A. OBJECTIVES

The main objectives of this policy are:

1. To integrate slum settlements and the communities residing within them into the urban area as a whole by creating awareness amongst the public and in Government of the underlying principles that guide the process of slum development and improvement and the options that are available for bringing about the integration.

2. To strengthen the legal and policy framework to facilitate the process of slum development and improvement on a sustainable basis.

3. To establish a framework for involving all stakeholders for the efficient and smooth implementation of Policy objectives.

B. GOVERNING PRINCIPLES

1. Slums are an integral part of urban areas and contribute significantly to their economy both through their labour market contributions and informal production activities. This Policy, therefore, endorses an upgrading and improvement approach in all slums. It does not advocate the concept of slum clearance except under strict guidelines set down for resettlement and
rehabilitation in respect of certain slums located on untenable sites (see Section C para 4 a).

2. The poor represent an extremely important element of the urban labour force and contribute substantially to total productivity and labour market competitiveness. It is vital that all ULBs recognise the contribution of the urban poor in helping to build urban prosperity and make sufficient provision for them to have access to affordable land, house sites and services. The present planning and development framework is exclusive of slums and informal settlements. It views slums as “problem areas” requiring corrective action. The legal framework with its origin in the pre-independence socio-economic context requires modifications and progressive change. There is a need for a greater commitment to institutional re-orientation by adopting a more ‘enabling’ approach to the delivery of basic services accessible to the poor through the more effective mobilisation of community resources and skills to complement public resource allocations. Major areas of attention include: town planning, land management, poverty alleviation, basic service delivery and capacity building.

3. The Policy embodies the core principle that households in all urban informal settlements should have access to certain basic minimum services irrespective of land tenure or occupancy status.

4. Cities without slums should be the goal and objective of all urban planning for social and economic development. To reach this goal, it will be necessary to re-vision our urban development processes to make towns and cities fully
democratic, economically productive, socially just, environmentally sustainable, and culturally vibrant.

5. Urban growth and development should lay greater emphasis on equity and distributive justice. This will mean adopting policies and processes that promote balanced, equitable and sustainable development. The Policy aims to support the planned growth of urban areas in a manner that will help to upgrade all existing slums and informal settlements with due regard for the protection of the wider public interest.

6. The proliferation of slums and informal settlements can be obviated by ensuring continuous supply/recycling of serviced and semi-serviced land suitable for high density occupation by lower income groups. Institutional, planning and fiscal mechanisms should be devised to prevent the idle use of land in urban areas. In those few cases where land needs to be conserved for future use in the wider public interest, more effective safeguarding measures must be evolved by the land owning agencies concerned.

7. Urban local bodies should work in collaboration with all other stakeholders to enhance the impact of slum development and improvement activity by building the capacities of the poor and empowering them to improve their own living conditions. Urban management systems need to be improved in three critical areas: i) resource allocation and use; ii) service delivery; and iii) urban governance - democratic, efficient, transparent and gender sensitive.
8. Greater participation of communities and civil society in all areas of planning, capacity building and development is envisaged. The 74th Constitution Amendment represents the context within which this Policy document is set, recognising that it is the ultimate responsibility of States and urban local bodies to interpret and implement this policy to the best of their ability. This Policy reinforces the emphasis in the 74th Constitutional Amendment on decentralised participatory structures such as Ward Committees and Municipal Planning Committees in support of local initiatives by community groups. This Policy stresses, inter-alia, a priority role for local bodies in the discharge of functions listed in the Twelfth Schedule viz: i) slum improvement and upgradation, ii) urban poverty alleviation, iii) regulation of land use and construction of buildings, iv) provision of urban amenities, and v) public health and sanitation including provision of water supply.

9. In line with the 74\textsuperscript{th} Amendment this Policy presumes that all public land not identified for specific government use should be vested with the ULB.

C. ESSENTIAL STRATEGIC INTERVENTIONS

1. "Inclusive" Approach to Definition of Slum/Informal Settlement

While different State laws have adopted different definitions of the word slum, the Census of India 2001 has proposed to treat the following as ‘Slum’ areas: -

i) All areas notified as ‘Slum’ by State/Local Government and UT Administration under any Act;

ii) All areas recognized as ‘Slum’ by State/Local Government and UT Administration which have not been formally notified as slum under any Act;
iii) A compact area of at least 300 population or about 60-70 households of poorly built congested tenements, in unhygienic environment usually with inadequate infrastructure and lacking in proper sanitary and drinking water facilities.

This definition appears to be satisfactory at all India level.

a) In general, all under-serviced settlements, be they unauthorised occupation of land, congested inner-city built up areas, fringe area unauthorised developments, villages within urban areas and in the periphery, irrespective of tenure or ownership or land use shall be covered under the definition of a slum/informal settlement.

b) The criteria for defining a slum/informal settlement shall take into consideration economic and social parameters (including health indicators) as well as physical conditions. Each State/Union Territory shall lay down the norms/criteria for categorising an area as under-serviced and the local body of each town shall list all such areas as slums.

2. Listing and Registration

a) Comprehensive Listing of Slums/Informal Settlements: For the purpose of providing basic urban services, all under-serviced settlements characterised by poor physical and socio-economic conditions, irrespective of land tenure status and ownership should be identified and demarcated from regular planned neighbourhoods inhabited by better off residents. Once identified, these settlements should be listed by the urban local body.

b) Registration of slum dwellers: All people residing in such listed settlements should then be registered with the ULB in order to prevent
ineligible beneficiaries being included in development programmes and schemes just before the initiation of improvement works or the issue of tenurial rights. The date for the completion of this process will be at the discretion of the ULB. A reckoning date will be required for administrative purposes in order to facilitate annual planning, budgeting and service provision. The register should updated to include subsequent amendments and new registrations lodged with Ward Committees from time to time.

c) Identity Card: A suitable identity card shall be issued to all households in listed slums. The identity card may contain a few details such as household name, address, details of family members etc.

d) Basic Service Eligibility: Once settlements have been listed in the above manner all registered residents will be automatically eligible to receive basic minimum services/amenities from the urban local bodies (ULB) pending any more permanent measures taken to upgrade, rehabilitate or resettle the community. Each State and ULB should determine the norms and standards for basic services such as water, sanitation, electricity, health, etc and how these will be delivered to residents of listed settlements.

e) Other Entitlements: All urban poor, regardless of their land tenure status, shall be entitled to any other special assistance or welfare schemes that are operative within the urban area and/or the State and which are not geographically or spatially determined but targeted to
specific poverty groups. These may include schemes for economic support, credit, pensions, insurance etc and services.

3. **De-listing:**

The urban local bodies should de-list those settlements which have been provided with a sustainable level of basic services and where socio-economic indicators have reached defined acceptable norms. ULBs may also consider prescribing a certain period of time (two or three years) for providing basic services under any slum development programmes after which, the area should be reviewed for de-listing.

4. **Classification of Land Status/Tenability**

The land status of all listed slums/informal settlements should be classified by the ULB as either Tenable or Untenable in order to determine whether or not regular planned service provision will be undertaken on an in-situ or resettlement basis. All listed slums/informal settlements should be considered as Tenable unless the site falls strictly within the definition of Untenability as expressed below:

a) **Definition of Untenable Slums/Informal Settlements:** A site shall not be declared as Untenable unless existence of human habitation on such sites entails undue risk to the safety or health or life of the residents
themselves or where habitation on such sites is considered contrary to “public interest”.

The issue of whether a settlement’s existence is against public interest shall be decided by the District Magistrate in consultation with the ULB and technical experts, after giving full opportunity to the resident community to express their views, in a public hearing. The process of consultation and public hearing shall be completed within three calendar months from the date of their initiation.

b) **Definition of Tenable Slums/Informal Settlements:** All listed settlements that do not fall strictly within the category identified above under untenable situations shall be considered ‘Tenable’, and thus eligible for in-situ upgrading (subject to the settlement of ownership disputes on private land).

5. **Granting of Tenure**

a) **Tenure on Government Owned Land:** Tenure shall be granted to all residents on tenable sites owned or acquired by government. Full property rights shall be granted on resettlement and/or rehabilitation sites. Tenure shall be allotted in the joint names of the head of household and spouse, subject to the proviso that single women or single men headed households shall not be precluded from having full tenure rights. Other forms of tenure may also be considered, if desired by the community. This may include: group tenure, collective tenure, co-operative tenure etc.
**Conflict Resolution:** On lands occupied by Slums/Informal Settlements and owned by Central, State and Local government bodies, Municipal Authorities are to be designated as nodal agencies for initiating the process of resolution of disputes. It will be obligatory for Ministries at the state and central level to participate in these negotiations. Department of Urban Employment and Poverty Alleviation (UEPA), Ministry of Urban Development and Poverty Alleviation will play a pro-active role in resolving disputes on such lands owned by Union Ministries so that all basic services, development and resettlement and rehabilitation (R&R) activities can be negotiated more effectively. The MoUD may be empowered to act as an arbitrator between Central Government and local bodies concerning disputes over such lands (owned by Union Government).

b) **Tenure on Privately owned lands:**

i) **Land Acquisition:** All Tenable settlements on private land should be acquired unless the ULB decides to pass a resolution otherwise. All States should make immediate provision to streamline and simplify the procedure to ensure the speedy acquisition of land for slums on private land categorised as Tenable. The land acquisition process should be completed within a maximum period of six calendar months from the time of initiating the process.
ii) **Negotiated Compensation:** The acquisition of land from private parties should be undertaken on a negotiated basis. All the stakeholders (residents, urban local bodies, public agencies, others) may be invited to participate in the negotiation to promote transparency and equity. Funds earmarked from a tax/cess on vacant lands should be drawn from the Urban Poverty Eradication and Shelter Fund (see para 12 c) to provide compensation for acquiring private lands on which the slum settlements exist. Compensation may include monetary contributions, sharing of land, lease of land, allocation of an alternate site etc.

c) **Residents Association:** At the time of granting tenure, it should become a pre-requisite for the residents to form an association/society which must be recognised by the urban local body. This association/society should normally consist of all resident families in that area where each family is represented by one woman.

d) **Land Use Classification:** Land use for in-situ upgradation projects should be designated as high density mixed use. This will be subject to the condition that any commercial/industrial/trading ventures permitted on such lands shall only be those which are non-polluting, environment friendly and which provide employment to local slum dwellers.

e) **Layout Planning:** In the in-situ upgrading projects, proper layout planning including plot re-alignment and also preferably equalisation of land/shared land areas should precede the granting of full
property/tenurial rights. This should be undertaken on a participatory basis with local residents.

f) **Sale of Tenure/Property Rights:** A fee should be collected from residents for the sale or transfer of ownership rights based on the following criteria:

- a plot area up to a maximum of 25sq mts may be granted at a concessional rate
- any area in excess of this may be granted at such rates decided by the ULB
- plot sizes may be fixed below 25sq mts if mutually agreed by the community and the ULB


g) **Sale of House Plots:** While this Policy would like to ensure that, as far as possible, house plots remain with the original allottees, it also recognises that any over-regulation of the property market will simply lead to the flourishing of a “black market”. With a view to obviate this, the Policy would not wish to prevent any poor household from realising the value of their asset should they be forced to sell for any legitimate reason (such as loss of income, death, etc) provided that any sale of plot/title meets with the approval of the residents association/ ULB established under c) above and where the property is preferably sold back to the same association/ ULB. The association/ ULB should consider levying a tax/charge on all such sales to ensure that a proportion of any increase in land value realised from such a sale or transfer is
utilised for communal benefit. The levying of taxes or charges by a Residents Association or similar organisation will require special legal or administrative actions.

6. Resettlement and Rehabilitation

It is to be emphasised in keeping with the principles of this Policy, that this document primarily endorses and promotes an upgrading and improvement approach to deal with slums and informal settlements as opposed to resettlement. However, where habitation is on a site categorised as Untenable as indicated under Section 4 above, the following guiding principles are enumerated to safeguard the interests of residents in such settlements:

Those residing in listed settlements classified as Untenable are entitled to receive basic minimum services until proper relocation and resettlement provisions have been established and met. All States/ULBs must draw up comprehensive resettlement and relocation guidelines for urban dwellers and all relocation or resettlement of dwellers residing in Untenable sites shall be implemented strictly in accordance with such guidelines which should ensure that:

a) Alternatives to resettlement should be fully explored before any decision is taken to move people.
b) Relocation distances should be minimised to reduce the impact on livelihoods.

c) Resident dwellers must be provided with some choice of alternative sites and where feasible, an alternative rehabilitation package.

d) All resettlement sites should be adequately serviced and provision should be made for public transportation prior to settlement.

e) The livelihoods of affected people must be sufficiently compensated within a fixed period.

f) Participation of primary stakeholders, particularly women, in planning and decision making is a pre-requisite for any resettlement process.

g) Women’s particular needs and constraints must be specifically addressed.

h) Any urban development project that leads to the involuntary resettlement of communities must make provision to cover the costs of R & R.

i) All stages of the resettlement process including the transition and follow-up periods should be closely monitored and supervised by the ULB with community representatives. (Also see section 16 on monitoring and evaluation)
Translating these principles into action envisages:

- full, accurate and detailed baseline inventories of all assets including livelihoods
- community mobilisation
- timing of the interventions to reduce dislocation and discomfort especially during periods of inclement weather
- communication at all levels to ensure transparency
- mobilising support of the local media to assist the process
- co-ordination of multiple ministries and convergence of various programmes
- participation of the host community at all stages of the process
- granting land tenure rights
- monitoring and evaluating

7. Planning for Integration:

a) Modify Existing Planning Framework: All existing planning instruments such as Master Plans, Land Use Plans etc should be modified to ensure that slums and informal settlements can be properly integrated into the wider urban area. In order to achieve this objective it will be necessary to:
i) Ensure that all Master Plans and Land Use plans allow for **high density, mixed use** (for micro-enterprise) land occupation in all slums/informal settlements. This will ensure that every ULB designates sufficient and more appropriate (higher density, lower cost) living and working space for the urban poor within the urban area.

ii) Master Plans and Land Use Plans should also ensure that all new land development schemes make sufficient provision for land to house low income workers as required by such schemes.

iii) All plans and other regulatory instruments must provide sufficient flexibility to modify layouts and building regulations in line with more realistic density/mixed use requirements.

The powers to implement such changes outlined in i - iii above should be vested in the ULB within parameters laid down by State governments.

b) **Integrated Municipal Development Plan (IMDP):** All ULBs should begin to work towards the formulation of an Integrated Municipal Development Plan. The principle objective of this plan is to ensure that the ULB has an adequate and sustainable level of infrastructure and services for all its residents and that such infrastructure and services are planned and delivered in an equitable manner. In order to achieve this objective it will be necessary to identify the capital and recurrent requirements and costs for the city as a whole (eg bulk water supply) as
well as the specific wards and neighbourhoods within the city (secondary and tertiary water supply). The plan should prioritise ways and means of narrowing the gap between the better serviced and less well serviced (slums) areas of the ULB.

c) **Convergence:** The IMDP process assumes the implementation of the 74th Amendment and embodies the principle of convergence of activities and funds to achieve more efficient and equitable urban development. The IMDP will incorporate existing plans and reflect schemes and budget allocations as follows:

- Master Plans/Land Use Plans and other statutory instruments
- Urban Development Plans & schemes
- Urban Poverty Alleviation Plans & schemes
- Departmental Plans & schemes in the ULB area

d) **Dynamic Multi-Year Planning:** The IMDP outlined in b) above should be undertaken as a dynamic process which will be updated and reviewed every three years. The overall plan should then be implemented through Annual Action Plans and budget allocations so that development work can be taken up in a phased manner. These Annual Action Plans should reflect plan priorities based on the level of service deprivation or service gaps pertaining in the wards and neighbourhoods.

e) **Bottom-Up Planning:** Planning should begin at the micro-level with each urban poor area drawing up a list of existing services and identifying gaps and deficiencies. This activity should be undertaken by
the community using participatory planning techniques and each plan should include a clear prioritisation of needs and an indication of different stakeholder contributions towards costs. ULBs will be required to submit evidence of community participation in planning service provision.

8. Environmental Improvement

The Provision of physical infrastructure components such as water supply, drainage, sanitation, improved access, electricity etc, should support the ultimate objective of improved quality of life. The evidence from existing slum improvement projects clearly shows that an improved physical environment greatly facilitates the integration of the settlement in the wider urban area and at the same time, contributes to improved livelihoods and health and well being of the community.

a) Approach

i) Community Based Approach: All physical upgrading and improvement in informal settlements should adopt a Community Based Approach with the active involvement of members of the community at every stage of design, implementation, and maintenance of services and assets. Community structures and systems should reflect local conditions and preferences rather than conform to any uniform pattern. Communities have an important role to play at all stages of service delivery in terms of location of the service points, day-to-day functioning of the service and guarding against its misuse. Communities should be
encouraged to contribute land and resources to help establish community centres and to promote the collection of user charges to contribute to the operation of certain services.

ii) **Target women and children:** There is a need to target women and children directly in the design and implementation of physical infrastructure and the delivery of social and economic services. Infrastructure users, especially the urban poor and women are central to the sustainability of any investment decisions related to infrastructure.

iii) **Service delivery on individual household basis:** Wherever possible, the delivery of basic services such as water, sanitation and electricity should be provided on an individual household basis and may even precede the granting of full tenure rights. Individual connections will improve operations, maintenance, and facilitate recovery of user charges and thus improve the overall environment.

iv) **Contracting-out:** Wherever possible works should be undertaken by communities/CBOs under appropriate supervision of ULBs. Such works must be done according to departmental norms and procedures with proper muster rolls maintained and other stipulations to be observed. Services may also be contracted out, where appropriate, to NGOs and other private companies. Solid waste management has already been successfully contracted-out by many ULBs. Similarly, the
maintenance of pay and use toilets has also been contracted-out to NGOs and community based organisations (CBOs). State enactments/ procedures dealing with improvement works should be modified to allow the implementation of such works to be undertaken on a contract basis by the community/CBOs.

b) Physical Infrastructure Development:

The guiding principles and expected outcomes to be kept in focus while planning and implementing the following basic infrastructure and services are outlined as:

i) Water supply: Quantum, duration, timing and water quality are the four critical factors in planning water supply delivery. Dual and standby systems, such as piped supply supported by local hand-pumps should be considered as a means of helping to address these four factors.

The norm for provision of public water supply stand post is suggested to be one source for 25 persons.

Even where individual water tap connections are provided, it may be desirable to install hand-pumps or community storage facilities to offset poor frequency of supply and inadequate storage capacity at individual household level.
It is desirable that the collection of user charges and the maintenance of assets should be undertaken by community groups on behalf of the ULBs.

ii) **Sanitation:** ULBs should avoid constructing community latrines within slum/informal settlements as these quickly degenerate on account of poor operations and maintenance (O&M) thus becoming counter productive to public health. Where there is insufficient space for individual sanitation options (mostly where on-site disposal systems have to be adopted) group or cluster latrines with clearly demarcated and agreed household responsibilities for O&M may be a suitable alternative option.

The norms for cluster latrines at the rate of one seat for 50 persons is suggested, with adequate institutional arrangements for maintenance and upkeep with the involvement of community. Experience in Pune where such cluster latrines have been constructed at an average cost of Rs 40,000 per seat, have shown encouraging results.

It is vital that any community wide sanitation programme be preceded by an awareness campaign designed to raise demand for the implementation of specific sanitation options. This would greatly facilitate all subsequent O&M activities as would also assist the process of raising financial contributions. Many members of the community, especially male members, do not
perceive sanitation as a clear priority need. This needs to be addressed before embarking upon the installation of sanitation.

Considering the limitations on improving sanitation in many towns due to the absence of underground drainage and sewerage systems, low cost sanitation options, particularly twin pit pour flush latrines may be a more appropriate and cost effective option for slums duly keeping environmental safeguards in mind. Efforts should be made to popularise and facilitate the introduction of such systems wherever appropriate. The tenurial status and likelihood of a settlement getting relocated at some point in the future should not deter promoting such systems since the benefits of such environmental improvement far exceed the initial investment incurred.

iii) Pedestrian and Vehicular Access Ways: Paved access for pedestrians and/or vehicles will greatly improve overall accessibility. Paved access will encourages investment in the community and promote physical integration with neighbouring areas. It may also help to improve social integration within and between communities. Paved access will also greatly facilitate the introduction of other related infrastructure such as storm water drains, underground drainage, water supply, electricity and collection/removal of garbage. Paving would also help in maintaining a clean environment and help reduce flooding and water stagnation. Paved access ways also facilitates the use of
such facilities for social activity, extension of household activities and space for economic activity.

iv) Storm Water Drains: Drains in slums serve the dual purpose of carrying sullage water from individual houses as well as draining storm water. It is crucial to integrate the outfalls of such drains with the city’s main drainage system. The planning of slum drainage should be fully integrated into the planning of neighbouring systems as well as the city as a whole.

v) Electricity: Individual house connections will greatly enhance the comfort and safety of living and working conditions for residents. The mere provision of street lighting without formal household connections leads to illegal tapping and loss of revenue and at the same time causes unplanned loading of the system and fire hazards. Community management systems for collection of user charges will facilitate improved revenue recovery and reduce revenue losses.

vi) Solid Waste Collection: Sustained awareness campaigns and provision of waste collection receptacles will facilitate a cleaner environment. Urban Local Bodies could organise ‘clean slum competitions’ and institute prizes to create more awareness and encourage the community groups to maintain a clean environment within their localities. At community level, management systems that employ private sweepers by collecting monthly charges may also be adopted.
9. **Improving Access to Social Services**

Basic services of health, education and access to credit are crucial for human capital development and reduce the incidence of poverty. Improved access to social services would also help building up the capacities of poor and empowering them to improve their own living conditions and quality of life. Effective delivery of these services would also reduce social inequities and promote integration of people residing in slums into the social and economic networks of the city as a whole, thereby enhancing the overall productivity of the city. Various physical infrastructure components such as water supply and sanitation have a direct bearing on improving health conditions in slums. This section outlines a number of complementary services where ULBs should actively seek to improve access for the urban poor.

a) **Health Services:**

Wherever health services and national health programmes have been devolved to city level following the 74th Amendment, ULBs must build health management capacities to improve service delivery to the poor.

i) **Participatory Health Delivery:** All promotive, preventive and curative health services for the urban poor should be implemented on a participatory basis with active community involvement and support. All required training and basic
infrastructure should be arranged through convergence with departmental schemes.

ii) **Demand for Health Services**: The community should be mobilised to create demand for better preventive health services and to access these services in a more effective manner. Hygiene behaviour changes should be promoted as an integral part of the sanitation services outlined in section 8 b) ii above. An emphasis should also be placed on health education for STD/ HIV prevention, as well as measures to combat alcoholism and violence. ULBs should establish a network of community health workers/ volunteers to facilitate this process through health promotion activity.

iii) **Private Sector Partnerships**: ULBs may consider establishing formal partnerships with private medical practitioners to undertake the delivery of curative services in slums. Such partnerships could provide greater outreach of services at low cost. Traditional systems of medicine may also be used where this expertise is available.

vi) **Health Insurance to Widen the Access to Curative Health Care**: ULBs should encourage communities to participate in health insurance schemes in conjunction with the Saving and Credit society component of the Swarna Jayanti Shahari Rozgar Yojana (SJSRY) scheme and any other scheme for widening access to curative health care.
b) **Education:**

Attention and efforts should be focused on increasing the school enrollment at primary level, reducing school drop-out rates particularly for girls and supplementing formal school education with coaching assistance to assist slum children join the formal schooling system. The following specific measures will facilitate this process:

i) **Primary Education:** ULBs should identify all informal settlements that are inadequately served with pre-school and primary school facilities. Funds should then be made available under NSDP and other departmental programmes to address this problem on a priority basis with the most underserviced areas receiving priority assistance. Multi Purpose Community Centres (MPCC) may also be used for primary education where necessary.

ii) **Pre-Schools and Non Formal Education:** ULBs should actively promote pre-school/creche facilities and non formal education focusing on literacy and vocational training. Multi Purpose Community Centres (MPCC) may be used for pre-schools/creches facilities, non formal education classes, adult education, recreational activities etc. It is to be emphasised that community management and control on the use of community centres is desirable to avoid misuse of this facility.
iii) **Community Management in Education**: Mobilising the community and use of resource persons from within the community to supervise and monitor the educational activity would greatly enhance the delivery of this service. Contributions by way of space and building would build stakes of the community in the process of creating awareness and demand for this service.

iv) **Education Incentive Scheme**: Innovative incentive schemes may be established for those communities that show good performance in improving school attendance particularly in relation to the female child in both the formal and non-formal systems.

v) **Literacy**: A strong emphasis should be placed on developing literacy skills especially for women and children. The ULB should ensure that all slum development schemes are properly integrated into state and national literacy initiatives and campaigns. Community halls and other public spaces may be used for holding literacy classes. NGOs wishing to participate in literacy schemes for slum dwellers should be given access to such halls and other facilities.

vi) **Day Creche Facilities**: ULBs should make provision for establishing day creche facilities in all slums to enable women to participate more fully in the labour market. Community halls may
be used for such purposes and parents may be encouraged to contribute to the cost of running and maintaining such facilities.

c) **Child Labour and Child Rights**

ULBs should be active partners in the implementation of the international convention on child rights and should ensure that every child has access to a sufficient range of educational and vocational training. At the same time ULBs should discourage child labour through the implementation of penalties and fines and the withdrawal of licences for employers found to be using child labour without making proper provision for education or training.

d) **Public Distribution System (PDS):**

State Governments and ULBs may consider granting Community Development Societies licences to operate Fair Price Shops where such societies have been set up and are seen to be running effectively. This will have the dual effect of strengthening the CDS structure and maximising public satisfaction and welfare.

10. **Municipal Services to be brought under Consumer Protection Act:**

It will be desirable to bring Municipal Services under the Consumer Protection Act to monitor quality and reliability of basic infrastructure services delivered at settlement level. This should be uniformly applied irrespective of tenure and land status of the settlement, with a specific mandate to monitor absolute levels of service coverage and differential levels of service availability.
throughout the ULB area. It is recommended that a special consumer panel be established in each municipality comprising members from different settlement categories (in proportion to their total number in the population) with authority to report to Council.

11. Economic Empowerment:

a) Financial Services for the Poor

The poor primarily require mechanisms that will encourage savings for small lump sums that can be used for a variety of consumption (including emergency) and production purposes. These mechanisms can also be used for credit purposes based on group (solidarity) lending principles which involve incremental borrowing against social collateral (peer pressure). Such approaches have been seen to be far more successful ways of providing the poor with convenient access to credit on a sustainable basis (good internal discipline and low rates of default) than many of the subsidised schemes run by government which suffer from low levels of credit discipline, poor rates of repayment and high levels of leakage. Savings and credit groups can be further strengthened and supported through networking of such groups with each other to form a federated structure that may also access formal sources of credit.

ULBs should identify organisations with expertise in group based savings and credit to promote financial service initiatives in slums wherever possible. The ULB may also wish to consider using such organisations and methodologies to implement government sponsored
credit schemes such as SJSRY. To facilitate this process, it is recommended to create an apex body of saving and credit groups at city and state level. Possibility to enlarge the saving and credit services by contracting out to authorised financial intermediaries in the private sector shall also be explored.

The guiding principles for organising savings and credit groups shall include: the group to identify its own members, help develop their own rules and regulations, encourage them to take decisions in terms of money to be saved, periodicity of savings, the purpose for which the money can be lent, amount to be lent, interest rates to be charged, repayment period etc. Any imposition or interference in this process will promote dependency and affect their confidence levels in terms of taking decisions and implementing the activities. The organisers of the community should also help people to acquire capacities in terms of maintenance of accounts, monitoring savings and loan programmes etc. to ensure that the discipline is established and sustained.

b) Economic Support/Enterprise Development

There is a need for ULBs to support interventions designed to address livelihood needs of the urban poor. This will include:

? the provision of vocational training facilities
? implementation of savings and credit schemes for self-employment
? addressing constraints in the labour market
? providing improved access to raw materials and marketing support
It would be desirable for the ULB to involve the private sector in such initiatives wherever possible.

12. Financing Sustainable Slum Improvement & Services

a) Resource Mobilisation: Positive and pro-active interventions for enlarging the resource base shall include a series of initiatives at Central/State/local levels:

i) State Financing: A Slum Development Fund (SDF) should be created at state level to support slum development activities taken up by ULBs. The SDF shall include:

- Contribution from Central devolution of funds from Planning Commission and as earmarked by Central Finance Commission.
- Bilateral/ Multi-lateral funding (directly to SDF or town specific)
- Contribution from States own revenue resources

ii) Municipal Convergence Funding: At Municipal level a variety of sources of funds could be converged to finance slum development as indicated in each ULB’s Integrated Municipal Development Plan and Annual Action Plan. These sources may include:
Transfers from the State Slum Development Fund

Private contributions (with tax concessions) from business, industry and trade

Contributions from other domestic donors

Contributions from the Shelter Fund to finance shelter needs in slums

Matching contributions from community resource through CDSs

Revenues from a Vacant Land tax

Special Cess on new layouts (for slum development)

Revenues from any other taxes/cess or service charges

ULB priority sector allocations under the category of SC/ST/BC

Contributions from the general municipal fund as decided by the ULB

Percentage contribution from MPs/ MLAs/ Councillors funds.

iii) Role of the Private Sector: It may be desirable to leverage additional resources for slum improvement by involving the private sector in certain projects which will utilise revenues from the commercial development of high value inner city slums for resettlement and rehabilitation schemes which will result in bringing about a substantial improvement in the physical, economic and social quality of life of slum dwellers.
Any private sector development scheme must strictly comply with State resettlement and rehabilitation guidelines and must be approved by the ULB after full consultation with the community. Only those schemes which will cover the full cost of R&R and associated services (transportation, communication etc) should be considered by the ULB. The ULB must satisfy itself that any land development and R & R scheme will produce a clear win/ win situation for all parties but most particularly for the slum community.

Construction programmes by government agencies tend to have excessive time and cost overruns. To avoid this and provide greater accountability and competitiveness such projects would be best assigned to the private sector.

iv) Private Sector Funding: The contribution of slum dwellers in helping to maintain the productivity of local business, industry and trade is substantial. ULBs should take initiatives to mobilise resources from the private sector either for the adoption of specific development works at slum level in accordance with the priorities identified in the Municipal Slum Development Plan (MSDP) and Annual Action Plans (see Section 7 above) or through direct contributions to the ULB convergence fund. State governments and ULBs may consider introducing fiscal incentives such as tax exemptions etc as an incentive to mobilising contributions.
v) **Institutional Finance**: ULBs may also consider other means of attracting capital for investment in city and slum infrastructure such as raising bonds and institutional loan finance. A refinancing scheme may be extended (in line with NHB refinancing) to facilitate city governments to raise funds from identified commercial banks.

vi) **Extending Tax Base**: Slum areas, particularly those which have been provided with services should be de-notified (refer to earlier point No.3) and brought under the net of municipal taxes. A Consolidated Service Tax (as part of Property Tax family) on properties located in slums (Tenable and Untentable) should be levied to raise resources from the users. Similarly, other land based taxes on specific developments such as illegal sub-division (regularised-unauthorised) should be applied to recover costs on the basis of paying capacities and used to cross-subsidise the development of slums. These could include:

- Betterment Levy
- Valorisation
- Exactions
- Impact Fees

The levying of such taxes may require the modification of State Municipal Acts.
vii) **User Charges**: At the administrative and political level any unwillingness to charge for services delivered should be discouraged. The standard and effectiveness of service delivery can only be improved if sufficient funds are recovered from the operation of services. ULBs may consider cross-subsidy from user charges where appropriate. It may be important to utilise the services of private agencies and CBOs in this process.

viii) **Community Cost Sharing**: Slum improvement projects should encourage contributions from the community right from the beginning as a means of sharing costs and extending works from the stage of prioritising/inclusion of slums for service delivery to further stages of assessment of needs and demands followed by planning and implementation. The cost sharing approach enhances, commitment and self-reliance.

x) **Selling of Land Title**: ULBs may consider selling of title on an installment basis as a means of raising capital for upgrading and improvement as also to meet the expenses for operations and maintenance. Regularisation and grant of tenure should be linked with (a) loans to beneficiaries for meeting the costs (partially) on infrastructure provision, and (b) mobilisation of community resources (as done under Madras Urban Development Project - MUDP). In this regard community/collective collateral may be used as security to finance subsequent provision of infrastructure.
13. **Improving Creditworthiness of Slum Dwellers**

Improving slum dwellers' creditworthiness will help in accelerating the flow of private funds for slum development especially if this results in the coverage of the large group of ineligible households under formal financing schemes. This would not only provide an additional flow of funds for shelter and other infrastructure but would also have the additional benefit of ensuring greater programmes ownership, sustainability and effectiveness. Making slum dwellers creditworthy, establishing funding mechanisms with transparent subsidy arrangements and innovations are important issues which require policy interventions. The nature of financial intermediation should be such that it encourages suitable local financial institutions to work alongside the ULBs (eg SEWA Bank).

a) **Making Slum Dwellers Creditworthy:** Savings and credit at the group level (see section 11 a) with upward linkages to formal sector finance will have a substantial impact on overall slum development and urban poverty alleviation.

i) **Financial Discipline:** This process would require support for establishing grass roots financial discipline and group capacity building which could be undertaken by specialist savings and credit organisations. Financial institutions should also be allowed to cover the non-eligible segment through acceptance of community and collective collateral in line with HUDCO scheme for NGOs.
ii) **Social Collateral:** Institutional mechanisms should be evolved in line with Community Development Societies (CDS) system to mobilise community based resources to be linked as collateral to extend institutional loans.

b) **Rational use of Subsidies:** Subsidies in slum improvement programmes have become an all-encompassing feature firmly based on a welfare state approach. Even though subsidies for genuinely poor households are inevitable as a means of fulfilling their access to basic shelter and services, it has become imperative to make a shift towards establishing more sustainable financing mechanisms with the participation of the users to bring about desired change.

i) Firstly, this shift could be facilitated by quantifying/making explicit the quantum of subsidies and also making them more transparent.

ii) Subsidies can also be used as cash security to leverage more funds for slum development.

iii) Subsidies could be rotated as revolving funds rather than being simple one time grants

iv) Subsidies could be used as partial captive recovery as has been done in some of the housing projects
Some specific suggestions to reduce and rationalise the inherent subsidies may include the following measures:

**Reforming Subsidies**

? Provision of individual household services such as water supply, electricity and sanitation would facilitate recovery of user charges and wherever these services are to be subsidised they can be quantified and used judiciously.

? Subsidies could be more clearly focussed on specific components such as roads, drains and other social infrastructure facilities such as pre-school provision, nutrition programmes to children and pregnant women, managing primary health care centre and a host of such other related activities of common benefit or benefiting specific individuals or groups.

? Subsidies should be discouraged in employment generation schemes, economic support programmes, and housing/shelter upgradation. Here access to affordable and efficient loans will be more important.
14. Strengthening Municipal Governance and Management

a) **Urban Governance:** The nature of urban governance has important implications for national slum development policy which requires the adoption of new approaches to urban management and urban poverty alleviation. Urban governance should be defined as the relationship between civil society and the municipality/ULB. This implies a shift, away from a perspective that defines infrastructure and services provision as exclusive concerns of government, to a new perspective that acknowledges the potential role, responsibility and impact of civil society. Civil society groups include: civic associations, community groups, women’s groups, social movements, non-governmental organisations, community based organisations, private sector etc. etc. These groups already play a significant role in areas such as housing development, sale and rental of land, transportation and enterprise.

The 74th Constitutional Amendment Act shall form the basis for converging new partnerships and creating an environment wherein the urban local body as the city government will have the prime responsibility as a coordinator. One of the important features of the 74th Amendment is the constitution of Ward Committees which should be extended to cover local bodies of all sizes. In particular community structures of the poor should nominate Ward Committee members rather than political parties.

In keeping with the spirit of the 74th Constitutional Amendment, the activities which are hitherto performed by state level agencies like Slum
Clearance Board, Housing Board etc., needs to be operated through the local body. Till such time the institutional restructuring is not fully accomplished, the local body in each town shall mandatorily be consulted and shall guide all activities of such state level agencies particularly with regard to provision of amenities and services.

b) **Capacity Building:** A series of capacity building initiatives should be promoted to enable ULBs to effectively carry out slum development in accordance with National Slum Development Policy. This should include skill development, financial administration and management and human resource development.

i) **Skill Development** shall be taken up under a three tier training strategy covering:

- Seminars for senior level functionaries (both officials and elected representatives)
- Mid carrier training at decentralised locations
- On-the-job training.

**Skill Areas**

- Listing of slums and identification of eligible households
- Classification of Slums
- Assessment of overall requirements for slum development in the town and preparation of IMDP
? Mobilisation of Slum Community in a three tire structure in line with CDS.

? Preparation of Annual Action/ Investment plans

? Development of projects for in-situ development and resettlement of slums

? Identification of modes and modalities to involve Private Sector, NGOs etc. in the implementation of IMDP

ii) E-Governance: Upgrading the skills of municipal functionaries working at operational level on the use of computers and providing them with the required hardware and software is the first important step to introduce e-governance. Day to day working of the municipal body needs to be stored and updated using computer for easy access to information and building up a system of transparent working. The states of Maharashtra, Gujarat, Tamil Nadu, Andhra Pradesh and a few others have already computerized some of the municipal functions in big municipalities. These include daily revenue collection records, property tax dues, financial information relating to budget etc. This could be replicated in all the local governments/local bodies to bring about efficiency in delivery and monitoring the progress of activities, which is of day-to-day concern to the citizens of the city.

iii) Financial Management: This component will be essential to the implementation of improved financing of slum development. It will be necessary to build financial management capacity in a number of areas such as:

? Financial Planning - normative budgeting and investment Planning
? Accounting and internal control - application of double entry accounting, reporting and recording formats and timely auditing
? Borrowing and Debt Management - updating of debt register and optimum recovery from assets created by debt
? Property Tax Reforms
? Public Private Partnerships.

iii) Human resource Development: Human resource management and development shall cover the promotion of specific cadre under community development cell within ULB to prepare, implement and monitor IMDP at town level. The deployment of cadre at ULB level shall be for a minimum prescribed period so as to have continuity in the slum development activity.

iv) Multi-lateral and bi-lateral Cooperation should be promoted to have Financial and Technical support to carry out capacity building and develop a backup of research, evaluation and impact assessment studies for dissemination in a wider context of skill development. This should be taken up by direct contribution to slum development funds as well as implementation of demonstration projects.

c) Partnerships: In order to realise the above suggested changes, it will be necessary to consider practical ways of developing partnerships with civil society groups for the improvement of informal settlements. Partnerships need to be institutionalised and not person based. For achieving this, there is a need
to create a mandate for partnerships and recognise capacity building as a thrust area in programmes with definite budgets and plans. Capacity building should be applicable across the board to communities, officials, NGOs, non-officials (elected representatives) and all stakeholders.

**Partnership Principles:** Important guiding principles for partnership development shall include:

i) widening the base to include a wide variety of community organisations like youth groups, Mahila Mandal, saving and credit groups, association of interest groups/trades etc; and give the interlinking responsibility to the community development unit;

ii) the nature of financial intermediation should be such that, it facilitates creation of community based financial institutions suitable to local needs and situations;

iv) women should share decision-making with the local body, so as to learn to do the same on their own when they become more active as members or managers in local CBOs;

iv) invest in capacity building in respect of various activities and ensure dovetailing of training with the activity itself; for instance balwadi teachers may require skill training and encouragement for the innovative use of using local materials and models in the day-to-day teaching activity;
v) CBOs must have a choice to select from a range of technical or professional expertise in legal, infrastructure, sanitation, and other aspects with local body assistance.

vi) Develop flexible instruments to facilitate infrastructure development to be demand driven and evolving.

d) **Community Development:** To give a focus and direction for establishing partnership arrangements, in particular between the communities and the departments of the local body, a nucleus of community development unit has to be established in each and every local body. This unit should take a lead role in converging all activities of slum development through community organisations, NGOs and other civil society actors.

15. **Shelter Upgradation**

This section of the Slum Policy is intended to emphasise the fundamental importance of empowering and enabling the urban poor to fulfil their own housing needs just like other city dwellers by facilitating access to serviced land, home loan financing and other technical and institutional support.

Given the magnitude of urban poverty and the availability of public funds is neither practical nor desirable to provide free housing for all the urban poor, especially since this would undermine the inherent capacity of most slum dwellers to provide for their own shelter needs within an enabling policy
framework. Consequently, this Policy is committed to a shelter upgradation approach that will enable, support and extend individual and community initiatives for housing provision.

This policy envisages the primary role of the ULB in shelter upgradation as one of addressing and resolving the following critical bottlenecks:

a) **Land for Affordable Housing**: This can be facilitated by modifying planning legislation and planning instruments (Master Plans etc), as indicated in Section 7, to regularise the concept of high density, mixed use occupation for slum areas. This will have the effect of helping to keep land costs down and ensure that the market for land in slum areas will be determined by high density, low income characteristics and not subject to widespread commercial speculation as elsewhere in the urban area.

b) **Security of Tenure**: The lack of security of tenure is one of the major reasons why poor households are unable or unwilling to engage in shelter upgradation. The possibility of future eviction and or resettlement is a distinct disincentive to investing private money for improved dwellings. At the same time, without proper tenure and thus collateral, households are unable to access formal sources of loan finance for housing. This policy is designed to address the issue of improving land tenure for the poor through the new provisions laid out for Granting of Tenure (see Section 5 above). These provisions will expedite the process of obtaining greater security of tenure for all slum dwellers on government land categorised as Tenable and will also speed up and improve the process of land acquisition and negotiated
compensation on Tenable settlements on private land by adopting innovative methods such as land sharing arrangements and increased FSI/ FAR by way of compensation.

c) **Rationalisation of Norms and Standards:** Whilst making endeavours to formalise and regularise the concept of **higher density, mixed use** occupation of land in existing slum areas, certain minimum norms governing dwelling space should be specified by each State/ULB. Such norms and standards should be redefined so as to allow for high density, low cost housing units with provision for adequate access, ventilation, light, safety and privacy. Provision for a range of plot/house options to accommodate varying needs would be desirable.

d) **Creative Incremental Unit Design and Layout Patterns:** Innovative designs and layout patterns such as cluster planning (see Indian Standards: Requirements of Cluster Planning for Housing - Guide; IS 13727: 1993) which maximise the use of common open spaces are to be encouraged. There should be flexibility for dwelling units to expand incrementally in keeping with a family's changing requirements and economic situation.

The options of planned upgradable sites with minimum service provisions, core and skeletal housing/site and services on small parcels of land adjoining such developments will facilitate supply of affordable housing in the cities.
e) Community Participation: Participatory approaches to housing design and alternatives for housing improvement and development both in-situ and in resettlement areas should be evolved through a process of dialogue. A range of supporting measures to facilitate more effective participation in shelter upgradation might include:

i) Improved Market Information: This is required to bridge the gap in information about market conditions in terms of availability and prices of both land and housing. Compiling systematic information and exchanging the same will be useful to both potential buyers and sellers (including private and public agency) and will ultimately lead to market efficiencies.

ii) Cost Effective Technology: Technical assistance is required to enable households to have access to better technology and materials at cheaper prices through better information, design advice as well as a better assessment of costs of shelter upgradation and provision of household level basic services. Local and outside experts can be invited to build this capacity. Establishing housing guidance centres and utilising the existing building centre network is recommended for this purpose.

iii) Legal Services: Legal services are required for determining the status of different housing options and land parcels. The need for reliable and affordable legal services is substantial. The main legal services that ULBs should make available to the community would relate to information on planning laws, building
regulations and bye-laws. In particular this would consist of making communities more aware of the modified planning laws and redefined house plot/building norms and standards.

iv) Training, Documentation and Advocacy: The concept of "Housing Clinics" where practical training is imparted to grassroots leaders is recommended to enable them to act as key sources of information in relation to points i-iv above. Documentation support like training materials, pamphlets and booklets to support the training efforts in housing clinics is necessary.

f) Project Planning and Management: All potential housing development schemes need to be undertaken on a project basis. This would facilitate identifying the opportunities that exist and also identify and mobilise opportunities for developing fundable projects. Project management services to prepare feasibility reports and other project documents is an important service that needs to be strengthened. Demand for such services is often felt by the individual members, community groups, NGOs and even some of the government/semi-government agencies.

g) Financing Shelter Upgradation: Given the absence of long term (mortgage) finance for low income housing, this Policy encourages States and ULBs to seek new ways of financing shelter for the urban poor. This may include:
i) **Creation of a Revolving Shelter Fund:** This fund should be created from the current minimum 10% allocation of NSDP funds earmarked for housing. This revolving fund should be linked to community savings and credit initiatives with appropriate safeguards. This would then provide an immediate cash injection into a new system of informal housing loans operated on group/solidarity lending principles. Such monies would be far more accessible to the poor households than the present system of institutional finance.

ii) **Partnership with Savings and Credit Societies:** ULBs may consider placing such funds with a savings and credit organisation capable of supporting group based approaches in an effective manner.

iii) **Leveraging Additional Funds:** An apex body of savings and credit groups at city and possibly even State level may then provide funds to lending institutions at neighbourhood/area level which are capable of promoting sustainable housing finance on the basis of innovative loan repayment mechanisms with low default rates. This will entail providing training to borrowers, supporting group savings and lending, peer monitoring and the establishment of flexible repayment schedules/installments. Such lending institutions should leverage additional finance for housing finance from formal banking institutions.
iv) **Loans and Guarantees:** In addition to supporting group savings and lending mechanisms a cash loan facility will be established to enable poor residents to access to housing finance with government guarantees.

v) **Innovative Lending Methods:** Increased access to institutional funds for housing would be facilitated by a combination of the following measures:

- better targeting of groups and individuals who can establish their creditworthiness through participation in savings and credit groups
- utilising subsidies as security against loans
- institutional interventions through local bodies and other government departments which agree to take up housing development on their own land

vi) **Targeting EWS/ LIG Housing Schemes:** EWS and LIG housing schemes should be targeted at registered slum dwellers. In-situ upgradation should be given priority within such schemes.

vii) **Private Sector Participation:** It is imperative that the housing stock for poorer families be increased. This Policy advocates exploring ways of achieving this objective. Existing land owners, NGOs or CBOs, for example, may be encouraged to undertake upgrading as per norms and standards defined provided that any
increase in house values and rents be formally agreed with the community and the ULB prior to works being undertaken.

16. Monitoring and Evaluation (M&E)

M&E is a tool for effective objective-oriented management of development projects and programmes aimed at benefiting the poor and disadvantaged groups. In order to find out the extent to which the programmes and projects of each strategic intervention under the National Slum Policy are being implemented and whether defined policy objectives are being achieved, a system of monitoring and evaluation shall have to be established at different levels of government with the Department of Urban Employment and Poverty Alleviation, Ministry of Urban Affairs and Employment, Government of India at the apex level.

A well defined monitoring and evaluation framework should be developed for every essential strategic intervention by utilising different performance indicators to evaluate and assess the changes that take place as a result of implementing the programme and project under this policy. It is also considered essential to ensure that the monitoring systems provide feedback for further developing and improving this policy framework and that a learning process takes place so that implementation and management of various slum development programmes and projects can be improved in future.
Programmes and projects for implementation of this policy should include firm arrangements for monitoring not only during implementation but also after that to be sure of the result of how the situation develops after each strategic intervention. Monitoring may render essential information and highlight the necessity to adjust the strategic interventions under the slum policy and its different programmes to meet the stated objectives. Adequate provisions shall be needed for monitoring and evaluation of the various slum policies and programmes.

A common management information system in respect of each of the identified activity shall have to be developed and put into place to be implemented for effective follow up actions so that field functionaries of the concerned departments, at the State and local levels report and fill up same set of forms at the grass root level.

Provision should also be made to ensure participation of the community in monitoring and to use the response as a constructive resource for improvement. Feedback of the community is considered the best yardstick to assess the general satisfaction with any slum programme or project. Participatory monitoring can be achieved through including community representatives in the monitoring team, regularly consulting key-person in the community or regular surveys among those covered under different projects/programmes.

For all slum development projects specially relating to resettlement and rehabilitation an extensive ex-post evaluation of the project should be
made a clear part of the project. The project completion report should evaluate the outcome of relocation and its impact on the beneficiaries/resettled households for their standard of living. Results appearing from evaluations may be crucial information for the planning/implementation of other such projects within the city or State as well as out-side the State. The information is also essential to build up experience. It is necessary for ULBs to conduct ex-post evaluations at different time intervals (say, after one year and five years) since some impacts are only recognisable after considerable time. Of the parties affected by the implementation of such projects, those interested in evaluation should be the State Governments, ULBs, affected residents, affected business, CBOs and NGOs. Of these, NGOs may be considered for a leading role for evaluations while ULBs may play the leading role in implementation and monitoring of all such projects.

Monitoring and evaluation teams should be staffed with multi-disciplinary background with economic, sociological, anthropological and technical expertise including specialists on gender aspects. The evaluation teams need the credibility that their findings will be taken seriously, and the ability to communicate that will make their findings effective in improving performance.

Monitoring and evaluation of resettlement projects should also be linked into the overall monitoring and evaluations process of the ‘push’ projects (Projects which pressurise resettlement for other use of the land in public interest).
A well functioning monitoring and evaluation system is the best insurance that various interventions under this policy will be implemented and that there will be learning process. Much of the slum development is still “trial-and-error”. M&E, therefore, as an aid to the learning process must be seen as an integral part of projects and programmes of slum development and is essential to build up the institutional capacity that is necessary to manage the slum problem on a sustainable basis in our cities.

**Monitoring and Evaluation – Action Points**

Each intervention, programme or project under this policy shall need a monitoring and evaluation mechanism. Based on the guiding principles given above, key points necessary to design and build effective monitoring and evaluation into various projects of strategic interventions for achieving the objectives of the National Slum Policy are given as under:-
 Monitoring and evaluation should be built into every programme and its management from the beginning in terms of clear responsibilities and budgets.

Ensure that procedures and conditions are connected to the results of monitoring and evaluation.

Try to ensure that monitoring and evaluation is carried out by credible bodies. These may include both the communities affected themselves and independent third parties.

Monitoring and evaluation should allow both immediate feedback to action and more considered reflection and response.

Monitoring should be frequent in the early stages, but requires follow up over an extended period until the desired and acceptable levels of project programme objectives are achieved.

D. IMMEDIATE STEPS REQUIRED

1. All State Governments should establish a working group to ensure that institutional arrangements, legislative frameworks and other necessary actions achieve conformity with the National Slum Policy.

2. All States that have not formulated a Slum Act should consider formulating and notifying an Act which reflects the current Policy principles and guidelines.
3. It is essential that States re-examine the implementation of the relevant sections of the Slum Act with a view to ensuring that the land acquisition procedures in respect of slums and informal settlements are simplified to ensure the speedy resolution of disputes and negotiations and that the proceedings should not last longer than a period of six calendar months from initiation.

4. States should take immediate action to ensure that all laws relating to encroachments on government land are revised and modified in the light of the National Slum Policy.

5. States should take immediate action to compile clear guidelines on resettlement and rehabilitation (R&R) in accordance with the principles laid down in Section C.6

6. States should identify the main training and capacity building requirements for the efficient implementation of the National Slum Policy and devise a programme of action to address skill gaps and needs.

7. ULBs must compile a comprehensive list of all slums/informal settlements in the urban area within a period of one calendar year from the announcement of this Policy and must establish a system for the on-going registration and issuing of identity cards for all urban poor households regardless of their current tenurial status in accordance with Section C.2

8. ULBs must ensure that the land status of all listed slums/informal settlements is classified as either Tenable or Untenable strictly according to the definition outlined in this Policy in Section C.4
9. Wherever slums/informal settlements are classified as Tenable, the ULB must facilitate the granting of tenure on all government occupied land and initiate acquisition proceedings and/or negotiations on all privately occupied land in accordance with Section C.5

10. ULBs should take necessary action to formulate an Integrated Municipal Development Plan which will converge all development activities and resources to provide a clear picture of the different levels of infrastructure and services in the ULB area and the relative gap or deficiency in infrastructure and services between the better serviced and under serviced wards and neighbourhoods. As a priority the IMDP should then propose actions and financial allocations to reduce this gap as far as possible in accordance with Section C.7 of the Policy.

11. ULBs should also take action to modify their bye-laws and building regulations so as to facilitate the implementation of the National Slum Policy Section C.7

12. ULBs should implement slum development and urban poverty programmes in conformity with this National Slum Policy emphasising the principle of community participation in all aspects of policy implementation. Each ULB must establish concrete structures and systems for ensuring community participation in environmental improvement, social development and economic development for the urban poor.

13. ULBs must take immediate action to identify specific financial resources that may be converged for slum development in accordance with Section C.12 of this Policy.
14. ULBs should identify any competent organisations/agencies with expertise in group savings and credit schemes that would be able to work in the ULB area to promote financial services for the poor including the operation of a revolving shelter fund using the minimum 10% housing allocation under NSDP.
NEW INITIATIVES PROPOSED BY GOVERNMENT OF INDIA
E. NEW INITIATIVES PROPOSED BY GOVERNMENT OF INDIA

Valmiki-Ambedkar Malin Basti Awas Yojana (VAMBAY):

Incorporating some of the important features being outlined in this policy document, a loan cum subsidy central sector scheme is being firmed up for launching soon. As announced by the Hon’ble Prime Minister for Independence Day, 2001, the scheme will be taken up with Central Government Subsidy of Rs 1000 crores and a loan component from HUDCO of Rs 1000 to Rs 2000 crores for construction of 4 lakh dwelling units for slum dwellers. The maximum cost of a dwelling unit to be financed will be Rs 60,000 in the six mega cities, Rs 50,000 in cities with population more than one million and Rs 40,000 in other urban areas. There will be provision for upgradation of existing slum tenements and also for basic amenities like water supply and sanitation.

Nirmal Bharat Abhiyan – A Sub-component of VAMBAY:

To integrate sanitation as part of the housing development and to achieve cent per cent sanitation coverage in all the state capitals and cities having more than one million population, this sub-component of the above programme is intended to be launched. New individual toilets or conversion of existing toilets into sanitary latrines and community based group toilet scheme in slum areas will be financed under this scheme. Effluents and wastes from such toilets constructed under this scheme will be used for production of manure, vermiculture, biogas etc. In the first year one lakh toilet seats in 10 cities on a demand driven basis with an outlay of Rs 400 crores is being launched soon. The outlay will consist of Rs 200 crores subsidy from Government of India under the Valmiki-Ambedkar Malin Basti Awas Yojana (VAMBAY) and the balance amount as loan from HUDCO. To start with, pilot projects will be initiated in Delhi, Mumbai, Kolkata, Chennai,
Hyderabad, Bangalore, Ahmedabad, Chandigarh, Lucknow and Guwahati. The most novel features are – (a) maintenance of community toilet blocks by community based groups elected from among slum dwellers themselves; (b) family pass for each slum household @ Rs 20 per month per family for daily use of such toilets.
ILLUSTRATIVE FEEDBACK FROM SLUM DWELLERS
F. Illustrative feedback from slum dwellers

Areas of concern expressed by representatives from slum communities of Bangalore, Cuttack, Bhubaneshwar, Pondicherry and Tirupattur who attended the World Habitat Day celebrations at Vigyan Bhawan on October 1, 2001, are briefly enumerated below:

**Water**
Non-availability/poor availability of water for general use, and potable drinking water, are critical areas of concern. Residents at Bangalore get water on alternate days, or even once in three days, that too at odd hours which are not certain. This means variable waiting time from a minimum of 1 hour to 3 hours. Drinking water is bought by almost all for Re.1 per pot. Residents of Bhubaneshwar and Cuttack reported minimum waiting periods of one hour of waiting and insufficient number of borewells. (Ratio of 1 for 110 families in Cuttack). In Tirupattur, water is supplied once a week, at odd hours, and rationed @ of 6 pots per family. The residents walk 1 to 1.5 miles for this and spend several hours. Accompanied by a lot of waiting and fighting into the early hours of the morning, the exercise was very traumatic and tiring, affecting the next day’s work for these daily wage workers, particularly the women.

Community initiatives include a borewell built completely with community money in one settlement, maintenance and monitoring a limited number of taps by the community etc.

**Toilets and Sanitation**
In all instances, the slum dwellers reported inadequate, poorly maintained toilet
facilities. The situation in the Orissa settlements appears the worst, with the women having to walk 1 ½ km to the jungle in Bhubanehwar, and 4-5 km to the river bank in the case of 10-12 ‘basties’ in Cuttack. In Pondicherry, the Government is reported to spend about Rs.50,000/- every year on maintenance of community toilets, but the cleanliness and usability has improved only after the community has come forward to participate in maintenance management. In Tamil Nadu, in several settlements, the community and the Government are coming together to build and maintain community toilets.

In several instances, as in Bangalore, communities have contributed funds on a matching basis or totally to build community toilets. For a monthly collection of Rs.20/-, the community groups maintain these toilets.

**Access to Credit**

The presence of private moneylenders was reported from every settlement. They exploit the slum dwellers, and charge an interest of anything between Rs.10/- to Rs.25/- per month for every Rs.100/- lent, depending on the desperation of the loan seeker. In southern states, the interest is deducted at source, with the slum dweller getting only Rs.950/- in hand for a 1000/-rupee loan (the cut being as much as Rs.200/- in some cases). Similarly, for a loan of Rs.5000/-, the beneficiary gets Rs.4000/- in hand and pays Rs.500/- weekly for 20 weeks.

The positive feature is the presence of several thrift and credit groups/societies run by women members. A daily collection is made, with some members having responsibility for a particular number of families. From this corpus, loans are given for medical emergencies, pregnancies, payment of school fees, petty businesses, rickshaw purchase and repairs, and other welfare reasons, as well as for house construction in some instances. In Tirupathur, nine housing loans have been given,
and repayment is on a daily basis for 15 years, in Cuttack, Rs 15/- per day is being collected separately towards a fund for housing. In almost all instances, these groups have succeeded in drastically reducing the loans advanced by private moneylenders and putting them out of business.

**Housing**

In Karnataka, one example is that of Mahila Milan, who have taken up the task of constructing 240 houses in Mandya. As a rough estimate, the typical EWS unit when built by the government agencies costs approx. Rs.70,000/- because of the intermediate contractors and other procedures, whereas the same unit of equivalent area costs around Rs30,000/- when they do it themselves. They appear to have successfully evolved a system of ‘community-contracting’.

**Community achievements in other areas**

In Koramangala, Bangalore, one major achievement has been the ongoing construction of a foot-bridge across a sewage drain, which will save the residents a lot of walking to reach the nearest public transport point. Rs 5.00 lakhs has been raised from the community, with a matching contribution from the Corporation.

Spending Rs.8000/- to Rs.9000/- out of the collective money, Mahila Milan in Bhubaneshwar has constructed a school shed. They have employed a private teacher and a girl to help organize the activities.
Comments on the Draft National Slum Policy to be sent to:

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