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Modified Guidelines for Integrated Housing and Slum Development Programme, 2009

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**MODIFIED GUIDELINES
FOR**

**INTEGRATED HOUSING AND SLUM
DEVELOPMENT PROGRAMME**

**Jawaharlal Nehru National Urban Renewal Mission
(JNNURM)**

February 2009

**GOVERNMENT OF INDIA
MINISTRY OF HOUSING AND URBAN POVERTY
ALLEVIATION
NEW DELHI**

Modified Guidelines for Projects of Integrated Housing & Slum Development Programme (IHSDP)

1 INTRODUCTION

- 1.1 Integrated Housing & Slum Development Programme aims at combining the existing schemes of VAMBAY and NSDP under the new IHSDP Scheme for having an integrated approach in ameliorating the conditions of the urban slum dwellers who do not possess adequate shelter and reside in dilapidated conditions.
- 1.2 The scheme is applicable to all cities and towns as per 2001 Census except cities/towns covered under Jawaharlal Nehru National Urban Renewal Mission (JNNURM)
- 1.3 The scheme seeks to enhance public and private investments in housing and infrastructural development in urban areas.

2. OBJECTIVES

The basic objective of the Scheme is to strive for holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas.

3. COVERAGE

- 3.1 The scheme will apply to all cities/towns, excepting cities/towns covered under JNNURM. The target group under the scheme is slum dwellers from all sections of the community through a cluster approach.
- 3.2 Allocation of funds among States will be on the basis of the States' urban slum population to total urban slum population in the country.
- 3.3 States may allocate funds to towns/cities basing on similar formula. However, funds would be provided to only those towns and cities where elections to local bodies have been held and elected bodies are in position.
- 3.4 The State Governments may prioritize towns and cities on the basis of their felt-need. While prioritizing towns, States would take into account existing infrastructure, economically and socially disadvantaged sections of the slum population and difficult areas.

4. COMPONENTS

- 4.1 The components for assistance under the scheme will include all slum improvement/upgradation/relocation projects including upgradation/new construction of houses and infrastructural facilities, like, water supply and sewerage. Cost of land for such projects will not be provided under the programme and has to be borne by the State Government. In case the project is to be undertaken on private land, which is to

be acquired by the State, cost of land may also be part of the project costing only in the case of North Eastern States and the hilly States of Himachal Pradesh, Uttarakhand and Jammu & Kashmir.

4.2 **Title of the land**

Title of the land should preferably be in the name of the wife and alternatively jointly in the names of husband and wife. In exceptional cases, title in the name of male beneficiary may be permitted.

4.3. **A&OE**

Not more than 5% of the total allocation of funds under the scheme for A&OE purposes for preparation of project reports and for administrative purposes which may be distributed among Ministry and States/UTs/Implementing Agencies.

4.4. **Ceiling Cost for Dwelling Unit** under IHSDP will be Rs.1,00,000 for the projects sanctioned during 2008-09 onwards for the purpose of determining Central share, with States/UTs/ Urban Local Bodies (ULBs) having the freedom to fix higher unit cost for housing and composite cost for housing and basic infrastructure, meeting the additional cost by themselves.

For special category/hilly States and difficult/far flung areas, 12.5% additionality will be permissible over and above the prescribed ceiling cost per dwelling unit.

4.5 **Selection of Beneficiaries**

By SUDA/DUDA/ULBs/Government Nodal Agency authorized by the State Government.

4.6 **Minimum Floor Area of Dwelling Unit**

Not less than **25 sq. mtrs.** Area and preferably two room accommodation plus kitchen and toilet should be constructed.

4.7 **Infrastructure Development and Maintenance in the slums**

State Governments should ensure a separate provision for upkeep and maintenance of the public assets created under the scheme.

4.8 **Beneficiary Contribution**

Housing should not be provided free to the beneficiaries by the State Government. A minimum of 12% beneficiary contribution should be stipulated, which in the case of SC/ST/BC/OBC/PH and other weaker sections shall be 10%.

4.9 **Admissible Components**

- i) Provision of shelter including upgradation & construction of new houses.
- ii) Provision of community toilets.

- iii) Provision of physical amenities like water supply, storm water drains, community bath, widening and paving of existing lanes, sewers, community latrines, street lights, etc.
- iv) Community Infrastructure like provision of community centres to be used for pre-school education, non-formal education, adult education, recreational activities, etc.
- v) Community Primary Health Care Centre Buildings can be provided.
- vi) Social Amenities like pre-school education, non-formal education, adult education, maternity, child health and Primary health care including immunization, etc.
- vii) Provision of Model Demonstration Projects.
- viii) Sites and Services/houses at affordable costs for EWS & LIG categories.
- ix) Slum improvement and rehabilitation projects.
- x) Land acquisition cost will not be financed except for acquisition of private land for schemes/ projects in the North Eastern States & hilly States, viz., Himachal Pradesh, Uttarakhand and Jammu & Kashmir.

Note: DPRs will have to be prepared by the implementing agencies for funding under IHSDP including specific project components, viz, health, education and social security. However, the schemes of health, education and social security will be funded through convergence of schemes and dovetailing of budgetary provisions available under the programmes of the respective sectors (Health, Human Resource Development, Social Justice and Empowerment and Labour, etc.), but will also be monitored by the Ministry of Urban Employment & Poverty Alleviation in so far as urban poor are concerned.

4.10 The scheme may be converged with other State sectoral and departmental programmes relating to achieving social sector goals similar to those envisaged in this scheme.

5. FINANCING PATTERN

5.1 The sharing of funds would be in the ratio of 80:20 between Central Government & State Government/ULB/Parastatal. States/Implementing Agencies may raise their contribution from their own resources or from beneficiary contribution/ financial institutions.

5.2 For special category States, the funding pattern between Centre and the States will be in the ratio of 90:10.

5.3 Funds from MPLAD/MLALAD could be canalized towards project cost and to that extent State share could be suitably reduced. However, MPLAD/MLALAD fund would not substitute beneficiary contribution.

5.4 The scheme will be implemented through a designated State level nodal agency.

5.5 In case Externally Aided Project (EXP) funds are available, these can be passed through as ACA to the State Govt. as funds contributed by State/ULBs/FIs.

6. RELEASE OF CENTRAL ASSISTANCE

6.1. Central assistance (grant) released will go directly to the nodal agencies identified by the State government as Additional Central Assistance.

6.2. Release of Central share to nodal agency will depend on availability of State share and submission of utilization certificates in accordance with the provisions of General Financial Rules (GFRs).

6.3.1. The criteria for release of funds are as under:-

State share has to be deposited in a separate account to become eligible for the Central grant. 50% of the Central grant will be released to the State nodal agency after verification of the State share, and on signing the tripartite Memorandum of Agreement. Second instalment will be released based on the progress.

6.3.2. In respect of the implementation of IHSDP the reforms critical to slum improvement are:

- i) Internal earmarking within Urban Local Body budgets for basic services to the urban poor – eventually developing a Basic Services to the Urban Poor Fund so that adequate resources are available for meeting the needs of the urban poor;
- ii) Provision of basic services to the urban poor including security of tenure at 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 in a time-bound manner; and
- iii) Earmarking at least 20-25% of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross-subsidization so that land is available for affordable housing for the urban poor.

6.3.3. Accordingly, release of Central assistance to States/Union Territories under the Integrated Housing and Slum Development Programme (IHSDP) is linked to the progress of implementation of 3 pro-poor reforms under JNNURM that are critical to slum improvement.

7. **INCENTIVES**

7.1 After due assessment of status of implementation of activities for which incentives are sought, Central Sanctioning Committee /State Level Co-ordination Committee may sanction/recommend additional Central grant upto a maximum of 10% to incentivise implementing agencies as indicated below:

- For adoption of innovative approaches and adoption of proven and appropriate technologies.
- For Information, Education and communication (IEC).
- For training and capacity building relating to project/ scheme.
- For preparation of Detailed Project Reports.
- For bringing about efficiencies in the projects.

8. **STATE LEVEL NODAL AGENCY**

8.1 The State Government may designate any existing institution as nodal agency for implementation of the scheme.

8.2 The nodal agency will be responsible for the following:-

- (i) Inviting project proposals from ULBs/Implementing agencies;
- (ii) Techno-economic appraisal of the projects either through in-house expertise or by outside agencies through outsourcing;
- (iii) Management of funds received from Central and State Governments;
- (iv) Disbursement of the funds as per the financing pattern given in the guidelines;
- (v) Furnishing of utilization certificates, in accordance with the provisions of GFRs, and quarterly physical & financial progress reports to the Ministry of Urban Development;
- (vi) Maintenance of audited accounts of funds released to ULBs and implementing agencies

9. **PROJECT APPRAISAL**

9.1 Urban Local Bodies and implementing agencies will submit detailed project reports to the designated State Level nodal agencies for appraisal.

9.2 The State Level nodal agency will forward the appraised projects to Ministry of Urban Employment & Poverty Alleviation for consideration of CSC/State Level coordination Committee, as the case may be.

10. **STATE LEVEL COORDINATION COMMITTEE (SLCC):**

10.1 The composition of the State Level Coordination Committee (SLCC) will be decided by the States.

10.2 SLCC will ensure the following:

- a. Examine and approve project reports submitted by the local bodies/implementing agencies taking into account the appraisal reports;

- b. Periodically monitor the progress of sanctioned projects/ schemes including funds mobilization from financial institutions.
 - c. Review the implementation of the scheme keeping in view its broad objectives and ensure that the programmes taken up are in accordance with the guidelines laid down.
 - d. Review the progress of urban reforms being undertaken by ULBs/ implementing agencies.
- 10.3 SLCC shall meet as often as required but shall meet quarterly to review the progress of ongoing projects and for sanction new projects.

11. CENTRAL SANCTIONING COMMITTEE

11.1 The reconstituted composition of Central Sanctioning Committee is as follows:-

- | | |
|--|--------------------|
| 1. Secretary, Ministry of Housing and Urban Poverty Alleviation | – Chairman |
| 2. Secretary, Ministry of Urban Development | – Member |
| 3. Secretary, Ministry of Finance (Department of Expenditure) | ... – Member |
| 4. Principal Adviser (HUD), Planning Commission | – Member |
| 5. Secretary, Ministry of Environment and Forests | – Member |
| 6. Secretary, Ministry of Social Justice and Empowerment | – Member |
| 7. Secretary, Ministry of Health and Family Welfare | – Member |
| 8. Secretary, Department of School Education & Literacy, Ministry of HRD | – Member |
| 9. Joint Secretary and Financial Adviser, Ministry of UD/HUPA | – Member |
| 10. Chief Planner, Town and Country Planning Organization | – Member |
| 11. Adviser, CPHEEO, Ministry of Urban Development | – Member |
| 12. CMD, Housing and Urban Development Corporation Ltd | – Member |
| 13. Joint Secretary (JNNURM) & Mission Director, Ministry of Housing and Urban Poverty Alleviation | – Member-Secretary |

11.2 The CSC will examine and approve the projects relating to Housing and Integrated projects on housing and infrastructure development, submitted by the State Nodal Agencies on the recommendations of the State Level Co-ordination Committee.

11.3 The State Level Co-ordination Committee will examine and approve the projects relating to providing only basic amenities/ improvement of infrastructure to the slum dwellers.

12. AGENDA OF REFORMS

The main thrust of the revised strategy of urban renewal including providing basic services to the urban poor (BSUP) is to ensure 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 this 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:-

- i) Mandatory reforms
- ii) Optional reforms

List of Mandatory and Optional reforms is at **Annexure**.

National Steering Group may add additional reforms to the identified reforms.

The State Governments, ULBs and parastatal agencies will be required to execute a Memorandum of Agreement (MoA) with the Government of India committing to implement the reform programme. MoA would also spell out specific milestones to be achieved for each item of reform. Signing of this tri-partite MoA will be a necessary condition to access Central assistance.

13. MONITORING

- Ministry of Urban Employment & Poverty Alleviation will periodically monitor the scheme through designated Officer of the Ministry for each State/UT.
- State level nodal agency would send quarterly progress report to the Ministry of MoHUPA.
- SLCC/CSC would ensure quarterly monitoring of various projects recommended/sanctioned under the programme.

14. TRAINING AND CAPACITY BUILDING

The Central and State Governments will make continuous efforts for training and up-gradation of the skills of the personnel responsible for the project and the elected representatives. State Government may organize suitable training as well as capacity building programmes through reputed institutions in the field. The same will form part of DPR to be submitted by implementing agency.

15. MISCELLANEOUS

- 15.1 It will be the responsibility of Urban Local Bodies/implementing agencies to keep an inventory of assets created and also to maintain and operate the assets and facilities created.
- 15.2 The implementing agencies at the ULB/implementing agency level will be required to open and maintain separate bank account for each project in a commercial bank for receipt and expenditure of all money to be received and spent. ULBs/implementing agencies should maintain registers for utilization of funds separately for Central and State shares and loan from financial institutions.
- 15.3 The nodal agency will maintain institution-wise and project-wise accounts under the scheme.
- 15.4 Projects taken up under the on-going schemes under VAMBAY during the last five years beginning from 2001-2002 will continue to be funded as per the existing guidelines of VAMBAY Scheme till completion of those projects. Further, till the IHSDP Scheme is put in place, even fresh proposals may be taken up under VAMBAY for the year 2005-06.
- 15.5 Ministry of Urban Employment & Poverty Alleviation, in consultation with Ministry of Finance, may effect changes in the scheme guidelines, other than those affecting the financing pattern as the scheme proceeds, if such changes are considered necessary.

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URBAN REFORMS

Urban reforms may include:

Mandatory Reforms :

Urban Local Body Reforms (at 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 at 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.

State Level Reforms

- 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) Rationalisation 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.

OPTIONAL REFORMS

- i) Repeal of Urban Land 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 20-25% 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 up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard.
- xii) Structural reforms
- xiii) Encouraging Public-Private partnership.

NOTE: States/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.
