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Rajiv Awas Yojana

...Towards a Slum-Free India

GUIDELINES



Ministry of Housing & Urban Poverty Alleviation
Government of India



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PREAMBLE

The Rationale and the Philosophy behind the Rajiv Awas Yojana (RAY)

An estimated 26 per cent of urban population (810 lakhs in 2004-05) still subsists on incomes that are below the poverty line. Eighty percent of their meagre earnings go towards food and energy, leaving very little for meeting the costs of living in an increasingly monetized society. The majority of them live in slums and squatter settlements, in inhuman conditions that deny them dignity, shelter, security, and the right to basic civic amenities or social services, in an environment in which crime, ill-health and disease frequently raise demands that draw them deeper into vulnerability and poverty. That about a quarter of the country's urban population lives in notified and non-notified slums – higher in the metros, is an indication of the iniquitous and exclusionary urban planning system, urban land management practices and land legislation that have not been able to adapt themselves to the pace or profile of indigenous urban growth; or to create space within the formal system of planned living and working spaces to accommodate the informal working classes. As urbanization grows, and the projected share of urban households rises in the next two decades from the current 28% to 50% of the country's population, we may expect that slums will grow, seriously crippling the productive capacities of a growing number of people by the denial of basic services, shelter and security, increasing inequity and retarding the productive potential of urban areas.

(ii) Thus, both for considerations of social and economic growth - and the Constitutional mandate - it is necessary to break away from past trends and practices and to take decisive action for inclusive urban development that acknowledges the presence of the poor in cities, recognizes their contribution as essential to the city's functioning, and redresses the fundamental reasons for inequity that ties them down to poverty.

(iii) The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) with its separate sub-mission on the urban poor comprising of the Basic Services for Urban Poor (BSUP) and the Integrated Housing and Slum Development Programme (IHSDP) has been successful in achieving the overarching aim of focusing State attention on the problems of inequity in urban areas, and drawing budgetary resources to the welfare of the urban poor. There is an increasing assumption of responsibility towards the slum dwellers, and their entitlement to conditions conducive to a dignified quality of life. Simultaneously, there is an acceptance at policy level, both in the State and the municipality, that the emergence of new slums can be prevented only by increasing the availability of affordable housing, which in turn requires that the market distorting shortages of land and housing be corrected.

(iv) The foundation laid by the above initiatives now needs to be built upon, by unlocking the potential of the most important asset in the context of slums in cities i.e. land, through assigning legal property rights to the urban poor. It is in this regard that the scheme introduces a bold new vision and a new direction to policy, viz., a *Slum free India*, in which those who live in slums are enabled to aspire for formal acceptance in urban areas by the assignment of property rights to them over their dwelling space. As demonstrated in many countries across the globe moving the urban poor from the informal to the formal economy is also an investment in deepening democracy and strengthening the legal order; thereby widening society's interest in peace and stability.



Guidelines for Implementation

1. Vision of RAY: Slum-free India

- 1.1 Rajiv Awas Yojana envisages a '*Slum-free India*' with inclusive and equitable cities in which every citizen has access to basic civic and social services and decent shelter. It aims to achieve this vision by encouraging States/Union Territories to tackle the problem of slums in a definitive manner, by a multi-pronged approach focusing on:
- 1.1.1. bringing all existing slums, notified or non-notified within the formal system and enabling them to avail of the same level of basic amenities as the rest of the town;
 - 1.1.2. redressing the failures of the formal system that lie behind the creation of slums; and
 - 1.1.3. tackling the shortages of urban land and housing that keep shelter out of reach of the urban poor and force them to resort to extra-legal solutions in a bid to retain their sources of livelihood and employment.
- 1.2 Thus, the main focus of RAY is an integrated approach aimed at bringing within the formal system those who are forced to live in extra-formal spaces and in denial of right to services and amenities available to those with legal title to city spaces, and at correcting the deficiencies of the formal system of urban development and town planning that have failed to create conditions of inclusiveness and equity; so that, henceforth, new urban families, whether by way of migration or natural growth of population, have recourse to housing with municipal services, and are not forced to create encroachments and slums and live extralegal lives in conditions of deprivation of rights and amenities.

2. Duration of RAY

The duration of Rajiv Awas Yojana will be in two phases: Phase-I, for a period of two years from the date of approval of the scheme and Phase-II which will cover the remaining period of the Twelfth Five Year Plan 2013-17 RAY will be run in a Mission Mode.

3. Scope of RAY

RAY will provide the support to enable states to redevelop all existing slums in a holistic and integrated way and to create new affordable housing stock. The existing schemes of Affordable Housing in Partnership, and Interest Subsidy for Housing the Urban Poor (ISHUP), would be dovetailed into this scheme. No new projects under the BSUP and IHSDP scheme of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) will be sanctioned once implementation of RAY scheme is taken up except to consume existing 11th Plan allocations that may be left uncommitted. However, projects sanctioned under the two schemes will continue to receive Central assistance as per the sanctions and the existing provision of the schemes.

4. RAY: Coverage

- 4.1 The choice of cities would be made by the States, according to their aspirations and financial and resource arrangements in consultation with the Centre that will oversight as to adherence to the spirit and guidelines of the scheme. About 250 cities, mainly Class I, are expected to be covered by the end of the Twelfth Five Year Plan.
- 4.2 Among the cities selected, States would be required to include all the mission cities of JNNURM, so as to complete the process begun; preferably cities with more than 3 lakh population as per 2001 Census; and other smaller cities, with due consideration to the criterion of pace of growth of the city, of slums within the city; of predominance of minority population; areas where property rights already stand assigned. In the case of North-Eastern States and special category States (Jammu & Kashmir, Himachal Pradesh and Uttarakhand), where town sizes are very small, criteria other than population may be adopted. However, priority should be accorded by all States to towns with larger number of people living in slums so that the goal of RAY to achieve the status of Slum-free State/Country is attained in the shortest time span.

5. RAY: Implementation Approach and Strategy

- 5.1 The strategy for implementation of RAY proposes an open architecture with sufficient flexibility to the States and ULBs to decide their pace of implementation and models for arranging land, resources, housing, and partnerships, with the incentive of central support attached to the condition that they proceed systematically, with careful preparation, and commit to creating the conditions for inclusive urban growth.

5.2 The strategy has the following main elements:

- 5.2.1 RAY will be driven by and implemented at the pace set by the States/UTs. Centre will incentivize timely and effective implementation by states/cities.
- 5.2.2 A 'whole city', 'all slums' approach will be adopted, rather than a piecemeal, isolated approach, to ensure that all slums within a city, whether notified or non-notified, in small clusters or large, whether on lands belonging to State/Central Government, Urban Local Bodies, public undertakings of State/Central Government, any other public agency and private land, are covered; a holistic assessment is made of the size and scope involved; and available land is put to the best use by designing slum specific solutions and negotiating the best possible utilisation of the land.
- 5.2.3 The definition of slum would be as per the definition of the Dr. Pronab Sen Committee Report on Slum Statistics/Census i.e. "A slum is a compact settlement of at least 20 households with a collection of poorly built tenements, mostly of temporary nature, crowded together usually with inadequate sanitary and drinking water facilities in unhygienic conditions" for all States except the North Eastern and Special Cat-



egory States. In these States compact settlements of 10-15 households having the same characteristics as above would be considered as slums.

- 5.2.4 In each slum, an integrated approach will be taken, with provision of infrastructure, basic civic and social amenities and decent housing, with attention to planning the layout (after reconfiguration of plots, if possible), total sanitation (with provision of individual toilets and water supply to each household) and provision of adequate green spaces as per (modified, if necessary) town planning norms.
- 5.2.5 Community will be involved at every stage, from planning through implementation to post-project sustenance stages. The attempt to design for people would be done with the people.
- 5.2.6 Flexibility will be given to states and cities in deciding solutions specific to the requirements of each slum, whether upgrading, redevelopment, or in unavoidable cases, relocation. Multiple choices and models for housing will be encouraged, that permit beneficiary-led and incremental housing; private partnerships in reconstruction of slums and shelter, with or without incentives involving land use or viability gap funding; and, for those slum dwellers who will not, or cannot, obtain loans for ownership of houses, models that provide the option of construction of Rental or Rental-to-Ownership housing to cater for their requirement.
- 5.2.7 In-situ development will be encouraged as the programme of choice, to ensure that development does not lead to a loss of job linkage or additional hours and income lost on commuting to work; where relocated, there will be emphasis on active intervention to provide mobility or recreating livelihood linkages. Transit housing to cyclically accommodate the temporarily displaced slum dwellers living in slums where phased *in situ* development is taken up, will be permissible.
- 5.2.8 Private sector participation will be emphasised under RAY, for slum redevelopment, wherever feasible, as well as for creation of new affordable housing stock, both for rental and ownership, through imaginative use of land use and other concessions.
- 5.2.9 The benefits of health, education, social security, workers' welfare, livelihood and public transport linkages for holistic slum redevelopment will be provided through conscious effort for convergence of schemes and dovetailing of budgetary provisions available under the programmes in the respective sectors.

6. RAY: Operational Strategy

- 6.1 RAY would be implemented in two stages, the Preparatory Stage, and the Implementation Stage.

6.2 Preparatory Stage

6.2.1 In the Preparatory Stage of RAY, which commenced from March 2010, States are being assisted to draw up their Slum-free Plans of Action to proceed towards the goal of Slum-free Cities/States in a systematic and time bound manner. The Guidelines of Slum Free City Planning Scheme, which have been circulated previously to States/ Union Territories, outline the admissible components and financial support under the preparatory stage. The actions and components of the preparatory stage include:

- 6.2.1.1 Preparation of legislation for the assignment of property rights to slum dwellers;
- 6.2.1.2 Slum Surveys, MIS, GIS Mapping of Slums, MIS-GIS integration and development of 'Slum-free City Plan' for each selected/identified city so that every slum cluster therein is identified and mapped by its size, composition, demographic and socioeconomic profile, location, land ownership, etc., to enable a comprehensive planning and modelling for land, resources, and finances for upgradation of all existing slums;
- 6.2.1.3 Creating mechanisms and structures for community mobilisation as well as private sector participation,
- 6.2.1.4 Developing the vision and strategy for an inclusive city that has adequate availability of formal spaces for its future growth,
- 6.2.1.5 Developing institutional and human resource capacity, and
- 6.2.1.6 Undertaking pilot projects

6.2.2 The Plan of Action (PoA) for 'Slum-free State' would need to be in two Parts – **Part-I for Slum Redevelopment** of all existing slums, notified or non-notified, on lands belonging to State/Central Government, Urban Local Bodies, public undertakings of State/Central Government, any other public agency and private land within the selected RAY cities; prepared in accordance with the guidelines issued already; and **Part-II for Containment of Future Slums**, delineating the development of affordable housing for the urban poor and revision to existing urban policy and programmes for prevention of slums.

6.2.3 In regard to infrastructure, it will be required that all basic civic and social amenities with connectivity to city infrastructure is provided in each slum, viz., water supply, sewerage, drainage, solid waste management, approach and internal road, street lighting etc, community facilities such as pre-schools, child care centres, schools, health centres/sub-centres, informal sector markets, livelihoods centres, convergence with health, education and social security schemes. It may be noted that Telecom, Employment generation programmes including Staffing and power generation, if included, would need to be financed through other existing programmes. It would be expected that the Urban Local Body will take into account the provisions of the City Development Plan, City Sanitation Plan etc while planning its interventions under RAY so as to achieve synergy with ongoing schemes/programmes.

- 6.2.4 In regard to housing, full flexibility of approach will be available to the State/UT as to the manner of construction and arrangement of funds for construction viz. to follow a beneficiary-built housing model, individually or in the case of multi-storeyed housing by housing associations, with design and technical support from the Municipality/ State, or construction of housing through State parastatals or private partners or by the option of Rental or Rental-to-Ownership housing or by delineating a mix of methods. The PoA would require to give the description of the redevelopment model proposed to be followed in each slum, the efforts for obtaining the community's participation and the financial strategy for holistic development along with timelines.
- 6.2.5 The minimum size of housing unit on ownership basis would continue to be as settled under JNNURM, 25 sq mtrs carpet area, including, two rooms, balcony, a water-sealed toilet, bathroom, individual potable water connection, and space for a kitchen.
- 6.2.6 The POA will need to delineate the financial strategy for holistic development. The financial strategy may require that the state put in place measures to secure credit from banks and housing finance institutions for the slum dwellers to contribute towards constructing their houses, including necessary assurances to reduce risk of capital lent, such as, for example, a Rajiv Awas Shelter Fund, to be used inter alia (i) to keep the slum/urban poor beneficiary from turning defaulter due to unemployment, death or other genuine distress and thereby risk forfeiture of dwelling unit and foreclosure on loan; and (ii) to share the lender's costs of servicing the loan. The State may also consider creating, or enabling, in each slum or city, an Intermediating Agency between the lender and the borrower, which may be a Rajiv Awas Yojana Residents Housing Association of the slum dwellers, or such a housing association in collaboration with a microfinance agency or a joint venture between a municipal or State Housing Board, which will take care of tracking each borrower, and ensuring repayment. In the event of intentional failure to pay the loan, this intermediating agency should also provide help to the lender to foreclose on the mortgage.
- 6.2.7 In mega and metro cities or cities where land prices are high, it is expected that State/ city will innovatively incentivise the private sector to partner it in redevelopment, using land as a resource and extending concessions in land use zoning, FAR, etc. in order to reduce its direct budgetary burden; and will describe its strategy in the POA. On land belonging to Cantonments Board, Central Government departments, public sector undertakings, it is expected that the agencies concerned will, working in cooperation with State Governments/ULB, design similar solutions to unlock the land value trapped by encroachment, by redeveloping/relocating the slum with due property rights given to slum dwellers., both.
- 6.2.8 Each PoA will be expected to contain the vision of the State for inclusive urbanisation, the delineation of its broad approach, the perspective plan, phasing of implementation and time lines envisaged, and the differential approach in State support according to the size and strengths of each selected city to help them exploit their full potential



for financial and resource mobilisation to create the capacities and partnerships necessary to reach the goal.

6.3 Commitments Precedent to Release of Funds under RAY

6.3.1 The State POA will need to describe the legislative amendments and policy changes proposed to redress the land and affordable housing scarcities which are the genesis of slums as a part of their POA and state vision.

6.3.2 In the Implementation Stage, in order that the process for inclusive urbanisation is put in motion, before release of funds for projects it will be required minimally that -

6.3.2.1. The commitment and willingness to assign property rights to slum dwellers, preferably in the name of the wife or in the name of both wife and husband, is given; and enactment of legislation is done within one year of the first project sanctioned. An executive instruction/policy/ scheme assigning property rights to slum dwellers must be appended to the State PoA, along with the draft title deed specifying that the legal right would be heritable, inalienable for a reasonable lock-in period, and mortgageable; and within one year, the enactment must be submitted. For the North Eastern and Special Category States where land ownership patterns are community based, or restricted by certain conditions of law, the reform with timelines will be mutually worked out between the concerned States and Centre. (To assist the states, a draft model property rights bill and model title deed will be circulated for consideration of the states).

6.3.2.2. Provisions are in place for enforcement of the pro-poor reforms begun under JNNURM, viz reservation of 20-25% of developed land for EWS/LIG housing in every new public/private residential development; and for a non-lapsable earmarking of 25% of the budget of all municipalities/ other bodies providing municipal basic services to meet the revenue and capital expenditures of urban poor colonies and slums; and the requirements of the seven point charter of JNNURM.(i.e. land-tenure, affordable housing, water, sanitation, education, health and social security)It would be mandatory to enact a legislation for the first two reforms within one year of the first project sanctioned.

6.3.2.3. Commitment with timelines are made for:

- a) making amendments in the Rent Control Acts in line with the recommendation of the National Urban Housing and Habitat Policy, 2007;
- b) review of urban land development and land use policies, structures and strategies to enable expansion of urban land at the expected rate of growth of the city and its optimum as well as inclusive use by revision in land use and town planning legislation and regulations; and



- c) the simplification of the processes and procedures of sanctioning buildings and building byelaws concerning development and housing projects to provide single window quick approvals in order to reduce transaction costs.

6.4 Implementation Stage

- 6.4.1 The State/City PoA will need to be submitted to the Ministry of Housing and Poverty Alleviation with due approval of the State Level Sanctioning & Monitoring Committee (composition as per Annexure III) along with the Act or the executive instruction/ policy/scheme for assignment of property rights and in event of the latter the commitment of the Government to enact the legislation within one year. The Implementation Stage will begin as soon as the State/City POA is accepted and cleared by the Centre..
- 6.4.2 Ideally, the State POA should include the Slum –Free City Plans of Action for all the cities identified for inclusion under RAY. However, in consideration of the difference in capacities and pace of cities, State Plans of Action that have obtained a dependable database on the slum population and profiles of all selected cities to prepare a reliable perspective plan and financial projections and include the detailed mapped PoA of at least one city, will be acceptable.
- 6.4.3 Central Government support under RAY will be calculated and dependent on the State/City Plans of Action.
- 6.4.4 The Slum-free City Plan will have to be for a city as a whole, but within a city the implementation of slum upgradation may require to be phased out and paced as per the financial and resource capacity of the state and the city, giving precedence to untenable slums and those with larger populations of the deprived, i.e., the SC/ST and minorities.
- 6.4.5 The process of release and approval will be project-wise, as in JNNURM (BSUP). Detailed Project Reports (DPRs) will have to be prepared by the implementing agencies for funding under RAY for one or more slums at a time, following the whole slum approach, and including details of arrangements for convergence of inputs of health, education, social security, livelihoods, and connectivity to civic infrastructure from existing schemes and programmes of State/ULB/Centre . They will have to give the financial and revenue model and commitment of state/ULB share to complete the project.
- 6.4.6 Each DPR will need to be submitted through the State Nodal Agency with approval of the State Level Sanctioning & Monitoring Committee, and will be sanctioned by a Central Sanctioning-cum-Monitoring Committee (composition at Annexure I). Each project will need to be in conformity with the State/City POA.



6.4.7 The DPRs would be scrutinized by the Technical Wing(s) of the Ministry or specialised/ technical agencies to be outsourced for the purpose under the supervision of the RAY Directorate in the Ministry before it is placed before the Central Sanctioning-cum -Monitoring Committee.

6.4.8 The States/UTs and the ULBs/parastatals would be required to execute a Memorandum of Agreement (MoA) with the Ministry of Housing and Urban Poverty Alleviation, Government of India indicating their commitment to implement the reforms mentioned in their PoA and the specific milestones to be achieved for each reform. **Signing of this tripartite MoA would be a necessary condition to access Central assistance.**

7. RAY: Central Support, State share and Credit enablement measures

7.1 Central Government support under RAY would have the following components:

7.1.1 Provision of Integrated Slum redevelopment with Basic Civic and Social Infrastructural Amenities and Shelter:

Fifty percent (50%) of the cost of provision of basic civic and social infrastructure and amenities and of housing, including rental housing,- and transit housing for in-situ redevelopment -in slums would be borne by the Centre, including O&M of assets created under this scheme. However, for the North Eastern and Special Category States the share of the Centre would be 90% including the cost of land acquisition, if required. The decision would be left to the State/UT as to the sharing of this amount between infrastructure costs and shelter subsidy, and the means of raising their matching share, subject to the following advice:

7.1.1.1 That provision of infrastructure and civic amenities will be treated as a State Good, and no cost will be passed on to the slum dwellers.

7.1.1.2 That state share should come to a minimum of 20% of the cost of provision of infrastructure and civic amenities, to ensure their financial and monitoring stake in the works.

and the following caveats/advice in regard to housing:-

7.1.1.3 A minimum beneficiary share of 12%, (10% in the case of SC/ST/ BC/OBC/ PH and other weaker sections) of the cost of the shelter is recovered from the beneficiary, so that it has value to him/her; and where the beneficiary is a vulnerable female-headed household, a household with one member physically or mentally handicapped, etc., the state may not ask for more than the minimum contribution;

7.1.1.4 From other beneficiaries, asking for a larger contribution will be a state decision, but in such cases, there will be a ceiling on beneficiary share so that the EMI burden created on him is in no case more than 25% of his/her monthly household income.

7.1.1.5 States / ULB may reduce their budgetary outgo further by using PPP models

innovatively to generate resources or to cross subsidise slum housing through land use concessions, etc to the private industry partners, and use of the central share as viability gap funding. States which demonstrate an innovative use of PPP models resulting in utilisation of less than the specified central share of 50% in any project shall be incentivised by allowing them to use this saving in other projects in the city.

7.1.2 Affordable Housing in Partnership:

In order to incentivise land assembly and increase affordable housing stock, as part of the slum containment strategy, the scheme of Affordable Housing in Partnership will be dovetailed with RAY and central support will be provided at the rate of ₹ 50,000 per unit of affordable dwelling unit or 25% of the cost of civic infrastructure (external and internal), whichever is lower, in accordance with the guidelines, for affordable housing projects taken up under various kinds of partnerships. All towns under RAY would be eligible; and rental housing units as well as dormitories for new migrants would also be permissible under the scheme. As the Affordable Housing in Partnership scheme is an existing scheme, projects submitted by agencies will be considered for sanction, pending the preparation of the State and City Slum Free City Plans.

7.1.3 Credit Enablement : Interest Subsidy

As a means of Credit Enablement, the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP), will also be dovetailed with RAY, with the existing ceiling of the subsidized loan of ₹ 1 lakh, so as to give the option to the State/ULB to release a part of the subsidy for housing as per the guidelines of ISHUP to reduce the cost of the loan taken by the beneficiary to build or purchase his/her house.

7.1.4 Credit Enablement : Mortgage /Risk Guarantee Fund

As a means of Credit enablement, for loans up to ₹ 5 lakhs to be availed by EWS/LIG buyers of new homes, with first loss borne by the banks, a Mortgage/Risk Guarantee Fund would be established. The initial corpus of this fund would be ₹ 1200 crores of which ₹ 1000 crores would come from the Centre and ₹ 200 crores from the State Governments who draw on it, in accordance with their slum population; fees from the lenders and a token insurance premium from the borrowers. The details of establishing and operating the funds will be finalized in consultation with the Department of Financial Services.

7.1.5 Support for Capacity building, Preparatory Activities, IEC & Community mobilisation, Planning, Administrative and Other expenses (PA&OE)

An amount upto 5% of the total annual allocation of the scheme will be set aside for capacity building activities, of which 1% would be utilized by the Centre, 4% by the States/UTs. In addition, upto 5% of the total scheme allocation will be earmarked for, preparatory activities regarding development of Slum-Free City Plans including pilot projects, preparation of DPRs, Community mobilisation, IEC, planning and administrative expenses for both the Centre and the States/UTs and creation of institutional



space and capacities., However, these activities will be funded from the funds available under the relevant heads of JNNURM till the end of the current plan i.e. 2011-12, and thereafter from the funds of RAY. The activities under the above two heads will broadly be of the following types:

- 7.1.5.1 The setting up of institutes of national or regional level stature for academic and training support, preferably with private partnership.
- 7.1.5.2 Multi-purpose Urban Resource Centres (MPURC): Each State and each RAY city (3 lakhs and above) will set up an Urban Resource Centre where none exist
- 7.1.5.3 Promotion of Community Involvement through the formation of CBOs, Voluntary technical and professional groups, including Slum Dwellers Federations will be encouraged to partner with the ULBs in participatory planning, inclusive city development and execution of RAY.
- 7.1.5.4 Preparation of Slum-free City and Slum-free State Plans by States/ULBs based on surveys, GIS mapping, consultations etc Support to States/ ULBs under a Select Slum Free City Campaign involving all the stakeholders and engaging national and international institutions/ agencies with significant sectoral expertise, in order to develop models and strategies and to implement innovative pilot projects in the areas of group housing, multiple models in slums, PPP projects in affordable housing, city cross subsidization strategies etc, that will have state-wide or regional replicability for inclusive urban growth.

8. Release of Central Assistance

- 8.1 Central funds under all components will be released in three installments as Additional Central Assistance. The first installment of one-third will be released to State Government or its designated State Level Agencies following the sanction of the DPRs of the Slum-free City projects by a Central Sanctioning-cum- Monitoring Committee (CSMC), availability to the project of the matching share. Subsequent installments will be released after Utilisation Certificate for at least 70% of the earlier central release and also that of the State/ULB/ Parastatal share is received; and also taking into consideration the pace of expenditure and overall availability of central funds lying with the state Release of instalments shall also be subject to achievement of reforms, or milestones agreed for implementation of reforms as envisaged in the Memorandum of Agreement.
- 8.2 Since RAY will also be in mission mode like the JNNURM the Central Sanctioning-cum-Monitoring Committee(CSMC) will be authorized to sanction projects costing upto 500 crores without further reference to the Expenditure Finance Committee (EFC)/Cabinet Committee on Economic Affairs (CCEA). However, projects costing above 100 crore but less than 300 crores will require approval of Minister for Housing and Urban Poverty Alleviation, projects costing above 300 crores will require approval of Minister for Housing and Urban Poverty Alleviation and Finance Minister, in each case. All projects costing above 500 crore will be approved by the competent authorities as envisaged in Ministry of Finance (Department of Expenditure) O.M. No.1 (26)-E.II(A)/2002 dated 21.12.2002 as amended from time to time.



- 8.3 The DPRs of projects prepared by Central Government Agencies for slums on their lands in consonance with the State/City POA, where no State/City share is envisaged, may be submitted directly to the Ministry of Housing & Urban Poverty Alleviation and in such cases, funds will be released directly to the agencies after approval of the Central Sanctioning-cum-Monitoring Committee.

9. Administration and Implementation Structure

National Level

9.1 RAY Mission Directorate

There shall be a RAY Mission Directorate under the charge of a Joint Secretary under the Ministry of Housing and Urban Poverty Alleviation, supported by staff and a Programme Management Unit with experts having expertise in the areas of survey and statistics, computerisation and MIS, GIS, Planning, Project engineering, Social development, Monitoring and evaluation etc. for ensuring effective co-ordination with State Governments for expeditious processing of the State Slum-free PoAs and project proposals and providing handholding support to States/UTs.

State RAY Mission Director

- 9.2 The State Level Nodal Agency for RAY/Mission Directorate will have a designated State Mission Director for RAY for coordination of all scheme and reform-related activities. In states where there is more than one department handling Urban development, Local self government, and Housing, it is suggested that the Principal Secretary/Secretary in-charge of RAY should be the senior most to have coordinational authority and to be effective. The Mission Directorate must be supported by a team of dedicated professionals having expertise in the fields of GIS, MIS, town planning, community development, project engineering, capacity development etc

ULB Level

- 9.3 A Mission chaired by the Mayor/Chairman of the Municipal Council similar to that at the State level would need to be set up at the city level.

Community Level

- 9.4 It would be essential for the State/UT to establish the structures necessary for community participation/empowerment and participatory planning and decision-making at the community level. The participation and involvement of the slum dwellers from the stage of survey and planning through implementation, concurrent evaluation and social audit of RAY are critical. Slum Dwellers' Federation at the city level, and Slum Dwellers Association at each slum level should be envisaged and enabled under RAY, so that information on RAY and the



city and slum plans and other details are shared and communicated, and slum redevelopment is planned and implemented in consultation and with consent of the community.

10. RAY Steering Mechanisms

National Level

- 10.1 To steer the objectives of Rajiv Awas Yojana, a RAY National Steering Group will be constituted under the Chairpersonship of Minister for Housing and Urban Poverty Alleviation (composition at Annexure II). The National Steering Group will address policy requirements from time to time and consider incorporating necessary modifications in the guidelines within the basic structure of the Rajiv Awas Yojana approved by the Government. This would facilitate adaptation of the programme to the emerging trends in the economy, policy directions of the Government and learnings from the field.

In addition, RAY Advisory Group will also be constituted, mainly of civil society members with proven experience in mobilizing collective action for community empowerment/slum development/reforms in urban governance. This advisory group will advise the government on and encourage mobilisation of the community, public-private partnerships and citizen's involvement in governance at the grass root-level.

State Level

- 10.2 Each State would be expected to set up a Rajiv Awas Yojana Mission, which is empowered to take overriding decisions that also concern land use, town planning, master planning processes etc. The Mission would need to be given powers to have the overriding say in matters of slum redevelopment and may need to be backed by legislative force, if necessary, to have effective authority. The RAY Mission would therefore have to be headed by the Chief Minister with representation to Ministers dealing with Urban Development, Town Planning, Housing, Local Self-Government/Municipal Administration, Revenue/Land Administration, Environment, and also comprise of Chief Secretary, other concerned departmental Secretaries etc. The Secretary of the nodal Department, which may be the Department of Municipal Administration/ Local Self-Government, Urban Development or Housing, will be the Secretary/ Convenor of the Mission.
- 10.3 The State RAY Mission would, for taking decisions in regard to projects and their priorities for seeking Central assistance under RAY create a State Level Sanctioning & Monitoring Committee (SLSMC) (composition at Annexure III). The Committee will oversee, guide, review and monitor the preparation and implementation of projects and the reforms for Slum-free cities.
- 10.4 On lines similar to the RAY Advisory Group at national level, the state will create an advisory group at city level constituting of civil society members for mobilizing collective action for community empowerment/ slum development/ reform in urban governance and to



advise the cities on these aspects.

- 10.5 A review and monitoring committee of elected representatives of the people to the Parliament and State Assembly will be established at the city level to review and monitor the progress of projects and reforms.

11. Monitoring & Evaluation

- 11.1 RAY will be monitored at three levels: City, State and Government of India. In particular,
- 11.1.1. Ministry of Housing and Urban Poverty Alleviation will periodically monitor the scheme.
 - 11.1.2. State Nodal Agency would send Quarterly Progress Report(on-line) to the Ministry of Housing and Urban Poverty Alleviation.
 - 11.1.3. Upon completion of a project, the State Nodal Agency, through the State Government, would submit completion report to the Central Government.
 - 11.1.4. Central Sanctioning-cum-Monitoring Committee will meet as often as required to sanction and review/monitor the progress of projects sanctioned under the Mission.
 - 11.1.5. Monitoring of quality of projects executed by the implementing agencies in the States/Cities will be facilitated through independent quality control/ assurance/ third party teams at various levels that may be outsourced to specialized/technical agencies.
 - 11.1.6. Monitoring of projects by States/Urban Local Bodies by conducting Social Audit in conformity with guidelines to be prescribed, right from the stage of project preparation.
 - 11.1.7. The processes of implementation will be monitored by undertaking concurrent evaluation through reputed independent institutions to ensure that corrections to distortions, oversights or shortcomings can be made in time.
- 11.2. With a view to fine-tuning the scheme, evaluation of experience under RAY will be carried out before the programme enters into its second phase.
- 11.3. Additional guidelines for clarification of the scheme will be issued by the Ministry of Housing & Urban Poverty Alleviation as required.

**Annexure I**

(Ref para 6.4.6)

Central Sanctioning-cum-Monitoring Committee for RAY: Composition

1.	Secretary, Ministry of Housing and Urban Poverty Alleviation	- Chairperson
2.	Secretary (UD), Ministry of Urban Development	- Member
3.	Secretary, Ministry of Finance (Department. of Expenditure)	- Member
4.	Secretary, Ministry of Environment and Forests	- Member
5.	Secretary, Ministry of Social Justice and Empowerment	- Member
6.	Secretary, Ministry of Health and Family Welfare	- Member
7.	Secretary, Department of School Education and Literacy	- Member
8.	Secretary, Department of Financial Services, Ministry of Finance	- Member
9.	Secretary, Ministry of Labour	- Member
10.	Secretary, Ministry of Minority Affairs	- Member
11.	Additional Secretary, Ministry of HUPA	- Member
12.	Joint Secretary and Financial Adviser, Ministry of UD/HUPA	- Member
13.	Mission Directors (JNNURM):UD&HUPA	- Member
14.	CP, TCPO, Ministry of Urban Development	- Member
15.	Adviser, CPHEEO, Ministry of Urban Development	- Member
16.	Joint Secretary in charge of RAY, Ministry of Housing and Urban Poverty Alleviation	- Member-Secretary

Note:-

1. The Chairperson of the CSMC will have the authority to co-opt any other member or invite special invitees to the meeting of the CSMC as and when need arises.

**Annexure II**

(Ref. para 10.1)

Composition of National Steering Group

1.	Minister for Housing and Urban Poverty Alleviation	- Chairperson
2.	Secretary, Planning Commission	- Member
3.	Secretary, Expenditure	- Member
4.	Secretary, Urban Development	- Member
5.	Secretary, Law & Justice	- Member
6.	Deputy Governor, RBI	- Member
7.	Chairman, National Housing Bank	- Member
8.	One Chairman, State Level Bankers Committee	- Member (by Rotation)
9.	Chairman, National Technical Advisory Group, RAY	- Member
10.	Two members representing civil society/social organisation	
11.	nominated by Ministry of Housing & Urban Poverty Alleviation	- Members
12.	Secretary (HUPA)	- Member- Convener

**Annexure III**

(Ref para 6.4.1, 10.3)

State Level Sanctioning & Monitoring Committee: Composition

1.	Chief Minister	- Chairman
2.	Minister for Urban Development/Municipal Administration/ Local Self-Government/Housing	- Vice-Chairman
3.	Ministers for Urban Development/Municipal Administration/ Local Self-Government	- Member
4.	Concerned Mayors/Chairpersons of ULBs	- Member
5.	Concerned MPs/MLAs	- Member
6.	Secretary, Finance	- Member
7.	Secretary (Municipal Administration / Urban Development / Local Self Government/PHE)	- Member
8.	Secretary, Revenue/Land Administration	- Member
9.	Secretary, Housing	- Member
10.	Secretary, Environment	- Member
11.	Secretary, Law & Justice/Legal Affairs	- Member
12.	Two members representing civil society/social Organisation/ Persons of Prominence etc. to be nominated by Ministry of Housing & Urban Poverty Alleviation	- Member
13.	Secretary (Municipal Administration / Urban Development / Local Self Government) designated by State Government	- Member Secretary

Note: The State may include Secretaries of other Departments as per their requirement.



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