,98,436/- (Rupees Seven Crore Twenty Three Lakh Ninety Eight Thousand Four Hundred and Thirty Six only) towards the second tranche of Viability Gap Funding for the Palakkad Waste-to-Energy Project comprising the State share of Rs 1,68,68,835.60/-, Central share of Rs 2,53,39,452.80/- and ULB share of Rs 3,01,90,148/-.

5. Government have examined the matter in detail and are pleased to accord sanction to the Executive Director, Suchitwa Mission to utilise the Swachh Bharat Mission (Urban) 2.0 funds, subject to availability and in accordance with the SBM (Urban) guidelines, towards meeting the Viability Gap Funding (VGF) requirement of the Palakkad Waste-to-Energy/Compressed Bio Gas (CBG) Project, including the release of the second and any further tranches of VGF as per the approved funding pattern.

6. The Project Director (WtE Projects), KSIDC shall submit the detailed proposals for VGF fund release to the Executive Director, Suchitwa Mission in strict adherence to the government orders cited above and in compliance with all conditions cited therein.

7. The Executive Director, Suchitwa Mission shall furnish to government the copies of proceedings sanctioning the release of VGF amounts to KSIDC, from time to time.

(By order of the Governor)
TINKU BISWAL
PRINCIPAL SECRETARY

To:

The Executive Director, Suchitwa Mission

The Project Director (WtE Projects), KSIDC

The Principal Director, Local Self Government Department

The Principal Accountant General (A&E) / (Audit I) / (Audit II) Kerala,
Thiruvananthapuram.

The Director of Treasuries, Thiruvananthapuram.

The I&PR (Web & New Media) Department.

The Executive Director, IKM.

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Section Officer