

GUIDELINES

ADDITIONAL CENTRAL ASSISTANCE TO STATES FOR SLUM DEVELOPMENT

Introduction.

The Constitution 74th (Amendment) Act, 1992 envisages a critical role for elected municipal governments in the provision of basic services to their residents. The Act incorporates a 12th Schedule containing an illustrative list of municipal functions. Slum Improvement, slum upgradation, and urban poverty alleviation are considered as legitimate functions of the municipal authorities. These functions, requiring local knowledge and active participation by local communities, can be best handled at the local level, with necessary support from the Central and State Governments.

As far as poverty alleviation is concerned, the Government of India has taken up a large number of programmes in the urban and rural sector and recently the SJSRY was launched to cover the urban poor. This scheme replaces the NRY, UBSP and PMI UPEP. However, as far as slum improvement and upgradation are concerned, during the Fifth Plan, the Central Government had introduced a Centrally Sponsored Scheme of EIUS which was transferred to the state sector subsequently. Experience shows that virtually none of the State Governments has been able to provide sufficient funds for the scheme as a result of which there has not been much improvement and upgradation work in urban slums except, perhaps, where external funding agencies like the Department for International Development (UK) were involved. In the light of the Constitution 74th (Amendment) Act, and considering the fact that the conditions of urban slums in most of the States and towns are extremely unsatisfactory and that the slum population of the country was 46.78 million (1991), it is considered appropriate for the Government of India to introduce an Additional Central Assistance (ACA) to States for upgradation of urban slums with the following elements:-

- (1) The scheme should be applicable to all the States and Union Territories having urban population.
- (2) Funds will be allocated to States on the basis of urban slum population.

Components:

- (3) The components of this scheme would include:
 - (i) Provision of physical amenities like water supply, storm water drains, community bath, widening and paving of existing lanes, sewers, community latrines, street lights, etc.
 - (ii) Community Infrastructure:- Provision of Community centers to be used for pre-school education, non-formal education, adult education, recreational activities etc.

- (iii) Community Primary Health Care Centre Buildings can be provided (It is proposed that after creation of infrastructure facilities the concerned municipalities will seek the support of Registered Medical Practitioners/Government Doctors in the State/NGOs/CBO/ Philanthropic Associations to man these centers.)
- (iv) Social Amenities like pre-school education, non-formal education, adult education, maternity, child health and Primary health care including immunization etc.

The scheme will attempt to bring about convergence between schemes being implemented by different line departments and may also provide missing links, if required.

- (v) **Provision of Shelter:** The Scheme must have a component of shelter upgradation or construction of new houses(including EWS) as may be required. This is a necessity if genuine slum improvement is to be done. Not less than 10% of the allocation to States under this assistance shall be utilized for construction and /or upgradation of houses for the urban poor.
- (vi) State may work out State specific schemes for housing construction/upgradation under this component subject to the proviso that the scheme shall not be an entirely subsidy based scheme but the funding shall contain a loan component as well. The State scheme shall be first got sanctioned in a State level project Committee which shall be set up for this purpose by the State Government concerned and which shall have one representative from the Ministry of Urban Employment and Poverty Alleviation, which is the nodal Ministry for this scheme in the Government of India.
- (vii) The scheme must make adequate provision for achieving convergence between different sectoral and departmental programme relating to achieving social sector goals similar to those envisaged in this scheme.

Release of Funds:

4. A yearly provision under this scheme shall be indicated by the Planning Commission at the beginning of each financial year. Inter se allocations between States shall be made on the basis of the slum populations of the States. However, releases to States shall be made by the Department of Expenditure only after the nodal Ministry reviews expenditure, the physical progress of works and other performance criteria. The Department of Expenditure shall release funds to the States on the basis of recommendations of the nodal Ministry.

Implementation:

5. The scheme should be implemented at the grass-root level by Neighborhood Committees and Community Development Societies, basically the same structures as already exists for UBSP and PMI UPEP and as shall be set up for the SJSRY. The activities of the Community Development Societies should include taking over of various community activities including organisation of Thrift and Credit Societies, provision of community sanitation, pre-school education, non-formal education, adult education etc. The required staff shall be appointed by the community committees and paid for out of the Community Development Fund. This funds at the community level will be set up based on a principle that for every rupee raised by the community for this fund, a matching share of Rs. 5/- shall be contributed from the Additional Central Assistance allocation. Expenditure from this fund shall be closely monitored by the concerned ULB to ensure that the fund is not misutilised.

6. Every urban body must create a separate sub-head in the budget for slum development and urban poverty eradication. In addition, a Slum Development Committee should also be created which will oversee all slum development programmes within the urban area. This Committee will consists of elected members of the municipal body and can co-opt representatives of the NGOs, CBOs, etc. as per requirement.

Monitoring:

7. The urban local body shall report progress under this scheme periodically to the DUDA/SUDA in a format which may be prescribed by the SUDA/State Government in this regard.

8. At the National level, the Ministry of Urban Employment and Poverty Alleviation shall be the nodal Ministry and shall monitor this programme. States shall submit reports in the prescribed MIS format to the Ministry of Urban Employment and Poverty Alleviation regularly as per the prescribed schedule.
