

**NATIONAL NETWORK
OF
BUILDING CENTRES**

GUIDELINES



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GOVERNMENT OF INDIA
Ministry of Urban Development

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NATIONAL NETWORK OF BUILDING CENTRES

1 . INTRODUCTION

1.1 The National Housing Policy lays great emphasis on promoting low cost housing technology and appropriate materials, widespread dissemination and adoption and skill upgrading of artisans. In line with this approach, a Central Scheme to set up National Network of Building Centres (Nirman or Nirmithi Kendras) was introduced in August 1988 after the finalisation of the Central Budget for 1988-89 in order to provide a decentralised delivery system for the training and upgradation of skills for housing activity, extension of low cost housing technology and shelter guidance, demonstration of the manufacture and use of low cost, appropriate and indigenous based building materials, and materials produced out of industrial and agricultural wastes, provision of retail outlets for such materials etc., within the framework of the overall policy of Central and State Governments for technology transfer from experimentation to widespread use. A copy of the letter of the Ministry dated 12.8.1988 containing salient features of the scheme is at Annexure-A.

2. REVIEW OF PAST ACHIEVEMENTS

2.1 An analysis of past achievements of the programme has revealed that while the programme has gained sufficient momentum in a number of States, response is not sufficiently encouraging in some States owing to a variety of constraints, organisational unpreparedness, lack of supportive measures etc. As on 31.3.2000, a total number of 570 Centres in the country have been sanctioned out of which 402 are functional.

2.2 The Central Govt has announced total excise relief for materials produced in building centres. apart from local tax reliefs and concessions admissible to small scale units. Training grants under Central Schemes like Nehru Rozgar Yojana are made available to building centres. A number of State Governments have assigned various works to the Centres and to artisanq cooperatives and promoted their products.

2.3 The Ministry of Urban Development set up an Expert Committee under the Chairmanship of Shri K.G. Paranjpe to undertake an evaluation of the activities of the building centres and the original objectives of the programme and recommend the future thrust and operational pattern of the Centres with regard to national and state objectives of technology transfer for housing activity. After examining the report of Committee and after obtaining the views of State Governments and experts on the report, the Govt. of India has reformulated the guidelines of the Central Scheme. The revised guidelines is at Annexure - B.

2.4 The revised funding pattern for the scheme is being issued separately alter approval of competent authority.

3. FISCAL INCENTIVES

3.1 The Government of India has extended excise exemptions on the products manufactured by

Building Centres. State Govts. may consider granting fiscal incentives like concession of sales tax, octroi and commercial rates on power, water etc., to promote the use of new, cost effective building materials and components. The Building Centre can get itself registered as small scale unit through DG (SSI) if so desired.

3.2 The Central Scheme for Building Centres during the viii Plan period will be operated in accordance with these guidelines. A detailed revised Action Plan Manual will be issued by HUDCO in accordance with these guidelines. All the State Governments and concerned agencies are requested to assist in the effective implementation of the programme.

GOVERNMENT OF INDIA

MINISTRY OF **URBAN DEVELOPMENT**

New Delhi 110001

12th August, 1988

No. N-16012/7/87.H.I

TO,

The Chief Secretaries, (By name)
All States and UT Governments

Subject: CENTRALLY SPONSORED SCHEME FOR SETTING UP OF BUILDING CENTRES
· GUIDELINES

Sir,

1) The National Housing Policy which was placed before the Parliament in May, 1988 has laid great emphasis on encouraging and production **and** use of building materials based on local resources and of standardised low cost building materials and components, as also on improving and upgrading construction skills. Under the rubric of 'Building Materials' (paragraph 12) in the National Housing Policy document, inter alia the following policy guidelines have been laid down:-

"To meet the large demand for housing, maintain quality and speed up construction, production of standardised low-cost building materials and components will be encouraged, preferably on a decentralised basis. Building material production estates will be established, wherever necessary, for this purpose.'

' To provide for easy access to standardised building materials and components, establishment of supply centres on a decentralised basis will be promoted."

"To propagate and promote the use of low-cost and standardised building materials and components and appropriate technologies and design, demonstration **extension-cum-training centres will be set up."**

2) The extension of relevant low-cost building technologies to the grass root level is a new and difficult area. The Nirmithi Kendra at Quilon in Kerala State has demonstrated that one of the effective methods is of training local artisans in handling these technologies. Spurred by the success of the Quilon experiment, the **Government of India have decided to launch a national** programme of setting up of a network of building centres in all the districts of the country. The Finance Minister, in his Budget speech delivered on 29th February, 1988, had announced as follows:-

“There is great scope for using local low-cost materials in housing. Our scientists and engineers have also developed considerable experience in low-cost housing technology. It has been decided to set up a national network of Nirman or Nirmithi Kendras which will provide easy access to low-cost housing materials and techniques. It is proposed to set up one Kendra in each district. In the coming year, 100 Kendras will be set up.’

3) Accordingly, a Centrally Sponsored Scheme for establishment of Building Centres has been sanctioned by the Central Government. The Scheme will be implemented and operated through the Housing and Urban Development Corporation. The following will be the general guidelines of this scheme:-

i) **Objectives** : The Setting up of Building Centres is an institutional development approach for the extension of improved low-cost building technologies through skill upgradation of local artisans and training of urban and rural youth, at State, district and block levels. Low-cost building technologies to be propagated through these Building Centres will have to be carefully identified on the basis of local needs, resources and environment, The following will be the broad areas of action :

- a) Upgradation of traditional technologies will be one of the major concerns of the Building Centres. Development and manufacture of established mud-blocks by using small quantity of lime and cement, making the traditional thatched roofs in the rural areas water proof and fire resistant by adopting various methods and such other measures will be propagated by the Centres.
- (b) Development of skills for pre-fabricating low-cost building components with efficient utilisation of steel and cement, like RCC sanitation rings and cement water tanks, hollow blocks, stone blocks, channel roofing system, fibre concrete tiles etc. would be the major thrust area in these Centres.
- c) Encouraging building components using wastes and recycled materials would be another major concern of these Centres.
- d) Various manufactured low-cost building materials like asphaltic roofing sheet, Sulabh Sanitary wares, siporex components etc. can be stocked by the Building Centres and sold to home builders at reasonable prices.
- e) The local artisans and unemployed youth will be trained in the use of low-cost building components and improved tools and equipments developed by building research institutions etc. so as to upgrade their skills.
- f) The Centres will also promote low-cost house designs which relate to the life style of the local people.

ii) **Financing pattern** : The Ministry of Urban Development will sanction a grant of Rs. 2 lakhs to each Building Centre through HUDCO. This grant-in-aid may be utilised as follows:-

- | | |
|--------------------------------------------------------------------|----------------|
| a) construction of workshed, training centre, godown and office | Rs. 1 .00 lakh |
| b) purchase of equipment, training material etc. | Rs. 1 .00 lakh |

Within the overall ceiling of Rs. 2 lakhs, minor variation in the grant-in-aid for the two items mentioned above will be permissible. Since this scheme aims at promoting gainful employment to young men and women from urban and rural areas by training them in the use of low-cost building materials and technologies, thereby giving an impetus to low cost constructions, this scheme needs to be suitably dovetailed with various rural development programmes like TRYSEM, RLEGP, NREP IAY and IRDP etc., subject to subsisting guidelines. Similarly, funds earmarked for research and development under Indira Awas Yojana can be legitimately utilised for developing these Kendras. Funds can also be tapped for these Kendras from various schemes sponsored by the Ministry of Labour and Department of Industries. Financial support from the Department of non-conventional energy sources and the Department of Environment could also be enlisted.

In addition to the grant from the Ministry of Urban Development and financial assistance which may come from the various rural development programmes and the schemes of Department of Labour, Department of Industry, Department of Environment etc., additional loan assistance will be made available to the Centres by the Housing and Urban Development Corporation to the extent of Rs.4 lakhs per Centre at 10% interest rater per annum, repayable in 12 years, with moratorium of 2 years. Within a year or so of their becoming functional, these kendras should become self-supporting and financially viable and make every effort to repay the loan through their earnings.

iii) **Land** : Each Centre will be set up on a plot of land preferable admeasuring one-and-a-half acres to two a c r e s . The land earmarked for the purpose should be easily accessible and have a fair degree of infrastructural facilities like transport, water supply and power. The land may be made available to the centre by the State Government/U.T Administration/local body/development agency/housing agency/voluntary agency, free of cost or on nominal rent, Land available with promoting agencies such as Cooperatives Sugar Factories and Industrial Cooperatives could also be used for this purpose.

iv) **Institutional frame-work** : To ensure freedom and flexibility in its working, each Centre may be managed by setting up of an organisation in the form of a registered trust/Society under Public Trust / Charitable Endowments Act/ Societies Registration Act, 1960 or such other Act available in the State. Model of this organisation may be that of the Quilon Building /Nirmithi Kendra.

v) Marketing of the products : It has to be ensured that an assured market for use of the products manufactured/stored in the Building Centres is created by the State Public Works Department, block Development agencies, Municipalities Housing /Development Boards/ Authorities etc. by ensuring the use of these products while putting up the buildings under various development schemes and while putting up dwelling units etc. under public housing schemes / programmes. These authorities could place orders with the centres for supply of an assured quantity of products from them **at** the beginning of the year. These training-cum production Centres may be deemed as SSI Units and the finished products should get necessary price-preferences etc., as are applicable to SSI units.

vi) Involvement of non-governmental organisation : Non governmental organisation can make a significant contribution in the development of the Building Centres. They could be contacted for managing some of these Centres. Dedicated professionals and social workers can also provide the required leadership and directed to this programme. Social/voluntary organisations may be able to also provide. financial support. Involvement of such non-governmental organisations would be a good supporting strategy for the success of the programme.

4. Since the setting up of Building Centres is a new concept, involving organisation of a difficult activity on efficient lines, the Housing & Urban Development Corporation (HUDCO), which has been identified as the overall implementing agency for this scheme at the Central level, is bringing out an "Action Plan Manual for the setting up of these Centres. Copies of the Manual will be forwarded to you by HUDCO in due course. This manual will be a guide for those who propos to start a Building Centre. The provisions in the Action Plan Manual will be flexible, to suit the local situations.

5. The State/U.T. Governments are requested to give wide publicity to this scheme through various local media. Individual projects for setting up of Building Centres in different districts may be drawn up by enlisting the involvement of various local authorities, Housing Boards, Development Authorities /Agencies reputed non-governmental bodies, cooperatives organisations and potential entrepreneurs. The projects once drawn up may be sent to the Housing and Urban Development Corporation which will scrutinise the same for the purpose of release of financial assistance in the form of grant-in-aid, loan etc. If the project is approved, the Central Government grant-in-aid will be released to the Centre through HUDCO. Since, during the current year, it has been targetted to set up 100 Centres throughout the country. it is requested that sufficient number of district-wise projects for setting up a Building Centre each may be formulated and sent to HUDCO at the earliest, under intimation to this Ministry.

Yours faithfully,
sd/-

(D.M. Sukthankar)

Secretary to the Government of India

NATIONAL NETWORK OF BUILDING CENTRES REVISED GUIDELINES

Implementation and Administrative Aspects of the Scheme

The Eighth Plan accords priority to building centres and envisages budget provision for support to Building Centres and the National Housing Policy also advocates that the programme be supported as part of the policy for technology extension and building materials and environmental conservation. However, there should be no effort to set up the centres on the basis of annual statewise targets. Thrust should be to consolidate and strengthen the centres already in existence and promote convergent use of available resources for technology extension and skill upgrading.

2. The programme should be demand driven and related to expressed local needs. In order to achieve early viability in the operations of the Centres, there is a need to modify the guidelines envisaged in the original scheme covering following aspects. The revised guidelines will relate to

organisational set up of Building Centre depending on the sponsor and the role assumed by it whether the centres should concentrate on production or execution of projects.

procedure for approval and sanction

thrust areas of the Centre in the context of NHP

financial sources of the Centres in the interest of long term viability.

responsiveness to shelter needs of the people and adoption of innovative materials

involvement of leading architects / engineers / public construction agencies / NGO'S

3. The Action Plan Manual will be separately circulated by HUDCO in the light of these guidelines. The modified manual should then be circulated widely in different languages to all state agencies, technical institutions and users. It has to be followed by simple know how pamphlets in local languages and training hints of the type devised for the construction of earthquake affected houses in U P or calamity affected houses in Tamil Nadu and Kerala. The recommended technologies and the building centres should be widely disseminated through the media and the coherence with professional bodies.
4. The scheme could cover villages, small and medium towns, depending on initiatives taken by the state and local agencies, research and professional bodies. It could be related to JRY and rural development schemes, and to activities of DRDA for employment generation, skill upgradations, small enterprises, support to NGO's, women and youth associations etc. In rural areas further, CAPART would be involved in the efforts to energize voluntary action for building technology, use of local resources and biomass etc. Ministry of Rural Development has offered to grants through HUDCO for rural centres. The funds available under TRYSEM, NRY, vocational training, etc. can be used for the centres' activities.
5. Each State Govt. may identify a Nodal Agency to facilitate speedy implementation of scheme

and to support local initiatives, This could be state planning/housing department, linked to DRDA'S (DRDA'S at district level) and laterally to agencies in charge of housing, public construction and technology immediate aim should be to incorporate new materials into PWD codes and tender documents and to disseminate them to all user agencies and households. The polytechnics and local bodies should support the centres.

6. Prominent local architects and engineers can sponsor the centres as patrons to lend them greater status and popular acceptability. Programme should be projected through media and enforced through State agencies to encourage increased participation of professionals, architects and engineers, entrepreneurs, industry associations and NGOs. The associations of teachers like Indian Society for Technical Education as well as contractor association can be involved. Legal tax incentives could be considered, apart from excise concessions for materials produced in Building Centres. Manufacturing enterprises could concentrate on activities related to materials made out of their waste products such as flyash, or efficient brick kilns and other units for captive consumption. Financial institutions could insist on the use of cost-effective technology and new materials, and extend finance for their production. The changes in provisions of Building Codes are significant in this regard, as also adoption of innovative technologies and alternate materials by CPWD and State PWD's. The Centres should aim at assisting individual builders to use cost effective technology without confining the use only to demonstration Govt. schemes. The Centres should not overemphasize production or marketing of building materials to the exclusion of training and shelter guidance.
7. The proper evaluation, validation and documentation of technologies would be undertaken by BMTPC to permit their propagation after vetting by the BIS in the form of working standards or inclusion in the building codes. Their adoption by CPWD and state PWDs will ensure respectability to the materials and technologies to be propagated through Building Centres. While HUDCO would continue to operate the programme it would be guided by the national committee in the Ministry of Urban Development having, representative of concerned agencies on technology transfer. The Committee would coopt state representatives and NGO's. As envisaged under NHP, the public agencies should lead the way by earmarking at least 10% of turnover for new technologies after including them in the schedules. Funds can be given to state level nodal agencies and research institutions to document and disseminate technologies in understandable and adoptable form. HUDCO and BMTPC would ensure that the Centres propagate only tested technology, are staffed with good professionals, exercise quality checks over production of materials and construction, and do not overextend themselves.
8. It is essential that the scheme should be widely publicised for the benefit of local users and households in local languages through various media for which technical help can be given by HUDCO / BMPTC.

Public buildings of high visibility should be constructed using innovative cost-effective technologies such as primary schools, village and municipal offices, health care centres and staff housing. The Building Centres may first be by BMTPC and HUDCO for taking up

construction projects of different levels of sophistication and then the State Govts. induced to award works to them on deposit basis. Similarly, the association of Building Centres, in guiding private builders or organisations in the use of cost-effective technology and new materials can be promoted with the help of architects, engineers and builder association.

Recommended Action for Existing Centres

9 All existing proposals for building centres already approved would be evaluated by HUDCO and unviable Centres weeded out from the list after consulting State Govts. There should be no effort to continue the Centres at any cost even if they show continuously poor commitment and performance. Where the Centres are not taking off for want of land or other local constraints time limit for sorting them out would be given and then a decision taken for continuance or closure. HUDCO would examine if the Centres can be assisted by help to induct fulltime professionals or in securing support of local research bodies/professional associations/builders association. The state govts. should be asked to provide land, power, water supply, access roads etc., to help the Centres work. The Nirmithi Kendras would be encouraged to pursue different technologies based on rural agro materials, energy conservation and industrial wastes, prefab components, upgraded use of mud, ferrocement etc. based on locally available resources so as to become viable in terms of production by themselves or franchise to entrepreneurs.

Objectives & Scope of Activities

10. Each Building Centres while operating on market oriented, demand driven principles should provide an integrated range of services depending upon the area needs and promoters' interest. Based on The local needs, a Centre should evolve appropriate mix of its activities in keeping with its objective and may gradually enlarge its scope of work compatible with its selected thrust areas and professional capabilities. Various tasks expected to be undertaken by the Centres may fall under following major categories.

- a) technology transfer from 'lab' to 'land' by disseminating information on cost effective technologies in urban and rural areas.
- b) skill upgradation and training of masons, artisans, carpenters, other building related work force including professionals and entrepreneurs in production and practice of various cost effective building materials, techniques and systems.
- c) manufacturing/production of cost effective building materials/components based on local natural or waste resources and providing distribution outlet for the various user groups,
- d) creating a pool of trained rural/urban construction workforce to meet the diverse needs of housing and building construction and other developmental activities undertaken by individual house holds or public housing/development agencies utilising appropriate and cost effective building technologies.

- e) housing and building guidance, information and counselling

The criteria for successful operation would be different for rural and urban Centres. However: all Centres should be geared for construction guidance on design and engineering side, artisan training and technology dissemination for both public and private bodies, cooperatives, individuals and low income communities. The thrust has primarily to be on objectives (a), (b) and (c)

Organisational Pattern

1. The organisational pattern will largely depend on the nature and initiative of the sponsoring institution/agency / individual. The setting up of the Building Centres may be encouraged through one or more of the following initiatives:

- i) by State Govt., District Administration, Local Bodies, Block Development Offices, Rural Development agencies;
- ii) by the State/Central housing agencies / undertakings;
- iii) by the Research and Development institutions
- iv) by Educational, Training, Management organisations engaged in teaching, training, skill/ entrepreneurship development in the areas of housing, building and construction;
- v) by Non-Governmental Organisations, voluntary bodies and Charitable Trusts/Societies;
- vi) by professionals, developers, builders and entrepreneurs individually or severally
- vii) by Construction workers' cooperatives, Contractors/ Builders Associations, Cooperative housing societies..

All possible organisational patterns should be widely publicised to encourage different types of initiatives. Essentially the programme has to be demand driven and support felt needs of community for technical assistance in cheaper construction or upgradation, or deal with shortage of conventional materials, or help in improved use of locally available resources and biomass, or in helping to disseminate better technologies. It has, however, to be ensured that the technologies promoted through the Centres are seen to carry the advocacy of opinion leaders like architects, engineers, contractor associations and PWD'S while the technologies themselves carry authentication by BMTPC/HUDCO/BIS and State PWDs.

13. The Centres can be registered under Societies Act, Cooperatives Act, Companies Act views of State Governments would be kept in view while proposing change in the present set up under the guidelines. It is necessary, however, to make the organisational form of the Building Centres more flexible, in favour of an entrepreneurial, non bureaucratic set up.

14. Each Building Centre should evolve its own management pattern and no rigid guidelines

can be laid down regarding the governing body or executive committee and only the performance requirements would be suggested in the Action Plan Manual.

Techno-Financial Viability of Building Centres

15 Tie-up in training activities of Centres and State Agencies for NRY, JRY, TRYSEM etc. should be strengthened to facilitate adequate funds for training at Building Centres, while at the same time helping to use the Centres for skill upgradation and income support.

16. Building Centres should be encouraged to have continuous interaction with R&D and engineering educational institutions. At the same time, Deptt of Education and State Govts. should be requested to restructure the curriculum for incubations better appreciation of technology transfer. The associations of Architects and Engineers should be persuaded to appreciate the role of Building Centres. The concept of few Building Centres as Centres of national excellence can be considered to support dissemination of technology to other Centres, training of professional for other Centres etc.

Funding Pattern

17. Central grant-in-aid for the new building centres would be considered on a graded basis from Rs. 3 lacs to Rs. 5 lacs depending upon the nature of activities and subject to availability of funds. The detailed guidelines in this regard will be separately issued. The central grants will be supplemented through HUDCO with k f w grants subject ot availability and HUDCO loans for designated purposes. Additional grants would be available from central schemes of Ministry of Rural Development and Ministry of Urban Development.

Monitoring & Evaluation

18. Detailed procedure for periodic monitoring and evaluation of progress of each Building Centre at local and progress of scheme at State level should be laid down. The monitoring can be done by State nodal agency, HUDCO and national level committee under Secretary (Urban Development). Periodic evaluation of Building Centres would be done through outside experts to lay the basis for continuance, remedial action and further support.

Fiscal Incentives

19. It is suggested to State Govts. that exemption of Sales Tax, Octroi should be given by State Governments for products manufactured by Building Centres and they may utilise the Centres for construction undertaken by their agencies.

20. With a view to integrating cost effective technologies on a continuing basis in the housing and building programmes, it is strongly recommended that a R&D fund be set-up by drawing 1 to 1.5% of the funds being spent on housing projects by the housing, urban and rural development agencies to be utilised for strengthening the technology transfer activities being pursued by the Building

Centres. The utilisation of the fund should be managed jointly by state nodal agency, HUDCO and BMTPC.

Role of State Governments & Agencies

21. There are certain supporting actions which the State Governments may consider taking in the interest of achieving the technology transfer objectives of National Housing Policy.

- 21.1 The State housing and building agencies should be advised / directed to involve capable Building Centres in execution of housing and other building schemes based on new materials and technologies.
- 21.2 Necessary modifications should be introduced in Schedules of Specifications & contract documents of housing development agencies.
- 21.3 Procedures for awarding "Turn-Key" or Performance & contracts should be formalised and accepted by State Govts. / Housing & Development Agencies till schedules are modified.
- 21.4 The private builders and architects and engineers should be induced to accept and introduce innovative technologies and materials in the national interest. The private entrepreneurs in small and large sector should be given the feasibility reports of the new materials and induced to take up their manufacture and open retail outlets with the support of state industries departments, SSI agencies etc.

- 22 a) Recurring funds for training in construction related trades should be made available to Building Centres by State Governments.
- b) Capable Building Centres should be recognised by Govt., Contractors associations, Polytechniques, ITIs for awarding proficiency certificates.

23. A state level committee will be set up under the Chief Secretary as part of the monitoring arrangements under National Housing Policy. This can monitor the building centres and the linked activities proposed here. The committee can be assisted in this regard by the state level nodal agency.

Sustainability of Building Centre's Operations

24. Building Centres may be encouraged to have their own associations, organise seminars/get together to establish a system of information and experience sharing. in concert with BMTPC, HUDCO and State agencies.

25. The building centres programme would be coordinated and monitored at the national level by and Apex Committee under the chairmanship of Secretary MOUD. This body would include members of Executive Committee of BMTPC, DG CPWD, DG(Training) in Labour Ministry State Govts. representations, NGO's and building centres. It will review the entire gamut of decentralised technology transfer, dissemination and skills upgradation convey appropriate instructions / advice to State Govts. BMTPC, HUDCO and other agencies in public and private sector.