

Provision of Basic Services to Urban Poor

ULB Level Reform

1. The Reform

Basic Services for the Urban Poor (BSUP) is a mandatory urban poverty reform for all local bodies supported under JNNURM. Its goal is to; ***“Provide basic services (including water supply and sanitation) to all poor including security of tenure, and improved housing at affordable prices and ensure delivery of social services of education, health and social security to poor people”.***

Once implemented, the BSUP reform will ensure the following outcomes for the city:

- All urban poor, in particular slum dwellers, will gain access to basic municipal services such as water supply, toilets, waste water drainage, solid waste management, power, roads, transport, etc.
- All urban poor settlements will be integrated and mainstreamed with municipal supply networks resulting in sustainable improvements in the quality of life of the urban poor.
- Urban poor communities will have better access to legal and affordable housing with in-house basic services that will allow them to live as legitimate citizens.
- Urban poor communities will have improved access to social services such as education, health and other social programmes of the government. This will ensure better education, improved health and access to sustainable livelihoods which in turn would help reduce poverty.
- Urban poor will be able to voice their demands/grievances related to basic service provision. Their participation in political processes and city governance will also be enhanced.

2. Rationale for the reform

Implementing the BSUP reform is important for all cities. While it will benefit the urban poor by improving their access to housing and basic services it has many advantages for the ULBs and the states as well.

The rationale for BSUP:

- Urban poor constitute between 30 to 50 percent of the population of large cities. They contribute through their work, largely in the informal sector, to a city’s economic growth. They provide the labour that drives urban infrastructure development. The poor also pay local taxes for goods and services purchased in the city.

| How cities benefit | How poor benefit |
|---|--|
| Improved quality of city environment and building slum free cities. | Poor get access to quality basic municipal services with improvement in their quality of lives and reduction in vulnerability. |
| Cities save/improve revenues and are able to invest in future city development. | Poor become lawful residents and benefit from city development. |
| Improved urban governance making it more responsive, effective, and sustainable | Poor get legal housing, connect to and pay for legal services, participate in formal livelihoods. |
| | Poor get a voice in planning. |

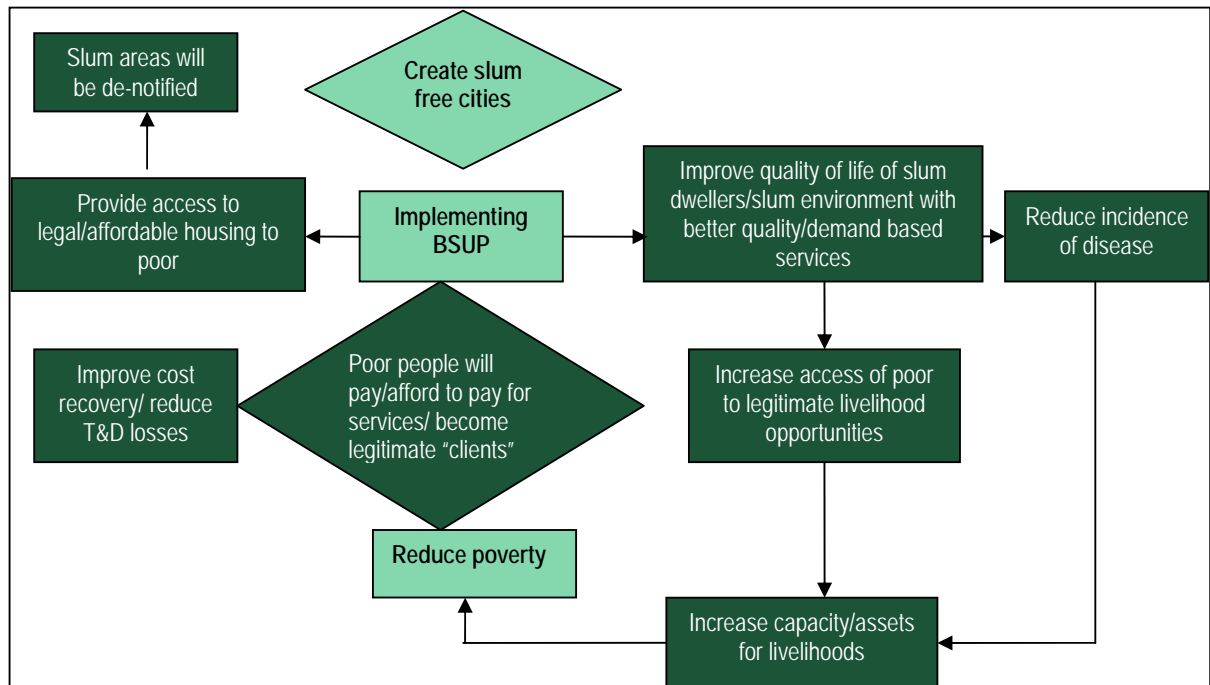
- Providing access to basic services such as water supply, sanitation, power, roads, transport, housing, etc. helps improve the quality of life of urban poor communities.
- Networking slums/squatters with city level infrastructure systems has the potential to improve the overall quality of city environment. This has ramifications for all; rich and poor alike. For example, providing drains for wastewater disposal in slums and linking these to off-site city drains will improve the overall quality of environment in the slum, as well as that of the city. Networking urban poor settlements with city infrastructure systems helps create “slum free” cities.

- Investing in upgrading slums and urban poor settlements and providing them with basic municipal services at a level that is equitable with that supplied to the rest of the city will help build sustainable cities.
- Providing legitimate services at an individual level to the poor for which they pay as per their affordability will help improve cost recovery, reduce transmission losses and strengthen city's finances; and will help cities to make savings/generate additional resources for investment in future infrastructure development. Provisioning of legitimate services will help create an enabling environment for poor people to benefit from city economic growth.
- Providing affordable housing with tenure to poor families will make them less vulnerable and more secure. Secure tenure (*patta*) encourages urban poor families to invest and upgrade their housing. It also encourages them to connect and pay for municipal services inside their homes, i.e., metered water connections, toilets with sewerage, metered power supply, etc. This will also mean significant reductions in ULB's O&M costs for common and free services such as community toilets and community stand-posts. Legal housing made available to women independently or jointly with men will help empower them and improve their status. Over time the poor can be fully integrated into the city and be included in the property tax net, adding to city revenues.
- Secure tenure for livelihood (place of work/micro enterprises) will enable urban poor to undertake formal economic activities/livelihoods. Participation in formal livelihoods will result in increased incomes. Access to social safety nets (pensions, paid leave, health care, etc.) and formal credit at low interest rates will reduce their indebtedness and protect their rights.
- With legal access to municipal services, housing, etc. the poor will be able to "voice" their needs and demands during planning of services. When people participate in planning of services, it ensures greater ownership and sustainability of public interventions. They will be able to voice their concerns/grievances related to service provision and will be able to hold ULBs accountable. In the long term, they will be able to effectively participate in city governance.

The Bigger Mandate

Government of India is committed to reducing by half the number of people living in slums and urban poverty by 2011 and to achievement of the Millennium Development Goals (MDG) set down by the UNHABITAT. A key objective of the government is to guarantee that all citizens equally benefit from national economic growth.

Poverty reduction and urban development that benefits all is also a key goal under JNNURM.



3. Reform components

The BSUP reform has three key components: housing, basic facilities and social services.

| Reform Components | |
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| 1. Housing | <p>Housing for the poor must be found close to their work places and preferably within the city limits. This will ensure that poor people are able to get work, earn an income, and meaningfully contribute to city development.</p> <p>Housing for the poor must be planned with:</p> <ul style="list-style-type: none"> ▪ In-house metered water connection and a lifeline tariff with payments in easy instalments both for connections and user costs. (Under the Andhra Pradesh Urban Services for the Poor project (APUSP), the cost for a water connection is payable in 12 monthly instalments of Rs.100.) Poor may also be charged a minimum user charge as determined by the ULB. ▪ In-house toilets linked to underground sewerage/septic tanks. ▪ Metered power supply with minimum tariff for use of one light and one fan based on level of affordability and easy payment plans. <p>Housing must also be affordable. The poor must be linked to formal banks for credit at low interest rates that allow them to repay loans in easy instalments.</p> |
| 2. Basic Municipal Services | <ul style="list-style-type: none"> ▪ Community stand-posts where in-house connections are not possible to provide. Norms laid down by GoI for such services must be adhered to. However, based on city resources, these could gradually be improved from common stand-posts to large group/small group metered connections to private connections. ▪ Community toilets where private toilets cannot be provided. Norms laid down for toilet provision must be adhered to. Community toilets must be |

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| | <p>planned and operated in partnership with the slum community. In Pune, housing for sweepers has been provided above the toilet complex, which is supervised by a slum sanitation committee. The salary of the sweeper is paid from people's contributions.</p> <ul style="list-style-type: none"> ▪ Regular and efficient solid waste management with door-to-door waste collection and regular disposal from the community to the waste collection site of the municipality. ▪ Drains concrete and covered with proper gradients/connected with city networks/underground drainage systems for wastewater disposal. ▪ Roads (RCC) connected to city roads with an efficient public transport system that improves connectivity and enables poor people to participate in sustainable income generating activities. ▪ Legal/metered power supply with affordable lifeline tariffs and easy payment plans for connection/user costs. |
| 3. Social Services | <p>These include access to schools, health centres/hospitals, and social programmes for the poor (widow and old age pensions, schemes for people with disabilities, girl child schemes, etc.</p> <ul style="list-style-type: none"> ▪ Access to schools with good quality education facilities close to slum/low income settlements. ▪ Access to health care services (health posts) close to slum areas with doctors, medicines, facilities for testing, etc. ▪ Social Security ▪ Support for livelihoods (skill development, access to micro credit). |

4. Steps to implementing the reform

- i. **Providing land tenure to slum dwellers** – The absence of affordable and legal housing forces urban poor to squat on public lands. Lack of land tenure also gets in the way of local governments providing legal services to such settlements at levels similar to those provided to the rest of the city. Over time some of these settlements get listed/notified by the local governments and become eligible to receive services.

In order to build “slum free” cities and for sustainable poverty reduction, local governments must provide security of tenure to slums. This implies granting permission/license to residents to occupy public land. Land tenure can also be of a more permanent nature, in the form of ‘*patta*’ or legal ownership of land, which allows people to legally build and own houses on the site. With *patta*/secure land tenure the urban poor begin to make investments in house upgrading and show greater readiness to pay for individual basic services.

Many city/state governments have been providing various forms of secure land tenure to slum residents as follows:

- Madhya Pradesh (MP) has granted under a legislative provision (MP Patta Adhiniyam) to all slum dwellers residing in cities prior to a certain date.
- The Andhra Pradesh government has issued *pattas* guidelines to extend basic services to non-notified slum areas at levels equal to notified settlements/rest of the city.
- Chandigarh has offered a one-time scheme for slum housing and has granted a house to poor beneficiaries with valid proof of residence.
- Delhi state has followed a policy of resettlement and has provided poor families with housing/land.
- Mumbai has successfully experimented with near site resettlement with multi-level housing

This results in improving slum environments and the overall quality of life of the residents. The choice of tenure type(s) needs to be based on the local context. City governments must choose the best option(s) in consultation with the urban poor communities.

BSUP reform will create an enabling environment in participating cities for provision of land tenure, slum upgrading and poverty reduction. In order to grant land tenure, local governments must:

- *Undertake a citywide, slum mapping*, which locates on a city map all notified and non-notified slums. For each slum, basic demographic information including number of households, land owning agency, date of squatting, etc. must be collected. Slum maps and settlement level information must be integrated with the property tax maps using GIS platform.
- *Enlist all families through household survey with biometric identification*. All slum dwellers eligible for housing (including tenants) must be enlisted through a census household survey. Effort should be made to exclude owners of huts not staying in slum areas, as these are likely to be above the poverty line. Information to be collected through the survey should include family demographic profile, type of housing, type and level of access to basic services, levels of education, livelihoods and income, status of health, etc. Enlisting biometric identification will help improve targeting and prevent non-beneficiaries from getting access to subsidised land/houses. Household survey data will also be useful to prioritize settlements for development. It would also develop a baseline for city governments to measure change in poverty levels over time.
- *Assess future housing demand for the poor*. Estimate number of poor families likely to need housing in the future and prepare housing plans. This will prevent proliferation of new squatters/slum clusters.
- *Inventory housing sites/spaces* for new housing projects. Identified spaces may be marked on city GIS maps and processes for acquiring lands from land owning agencies/owners, including those for on-site upgrading, may be initiated.
- *Prepare draft legislation for approval by the local body*. Based on the information collected, the city government must draft its policy on tenure and initiate the approval process from the designated bodies. This policy must be in synergy with the state policy. The city may choose one or a combination of the following options for granting tenure, depending upon the local context.
 - Tenure/patta on existing sites
 - Tenure/patta on relocated sites near the existing site
 - Tenure/patta on far-off relocated sites.

According to JNNURM “all slum dwellers must be provided with security of tenure”. As far as possible, city governments must try and provide tenure/patta to slum dwellers on-site or at sites nearby (within 1-2 kms. radius) existing settlements to ensure that their livelihoods are not affected. Only those slums that are non-tenable may be relocated; that is those that are located either on infrastructure pathways, land sites marked for major development projects in the city or where sites are near areas which can pose health risks such as large drains, land fill sites, etc. City governments are required to report to JNNURM, numbers of slum settlements (notified and non-notified) which are granted security of tenure annually.

- ii. **Notification of slums for upgrading and provision of services** – Slums, not currently notified, must be enlisted by the local body through a formal process so that these become eligible for provision of basic services. Since the process of granting land tenure will take time,

notification can help to include currently excluded/non-notified settlements for provision of services. Most often, such slums have the poorest level of infrastructure and highest incidence of poverty. Municipal teams comprising of engineers, town planners, town project officers and CBOs may be constituted to delineate boundaries of such settlements and undertake an infrastructure deficiency analysis and determine required interventions.

A key objective of the BSUP reform is to ensure universal and equitable access to basic services for all urban dwellers, including slum residents who may be living in non-notified, irregular or illegal settlements, by connecting these areas to municipal services, i.e., water supply, toilets, waste water disposal, solid waste disposal, roads, power, etc.

- iii. **Prioritization of slums for investment** – As there are large numbers of slums in each city, there is a need to prioritise slums for housing/services investment. The poorest and the most disadvantaged slums must get priority for upgrading/resettlement. The AP government uses a transparent and objective system for slum prioritisation, namely, the 3x3 matrix for vulnerability mapping. The AP Government ranks slums as having high, medium and low vulnerability and having high, medium or low access to physical infrastructure. The poorest and most vulnerable groups with least access to basic services/infrastructure falling into the lowest category get preference for upgrading. Non-tenable sites must also be identified, as these will have to be relocated.
- iv. **Setting up of a BSUP Task Force** – Urban Local Bodies will need to set up a BSUP Task Force, which shall have as its members, representatives from neighbourhood groups, community based organizations, elected representatives, and civil society agencies. The BSUP Task Force will be responsible for examining the data generated by various surveys infrastructure deficiency analysis studies and determining investment priorities. The Task Force will also be responsible for monitoring service delivery and tracking investments planned for slum upgrading in the municipal budgets under the Internal Earmarking of Budgets for the Poor reform.
- v. **Development of Detailed Project Reports (DPRs) with community participation** – DPRs would need to be prepared for slum upgrading/housing development. The preparation of DPRs must be inclusive where the poor are involved in the planning process. Involving communities in the process of planning, implementation, operation and maintenance will be critical to developing ownership and sustainability of infrastructure provided within slum/low income settlements. As per the DPR guidelines, community managed O&M plans/systems also need to be put in place.

The ULBs may empanel civil society groups/NGOs to help mobilize and organise communities and to engage urban poor communities in a participatory planning process that will adequately respond to their needs. This is especially necessary for determining the type and location of services, development of housing designs, ensuring upgraded/new settlements have access to schools, health care services, roads, transport systems, etc. These needs can then be translated into engineering plans with help from ULB engineers. Formats/guidelines provided under JNNURM may be used to develop the DPRs.

NGOs may also be involved in the process of rehabilitation of slum dwellers where these are in non-tenable areas and must be relocated. Besides addressing issues of housing, and sites and services, NGOs must support the process of livelihood rehabilitation as well.

- vi. **Development of housing plans** – Housing being an important part of the BSUP, the city will need to identify appropriate sites for housing for the poor, as described above. In order to implement a successful housing programme, the local body will need to:

- Develop housing designs in consultation with the poor. In Malegaon, Maharashtra, houses built under the VAMBAY scheme had provided toilets inside the house. However, as these faced the mosque, they were not being used by the families.
 - Link families to housing credit through banks or community credit mechanisms, such as Community Led Infrastructure Financing Facility (CLIFF), which was initiated in Mumbai and the USAID-supported Crosscutting Agra Programme (CAP). The Community Credit Facility (CCF) under CAP enabled poor people to access credit for housing upgrading, i.e., building toilets in the houses. The terms of credit were determined by the community groups.
 - Provide title in the joint name of women and men, to safeguard the interests of women and prevent housing being converted into a cash asset. The ULB may need to develop contracts between the owners, the local body and banks (if credit is provided) for apartment ownership. This must set the terms of sale and transfer, etc.
 - Cooperative housing societies may be developed with all slum dwellers as members. These groups will be responsible for loan disbursement and repayment collections and overseeing the processes of construction. They would also be responsible for informing the rest of the community about the project details and garnering community support in construction, etc.
 - Access to social services New housing sites must include access to education, health care and other social services. Especially where the plan is to relocate the slums, it is important that these facilities are ready and functioning before the resettlement.
- vii. **Incremental upgrading** – Norms for service provision will need to be developed on an incremental plan. This will allow urban local bodies to improve service delivery over time, moving from community connections for water supply, sanitation, power, etc. to household connections, while improving the level of services such as inner area roads, street lights, water supply quality and quantity, etc.
- viii. **De-notification of upgraded/tenured settlements and inclusion in property tax system** – Once upgraded, slums and new housing colonies must be integrated with the city property tax system. However, the residents of these settlements must be supported to meet property tax payments/user charges for household services. ULBs may consider affordable lifeline taxes and tariffs, which are deferred to beyond the repayment of loans.
- ix. **Access to livelihoods** – All poor people, especially those who may be resettled to far-off sites, will need to be supported with livelihoods. Income generation programmes will help poor people to afford better housing and improved services and to move above the poverty line. Local governments must engage local NGOs to develop employment-linked livelihood and self-employment programmes such as UPADHI undertaken by APUSP.
- x. **Citizen redressal platforms/grievance cells** – Poor people must be able to easily access municipal grievance redressal systems and other municipal services (registration of births/deaths, payment of user costs). Effort must be made to decentralize these services at ward level for easy access by the poor. The services provided must be designed such that they take into consideration lower literacy levels among the poor, especially women. Such measures would result in improved responsiveness by local governments for service provision to urban poor communities.

Community Inclusion Processes

The success of BSUP will depend on the ability of local governments to engage people in the process of planning and implementation. Slum communities/their representatives must be involved in mapping of services in slum areas, identification of investment priorities, DPR development, operation and management systems and plans, etc. Community representatives must also find place in the Area *Sabhas* being set up under the Community Participation Law. They must also be included in local budgeting processes through the participatory and gender budgeting exercises. For such tasks local governments may hire NGOs/consultants with expertise in developing pro-poor and gender budgets.

Community organizations may also be contracted for service delivery in slum areas. Such community contracting for solid waste collection, toilet management, road building, etc. has been known to reduce the cost of services.

Community organization requires time. It takes a minimum of 6 months to form a group, which is strong and representative of the community and has the capacity to unpack their problems and take part in the process of planning. For this task, local governments may want to use COs under the SJSRY programme or involve local NGOs in the task.

5. Setting the timeline

It is important to develop a time frame for slum upgrading/housing. The ULB may like to lay down the time frame for achieving various milestones in slum upgrading, as indicated in the given table. This time frame must be aligned to the commitment made by the city in its MOA with the MOUD.

| Tasks | Time Frame |
|---|---|
| Slum mapping, HH survey, digitization on GIS maps Identification of survey teams/NGOs/GIS consultants/issue of work order | __ months |
| Development of draft tenure strategy Appointment of consultant, community consultations, discussion and finalization of draft strategy | __ months |
| Tenure/slum notification Initiating processes for tenure/slum notification, slum prioritization, identification of projects for DPR development | __ months |
| DPR development Identification of consultants for DPR development, community consultations for DPR development | __ months |
| Contracting for slum upgrading/housing | __ months |
| Empanelling and contracting NGOs for community mobilization | __ months (to start with DPR development) |
| Linkages with Area Sabhas under Community Participation Law | On going activity |

6. Measuring Achievement/Outcomes

BSUP will significantly improve the quality of lives of slum dwellers by providing them access to improved housing and quality services. It will also indirectly result in increased incomes and a reduction in the disease burden of households. It will be important for local governments to measure this improvement as a result of the implementation of the BSUP reform. The household survey conducted as part of the data gathering exercise mentioned above can form the baseline for measuring

improvements due to access to services in slum areas/poor communities. With addition of a few outcome indicators, outcomes of BSUP reform can also be measured. Some of the outcome indicators are given below. This list can be expanded based on the city context.

| Slum Level Indicators | |
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| Improvement in quality of lives of slum dwellers | <ul style="list-style-type: none"> ▪ Increased number of poor families with legal housing and in-house basic services. ▪ Reduction in incidence of open defecation. ▪ Reduction in incidence of diseases such as diarrhoea, malaria and TB. ▪ Increase in incomes of poor, reduction in wage loss from illness due to reduction in water and environment linked diseases and better livelihood opportunities. ▪ Increase in investment by the poor in housing upgrading (per capita investment). ▪ Number of poor people with access to formal credit from banks for housing and household services connections. ▪ Increase in school enrolment and participation rates, reduction in school dropouts from illness/poverty. |
| City Level Indicators | |
| | <ul style="list-style-type: none"> ▪ Increased number of slums upgraded and with access to basic services (water, toilets, solid waste management, drains, street sweeping, street lighting, power, roads, housing). ▪ Increase in participation of poor/their representatives (CBOs/NGOs) in planning and implementation of slum upgrading services and urban governance processes. ▪ Increased number of HHs connected to metered/piped water supply and power, HH toilets connected to sewerage/septic tanks. ▪ Increase in duration, regularity, quality, quantity, pressure of water supply and power. ▪ Number of households supported with livelihood rehabilitation in case of resettlement as percentage of total demand. ▪ Increased cost recovery from slum settlements. ▪ Reduction in O&M costs. ▪ Reduction in T&D losses. |

7. Linkages with other reforms

The BSUP reform is closely aligned with other reforms under JNNURM. Some of the reforms to which it is linked and the nature of linkage is described below:

| Reform | Linkage |
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| Community Participation Law | Community mobilization processes in slum areas for planning and service delivery will help to develop local level leadership at the ward and <i>Area Sabha</i> levels. |
| Internal earmarking of funds for urban poor | BSUP will ensure that funds are earmarked for services to slums and are demand driven and used efficiently. |
| Modern municipal accounting systems | The DEA system will help to track expenditure on service provision and housing to slum areas. |
| User costs for full cost recovery | Lifeline tariff slabs for the poor will need to be ensured in setting up of tariff systems. Provisioning of metered services in slum areas will improve cost recovery and reduce transmission losses. |
| Property tax | Inclusion of poor (resettled or provided housing/ <i>pattas</i>) into property tax systems. |

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| Property titling | Inclusion of poor with houses/ <i>pattas</i> in property titling. |
| Public Disclosure Law | Participatory and gender based budgeting for slum upgrading. |
| e-Governance systems | All slum information may be integrated with the computerization of poverty tax maps and MIS systems. e-Governance programmes will be targeted to slum areas to improve effectiveness of birth and death registration, complaint redressal, payment of user charges, etc. |
| Implementation of the 74 th CAA | Inclusion of poor in the process of planning. |