



**CHIEF MINISTER
ANDHRA PRADESH**

Dear Ms. Kumari Selja ji,

With reference to your letter dated 12th May 2008, at the outset, I would like to thank you for the sanction of houses and housing infrastructure works under IHSDP & BSUP totally Rs 2394.98 Cr to the State. Under the BSUP and IHSDP components put together, the state has received sanction for construction of nearly 1.20 lakh houses for the poor in 32 towns and cities. These projects are being undertaken in the true spirit of the mission, with nearly 4,700 houses completed and over 22,000 houses nearing completion. In all, construction of over 71,000 houses will be completed before the end of this current financial year, and I assure you that the remaining houses will be completed by December 2009.

Government of Andhra Pradesh, under its flagship 'INDIRAMMA' programme, aims to provide affordable housing to every poor urban household in the State. I would like to apprise you of certain key process initiatives and reforms undertaken in Andhra Pradesh, that ensure timely implementation of the sanctioned projects. They are:

- reply*
- i. Beneficiary mapping and identification: The Government has issued detailed guidelines on eligibility criteria of beneficiaries, composition of Ward committees, necessary documentation procedures, etc, for identification and mapping of beneficiaries.
 - ii. Ensuring availability of sites for Housing the Poor: In-situ rehabilitation of existing slums is prioritized by Govt. of Andhra Pradesh. In projects where relocation is necessary for settlements on precarious and objectionable areas, land for slum relocation projects is being acquired through land acquisition process. During 2008-09, a budget of Rs.300 crore has been earmarked for land acquisition.

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- iii. Creation of land pool for housing the Poor: Land pool dedicated exclusively for housing the poor is being created through implementation of a key reform under JNNURM. The extent of land pool generated thus far for housing the poor in Visakhapatnam alone is 50 acres.
- iv. Enabling timely construction of houses: With a view to make available basic building materials at affordable rates for the poor, the Government is extending subsidy on cement and steel used in construction of housing for the poor. Govt. of Andhra Pradesh, has tied-up with Cement manufactures to ensure supply of cement @ Rs. 148 per bag, as against market price of over Rs.230 per bag. Further, the price of steel is fixed on monthly basis at rates agreeable to the Board of Chief Engineers.
- v. Enabling Bank Loans to all Beneficiaries: An important initiative has been tying up bank loans for all JNNURM project beneficiaries. The State Bank of Hyderabad is issuing loans to beneficiaries of all JNNURM projects. The tenor and terms have been arranged after analysis of ability of pay of the poorest of the poor. Loan up to Rs.20,000/-, has been arranged at interest rate of 4% and for over Rs.20,000/- loan is being extended at rate of interest of 8%.
- vi. Ensuring Security of Tenure to every Beneficiary: Security of tenure is ensured through issue of possession certificates to all project beneficiaries, duly taking help of foolproof, state-of-the-art technology (IRIS) for maintenance of records. Further, as envisaged in the Seven Point Charter of the JNNURM programme, non-alienable right to ownership of land is being extended to all beneficiaries. As well, for Group Housing projects, possession certificates are being issued soon after completion of construction of the Dwelling Unit.

- vii. Ensuring Holistic Slum Development: Holistic urban community development, including ensuring universal access of the poor to schooling and secondary education, health facilities with free primary and referral medical care, facilitation of formation and networking of Self Help Groups (SGHs) and social securities of poor households, is at the heart of our pro-poor focus.
- viii. Providing access to infrastructure Services at affordable rates: The Government is committed to have affordable civic facilities, including water supply, converge at the threshold of every poor household. The following essential public poor are availing connectivity to individual house taps by paying an affordable fee of Rs. 1200, payable in equitable monthly installments for 12 months. All expenses on piping material laid from the distribution pipe to doorstep of a house is borne by ULBs. The scheme has evoked sustained patronage from slum residents, with 89,252 connections provided thus far. Further, electricity connection is being extended at Rs.125/-.

I wish to reassure you once again of our commitment to adhere to timelines agreed to under the JNNURM programme.

With regards,

Yours sincerely,


(Dr Y.S. RAJASEKHARA REDDY)

Ms. Kumari Selja,
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