

CHAPTER-IX

SCHEMES TO IMPROVE SLUMS –PROGRESS AND FEEDBACK

9.0 To promote integrated city development and to enable the people living in slums to gain access to basic services such as potable water, sanitation, health and educational facilities, a number of schemes and programmes have been launched from time to time. Land and housing being a State subject, Central Government's role in improving slums in the country is more by way of facilitation by providing financial resources and establishing legal/administrative framework for undertaking various activities that benefit slum dwellers. In addition, Central Government has also played an important role in channelising funds and technical assistance received from International and bilateral agencies to various State Governments and local agencies. The strategies and priorities for improving slums is evolving over time and new initiatives are tailored based on the experiences gained by implementing many schemes launched over previous plan periods. In this light, the progress of schemes that are ongoing are discussed here in order to enable the Working Group to formulate its views and recommendations from the 11th Plan.

9.1 Environmental Improvement of Urban Slums (EIUS)

Since 1974, the scheme has been made as an integral component of Minimum Needs Programme and has been transferred to State sector. The per capital ceiling cost permitted under the IEUS scheme since 1972 is given as under:

1972 (3 rd Year of 4 th Plan)	:	Rs 120
1978 (3 rd Year of 5 th Plan)	:	Rs 150
1.4 1984 (Last Year of 6 th Plan)	:	Rs 250
1.4 1985 (1 st Year of 7 th Plan)	:	Rs 300
1.4.1991 (Annual Plan)	:	Rs 525
1.4.1995 (4 th Year of 8 th Plan)	:	Rs 800

Components of water supply, drainage, community latrines and baths, widening and paving of lanes and street lighting are taken up under this scheme to improve the

environmental conditions in slums. State Governments have not been able to provide funds for this scheme and as such improvement and upgradation work in slums is not taken up widely under this scheme.

9.2 National Slum Development Programme(NSDP)

To improve the situation of lack of improvement activities in urban slums under EIUS, Government of India introduced the National Slum Development Programme as an additional Central assistance scheme with the objective to upgrade urban slums. Major components/activities under NSDP include:

- (i) Provision of physical amenities like water supply, storm water drains, community bath, widening and paving of existing lanes, sewers, community latrines, street lights, etc.
- (ii) Community Infrastructure : Provision of Community centres to be used for preschool education, non-formal education, adult education, recreational activities etc.
- (iii) Community Primary Health Care Centre Buildings : With support of Registered Medical Practitioners/Government Doctors in the State/NGOs/CBO/Philanthropic Associations to man these centres.
- (iv) Social Amenities : Pre-school education, non-formal education, adult education, maternity, child health and Primary health care including immunization etc.
- (v) Provision for Shelter : Not less than 10% of the allocation to States under this assistance to be utilized for construction and/or upgradation of houses for the urban poor.

Under this component, States are required to work out their specific schemes for housing construction/up-gradation which shall not be an entirely subsidy based scheme but the funding shall contain a loan component as well. It was also expected that the scheme would make adequate provision for achieving convergence between different Sectoral and departmental programmes so as to achieve the social sector goals similar to those envisaged in this scheme.

Since inception, the amounts allocated and released to the States and UTs under this programme is indicated below:-

Sl. No.	Year	Amount allocated (Rs in crores)	Amount Released. ^c (Rs. in crores.)
1	1996-97	250.01	250.01
2.	1997-98	330.00	290.99

3.	1998-99	350.00	351.63
4.	1999-2000	385.08	384.96
5	2000-2001	365.81	247.34
6	2001-2002	385.00	282.40
7	2002-2003	365.00	333.44
8	2003-2004	364.00	335.08
9	2004-2005	700.00	613.78
	Total	3494.90	3089.63

(Source : MoHUPA Website)

NSDP has since been discontinued from the financial year 2005-06.

As reported by the States/UTs, since the inception of the programme and upto 30-6-2006 out of the total funds of **Rs.3089.63** crores released by the Central Government, an amount of **Rs. 2466.34 crores** has been spent and about **4.58 crores** of slum dwellers have benefited from this programme..

The scheme did not have much emphasis on housing component even though it included provision for housing upgradation. In the absence of well-defined scheme structure for recovering cost of infrastructure provisions under the scheme, the agencies who have implemented this scheme operated it more as a total subsidy scheme. Other major shortcomings observed include - funds not reaching the local bodies and targeted poor, meagre budget allocations vis-à-vis slum population, institutional weaknesses to bring about convergence of resources and efforts envisaged in the scheme.

9.3 Integrated Low Cost Sanitation Scheme (ILCS)

Background of ILCS:

- From 1980-81:- initially started through the Ministry of Home Affairs & later through Ministry of Social Justice & Empowerment.
- From 1989-90:- Transferred to Ministry of Urban Development & Poverty Alleviation
- From 2003-04:- Transferred to Ministry of Urban Employment & Poverty Alleviation / Ministry of Housing & Urban Poverty Alleviation

Components of integrated Low Cost Sanitation Scheme (ILCS)

- The scheme envisages conversion of dry latrines into low cost twin pit sanitary latrines and construction of new individual toilets where none exists.
- The scheme has been taken up on a `whole town basis' meaning thereby all sections of population of the town (HIG, MIG, LIG & EWS) are presently covered by the ILCS guidelines.
- The scheme is being operated through the Housing and Urban Development Corporation (HUDCO) by providing a mix of subsidy from the Central Government and loan from the HUDCO.
- Demand driven scheme and hence no state allocation/ targets are fixed.

Pattern of Assistance:

The HUDCO is providing loan and a mix of subsidy from the Central Government in a synchronised manner as per the following financing pattern.

Category	Subsidy	Loan	Beneficiary contribution
EWS	45%	50%	5%
LIG	25%	60%	15%
MIG/HIG	Nil	75%	25%

The present unit cost for different categories of sanitary latrines is as follows:-

5	user unit	Rs.4000.00
10	user unit	Rs.6000.00
15	user unit	Rs.7000.00

Cumulative Financial & Physical Progress* upto (30/09/2006)

(a) Financial Progress

- Total Release : Rs. 297.67 crores
- Total UCs Pending : Rs. 48.52 crores

- % of UCs Pending : 17%

(b) Physical Progress

- Total no. of Dry Latrines ** yet to be converted : 6 lakhs (approx.)
- Total no. of manual scavengers yet to be liberated under the scheme : 47108
- No. of Dry Latrines Converted/ New Units Constructed : 21.71 lakhs
- Total constructions/ conversions in progress : 1.39 lakhs
- No. of scavengers liberated : 52829

* Source: HUDCO

** as reported by the some State/UT Governments in the prescribed performa, some States/UT at different points of time and in some cases the source of the data is as old as 1989 NSSO report.

Details of Budget Allocation and Expenditure during 10th Five year Plan under ILCS.

The details of Budget Allocation and Expenditure incurred during 10th Five year Plan under ILCS are as under:-

(Rs. In Crores)

Year	B.E	R.E	Actual Expenditure
2002-03	30.00	4.80	4.80
2003-04	30.00	4.80	4.80
2004-05	30.00	30.00	20.00
2005-06	30.00	5.00	2.00
2006-07	30.00	30.00	30.00*

*:- Rs. 3.00 crores was re-appropriated and released to RGI for carrying out the survey on slums in the country. The Coordination Committee under the chairmanship of Secretary (HUPA) in its meeting held on 6-12-2006 sanctioned Rs.27.00 to the States of Uttar Pradesh.

Constraints

- In the absence of subsidy for super-structure portion, the units are seldom completed and remain unutilized.
- Poor loan recovery from individuals. State Governments are reluctant to provide Government guarantee for securing HUDCO loan.
- The Scheme is confined to the urban areas of the country and that to for the towns with population of less than 5 lakhs.
- Even the subsidy being provided to the EWS families is only 45% which is much on the lower side for the beneficiaries of the weaker section of the society which makes the scheme less demanding.

Remedial Action / Present Status

EFC memo on revision of exiting guidelines of the ILCS scheme after incorporating the suggestions of the State Governments, Planning commission, was prepared. **The EFC meeting under the chairmanship of Secretary (Expenditure) was held on 17-7-2006.**

After detailed deliberations, EFC approved the proposed modifications in the Integrated Low Cost Sanitation Scheme subject to some conditions/observations.

Action Taken/ Proposed to be taken By the Ministry

- (i) On 5th July 2006, Prime Minister took a meeting on abolition of manual scavenging which was attended by Smt Meira Kumar, Hon'ble Minister of Social Justice and Empowerment, Kumari Selja, Hon'ble Minister of State (I/c) of Housing and Urban Poverty Alleviation and chairperson of National Commission of Safai Karamcharis. Hon'ble Prime Minister

directed that a consultant should be engaged for preparing an evaluation study /impact report of Integrated Low Cost Sanitation Scheme in the Country.

- (ii) The Expression of Interest (EOIs) from nationally/internationally reputed consultancy organizations and Socio Economic research institutes, having sound technical and financial capabilities to conduct the impact report/ evaluation study of Integrated Low Cost Sanitation Scheme is already under consideration.

- (iii) In the meanwhile, Cabinet Secretary took a review meeting of Committee of Secretaries on 8th September, 2006. After detailed deliberations, it was, inter alia, recommended that Ministry of Housing and Urban Poverty Alleviation will make a clear assessment of the requirements of the projects after a State-wise review with the State Governments regarding the number of existing dry latrines so that a follow up action may be initiated under the Integrated Low Cost Sanitation Scheme. The programme will be implemented simultaneously in all the states with the revised guideline of the ILCS scheme which is under consideration.

In connection with the direction of Cabinet Secretariat, the following actions have been taken by Ministry of HUPA:-

- (i) A meeting of representative from State / UT Governments under the chairmanship of Secretary (HUPA) was held on 12th and 13th October 2006 to review the efforts to abolish the dry latrines from urban areas of the country. The State/UT Governments were impressed upon to give top most priority to end the menace within the set deadline. The State/UT Governments were also requested to furnish the detailed magnitude of the problem and the fund requirements under the proposed revised guidelines urgently to enable the Ministry to prepare the Cabinet Note.

- (ii) The Ministry has received the requisite information in the prescribed performa from only 18 States/UTs so far. The information is still awaited from rest of the States/UTs. **The Cabinet Note is being prepared on the basis of available data as provided by the States and 1989 NSSO report.**

9.4 Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

As earlier mentioned in the report, this Mission (JNNURM) has been launched by Government of India from December, 2005 for an initial period of seven years with a central outlay of Rupees 50,000 crores. 63 cities having million plus population, are designated to be eligible for investment under this Mission based on the priorities indicated by the State Governments.

9.5 Basic Services to the Urban Poor(BSUP)

This Sub-mission of JNNURM focuses on integrated development of slums through projects that provide shelter, basic services and other related civic amenities to the urban poor. To compliment this activity in smaller non-mission towns, the centrally supported scheme of Integrated Housing and Slum Development Programme (IHSDP) has been launched. This scheme will replace the earlier launched schemes of Valmiki Ambedkar Awas Yojana (VAMBAY) and National Slum Development Programme (NSDP). The target Group under the scheme is slum dwellers from all sections of the community through a cluster approach and allocation of funds will be on the basis of States' urban slum population to total urban population in the country. States in turn may allocate to Town's/Cities basing on similar formula. However, funds will be provided only those towns and cities where elections to local bodies have been held and elected bodies are in position. The State Governments may prioritise the towns and cities on the basis of their felt-need by taking into account existing infrastructure, cities with concentration with slum population and such other criteria.

Scheme linked Urban Reform Measures

The scheme envisages implementation of reform measures besides extending funding support for basic services and shelter development that benefit the poor in urban slums. The main thrust areas of reforms under the scheme is to bring about improvement in urban governance so that Urban Local Bodies (ULBs) and parastatal agencies become financially sound with enhanced credit rating and ability to access market capital for undertaking new programmes and expansion of services. In this improved environment,

public-private participation models for provisioning of various services would also become feasible. To achieve the objective, State Governments, Urban Local Bodies and parastatal agencies will be required to accept implementation of an agenda of reforms. The proposed reforms shall broadly fall into two categories vis (i) Mandatory Reforms; and (ii) Optional Reforms. The Mandatory Reforms prescribed under the scheme include:

at Urban Local Body (ULB) level

- (i) Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies.
- (ii) Introduction of system of e-governance using IT applications like GIS and MIS for various services provided by ULBs
- (iii) Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85% within **the Mission period**.
- (iv) Levy of reasonable user charges by ULBs/Parastatals with the objective that full cost of operation and maintenance is collected within **the Mission period**. However, cities/towns in North East and other special category States may recover at least 50% of operation and maintenance charges initially. These cities/towns should graduate to full O&M cost recovery in a phased manner.
- (v) Internal earmarking within local body budgets for basic services to the urban poor.
- (vi) Provision of basic services to urban poor including security of tenure of affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the government for education, health and social security.

at State level

- (i) Implementation of decentralization measures as envisaged in Seventy Fourth Constitutional Amendment. States should ensure meaningful

association/engagement of ULBs in planning function of Parastatals as well as delivery of services to the citizens.

- (ii) Rationalization of Stamp Duty to bring it down to no more than 5% within *the Mission period*.
- (iii) Enactment of community participation law to institutionalize citizen participation and introducing the concept of the Area Sabha in urban areas.
- (iv) Assigning or associating elected ULBs into “city planning function” over a period of five years, transferring all special agencies that deliver civic services in urban areas and creating accountability platforms for all urban civic service providers in transition.

The components for assistance under the scheme include all slum improvement/upgradation/relocation project components including upgradation/construction of houses and Infrastructural facilities. The cost of land is to be borne by State governments or ULBs with a few exceptions in hilly areas of North East, Himachal Pradesh, J&K and Uttaranchal. The ceiling cost for is Rs 80,000/- per dwelling unit and minimum floor area should be not less than 25 sq.ft with preferably two rooms and kitchen. A minimum of 12% of the dwelling cost is prescribed as beneficiary contribution and sharing of funds would be in the ratio of 80 : 20 between Central Government and State Government/ULBs/Parastatals. The Central government funds are released as ‘Central Assistance (Grant)’ and will go directly to the Nodal agencies identified by the State Government as additional Central assistance. The scheme has a provision to grant additional 10% of central assistance as incentive for adoption of innovative approaches and adoption of proven/appropriate technologies for IEC, for training and capacity building relating to project/scheme for preparation of DPRs and for bringing about efficiency in the projects.

The project under the scheme is appraised first at the level of State level nodal agency followed by State Level Coordination Committee and subsequently sanctioned by Central Sanctioning Committee based on the recommendations of State Nodal agencies and also of the State Level Coordination Committee.

The Optional Reforms prescribed under the scheme include :

- (i) Repeal of Urban Ceiling and Regulation Act
- (ii) Amendment of Rent Control Laws balancing the interest of landlords and tenants.
- (iii) Enactment of Public Disclosure Law to ensure preparation of medium-term fiscal plan of ULBs and release of quarterly performance information to all stakeholders.
- (iv) Revision of bye-laws to streamline the approval process for construction of buildings, development of sites, etc.
- (v) Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.
- (vi) Introduction of Property Title Certification System in ULBs.
- (vii) Earmarking at least 20-23% of developed land in all housing projects (both Public and Private Agencies), for EWS/LIG category with a system of cross subsidization.
- (viii) Introduction of computerized process of registration of land and property
- (ix) Revision of bye-laws to make rain water harvesting mandatory in all buildings to come up in future and for adoption of water conservation measures.
- (x) Bye-laws on reuse of recycled water.
- (xi) Administrative reforms, i.e. reduction in establishment by bringing out voluntary retirement schemes, non-filling of posts falling vacant due to retirement, etc. and achieving specified milestones in this regard.
- (xii) Structural reforms
- (xiii) Encouraging Public-Private partnership.

State/ULBs will be required to implement the Mandatory Reforms and Optional Reforms within the Mission period. The States/ULBs need to choose at least two Optional Reforms each year for implementation. The details of reforms which have already been implemented and/or proposed to be taken up should be included in the detailed project reports.