SSNS

2011-12

SPARC SAMUDAYA NIRMAN SAHAYAK

Annual Report

"SSNS acts as a learning lab to develop technical and financial tools, often emerging from processes of the urban poor, to support the work of Mahila Milan and NSDF to access finance, basic amenities and housing for the poorest of the poor…"

SSNS

Set up in 1998, SSNS undertakes/manages construction projects with the partnership of organized informal dwellers for affordable housing and sanitation.

SSNS collaborates with the following partners, based on whose recommendation projects are undertaken:

SPARC

Society for the Promotion of Area Resource Centres. SPARC is a registered NGO as of 13 December 1984 and has 25 years of experience till date in mobilizing the urban poor to gain access to basic facilities.

NSDF & MM

SPARC began its work with Mumbai's pavement dwellers and in 1986 tied up with the National Slum Dwellers Federation (NSDF), a broad-based organization of the urban poor founded in the mid-1970s.

In partnership, SPARC and NSDF formed another community-based organization, the Mahila Milan (MM) (a decentralized network of poor women's collectives).

Collectively, all three organizations are known as the Alliance.

Note from the Secretary

Cities in India are growing, as are slums and the informality of habitats and livelihoods. For those of us who act as an interface between this informal world and formal arrangements in the city, community produced informality is a solution in the absence of the ability of cities and their formal arrangements to absorb and accommodate the poor, asset-less, unskilled individuals and households who come into the city.

JnNURM (2007-12), a government of India program, initiated slum upgrading programs and in 2009, the new program called RAY (Rajiv Awas Yojana) sought to explore ways to help cities and states address issues of habitat and basic amenities. Yet, these remain inherently top down processes, seeking to make formally viable finance and technical tools, the solutions to problems faced by slum dwellers.

This report includes an assessment of community participation in JnNURM projects. The study makes evident the incapability of the administrative machinery of the state in involving slum communities in design and implementation. As a result, much of the funds remain unutilized or not allocated or at best, produces housing stock that communities simply do not want to occupy.

Upon request by some cities, SSNS took on abandoned BSUP projects to demonstrate how they could find solutions with communities. These projects are now visited by politicians, professionals, administrators and slum communities as a learning.

[Background: Sheela Patel, Secretary, SSNS]
[Fore ground: Aseena Viccajee, General Manager, SSNS]

Housing finance remains an unresolved issue, if it has to flow from banks as loans. Neither can banks give such loans nor can the majority of the urban poor afford long term loans.

Increasingly, we see the value of developing solutions that are incremental, based on practices that households use to build their homes bit by bit. Exploring construction materials, proportions and financing that can make such a process available to the millions of households who have built their existing homes with such a strategy.

This year, the 12th five-year plan of the government is being finalized and policy reviews for JnNURM-II and RAY are being reworked, based on what has been learnt in the last 7 years. The Alliance of SPARC, SSNS, NSDF and Mahila Milan are seeking to promote universally secure tenure and basic amenities to come from the state in lieu of subsidy leaving it to incremental housing and its financing as a solution to reach to larger numbers as a main policy thrust.

Sanitation remains a huge challenge in terms of creating partnerships at the city level and building individual and community toilets. This advocacy is being explored by SSNS at the national and local levels. At the global level, SSNS forms a part of the network of Slum/Shack Dwellers International through which the advocacy continues to reach scale.

SSNS remains an organization that plays many roles but its greatest focus is to develop and demonstrate strategies that allow communities of the poor to take a lead in undertaking construction and developing robust solutions to help scale the potential of this strategy. After all, across the world, most housing stock is built by the poor themselves. Maybe the top 5% living in slums can access formal housing, and formal loans but the rest continue to remain unattended.

The Indian Government, various states and cities we work with, funders such as CLIFF, Selavip, Homeless International and SDI and many organization in the past who have supported us hopefully see what we do as valuable and the pursuit of seeking scalable solutions that are driven by communities as a worthwhile strategy to support and advocate for. Playing this interface has the potential to design the architecture for institutional arrangements to link resources and communities to build homes and provide amenities to all the informal inhabitants of the cities.

Sheela Patel

Sheela Patel
Secretary
SPARC SAMUDAYA NIRMAN SAHAYAK

SSNS SPARC SAMUDAYA NIRMAN SAHAYAK

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90% Government 10% by households

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SSNS Revolving Funds

In development, where scale of the challenge is huge, it is vital that every activity, whether experimental, exploratory or otherwise has to serve many ends. This is why we have begun to examine every activity we undertake first for testing the strategy or solution that is developed, then for building skill sets and capacity of federation members or slum communities to manage the process, for developing financial resources to be blended to invest in the project, and finally its potential to impact city state and national policy.

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HOUSE REPAIR

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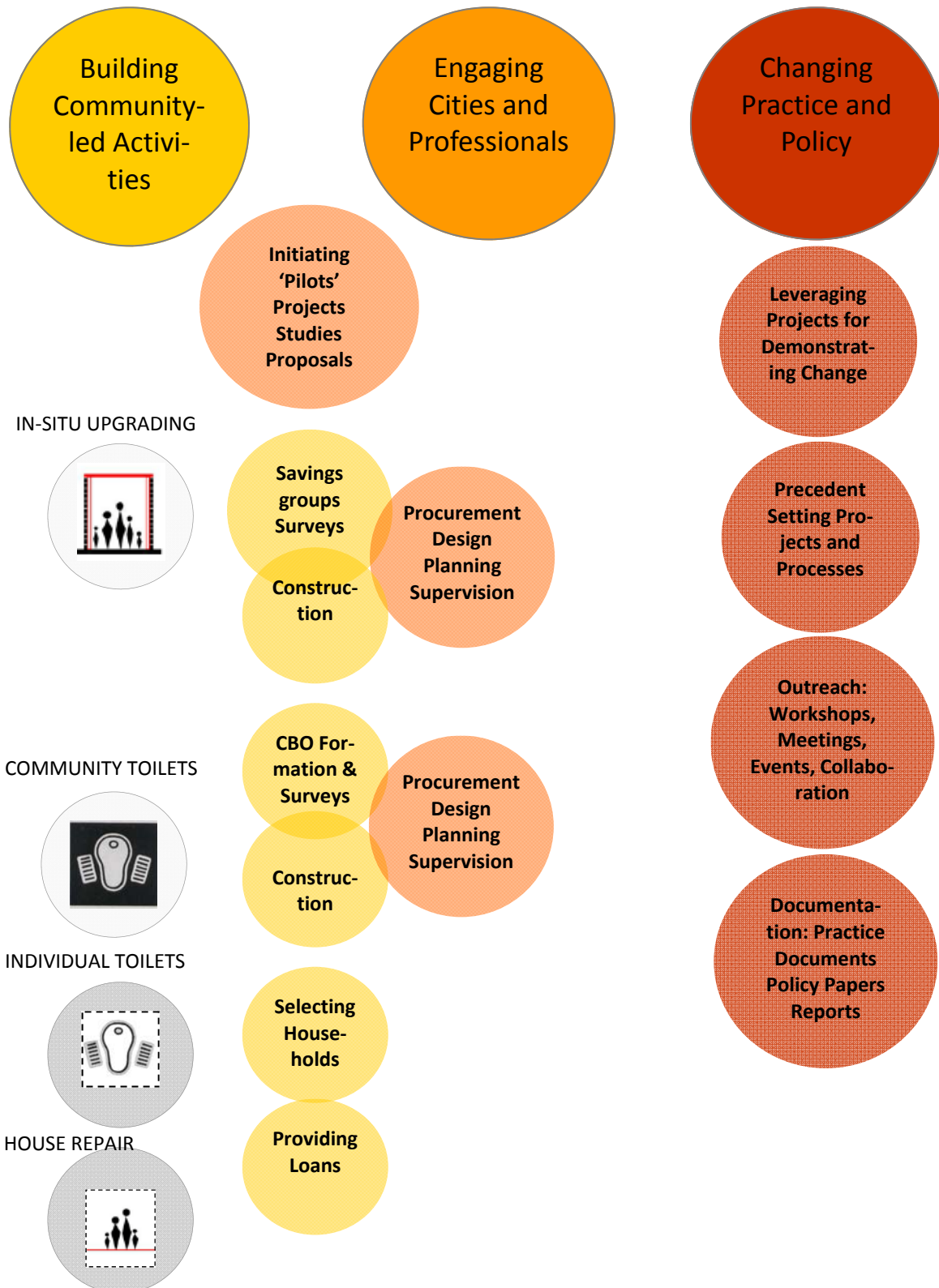
01 Facilitating Access to Finance

Projects are jointly identified by the Alliance and communities and proposals are developed together. The norms of engagement with a city that floats projects must be acceptable to the Alliance. The Alliance has worked closely with cities to re-do procurement to allow NGOs and communities to participate. It has also developed the potential to select project sites, change designs to suit communities and develop financing strategies that would work for construction.

The Alliance is exploring ways to deepen and further develop the existing strategies through which the poor can upgrade their homes and examine what aspects they can undertake through loans themselves and which are the areas that require state intervention in terms of policy and finance.

Types of Financing Mechanisms

1) Finance: Subsidies

Under the Basic Services to the Urban Poor (BSUP), a sub-scheme under the central government scheme known as Jawaharlal Nehru Urban Renewal Mission (JnNURM) 90% of the cost of a house is shared by central, state and local governments and 10% is community contribution. Initial capital costs are borne by SSNS using grants or loans as government subsidies are only released after each stage of construction. Delayed payments and challenges in collecting community contribution remain the biggest issues to faster delivery.

Project Type:

The subsidies are for in-situ or relocation housing and infrastructure provision. In-situ is the most preferred option as houses can retain their footprint and location for upgrading.

Procurement:

Tenders are called for by municipalities and eligible consultants bid. The winning bidder is handed a Detailed Project Report to implement the pre-decided designs. Over the years, SSNS has worked with cities to change eligibility criteria to allow NGOs to participate and to change designs to better suit community needs.

Process

Highlights 2011-12

World Economic Forum, Davos, Dec 2011
CLIFF Stakeholder Board Meeting, Burkina Faso, Feb 2012

Foundations and Financing organizations have begun to seek ongoing discussions with SSNS to understand the institutional framework, leveraging funding strategies and blending of funds undertaken by it to support the portfolio of projects undertaken by the organization. These include upgrading only infrastructure and through incremental loans.

2) Finance: Incentive FSI/TDR

The SRA was established in 1995 under which developers a re provided an incentive FSI to build housing and households do not make monetary contributions. Over the last few years, SSNS has entered into joint ventures to complete SRA projects but remains deeply involved in the process of participation for design to construction.

Project Type:

Redevelopment is the resulting model of SRA and SSNS explores this option only in cases where it is unavoidable such as in Mumbai where land prices and high densities make this a viable option.

Procurement:

Slum Redevelopment Authority (SRA) requires submission of proposals with 70% consent of a co-operative of slum dwellers before it can approve a project.

3) Finance: Grants

100% grants are provided under some government programs for building community toilet blocks. Procurement is through a tendering process. However, initial capital costs and community mobilization are borne by SSNS from internal loans or grants.

4) Loans:

Through an application and monitoring process led by local federation groups, SSNS provides small loans to individual households for house repair or toilet construction with 1 to 2% interest rates.

Supporting Funds

Funds from government schemes to implement projects are mostly delayed and SSNS draws supporting funds from a number of funders (and rarely, from banks) that provide loans or grants to the organization to facilitate initial capital costs and mobilization activities.

CLIFF (Community Led Infrastructure Financing Facility) set up by DFID (UK) and SIDA (Sweden) and managed by Homeless International (UK), provides Implementing Partners (SSNS) and others like us, funds to start projects with a blend of grant and revolving funds on the basis of which most of our projects are initiated. The alliance was involved in the design and initial development of this facility and is the oldest implementing partners of CLIFF.

UPFI (Urban Poor Fund International) is a self-governed, self-managed, ongoing and expanding financial facility that provides capital to member national urban poor funds, who are members of Slum Dwellers International (SDI). It provides capital to savings federations undertaking important urban improvement and housing projects. And builds their capacity to manage city funds from money that is returned by the projects.

SELAVIP (Latin American, Asian and African Social Housing Service) has contributed a revolving fund to SSNS and SPARC, and presently it is providing small non-repayable grants to vulnerable households identified by the Mahila Milan who cannot pay their share for BSUP projects under the Puri slum upgrading project located in Orissa. The project is being implemented by SSNS in collaboration with Urban Development Resource Center (UDRC), a local NGO, Orissa Slum Dwellers Federation (OSDF) and Mahila Milan Groups.

Formal Financing Institutions:
Bank of Baroda
Axis bank
National Housing Bank
Citibank
ICICI
Guarantees from USAID, HI

02 Building Community-led Activities

The selection of projects that SSNS takes on is based on referrals from the Alliance of SPARC, NSDF and Mahila Milan. These projects are generally taken up on request community groups federated in the cities the alliance works in across India, where the federation has a presence. These organized community group form the core anchors and champions for the project and are the basis to the success of the work.

Once the decision to take up a project is made, NSDF and Mahila Milan are responsible for carrying out surveys, mapping to collect data on the settlement and households, creating awareness amongst the community about the project, initiating dialogue with government officials and other professionals, supervising construction through community contractors and supporting communities in the maintenance of the completed project.

Strengthening SSNS capacities to support Communities

Fiduciary and legal requirements, financial documentation and tax related expectations of projects, accompanied with technical aspects of project for a crucial element of back stopping that SSNS support to communities entails. Part of being able to support community processes means that the SSNS team must develop its own internal capacities.
Capacity building activities this year include:
- Training for finance team on Foreign Contribution regulation Act (FCRA) that have changed.
- Developing tracking system for housing, sanitation and relocation projects, cost recoveries, and challenges being faced.
- Auditing Pune projects and regular visits to Project Management Units has resulted in the improvement of local Mahila Milan documentation and accounting systems.
- Training in QGIS (an open source data analysis system) is being planned to analyse past and future data for planning purposes.
- Total station equipment was bought for consultants to eventually train and build capacities of the federation.
- Developing community access to funds through negotiations with micro-finance institutions for individual loans to slum dwellers
- Learning, Monitoring and Evaluation workshops held in 2011 and 2012

Process

Community Based Systems in Place

Project Management Units

In every project, a local PMU is developed before construction to monitor and manage quality, purchase of materials and household contributions. These PMUs comprise of nominated Mahila Milan and NSDF leaders, local community leaders of project slums, SSNS appointed engineers and architects. All financial management is done locally with support and facilitation from the main SSNS team at Mumbai.

Construction Council

Experienced federation members who have undertaken construction now form the core of the construction council to support others in exploring innovations so that construction management, design and participation is constantly refined and developed. They mentor other federated communities to explore project formulation, dialogue with communities and governments to initiate projects and most important, they share these possibilities with policy makers professionals and government agencies of the value of facilitating communities to be involved in construction and management of their own homes.

This year the focus has been BSUP project contracts and beginning to explore incremental housing and slum sanitation and water supply provision to reach larger numbers. The council meets once in two weeks at ongoing project sites and twice a year in a larger meeting of cities.

Tools for Participation

Community-led Surveys and Mapping

This is a process most familiar to Mahila Milan and NSDF, to collect data and use it as a tool to negotiate with city authorities. SPARC supports the creation of participatory data collection processes and analysis of data once collected. SSNS uses the data to identify the priorities of households to help in settlement planning and household upgrading.

House Model Exhibitions

When poor communities, especially women in poor communities use skills they have developed as they construct houses from nothing, to design their dream house, the culmination of this process of exploration and learning results in a 'House Model Exhibition".
Here depending upon a wide range of reasons, they put together models of houses they have developed using their knowledge of space usage, cost of materials, their capacity to pay and the needs of their families.
These houses could be wood and cardboard and cloth, or they can be made with bricks and mortar or they can be made with innovative technologies.

Community Contracting

This process seeks to build on the existing skills of slum dwellers, most of whom have worked as skilled or other labour, to take small contracts and work under the PMU. As contractors, SSNS assists them to do documentation to get bank accounts, register with the income tax department and other necessary paperwork. This process seeks to create livelihoods at the same time, bring niche contractors who are part of the slums and can address the challenges that construction in slums create.

02 Building Community-led Activities

Community Activity Highlights 2011-12

1 **Building a federation in Nanded to take on BSUP housing work**

March 2011	Pune Mahila Milan visits Nanded to introduce the idea of savings groups and Mahila Milan strategies in implementing BSUP
April 2011	Nanded Community leaders visit Mumbai Federation, to learn more about the enumeration process of the Mumbai federation and Mahila Milan
May 2011	**Nanded community leaders visit Pune** to learn insights from the Pune Mahila Milan on the Yerwada BSUP project

The Nanded commissioner first contacted the SPARC alliance to help the city complete BSUP projects abandoned by contractors. After several interactions between Nanded and Mahila Milan, a construction committee was set up in Nanded to support the community leaders and contractors to complete the BSUP projects left incomplete at various stages of construction.

2 **Mentoring Small and Medium Towns: Ahmednagar, Madurai and more**

October 2011	Pune federation visited Ahmednagar to strengthen Mahila Milan and disseminate information on RAY

Ahmednagar is one of the towns that Pune Mahila Milan has been mentoring. They have been coming to Pune for several exchanges, and decided to so their surveys and also after setting up savings groups, had a request from a community asking for toilets.
They went to the city officials and requested for a toilet, that was not accepted, so they asked the federation to give them a loan to build the toilet and build a community toilet and even dug a trench to connect to the sewers.
At that time, the local elected councillor came and the women told him what they had done. He had many reactions until finally he agreed to pay for the project from the councillors' fund.

2011-12	Regular meetings of NSDF-Mahila Milan construction council resulting in talks with Madurai Corporation to implement rural sanitation scheme in urban areas too.
July 2011	Bangalore federation visited Hassan and Chikmangalore to continue its support in rehabilitation of sex workers and providing livelihood training. Bangalore federation visited Raichur to discuss the maintenance of the toilet block.
October 2011	8 federation and Mahila Milan members from Surat visited Pune to learn more about the survey and enumeration process and about the ongoing BSUP projects. As an outcome of this exchange visit, the baseline survey has been started in Tadkeshwar slum. They also hope to cover all the 7 slums that fall in Bhatar area of South West Zone. The team from Mumbai and Gujarat visited the cities of Ahmedabad, Rajkot, Jam Nagar, Gandhidham, Bhavnagar and Vadodara to explore the possibility of forming a state level federation.

Process

November-December 2011	28 members from federations of Theni, Dindukul, Namakkal, Kodaikannal, Thiruppur, Nilakkottai, Andipatti and Poodi and 20 members from Chengam, Saiyaaru, Arani, Thirukoilur, Sethupattu, Vellore visited Bangalore for a two-day training program in November and December 2011 respectively. The federations visited Baiyappanahalli slum, community toilet, housing project in Austin Town and Shivaji Nagar, to discuss achievements, challenges and solutions. The outcome was an action plan of all the visiting cities which included— creating awareness among people, forming Mahila Milan groups, start savings, work cooperatively, regular meetings, educational support, skills training and construction of toilets and houses, road and water facilities.

3 **Continuing support to BSUP housing, sanitation and loans in Odisha**

	Bhubaneswar
November-December 2011	Discussions around obtaining new electrical connections for households at Subhash Nagar Slum in Bhubaneswar.

Several meetings with Housing committee and community members at Bharatpur in the presence of Federation and UDRC staff to discuss delayed billing from BMC which had stalled construction for a month. This was eventually taken up with the commissioner as similar crises arose in Nayapalli and Dumduma. BSUP construction is currently ongoing in all three sites.

	Paradeep
April 2011	15 eligible households from 4 slums took loans to upgrade their houses
November 2011	Balijhara: discussions around maintenance of the community toilet.
	Atharbanki: discussions to solve the water issue of the community through innovative methods.
	New Jagannath Colony and Atharbanki: loan repayment and new loans
	Sandhakuda Babamani : city fund loan was discussed.
January 2012	Balijhara, Jagannath coloby: housing loans, its benefit, repayment.
	Bijay Nagar Sagarkanya about loans—some households who have patta want to construct their house by taking loans
	Cuttack
November 2011	Gurubari Sahi: Discussion around the issue open defecation and the need for a community toilet.
	Gopabandhu Sahi: Discussion made to give assistance in terms of loan to community people for housing.
	Puri
October 2011	BSUP housing construction delayed for one month due to shortage of funds and ongoing discussions with the municipality to release funds.
November 2011	Discussions around making the defunct toilet at Penthokota operational using the city fund and contribution from households.
	Sanction of loans to three new groups: New Durga, Maa Bengabati, Sidheswar Dev.
January 2012	Tarini Nagar meeting with members who want to apply for loans.
	Meetings with households at Penthakota who have to contribute towards community toilet construction.

Puri federation holds meetings in Narendra Kona Bhoi Sahi and Tikirpada—two sites abandoned under BSUP by contractor and Puri Municipality is requesting the federation to undertake the work now.

03 Engaging Cities and Professionals

Relationships with all who SSNS interacts with is one of mutual learning seeking to explore innovations and alternatives for and with communities.

Strategies need to bring all stakeholders together to produce a process acceptable to all. Cities and Communities are the main actors in this process assisted by state and national governments on one hand and NGOs and technology providers financing institutions on the other. The experience of the Alliance, shows that solutions do not emerge overnight nor are they expected to. Mistakes and delays are key factors in determining the feasibility, effectiveness and relevance of any strategy.

As important to the organization in producing community led initiatives is in creating sensitivity and support from government or professionals.

Themes of Co-Production

Planning, Design & Technical Support
In all projects, technical support is provided by professionals working within SSNS or hired as consultants or by qualified volunteers. The engagement may begin at proposal stage or during actual construction.

Explorations
Besides providing support to ongoing projects, SSNS strives to bring together professionals to re-think and invent ideas for informal settlement upgrading keeping in mind costs and capacities of NGOs and community organizations.

Together, this helps produce advocacy for community driven construction and creating institutional structures and frameworks around this process.

In the few instances where SSNS along with local communities has good relationships with city administrations, and local political representatives, delayed and unutilized subsidies have been transformed into pilots where tendering and design options have been radically changes to facilitate the central participation of communities in the process.

We have worked closely with the cities and states of: Bengaluru in Karnataka; Bhubaneswar and Puri in Odisha and Pune, Nanded in Maharashtra.

Process

Highlights 2011-12

- SPARC and PRIA have initiated a strategy to help NGOs and CBOs presently working in cities to address issues of poverty. Within that there is a role of SSNS and NSDF and Mahila Milan to share their experiences especially of what communities can do. Many of these groups have visited projects under construction to be inspired and explore this possibility of seeking such projects with their cities.

- KRVIA, a college of architecture in Mumbai now has regular projects in collaboration with the alliance and seek to expose students to this process with a view to develop interest and capacities in young professionals to undertake work with informal settlements. Other universities in India and internationally are also exploring this possibility.

- Architects without Borders (Sweden), now send masters students to work with federations. In 2011-12, ASF worked closely with the federations in Odisha to develop a mater plan for settlements along the Ringroad and near the river to get relocated.

- In the past year, the University of Manchester, (UK) and Melbourne University (Australia) have visited us and are exploring ways to engage the Alliance on a long term basis.

- **Columbia University,** School of International and Public Affairs, 14 graduates visited sites in Mumbai, **January 2012**

- **Harvard Business School** students visit Dharavi, **January 2012**

- **Amsterdam and Netherlands Officials,** Arnold, Project Manager & Coordinator & Marthe Lamers, Sr. Officer of Public Diplomacy & Cultural Affairs from Kingdom of the Netherlands, visit sites and met with Mahila Milan and NSDF to discuss possible uses of open space for which their city to design and invest, **January 2012**

Tools for Engagement

Designing Participation
House Model Exhibitions: The federation members work with architects to come up with design typologies and then a scaled model of the house type to allow other community members to interact with the design and give their suggestions.
Initial discussions with communities are also held using simplified drawings and smaller models of the house typologies.

Projects
Subsidy Housing: Once surveys are completed, the municipal corporation prepares a detailed project report containing settlement layouts, house designs, list of eligible households and cost estimates. This is handed over to the winning bidder to begin construction. In almost all such projects, the designs have had no relation to actual site conditions and are often outdated so SSNS has worked with professionals and communities to re-do the surveys and design.
TDR Housing: The proposal is prepared before approval by government so generally SSNS ensures that communities partner with professionals to come up with the proposal.
Sanitation: The first step is the formation of a CBO or Community Based Organization who will eventually manage the toilet. Their initial role is to mobilize communities and work with professionals to design the toilets.

Academic Interaction
SSNS works with current academic institutions in the fields of planning, architecture and finance, to create a group of young professionals seeking to explore innovative ideas to the issues around slum upgrading. The interaction may take shape around research or design studios in one of the cities in which SSNS and the federation plays an active role.

04 Changing Practice and Policy

In development, where the scale of the challenge is huge, it is vital that every activity whether experimental, exploratory or otherwise has to serve many ends. This is why we have begun to examine every activity we undertake first for testing the strategy or solution that is developed, then for building skill sets and capacity of federation members or slum communities to manage the process, for developing financial resources to be blended to invest in the project and finally its potential to impact city, state and national policy.

Themes for Advocating Change

Influencing community driven development

The Alliances projects provide the experience and precedent to demonstrate to others, particularly government, the possibilities of community involvement. The strategy is to facilitate wherever possible, community surveys and data collection with a view to develop priorities for projects collectively and to facilitate slum dwellers to design and manage construction of their homes wherever possible.

Change norms and standards of city construction

Precedent Setting is a word we all use a great deal, processes, norms and standards, blending finance to start construction, design forms of delivery. In each instance, what works for the poor is never in routine practices of construction industry and changing the way the act is undertaken often produces a risk of being rejected by authority. The Alliance has developed a wide spectrum of strategies in which solutions that don't fit into the present range of options available. Initial pilots demonstrate ways to achieve solutions that work for communities. Once accepted, they need to be repeated several times to build confidence and capacity amongst communities as well as to refine these processes in order to ultimately scale up the process.

Expanding community access to finance

Negotiations with Funders/MFIs to secure community access to finance

Process

Highlights 2011-12

- Advocating for a change in how DPRs (Detailed Project Reports are released to winning consultants on any project and contain detailed house and settlement drawings for construction usually prepared with no community input) are prepared: The past year has seen tenders being released for DPR preparation with a scope of work and criteria limiting the participation of NGOs and communities. While the alliance has highlighted these restrictions and submitted them to the Ministry to seek a change in DPR preparation, we are also working to propose an alternative method to prepare community-led DPRs.
- Expanding the reach of subsidies by blending finances and exploring multiple types of housing and planning
- Workshops and Awareness meetings as part of SPARC-PRIA partnership held in Delhi, Aug 2011, Raipur, Patna in December 2011 and Bhopal in January 2012
- Cuttack Community Mapping project showcased at local, National and International forums
- Several Meetings with national and state government regarding RAY formulation:
- Community-presentations on failures and successes of BSUP projects and NGO recommendation for RAY to Joint Secretary, MoHUPA, 25 August 2011
- Meetings with Ministry of Housing and Urban Poverty Alleviation, to create a separate channel for civil society organizations to take up RAY projects.
- Report based on presentations and recommendations to MoHUPA regarding community participation now on NTAG website
- Meetings with State Government and MHADA to use Dharavi CoE recommendations for Sector 5 redevelopment

Creating awareness around Urban Poverty

Through a process initiated by SPARC and PRIA, to target government officials and training institutions on one hand and NGOs and CBOs on the other, there is an attempt to explore how participation strategies initiated from below can assist in reformulating how community involvement and rituals of participation can come within the city level activities that can lead to improved habitat for the poor and deeper insight into how cities can really begin to treat the informal habitats and livelihoods of the poor as part of their city development.

Tools for Advocacy

Leveraging Projects

Level 01 Leverage: Investment 'pre-finances' for project designs that will later be paid for and scaled up by the state / private sector

Level 02 Leverage: Traditional state roles of delivering (housing / sanitation for instance) - transferred to community / federation

Level 03 Leverage: Innovative processes for housing, sanitation or livelihood solutions Impact:
Opportunities to bring about a policy or programmatic change—at local, city, state, national or international levels, for instance in challenging traditional / existing procurement systems to open up to NGOs and CBOs - even if informally at first
producing livelihoods through construction

Level 04 Leverage: Change in public practice - e.g. legal and political reforms

Documentation
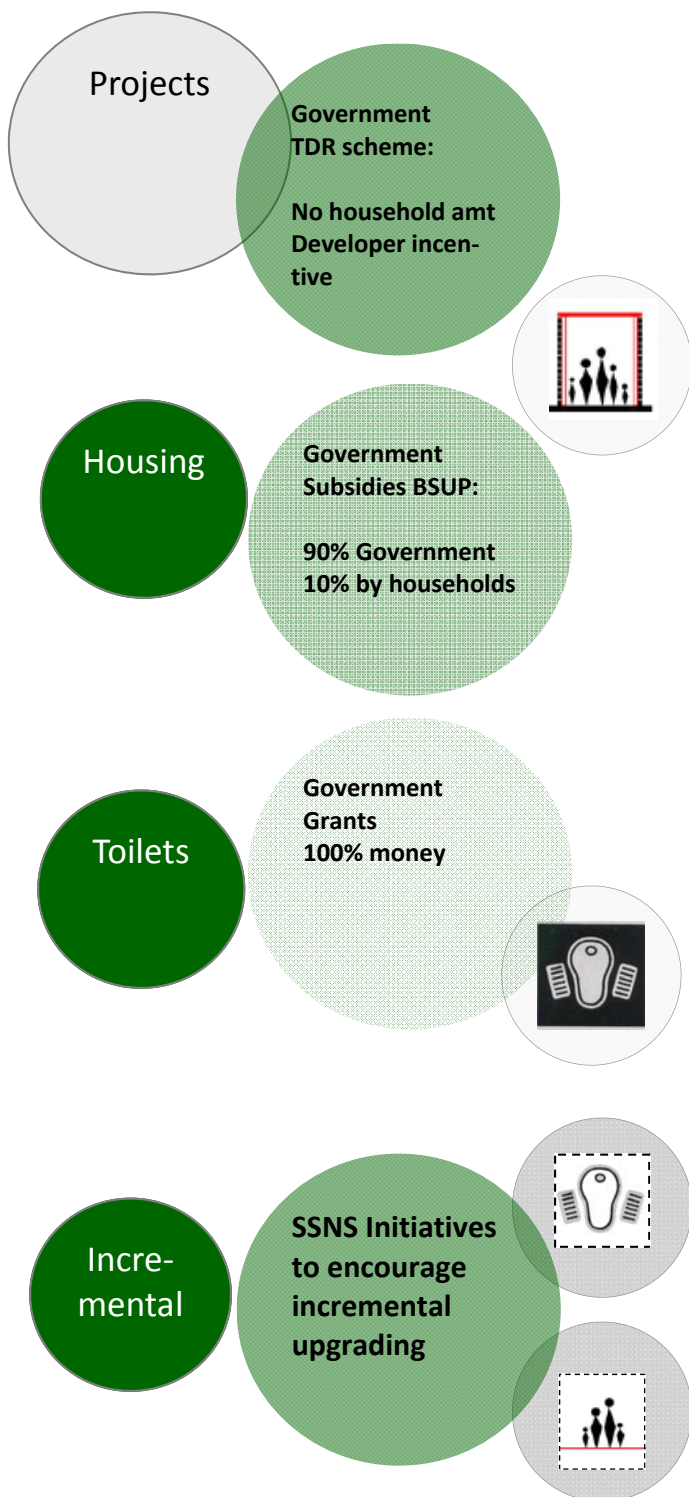Reports, Videos, CityWatch Newsletter, Policy Papers, Process Documents

Outreach
Workshops, Meetings, Events
Representation on Government Committees

- Member, National Technical Advisory Group for Jawaharlal Nehru National Urban Renewal Mission
- Member, Expert Committee under NDC, Ministry of Urban Development
- Member, Prime Minister Review Committee on JnNURM
- Member, Planning Commission
- Committee of Experts, Dharavi Redevelopment, Government of Maharashtra
- Policy Advisory Board of Cities Alliance
- Council Member, Water and Sanitation, World Bank
- Member, International Institute of Environment and Development, UK
- Member, Millenium Transport on Improving the lives of slum dwellers

Practice

Projects

Government TDR scheme:

No household amt Developer incentive

Housing

Government Subsidies BSUP:

90% Government 10% by households

Toilets

Government Grants 100% money

Incremental

SSNS Initiatives to encourage incremental upgrading

Portfolio upto March 2012

REDEVELOPMENT

- **5 completed projects, 1338 households**
  Rajiv Indira-Suryodaya (In-situ)
  Bharat Janata (In-situ) Phase 1
  Milan Nagar (R&R—MUTP) Phase 1
  Oshiwara I (In-situ and R&R—MUTP)
  Kanjurmarg II- Jollyboard (R&R—MUIP)
- **1 ongoing, 2563 households**
  Oshiwara II (In-situ and R&R, MUIP) Phase 1
- **4 in the pipeline—joint venture**
  Oshiwara II Phase 2
  Kanjurmarg III
  Milan Nagar Phase 2
  Bharat Janata, Phase 2

### IN-SITU CLUSTER UPGRADING

- **3 completed projects, 1289 households**
  Hasapsar
  Solapur Bidi
  Sunudugudu
- **4 ongoing, 2590 households**
  Nanded, Maharashtra
  Yerwada, Maharashtra
  Bhubaneswar, Odisha
  Puri, Odisha

COMMUNITY TOILET PROJECTS

- **6 completed, 261 blocks, 2 lakh users**
  BSDP Lot 6&7
  Vijaywada
  Pune Phase IV
  Tirupur
  Vizag
  Pimpri Chinchwad
- **3 ongoing, 617 blocks, 6 lakh users**
  MSDP Lot 9
  MSDP Lot 8
  MMR Abhiyan

INCREMENTAL UPGRADING

- **727 individual toilet loans, Average loan size varies from Rs.5000 to Rs.10,000**
- **597 individual house loans, Average loan size varies from Rs.8000 to Rs.30,000**
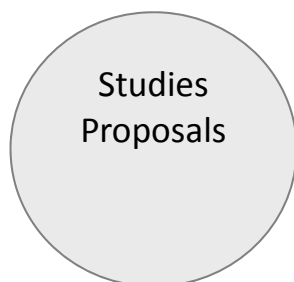
2011-12 Focus

STUDIES

- Review of BSUP projects completed in 11 cities as part of an NTAG commissioned study in 2011-12
- Incremental upgrading study (Pune and Mumbai)
  Earlier Studies:
- Milan Nagar phase 1 review with members of the committee
- Documenting post-relocation changes and consequences in rehabilitation SSNS projects in Mumbai

PROPOSALS

- Cuttack pilot proposal for RAY
- Dharavi Sub-sector I of Sector 4 plan produced and being developed as per SRA guidelines for submission to demonstrate alternative approach to redevelopment

DOCUMENTATION

- BSUP-11 City Review Report
- Dharavi Book
- Compilation of the limitation of current procurement guidelines for preparation of Detailed project reports
- Unintended Consequences Report on post-relocation changes in rehabilitation projects by SSNS
  Ongoing:
- Cuttack Book on process of data collection for design and proposed house and settlement designs
- Incremental Upgrading Study Book

Studies Proposals

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Project Estimates are based on work orders and initial cashflows.

Income on projects includes money received from government subsidies, TDR, grants, bank loans.

Expense on projects includes money spent on construction and construction related expenses

Bridge Funding includes returns on loans, grants or surplus TDR that is used as revolving funds to bridge the gap between actual project expenses and income received. Bridge funding is used on subsidy projects where payments from the government are often delayed and initial capital costs have to be borne by SSNS.

TDR PROJECTS—REDEVELOPMENT

Project Name	Housing Units/ Buildings	Status
EXPECTED		
Milan Nagar Phase 2	268-20	0
Bharat Janata, Phase 2	63, 2 buildings	0
Oshiwara II Phase 2	1184 units	0
Sub-Total	1515	
ONGOING		
Oshiwara II (In-situ and R&R, MUIP), Phase 1	1216 units	0
Kanjurmarg III	912 units, 4 buildings	2 buildings complete
Sub-Total	2128	
COMPLETED		
Rajiv Indira-Suryodaya (In-situ)	263, 5 buildings	4 buildings complete
Bharat Janata (In-situ) Phase 1	147, 3 buildings	Complete
Milan Nagar (R&R-MUTP) Phase 1	88, 1 building	Complete
Oshiwara I (In-situ and R&R – MUTP)	836	Complete
Kanjurmarg II- Jollyboard (R&R, MUIP)	106, 1 building	Complete
Sub-Total	1440	
Total	**5083**	

SUBSIDY PROJECTS—IN-SITU UPGRADING

Project Name	Housing Units	Status
ONGOING		
Nanded	500	190 ongoing, 48 complete
Yerwada, Pune Phase 1	750	279 complete
Yerwada, Pune Phase 2	428	692 ongoing
Bhubaneswar	750	178 ongoing, 65 complete
Puri	162	42 ongoing
Sub-Total	2590	1494
COMPLETED		
Hadapsar	713	Complete
Solapur Bidi	501	Case Ongoing
Sunudugudu	75	Complete
Sub-Total	1289	788
Total	**3879**	**2282**

Process in Practice: Housing

Project Cost Estimate (INR)	Income till March 2011	Expenses till March 2011	Bridge Finance till March 2011	Income 2011-2012	Expenses 2011-12	Bridge Finance 2011-12
154,100,000	0	0	0	0	0	0
31,500,000	0	0	0	0	0	0
473,600,000	0	0	0	0	0	0
659,200,000	0	0	0	0	0	0
486,400,000	398,945,241	452,612,457	164,989,472	0	64,283,976	64,283,976
314,985,000	0	0	0	0	0	0
801,385,000	398,945,241	452,612,457	164,989,472	0	64,283,976	64,283,976
157,800,000	18,881,759	113,971,221	121,513,849	0	300,000	300,000
73,500,000	0	67,921,681	67,921,681	0	0	0
50,600,000	101,181,600	49,439,023	36,180,047	0	0	0
250,800,000	259,000,000	246,992,063	37,777,375	0	0	0
42,400,000	61,779,938	45,348,146	21,307,592	0	2,436,176	2,436,176
575,100,000	440,843,297	523,672,134	284,700,544	0	2,736,176	2,736,176
2,035,685,000	**839,788,538**	**976,284,591**	**449,690,016**	**0**	**67,020,152**	**67,020,152**

Project Cost Estimate	Income till March 2011	Expenses till March 2011	Bridge Finance till March 2011	Income 2011-12	Expenses 2011-12	Bridge Finance 2011-12	Net 2011-12
81,000,000	0	0	0	6,300,000	15,663,297	9,663,297	-9,363,297
202,500,000	0	30,512,823	30,512,823	102,397,087*	53,276,221	26,738,248	49,120,866
115,560,000	0	0	0	0	19,911,677	19,911,677	-19,911,677
168,750,000	5,123,894	23,145,427	24,846,373	11,827,911	30,549,469	25,787,051	-18,721,558
32,400,000	0	560,000	0	1,445,689	2,617,978	1,367,978	-1,172,289
600,210,000	5,123,894	54,218,250	55,359,196	121,970,687	122,018,642	83,468,251	-47,955
57,040,000	29,891,996	56,011,648	38,014,685	0	750,758	0	-750,758
45,090,000	450,000	45,945,517	45,945,517	0	0	0	0
11,250,000	0	11,370,397	11,370,397	0	0	0	0
113,380,000	30,341,996	113,327,562	95,330,599	0	750,758	0	-750,758
713,590,000	**35,465,890**	**167,545,812**	**150,689,795**	**121,970,687**	**122,769,400**	**83,468,251**	**-798,713**

*Only project for which community contribution has been received of Rs.880,000

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1 Redevelopment

SSNS has explored redevelopment only in cases where it is unavoidable as the organizational focus remains on in-situ upgrading and lesser densification. In Mumbai, where the land prices and densities are high but land is not available, redevelopment is the option explored. The financing mechanism for redevelopment is based on the Slum Rehabilitation Act established in 1995. Under SRA, developers are provided an incentive FSI to build rehabilitation housing and households do not make monetary contributions. SRA has not been as effective in smaller cities.

Over the last few years, SSNS is exploring joint ventures to complete SRA projects to ensure financial sustainability as an organization. At the same time, we remain deeply involved in the 'process' of development to support community participation at every level of the project from design to construction.

TDR or Transferable Development Rights is a market mechanism that gives builders an incentive to engage in the construction of rehabilitation tenements. For instance, if a builder is constructing rehabilitation tenements on Plot A, he has the right to use incentive development rights to cross-subsidize the SRA project through on-site sale units or alternatively, he can finance his construction by selling his TDR, so that it can be used for equivalent construction anywhere to the north of the plot. TDR therefore has market value equivalent to the price of land in a particular area.

SRA PROPOSAL SUBMISSION REQUIREMENTS

Annexure I:
Final Submission Drawings that comply with SRA norms
Annexure II:
Biometric survey to verify household eligibility under the SRA scheme
Annexure III:
Finding a developer with 70% consent from residents

GOVERNMENT   v/s OUR PROCESS

GOVERNMENT	OUR PROCESS
LAND In-situ for slums on own or private land Relocation—government land Lease document from land-owner or other agreement between parties	Relocation land is identified by the federation, negotiation with private land owners is carried out by SSNS, federation and officials
FINANCE Developer finances in exchange for TDR or incentive FSI from the Slum Rehabilitation Authority who is the facilitating agency. Households do not pay a contribution.	NSDF and Mahila Milan initiate formation of savings groups , brings project to SPARC, together recommended to SSNS. In most cases, SSNS seeks a joint venture for financing and construction.
PROPOSAL Group of slum dwellers must agree on scheme and developer. Proposal made as per SRA guidelines and submitted—includes three annexures comprising detailed design drawings, finances and survey to identify eligible households	Survey process carried out under SPARC by NSDF and Mahila Milan to identify eligible households Documentation put together by communities and technical assistance provided by SSNS.
PROCUREMENT Letter of Intent issued by SRA Commencement Certificate issued Selection of architect, structural engineer, site supervisor, contractor	The SRA policy facilitates NGOs and CBOs to get added incentive of 5% of FSI additional to assist their participation
CONSTRUCTION Demarcation of plot boundary Sub-division of plot into rehab and sale units	Community contractors work under SSNS or joint venture partner for construction
OCCUPATION Occupation certificate issues by SRA based on completion of work and allotment list	SPARC supports NSDF and MM to allot and shift
MAINTENANCE Upon society formation, developer paid fee of Rs.20, 000/ household to SRA is released for maintenance	SPARC supports maintenance fees while NSDF and MM encourage savings for communities to become self-sufficient

Process in Practice: Housing

COLLABORATORS

SRA	SSNS	NSDF/Mahila Milan	Architect/ Engineer	Eligible Households
Redevelopment Authority for laying out planning guidelines and approving project proposals. Maintenance amount paid per household by developer is held by the SRA till society is registered.	Coordinates preparation of project proposal between communities and architect, proposal submission and follow-up, selection of joint venture partner for construction and acquiring supporting funds.	Community mobilisation, putting together documents for approvals, Biometric survey, identifying eligible households, community discussions around design	Preparing proposal for submission to SRA as per guidelines, working out designs with communities and preparing submission drawings, compiling final list of eligible households, and consent letter from residents	Forming a collective and agreeing to development under the SRA scheme, consent on designs after discussions with architects and selecting a developer to implement the plan

5083 families will receive a house unit in a redevelopment project
Families have to make no monetary contribution as this is an SRA project under which the developer will receive an incentive FSI or TDR to build a rehabilitation project
1515 units expected
2128 units ongoing
1440 units completed

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Redevelopment

PROJECT SNAPSHOTS

Kanjurmarg III, 2009
Rehab project for 908 households, 4 buildings, G+12 and G+13, units of 225 sq.ft..
Joint venture between SSNS and Renaissance Infrastructure Pvt. Ltd. TDR received in March 2012 is to be shared by both parties. Construction of 2 buildings completed, shifting of project affected households to be done after list is finalized with MMRDA (Mumbai Metropolitan Regional Development Authority)

Oshiwara II, 2011
Tri-partite agreement between Wonderland Estate, private landowner and developer of site, MMRDA and SSNS to build 2564 rehab units and 120 sale units in 19 buildings of G+7 for 327 households on-site and rest to be relocated from the Mumbai Urban Infrastructure Project. Shifting will be done by SPARC and MMRDA. The architect is Madan Gadgil, Genesis Architects.
In Phase 1: 7 out of 8 buildings ready, 8th building half built. Occupation certificates only granted till 4th floor, Phase 2: 11 buildings not begun.
65% TDR received of 46650 sq.mts.. Part occupation certification received for only for some buildings due to pending issues of installing electric meters.

Milan Nagar, 1998
State allocated land for Byculla Pavement Dwellers and SPARC prepared a proposal for 4 buildings, G+4 split levels of 225 sq.ft. for 327 rehab units and 20 for sale units. Land was given on lease to the society formed by the rehabilitated households by MHADA. Architect was Sucheta Chogule and Contractor is Wasim Bhatti.
Completed one building in 2007, 88 units. Society yet to be registered. TDR of 4000 sq.mts. received. Some 69 railway project affected households were shifted on site by SPARC and on request of the State housing department. These households and others will be shifted into the remaining 3 buildings for which we are exploring a joint venture with Renaissance Infrastructure Pvt. Ltd.

Bharat Janta, Dharavi, Mumbai, 1998
Inspired by the nearby Rajiv Indira proposal the Bharat Janta communities also sought a SRA proposal. Being a small site, the project was done in phases, using transit housing for the first three buildings. Designs were worked out with the communities by Architect Siddarth Sirur (Vistaar Architects) and construction began in under Muthu & Shanmugam A. Since facing the property is the Mithi river, 50% of site affected by CRZ II rules so FSI was 1.33 instead of 2.5. Proposal is for 5 Buildings, G+7, 147 Rehab units, 50 for sale units, 260 sq.ft. 2 rehab and one composite building units are ready and allotted to slum dwellers n 2009—SSNS has applied for change of composite building into rehab. Remaining 2 buildings will be sale buildings and constructed under a joint venture which was being explored with Magna Builder Pvt. Ltd. In 2007 and 2012, TDR for 1600 sq. mts. Was applied for but no follow up.

Process in Practice: Housing

Precedent

Rajiv Indira Suryodaya, Dharavi, Mumbai, 1997

Three societies joined hands with SPARC to seek SRA subsidies for 217 units in 2 Building Wings. Height restriction did not allow 14' high ceilings, barring Bldg 1, Wing A. In 2001, construction began based on designs by Sucheta Chougule (Rajiv Indira) and Sharad Mahajan (Suryodaya). The contractor is Wasim Bhatti.

Occupation certificate for Building Wing 1: A (G+4) and B (G+7) is obtained. Building Wing 2: A is not built, B upto 6 floors, C upto 4 floors). Work on these building has stopped due to pending approvals. TDR is yet to be applied.

This very first SRA project was designed and constructed by the slum residents association with support from the Alliance. The precedent was in demonstrating how communities could be involved in the design of units and in negotiating for projects without being compromised by developers.

The process forms a case study that was developed by the Kennedy School at Harvard University and is taught to the real estate division of the Harvard Business School.

LEVERAGING REDEVELOPMENT PROJECTS

In India, FSI (Floor Space Index) to cross subsidize construction by developers is being undertaken in Bombay, Pune and Nagpur in Maharashtra where a 1998 state policy for this purpose was enacted. It has many specific sections to encourage the NGOs and Slum communities to take up projects, however the inability of organizations to get start up finance means banks are reluctant to give loans.

The Alliance has taken up these projects with the following intentions:

1 To demonstrate that NGO, CBO networks can design solutions where housing is built for communities instead of what private developers do which is build slum dwellers housing to get additions space to build housing for better off.

2 To develop dialogue and negotiations with financial institutions to blend funds

3 To study impact of how such buildings have to be managed by the cooperatives and the issues and challenges they face in doing this work.

4 To develop recommendations for government to improve and refine the policy to reach out to more households and settlements.

5 To explore ways to adapt and change some aspects to make this strategy work in other cities and other countries.

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2 In-situ Upgrading

Alliance housing projects financed by government subsidies. currently take the form of JnNURM-BSUP which subsidizes 90% the cost of a house and 10% is community contribution. Initial capital costs are borne by SSNS using outside grant/loan funding and government subsidies are only released after each stage of construction. Delayed payments from the municipality and difficulties in collecting community contributions remain the biggest challenges to faster delivery of projects. Sanitation projects under SSNS are entirely subsidied either under BSUP or by the state.

As the BSUP scheme draws to a close by March 2012, organizations are looking towards a new subsidy scheme called RAY – Rajiv Awas Yojana. Despite two years since its inception, the financial intricacies of RAY are still to be worked out. Most cities have received funds to take on activities under the preparatory phase of RAY and based on these experiences will be able to gauge a budget for the larger city-wide approach to upgrading expected under RAY.

The financial break-up of RAY envisages 50% from the central government and the remaining 50% contribution is to be individually decided by States. Most states with limited capacities are looking towards PPP projects to help finance RAY projects.

Payment Phases
30 %: After completion of plinth
25%: After completion of roof
30%: After completion of toilet block
10%: After completion of sewer, water and
       electricity connection
5%: After signing MOU between CBO and
       BMC and getting vigilance NOC
Once Nirman finishes recovering the due payments from the BMC then, as per the financial year, all the accounts related to the project are audited. Only then, the project is considered to be officially concluded.

GOVERNMENT v/s	OUR PROCESS
LAND Self-owned land Government-owned land	Land for relocation is identified by communities through SPARC
FINANCE Government provides a 90% subsidy and households pay 10%	SPARC initiates formation of savings groups
PROPOSAL Survey carried out for identifying slums and eligible households Detailed Project Report prepared by Municipal Corporation	Survey process carried out under SPARC to identify eligible households
PROCUREMENT Tender released by City municipality and lowest bidder selected Work order issued	Procurement norms have been challenged by SPARC-SSNS to change criteria that will let NGOs participate
CONSTRUCTION DPR – Detailed Project Report released to provide house designs and settlement layouts and eligible households list to the implementing contractor	Community contractors work under SSNS for construction
OCCUPATION	SPARC supports NSDF and MM to allot and shift
MAINTENANCE	SPARC supports maintenance fees while NSDF and MM encourage savings for communities to become self-sufficient

Process in Practice: Housing

COLLABORATORS

City Government	SSNS	NSDF/Mahila Milan	Architect/ Engineer	Eligible Households
Local government is responsible for preparing the Detailed Project Report, Tendering, Acquiring funds from the State, Disbursal of funds and regular site inspections.	Applies for project tender based on federation recommendation, provides technical support to re-design/re-survey project site/households after project acquisition, supports community contractors for construction and acquiring supporting funds prior to project implementation.	Community mobilisation, putting together documents for approvals, Biometric survey, identifying eligible households, community discussions around design	The role of the architect is determined as per each municipality's flexibility to allow change in designs from the DPR. Architects in SPARC/SSNS projects work with communities before finalizing a house design.	Mahila Milan helps organize communities around the activity of savings and the households play an active role in collecting savings, confirming household eligibility, designing house and settlement plans with architects or engineers, in site monitoring by appointed community supervisors and maintenance.

3879 families will receive a new house in an in-situ upgrading project

Families have to pay 10% cost of a house, 90% is a government subsidy

1494 units ongoing out of a total of 2590 units

788 units complete

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In-Situ   **PROJECT SNAPSHOTS**

Nanded, Maharashtra, 2011
In 2010, the Nanded Municipality approached SPARC to help implement the BSUP project which had run into trouble with communities and contractors. Exchanges were held between Pune Mahila Milan and community groups from Nanded and in 2011, SPARC/SSNS officially took up work for upgrading 500 houses in Nanded that were at several levels of completion by earlier contractors. Mumbai Mahila Milan has taken some of the construction contracts.

Puri, Odisha, 2011
After several re-tenders due to low rates of construction, upgrading of three out of 9 sites was contracted to SSNS. Community savings groups were already in place months before due to efforts of the Puri Federation. SSNS architects/engineers discussed with households to change house designs as allowed by the Puri municipality. Part construction is taken on by Mahila Milan contractors. Delay in payments is causing work to stall and several meetings between the municipality and SPARC alliance have taken place to sort these issues. In the other sites, contractors have abandoned work unable to meet rising costs and the municipality has requested SPARC/SSNS to take on the work.

Bhubaneswar, Odisha, 2010
Work is in progress in three sites: In Nayapalli, of 73 houses only 16 remain in balance. In Dumduma and Bharatpur, some households are receiving subsidies directly from the municipality to upgrade their houses. The rest are contracted to SSNS. Over the last couple of months, several meetings have been held with the municipality regarding payment delays which is stalling work.

Issues raised with the BMC also include deductions made from our bills as royalty, sales tax, income tax, cess and on empty cement bags which remain to be discussed.

Some infrastructure work was completed in Bharatpur and Dumduma and original designs changed on oral instruction by the municipality with a commitment to revise the rates of payment but this is yet to be received.

Process in Practice: Housing

Precedent

Pune, Maharashtra, 2009

The Pune Municipal Corporation held discussions with city NGOs and opened up tendering setting a new precedent for NGOs and communities to participate. Pune Mahila Milan has taken an active role in engaging with communities and architects to produce designs through innovative methods: house model exhibitions and cluster meetings. 40% of the construction has been contracted to Pune Mahila Milan. The project has been well documented and visited by several other city municipalities, communities to replicate in their own cities.

LEVERAGING IN-SITU UPGRADING PROJECTS

1 Why In-situ? In-situ upgrading is the most preferred option both conceptually and practically. If the intervention is done early, pathways can be expanded and public facilities can be integrated more easily. When settlements get dense, they have to compromise both lane widths and also other elements. However women when they get involved, they also focus on designing the inside of their homes and demonstrate how much value added it brings them.

2 **What does it entail?** In almost all cases, early attempts to be permitted to take on these projects was not possible as all procurements excluded NGOs and communities. Finally, when no one else would take up construction and cost escalations made the projects unattractive for the commercial contractors, Municipalities invited NGOs. The alliance agreed because this remains a vital area for learning and intervention. Through economies of scale and self construction and grant support for learning aspects these projects were possible.

3 What **compromises needed** to be made to get these opportunities and why they were considered worthwhile: Every one was in a house! Having delayed the projects for five years the city wanted to the projects to start immediately, by which they meant construction. In reality documentation of households, collective agreements of the process and outcomes took a lot of time, households were fearful about the process.

4 City officials and communities had to learn to work together, cities needed to be persuaded to give money on time as construction investment and cash flow depended on this yet delays continue to plague the project. Despite all that the processes that have emerged have been inspirational and have demonstrated power of participation.

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3 Community Toilet Blocks

SSNS has continually demonstrated success in designing and managing toilets with community based organizations. This has resulted in several policy changes and a scaling up of our initiatives under the Mumbai Sewerage Disposal Program into the Slum Sanitation Program and Nirmal Mumbai Abhiyan programs.

Cities provide grants for the building of community toilet blocks. SSNS seeks its own bridge funds as start up capital to initiate projects till recoverables come in. In our MSDP projects, MMRDA (Mumbai Metropolitan Regional Development Authority), which bears the total project cost, releases funds for construction to the Urban Local Body (ULB) only when a certain stages of construction are achieved.

SSNS also uses revolving funds (grant funds for projects that are recovered and then recycled for other projects). Bank finance is sought for providing project finance or for providing 'bank guarantees' to municipality where funds are blocked as a security measure. SSNS funds, as a result, remain liquid.

Slum communities are often located on land owned by: municipality, private, railways. In all cases, whether new toilets are constructed or space needs to be cleared for a new toilet block, land is not purchased. However, once land is acquired for construction, the value of the land is a community asset.

Payment Phases
30 %: After completion of plinth
25%: After completion of roof
30%: After completion of toilet block
10%: After completion of sewer, water and electricity connection
5%: After signing MOU between CBO and city authority and getting vigilance NOC
Once SSNS finishes recovering the payments from the city authority, then, as per the financial year, all accounts related to the project are audited for the project to be officially concluded.

GOVERNMENT v/s OUR PROCESS

FINANCE 100% payment made by the authority towards toilet construction	SPARC/SSNS bridge funds
PROCUREMENT Tender released by local authority for toilet construction, ward-wise	NSDF carries out baseline survey to identify areas needing toilets and non-functional toilet blocks—this is submitted to BMC
LAND NOC to be sought from landowner by contracted agencies	No Objection Certificate sought by NSDF
CBO FORMATION After survey is submitted, BMC issues a site-wise intimation letter to form CBOs	Community meetings held to increase awareness, consent letter is to be obtained from atleast 80% of users to form a CBO and approve toilet construction, consent letter is submitted to BMC
PROJECT DESIGN Consent letter is sought from contracted agency BMC approves RCC plan and drawings	CBO, SSNS begin design of layout, signatures of CBO members are taken on the final plan and submitted to the municipal corporation Temporary toilets may be built on site during construction SPARC carries out health surveys prior to construction
CONSTRUCTION Timely supervision by municipal engineers at each phase for release of payments	Construction is carried out by Mahila Milan Contractors.
MAINTENANCE	Regular visits by SSNS to assess the operation and maintenance of the toilet blocks, support to CBO in the management of toilet up till the defect liability period is over. SSNS has to pursue BMC to recover balance payment. Post-construction health carried out by SPARC.

Process in Practice: Toilets

COLLABORATORS

City Government	SSNS	NSDF/Mahila Milan	Architect/ Engineer	Eligible Households
Floats project Tender, Getting approval for NOC, administrative support, billing, supervising the project, Supporting NGO when and where its required	Getting grants/ funds, Applying for tender, billing of payments, preparing vouchers and get audited by and auditor, with SPARC conducting surveys and documenting processes	Community mobilisation, creating slum sanitation programme awareness, forming CBOs, providing all kind of support to CBO until they are capable enough to work on their own, resolving issues and challenges time to time	Prepare plan, drawing and supervising the construction/ post construction any issues	Forming women saving and credit group and supporting federation members to do community mobilisation

Project Name	Toilet Blocks/Seats	Status	Project Cost Estimate	Income till March 2011	Expense till March 2011	Bridge Finance till March 2011	Income 2011-12	Expenses 2011-12
ONGOING								
MSDP Lot 9	100	—-	350,000,000	0	5,625,000	5,625,000	0	0
MSDP Lot 8	150	150	240,000,000	54,169,129	85,003,029	25,242,720	14,822,510	33,738,035
MMR Abhiyan	367	363	734,000,000	538,708,021	672,336,971	164,362,556	9,040,605	9,012,760
SUB-TOTAL	617	513	1,324,000,000	592,877,150	762,965,000	195,230,276	23,863,115	42,750,795
COMPLETED								
BSDP Lot 6 & 7	208	Complete	332,800,000	237,764,329	321,343,277	144,304,032	0	0
Vijaywada	6	Complete	3,040,000	0	7,891,000	7,891,000	0	0
Pune Phase 4	13	Complete	12,800,000	6,887,838	12,766,132	9,711,594	0	0
Tirupur Toilet	13	Complete	14,500,000	12,430,000	14,465,257	7,925,000	0	0
Vizag Toilet	16	Complete	11,100,000	0	11,100,000	11,100,000	0	0
Pimpri Chinchwad	5	Complete	6,900,000	2,754,636	6,846,642	6,846,642	0	0
SUB-TOTAL	261	261	381,140,000	259,836,803	374,412,308	187,778,268	0	0
TOTAL	**878**	**774**	**1,705,140,000**	**852,713,953**	**1,137,377,308**	**383,008,544**	**23,863,115**	**42,750,795**

20 seats per block with 50 users per seat
261 blocks completed, 2 lakh users, 617 blocks ongoing, 6 lakh potential users

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Toilet Blocks

PROJECT SNAPSHOTS

MSDP-3, Lot 9, 2011
Tender for MSDP III won for 3 zones covering 90 toilet blocks in 15 wards. CBO (Community-Based Organizations) formation is going on across 35 sites for which the intimation letter was received. Work Order for 4 toilet blocks was received and 2 blocks are under construction.

MSDP-2, Lot 8, 2006-12
17 Wards, 103 toilets blocks, 2935 seats, 75 bathrooms, 132 urinals
In progress: 7 toilet blocks
Completed: 55 toilet blocks, 1377 seats
Cancelled: 35 toilet blocks
Not Started: 16 toilet blocks
Work order not released: 33 toilet blocks
Abandoned: 1

MMR, 2007
588 work order received, 180 cancelled, 335 blocks, 5336 seats, 390 bathrooms, 1144 urinals completed, 8 blocks are under construction
Government of Maharashtra took up the Nirmal Mumbai Metropolitan Region Abhiyan (MMR) project in 2007, envisaging the construction of 1,00,000 public toilets across the Greater Mumbai Region in two years. The first phase of the project officially sanctioned the construction of 30,000 toilet seats in 14 Urban Local Bodies (ULBs). SSNS was specifically selected because of its demonstrated experience with participatory community sanitation projects. The model for these toilet blocks are similar to the ones constructed under MSDP.
588 work order received, 180 cancelled, 335 blocks, 5336 seats, 390 bathrooms, 1144 urinals completed, 8 blocks are under construction.

Kesipur, Cuttack, 2011
In early 2011, the Cuttack commissioner contacted the Odisha Federation and Mahila Milan to construct 10 toilet blocks – 5 for commercial (near bus stands, railway stations, theatres etc) and 5 for within the slum. The federation identified vulnerable slums and those with Mahila Milan presence to begin their work. Of the 5 selected slums, 2 are on municipality land and the remaining on irrigation department land, from which clearance are being obtained. The federation took construction of the Kesipur toilet block for 300 families as a precedent. The toilet was redesigned by the federation, engineer and community leading to the a community hall and caretakers' room. The toilet is 25 seats, with 15 seats for men and 10 for women. Construction was completed in February 2012 and finishing work remains to be completed upon receiving funds.

Process in Practice: Toilets

Precedent

The Bombay Sewage Disposal Project (BSDP) was launched in 1995 by the World Bank and the Municipal Corporation of Greater Mumbai (MCGM) which intended to expand the city's sewage treatment plant and improve its sanitation infrastructure. In 1998, three NGOs were invited to undertake pilot projects to demonstrate how sanitation could be improved in the slums, despite their lack of connectivity to existing sanitation infrastructure. SPARC constructed a community toilet block based on the designs it had implemented in Pune. The toilet had pour-flush latrines in equal numbers for men and women, specially designed children's latrines, and a community hall and a caretaker's room on the upper floors.

In the first and second phases of MSDP, the Alliance developed a strategy where communities form organized groups as part of NSDF and MM, are trained to do surveys, identify locations for toilet blocks, work with architects/engineers for appropriate designs, take on construction and save for maintenance. These strategies have demonstrated through practice a community-led process of providing access to basic services thate continue to be refined and scaled up with other projects. In addition, the challenges such as land disputes, labour and material shortages, political interference and community objections that the Alliance has had to learn to negotiate with in each project form part of a learning and capacity building process.

The pilot project was a success and in 2001 the Slum Sanitation Project (SSP) was launched using this model. It was also replicated under the Nirmal Mumbai Metropolitan Region Abhiyan (MMR) project in 2007 that envisaged the construction of 1,00,000 public toilets across the Greater Mumbai Region in two years. The first phase of the project officially sanctioned the construction of 30,000 toilet seats in 14 Urban Local Bodies (ULBs). SSNS was specifically selected because of its demonstrated success in earlier projects.

LEVERAGING COMMUNITY TOILET PROJECTS

The projects enhance our capacity but the goal is also to show that poor communities have the ability to participate in and maintain services provided by the MCGM or MMRDA. By and large, almost all projects carried out under such schemes are contractor-led and it is the aim to the Alliance to demonstrate through the project, a community-led approach that is successfully implemented. Through community participation and involvement, the federation and Mahila Milan have set norms for allowing the urban poor to take part in the tendering and design and implementation process in constructing toilets under various government schemes.

1 The Alliance and other organizations began advocating for 'defecation free' cities in 2003 which became a national policy in 2008-9. The Ministry of Urban development has since rated 400+ large and medium towns and found almost all having very poor sanitation services, and have spent millions of dollars to develop sanitation plans for the city to develop investment plans. Since then, Procurement guidelines have changed to allow NGOs and CBOs to partake in slum sanitation projects.
Our advocacy to form CBOs was recognized by MCGM which now includes this as part of the procurement process so every contractor hired has to form a CBO prior to starting construction.

2 Initial grant funding was used to explore community-led and managed sanitation projects demonstration toilets). These were precedent setting projects

3 Precedents were instrumental in winning contract to build community-managed toilet blocks in slums under World Bank funded MSDP 1 project

4 Success of MSDP 1 enabled SPARC to leverage municipal govt. funding to help improve city's sanitation infrastructure in the second phase

05 Portfolio 2011-12

4 Incremental Upgrading

HOW TO OBTAIN A LOAN

Loan application submitted to Committee (7 Mahila Milan members and 2-4 federation people)

Federation visits committee to discuss applications

Physical evaluation of each applicant's house is conducted

Applications submitted to SPARC/SSNS

Loan processed and sent to federation

Loan disbursal by federation

Applications provide info on: name, husband's name, caste, MM savings, previous loans (either through Mahila Milan or RMK) – and, when possible, also contain photographs.

The applications are scrutinized on basis of savings record: for instance, those who have no regular savings activity are automatically rejected. As long as households have a regular (daily) savings record – no matter how much they put away daily – their applications will be considered.

Physical evaluation ensures that the household really does need the loan and to verify that the amount will be spent on housing purposes and not for any other purpose. This helps to prioritize the applications and identify households that are in most urgent need of the loan.

Photos are taken before and after the construction for documentation purposes.

SSNS LOAN PORTFOLIO

INDIVIDUAL TOILET LOANS				
Location	House-holds	Loan Amount (INR)	Balance March 2012 (INR)	Loan Year
NEW LOANS 2011-12				
Bangalore	15	200,000; 22,000 received in 11-12	160,005	Feb-12
ONGOING LOANS 2011-12				
Pondicherry	25	91,000	2,510	Apr-03
	10	34,000	555	Oct-03
Kanchipu-ram	9	45,000	45	Feb-05
	43	215,000	85,572	Oct-05
	25	125,000	53,062	Aug-06
	87	870,000; 56,202 received in 11-12	357,662	May-10
Thiruvana-malai	11	55,000	1,366	Oct-05
	32	160,000	77,504	Jul-07
Ambur	21	105,000	7,423	Oct-05
Chengam	15	75,000	11,034	Oct-05
	25	125,000	10,143	Jul-07
Polur	7	35,000	35,000	
	12	60,000	24,068	Sep-07
Arani	100	300,000	117,363	Apr-04
	49	245,000	190,162	Oct-05
Tirupattur	15	75,000	30,944	Oct-05
Theni	10	40,000	40,000	Jan-04
Bangalore	2	10,000	3,420	Jun-04
	11	55,000	22,127	Jan-06
	29	290,000	290,000	Jul-10
LOANS REPAID BEFORE MARCH 2011				
Pondicherry	4	20,000	0	Mar-04
Kanchipuram	60	300,000	0	Jul-07
Kanchipuram	66	600,000	0	
Chengam	8	40,000	0	Aug-04
Tirupattur	18	90,000	0	Sep-06
Mandia	18	288,000	79	Jan-11
TOTAL	**727**	**4,548,000**	**1,520,044**	

Process in Practice: Incremental

727 individual toilet loans, Average loan size varies from Rs.5000 to Rs.10,000
597 individual house loans, Average loan size varies from Rs.8000 to Rs.30,000

INDIVIDUAL HOUSEHOLD LOANS

Location	Households	Loan Amount (INR)	Status	Balance March 2012 (INR)	Loan Year
NEW LOANS IN 2011-12					
Paradeep, Odisha	15	730,000	122,873 received in 2011-12	607,127	Apr-11
K.G.F., Karnataka	119	1,500,000	REPAID	0	May-11
Mandia, Karnataka	19	365,000	114,450 received in 2011-12	263,823	Nov-11
Byappanahalli, Karnataka	3	200,000	Received 22,000 in 2011-12	181,485	Jan-12
BDMM, Karnataka	20	600,000	Received 66,000 in 2011-2012	536,959	Feb-12
Sub-Total	176	3,395,000			
ONGOING and REPAID LOANS IN 2011-12					
Kuntu Chinappa, Karnataka	32	640,000	REPAID	Opening: 264,553 Closing: 0	Dec-09
BDMM, Karnataka	43	500,000	360,714 received in 2011-12	Opening: 464,205 Closing: 193,617	Jan-11
Mysore, Karnataka	63	1,000,000	591,694 received in 2011-12	Opening: 958,411 Closing: 517,286	Jan-11
Mandya, Karnataka	19	212,000	REPAID	Opening: 200,903 Closing: 0	Jan-11
Sub-Total	157	2,352,000			
LOANS REPAID BEFORE MARCH 2011					
PondIcherry	14	420,000	REPAID	0	Jul-01
PondIcherry	5	150,000	REPAID	0	Jul-02
Tirupattur, Tamil Nadu	6	165,000	REPAID	0	Jul-02
K.G.F., Karnataka	17	215,000	REPAID	0	Jul-08
Mysore, Karnataka	20	200,000	REPAID	0	Jul-09
K.G.F., Karnataka	82	604,000	REPAID	0	Jul-09
K.G.F., Karnataka	120	1,000,000	REPAID	0	May-10
Sub-Total	264	2,754,000			
TOTAL	**597**	**8,501,000**			

05 Portfolio 2011-12

4 Incremental Upgrading   Expanding Loans for Housing, Toilets

April 2011, Paradeep, 15 Mahila Milan members from 4 slums (Balijhara, Udaya Batta, Brundaban colony New Jagannath colony) were given loans for new house construction. The loan amount is Rs.50,000 each and 4 members from Balijhara (Paradeep) were given loans for renovation in the amounts of Rs.32,000, Rs.35,000 and Rs.50,000 each. The community members will be doing the construction themselves which will be monitored by the housing committee and Mahila Milan. Thus far, the houses to be renovated are finished and the new houses are under construction.

January 2012, Balijhara, Paradeep: The Mahila Milan of Jagannath Colony held a meeting with the Paradeep federation and Mahila Milan members to discuss the housing loan. The positive experience of two members who had taken the loan in 2011 was highlighted to encourage more households to take loans.

Ahmednagar is one of the towns that Mahila Milan Pune has been mentoring. They have been coming to Pune for several exchanges after which they began carrying out surveys and setting up savings groups. Soon, there was a request from the community asking for toilets. The Ahmednagar federation went to the city officials to request for a toilet but it was not accepted. So, instead the federation took a loan from SSNS to build the toilet and even dug a trench to connect to the sewers. Upon seeing the success of this project, the local councilor has now agreed to pay for the toilet with the councilors fund.

4 Incremental Upgrading   Loans for Amenities Upgrading

Electrical Connections
December 2011, In Subash Nagar slum, Bhubaneswar 35 new households will be given electrical connections based on approval from the SDO and AGM of SESCO. The Bhubaneswar community federation have formed a committee to obtain the necessary approvals from the municipal corporation and local corporators. Also, meetings are being conducted with the households regarding their contribution to obtain the connection.

Toilet Repair
At Balijhara, Paradeep, Odisha, there have been meetings about the community toilet to discuss maintenance issues. The basic purpose was to collect the contributory share of Mahila Milan including interest & electricity overdue bill of the community toilet & to write application to the Junior Engineer.

October 2011, the Puri federation and community held a meeting to discuss the repair of the defunct toilet at Penthakota. An estimate was made for Rs.35,000 towards repairing the drain, gate, tube well, electricity. Mahila Milan provided Rs. 10,000 from the city fund in November. The rest is to be collected from the benefitting households but none of the households surveyed can afford to contribute. Thus, the remaining money will be taken from the bank with responsibility on the federation leaders. In case of any deviation towards refund of loan amount the city fund of Mahila Milan Group will not be claimed by the members. It was decided the toilet will be managed either by the leaders or private body. The toilet is undergoing repair work under the supervision of Puri federation and our local NGO partner in Odisha known as UDRC—Urban and Development Resource Centre.

Water Supply
November 2011, A meeting was held at Atharbanki, Paradeep by 20 members of the Sagar Kanya group and federation members of Paradeep and Mahila Milan were present. The meeting was around organizing the community and to discuss alternative sources of water supply for the people.

Process in Practice: Upgrading

LEVERAGING INCREMENTAL UPGRADING PROJECTS

Rather than attempting to bring mortgage finance down to the level of the poor, the Alliance is exploring ways to deepen and further develop the existing strategies through which the poor upgrade their homes, and examine what aspects they can undertake through loans themselves and which are the areas that require state intervention of policy and financial investments.

Slum settlements where housing is of better quality, may choose not to upgrade houses but take loans to invest in other necessary amenities or to gain access to water and sanitation facilities.

Solutions to this issue could include increasing the contributions by beneficiaries, and SSNS seeking affordable loans. It is our position, that for most of the urban poor whose houses and amenities have to be improved, the poor can only afford borrowing money (regardless of who lends) in small amounts and incrementally upgrade their own dwellings.

With community access to loans, the reach of government subsidies can be doubled, while continuing to provide opportunities for communities to participate and build capacities to manage their own development.

727 individual toilet loans, Average loan size varies from Rs.5000 to Rs.10,000
597 individual house loans, Average loan size varies from Rs.8000 to Rs.30,000

05 Portfolio 2011-12

1   How the Other Half Constructs: Incremental Upgrading

This year SSNS carried out a study to determine factors under which households upgrade, how finance is accessed for upgrading and how the house is upgraded in around 40 households in the slums of Mumbai and Pune. As part of this year's strategy, the study will form the basis of a incremental housing lending strategy.

Cities Covered

1. **Mumbai**
Pavement Dwellers, Dadar East
Santosh Nagar, Jai Bhim Nagar,
Vadke Compund, Goregaon East
Aarey Colony, Goregaon East

2. **Pune**
Kashe Wadi
Mother Teresa
Wadar Wasti
Jai Bhavani
Sheela Salve Nagar

How the Other Half Constructs:
A study of incremental upgrading
Mumbai and Pune
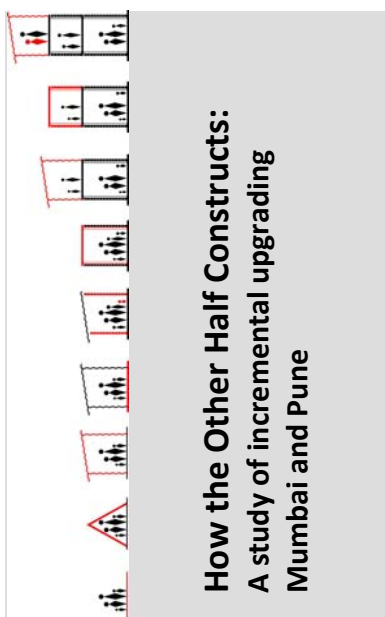
LEVERAGE: HOW WE USE THIS STUDY

To compile a detailed description of the incremental upgrading process and from that, begin to create a methodology – identifying the steps at which the incremental process can be supported by the federation and making available more sustainable, safer choices for materials and construction techniques, to produce a 'formalized' structure to gain legitimacy.

Objectives:

- To assess how slum households build: what they spend on, what they upgrade first, how they upgrade and why they upgrade?
- To understand what works and what doesn't in the process of self-upgrading
- To make a case for incremental upgrading at the government level using this study—how far can government subsidies reach by only providing infrastructure and loans and allowing households to incrementally upgrade?
- To understand where and how we can support the self-upgrading process, particularly in what doesn't work—can we provide a larger framework—financial and technical—within which settlements and houses can be upgraded to meet standards of safety, light, ventilation, access?

Methodology:

Two cities of Mumbai and Pune were identified for ease of access. Mahila Milan members were explained the study and helped identify the slums and households to interview. Two sets of interviews were carried out:

- A brief with the settlement leader to ask the following questions: Name of Settlement, Age, Land Ownership, History of how it came to be (first settlers/history of evictions) and current status (slated for relocation/upgrading).
- A longer set of questions acted as a guide for interview with individual households. Around 5 households in each settlement were interviewed.

In housing, the urban poor have shown that somehow over a period of time despite each households investments are very small and humble, they aggregate to several times the investments that national governments and private sector can make in their habitats. Early insights are that while the poor upgrade their homes, they need to get support for security of tenure from the state. They also need access to bulk services which cities have to provide them.

Process in Practice: Studies & Proposals

FINDINGS

A TYPICAL CASE

Finances:
(Pune) Mostly personal savings, borrowing from known sources (friends and relatives) or Bishi scheme and Gold mortgage
(Mumbai) Most depend on the self savings, some borrow from known sources such as the household/owner where they work
Contracting:
(Pune) Only a few upgrade themselves, only when the family is involved in the construction industry already. Most others contract out the work.
(Mumbai) About 1/3rd of the people manage the construction themselves, the other 2/3rd depend on contractors
Materials are obtained in three ways: Bought from second hand informal markets, Re-used from other construction sites/demolitions or (rarely)received from the workplace or local corporators.

Stages of Upgrading are as follows:
Stage 1: Occupation of land or allotment of land
Shelter made of Mud, Bamboo or tin sheets for walls, Tin or Plastic for roof, Cow dung/mud or Koba for flooring, Bathroom outside or shared. There is no specific place for a 'kitchen', food is cooked on a stove in one corner of the shelter. If land was allotted, then amenities are provided or else not.
Stage 2: Repair of House due to Monsoons or other external factors
Replacing plastic sheets on the roof are done annually. In case of damage by rodents, snakes, koba flooring is used. For falling debris, a wall may be built on one side.
Stage 3: Building Walls, Kitchen Platform, Bathroom
The extent to which households will reach this stage depends on land tenure security, length of time in one place with no eviction history, excessive expenses due to damage by external factors (monsoons and rodents).
Walls are built with brick/stones in stages: if shared with neighbours, there is a process of negotiation and sharing of costs, a half wall is built, followed by a full wall, sometimes walls on each side of the house come up at different times or altogether depending on costs. Kitchen platform is made of *Kadappa* Stone, Plastering of walls, Bathroom is built inside.
A change in lifestyle is marked by the presence of a kitchen 'platform' which usually precedes the switch to cooking on a gas stove.
The addition of a bathroom inside the house is generally undertaken when there are grown up daughters and new daughter-in-law expected.
Stage 4: Additional Components
Tiles are used for flooring and sometimes for walls also, Space expansion by building mezzanine or another floor is added if a marriage is to take place or for privacy, all partition walls are built halfway to allow for storage on top of it also, windows are generally above eye-level for safety

Location:
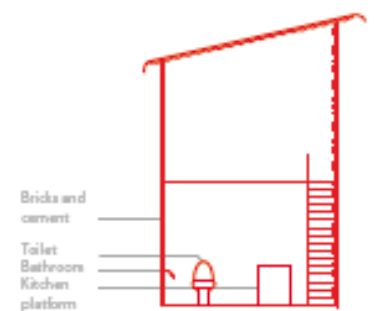**Mother Teresa Slum, Pune**

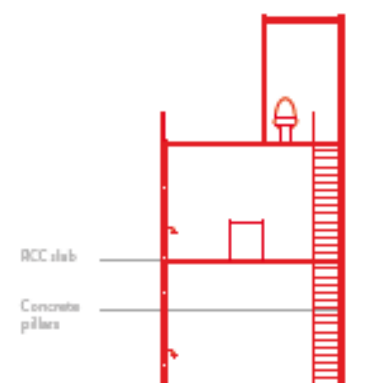Plastic and tin sheets
Tin sheets
Outside bathroom
Mud flooring
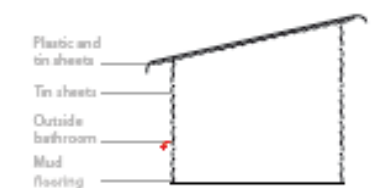
1975
Bought for
INR 200
Monsoon repairs
for INR 300-500

Bricks and cement
Toilet
Bathroom
Kitchen platform

1991
Rebuilt
10'x13' house for
INR 32500

RCC slab
Concrete pillars

2005
Rebuilt

05 Portfolio 2011-12

2 Study of BSUP project implementation in 11 cities

In December 2011 and February 2012, NTAG approved a proposal by SPARC to study the range of alternatives under BSUP explored by 11 cities across the country and draw lessons from it for the next phase, which is the extension of JnNURM-BSUP for another two years.

Cities Covered

1. Asansol
2. Bhopal
3. Bhubaneswar
4. Jaipur
5. Madurai
6. Nagpur
7. Patna
8. Pune
9. Puri
10. Raipur
11. Vishakapatnam

Information was collected around these project phases:

· City Development Plan
· Selection of Projects
· Socio-economic Survey
· Detailed Project Report
· Appraisal
· Procurement
· Identification of eligible households
· Biometric Card for eligible households
· Provision of Transit Housing
· Finances and Community Contribution
· Construction
· Occupation and Maintenance
· Tenure

LEVERAGE: HOW WE USE THIS STUDY

To assess what worked, what didn't and why in the BSUP projects
To develop recommendations for the government to improve on the next phase of the JnNURM scheme
To develop a strategy to use subsidies better—
Can we expand the use of subsidies through blending various sources of finance? Can we expand the reach of subsidies to many households by focusing on infrastructure provision and loans for households to upgrade incrementally?

In 2005, the Government of India announced the Jawaharlal Nehru National Urban Renewal Mission (JnNURM) scheme. Under this, one of the sub-missions on Basic Services to the Urban Poor (BSUP) was on the integrated development of slums through projects for providing shelter, basic services and other related civic amenities. The emphasis was also on reforms driven, fast track, planned development of identified cities with focus on efficiency in urban infrastructure/services delivery mechanism, community participation and accountability of Urban Local Bodies (ULBs) towards citizens. BSUP was expected to run for 7 years from 2005-06 and 63 cities identified to benefit from subsidies under the scheme. Yet, at the end of its run, funds remain largely unutilized as projects have run into issues of procurement and execution. Yet, some cities have also shown innovative ways of using the subsidy and transformed processes by making them inclusive of communities. Following is a summary of our study.

Objectives:

- To understand how each city selected, designed and executed BSUP projects
- To understand the manner in which communities were involved at each level and consequences of that; to what degree municipality, consultants and NGOs were involved
- To study how DPRs were made, contractors selected, structures designed, amenities provided and connectivity to the city
- To assess how cities would do this differently, issues they raise to the city, state and central leadership

Methodology:

Selection of Cities
Secondary Data Collection
Developing a Questionnaire
Field Visit and Interviews

Process in Practice: Studies & Proposals

FINDINGS

A very obvious and clearly deficient aspect of JnNURM especially in its BSUP aspect has been real insight into why community involvement participation and empowerment needs to be part of the design execution and follow up of project investments. This challenge and the inability to explore its value and potential on the one hand and facilitating this process within project has been clearly absent in almost all projects in the last 7 years, and instances where there have been exceptions, have occurred at great cost and undertaken in too few cities to make a significant impact by themselves.

Some major observations include:

CDPs and poor project linkages

Design and Planning: The detailed project reports were prepared by consultants, plans produced have little relation to actual site conditions, designs were made without community consultation. Also, there is no policy that allows change in designs if communities are dissatisfied during implementation.

Procurement and Tendering: Several tenders had to be called to obtain a consultant. By the time consultant was chosen, rate was too low and policy does not allow for cost escalation.

Financial: Communities were not informed about their contribution amount nor were provisions made to support them to pay. In some cities, as there is no clause for cost escalation, the extra cost was added onto community contribution.

Institutional: Poor coordination amongst the municipality departments, no capacities except to draw down money, late payments to consultants, no knowledge transfer among officials.

Community Participation:

In almost all cities, participation was considered synonymous with providing information. It is a clearly misunderstood term.

Even though some cities and DPRs recognized the importance of involving communities, there were no mechanisms in place to facilitate community inputs at various levels of the project.

Innovations by Cities:

Allowing for Cost Escalation as in Vishakapatnam

Self-Construction in Madurai, Asansol, Bhubaneswar allowed slum dwellers to directly receive subsidies for constructing houses so they decided their own designs and chose their own contractors.

Flexibility in changing designs: In Puri, the municipality allowed designs to be modified on site as per the needs of the households. Pune municipality went a step further by letting communities and architects develop designs for over a year before construction actually began.

Based on the findings, the alliance has provided feedback and recommendations to the National Technical Advisory Group who commissioned the study.
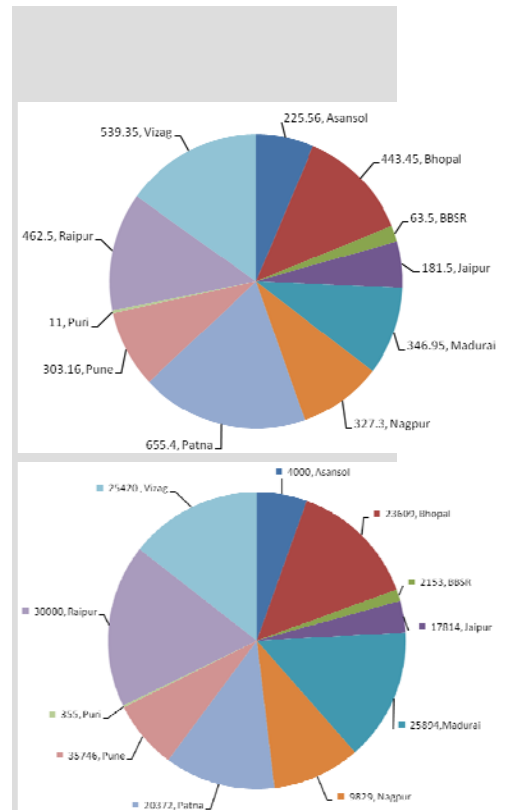
05 Portfolio 2011-12

3 | Rehabilitation Housing for Ringroad Slums, Cuttack, Odisha

Ring Road Slums

1. Radhakishorepur
2. Sati Gumpha
3. Bandhtala Sahi
4. Satichaura
5. KaliBihar
6. Matamatha Nadikula
7. Do Bandha
8. Kathajodi Vihar
9. Shibaji Nagar
10. Deer Park
11. Idga Nagar
12. Satabdi Nagar
13. Mahatab Nagar
14. Jagannath Colony

Relocation of 14 slums occupying 25 acres of land into 14 acre land in Cuttack

In a testament to weak administration and land policies, three proposals have since been prepared which have all stalled for various reasons and the project remains at a stalemate.

In **2006**, a proposal by SPARC and DAWN (a local NGO in Bhubaneswar) for accessing subsidies under the IHSDP (Integrated Housing and Slum Development Program) scheme was stalled because of land conflicts and transfer of government officials

In **2010**, a second proposal by SPARC and UDRC (Urban and Development Resource Centre), a local NGO in Bhubaneswar, to access subsidies under IHSDP, with a financing strategy and house typologies worked out by S.K Das as in the 2006 proposal. Again, this proposal was not accepted by the municipal authorities.

LEVERAGE: HOW WE USE THIS PROPOSAL

This project to rehabilitate slum households living along the river, flood prone areas in Cuttack has been in the pipeline for a long time. Three proposals later, the project has been set aside once again because the land is now under litigation where a private land owner is contesting the state ownership of the land.

SSNS uses this to demonstrate two things:
One, how a project design proposal for redevelopment can be developed with communities by professionals and NGOs
Two, to demonstrate the catch-22 in the crisis of land tenure for the poor in cities in India. Neither the city nor the state actually know their land ownership and land use while commissioning the projects and priorities to find solutions that involve the poor is very low. Only persistent and committed focus will produce sustainable solutions.

In 2005, the Alliance became a nodal agency to coordinate local communities, the Cuttack Development Authority, Sewerage Board and others to develop a resettlement plan for Cuttack's Ring Road households. Located between Kathjodi river and a busy main road, these slums were flooded every year, forcing people to squat on the main road during the monsoon and rebuild their houses every year. But it was the forced evictions taking place by the Cuttack Municipal Corporation that compelled the federation to get involved. The Odisha Mahila Milan and Federation used their own surveys for negotiations, providing data to point out how much land would actually be cleared for them. The then Secretary of Urban Development showed support for the Alliance.
By September 2005, the Collector, CDA representatives and Mahila Milan jointly selected *Krushak Bazaar*, *Bidanasi*, an area ½ km away from the ringroad settlements and 14.4 acres in an area falling under urban ceiling land act, as the relocation site.

One of the issues is that the *Krushak Bazaar* land is of high value due to its location in the core of Cuttack City and developers are interested in acquiring it which is why the land has not yet been officially given for resettlement – an ongoing issue since the last 5/7 years.

At some point, the government suggested an alternative rehabilitation site located 30kms away– *Chaudar Agra Haat*- but the people already inhabiting this site do not want any families from Cuttack ring road to be rehabilitated there. At the same time, the ring road inhabitants whose businesses are closer to the city prefer *Krushak Bazaar* to *Chaudar Agra Haat* as the resettlement site.

Process in Practice: Studies & Proposals

In **2011,** after extensive discussions with the Cuttack Municipal Corporation that 14 acre land for rehabilitation was available at Krushak Bazaar, the SPARC alliance with UDRC decided to prepare a third proposal for resettlement to access subsidies under the new slum scheme known as RAY-Rajiv Awas Yojana.

The initial process of studying existing conditions and understanding living patterns was carried out by volunteers from Architects without Borders, Sweden who worked in Odisha for 3 months in 2011.

The design proposal was consequently developed by KRVIA, a college of architecture in Mumbai. Half-way through the process, landownership issues led to a case against the resettlement site acquired by CMC and the project is now stalled.

Step One: mapping existing patterns : clusters, living conditions, infrastructure, commerce, open space, institutions

Step Two: preparing the design proposal

05 Portfolio 2011-12

4 An Alternative Plan for Dharavi, Mumbai
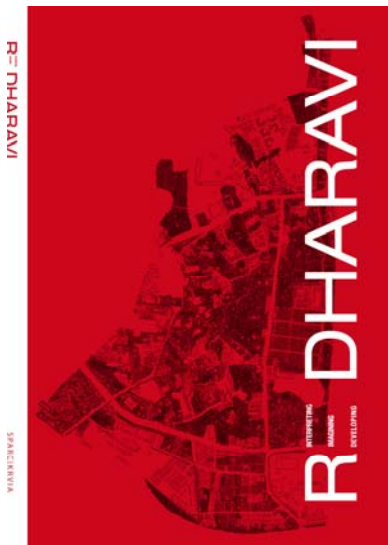
LEVERAGE: HOW WE USE THIS PROPOSAL

The participation of the alliance in this process is to develop new protocols of engagement that professionals and government must make with communities while seeking design and construction solutions. As part of our attempt to develop comprehensive participation by the communities of the poor in all aspects this sets a valuable precedent and engages policy makers and technical professionals.

Step One: mapping existing patterns: clusters, living conditions, infrastructure, commerce, open space, institutions

June 2007: Black Flag Day highlighted the resentment the people of Dharavi had for the DRP when they marched on to the streets protesting the shortcomings of the proposal. The protest rally began at Dharavi T-junction and ended outside the MHADA office at Bandra (East). The agenda of the rally was to emphasize the rights of the residents as the plan did not involve them during its conception and formulation, and that it did not make provisions to safeguard their livelihoods in the redevelopment scheme.

Feb 2009: A group of experts was formally appointed by the government of Maharashtra as the Committee of Experts advising the government on the process of redevelopment.

Soon after, an agreement was signed between SPARC-SSNS and KRVIA, a local college of Architecture to jointly develop an alternative strategy for the redevelopment of Dharavi, focusing on Sub-sector 1 of Sector 4 as a demonstration pilot. The KRVIA team alongside the residents documented all aspects of commerce, industry, existing urban context and its relationship with the city. Strategies were identified that create viable housing and work-space alternatives affordable to the people as well as to the overall urban development of Dharavi. The team is now in the process of preparing the necessary annexures needed for submission to the Slum Rehabilitation Authority for approval of a project.

Process in Practice: Studies & Proposals

Since the initial proposal to date, the Government of Maharashtra announced that instead of the 5 sector bidding process, it would develop Sector 5 through MHADA (its housing agency). At the same time, residents associations in Sector 4 of Dharavi who then divided themselves into 6 sub sections have chosen section 1 and are working with NSDF and a team of architects and planners to design a detailed plan to present to the government suggesting a way forward from the present lock jam. The strategy being presented by the people is that they do want development, but they want to be involved in the design., they want to ensure it works for them, and they are aware that densities will produce a less than ideal solution, but at least they would have developed the process around what worked for them. These plans are being formalized to be presented to the government.

Step Two: design proposal maintains naturally occurring clusters, house-work typologies to mirror existing spaces
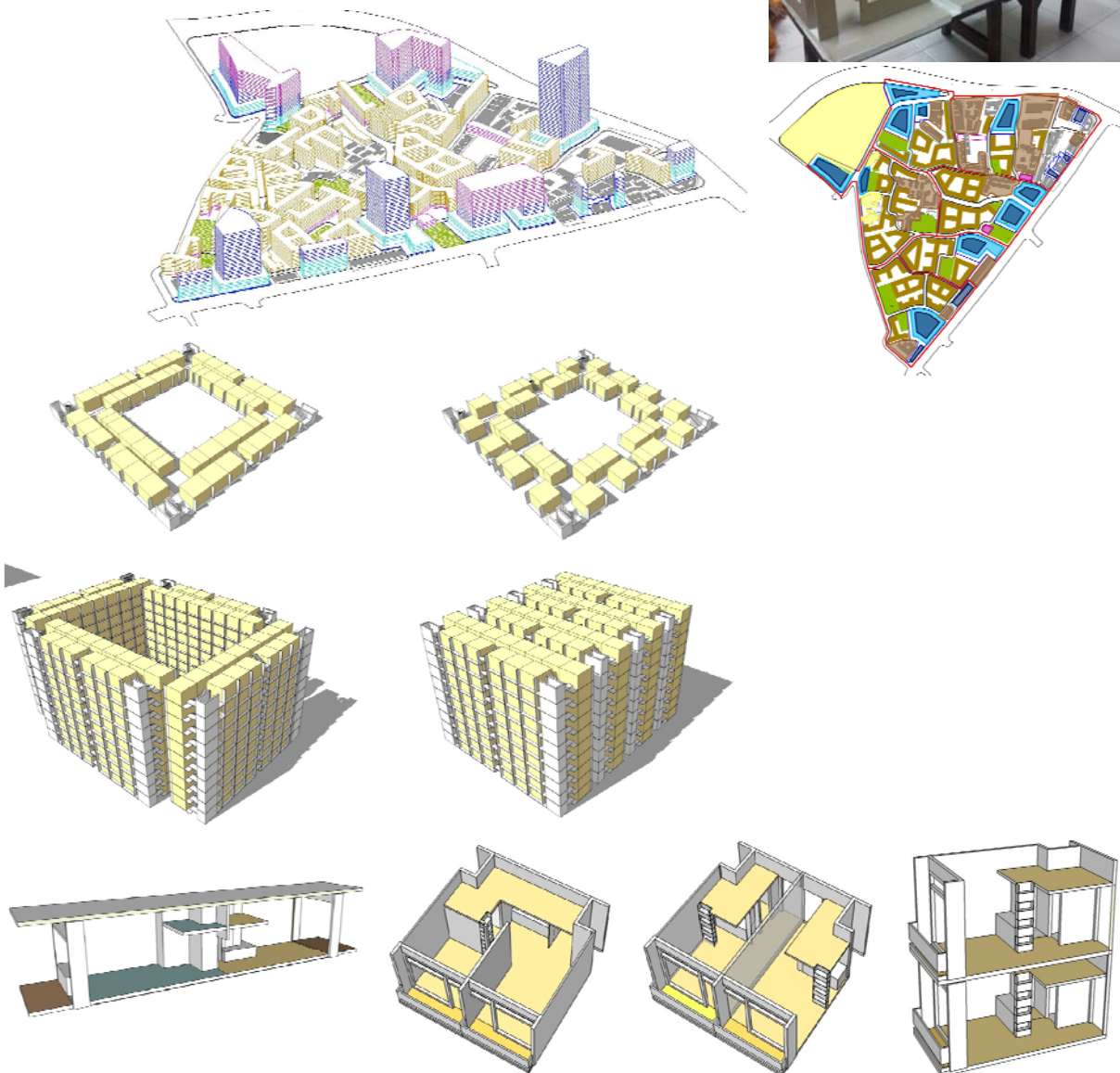
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1   Project Assessment: Housing

Land	Under government subsidy projects, projects are generally taken up on government land that is then given on lease to the collective settlement or in case of land owned by the slum dwellers themselves there is no land issue. Under the TDR incentive, slums on private land in attractive locations are mostly targeted to free up land for redevelopment. In all, it is those slums on land without issue that are taken up, thus leaving the more vulnerable slums with no solution.
Finance	It is our stand that subsidies reach very few households, particularly when upgrading involves the demolish and rebuild approach. Some houses of better quality may need only finance for repair. Some settlements have need for upgrading only infrastructure not housing. Under the present subsidy schemes, there is little scope to explore several typologies or a blending of finances to allow this multiplicity of approaches. Under the TDR incentive, households pay no monetary contribution and developers squeeze high-rise buildings into a corner of the land to be able to maximize on the rest of the land for commercial development. The financing gives rise to a typology of housing of often poor quality that remains neglected due to higher maintenance fees from poor households.
Procurement	Procurement criteria for subsidy projects in most cities are such that NGOs would not be able to participate. Even in cities where SSNS has changed the norms to participate, the tenders do not allow for cost escalation to be included in proposed estimates or for designs proposed at tendering stage to be modified later.
Design and Planning	Before construction, in all subsidy projects taken up under SSNS, the detailed project report is supplied to the winning bidder. This report contains final settlement and house designs, prepared by the municipality which has no relation to actual site conditions and outdated settlement plans and household lists. All this has had to be first updated by SSNS at its own cost and then to negotiate with the municipality for changing the proposed designs by working with communities to arrive at better suited designs. This has financial and time implications for SSNS. In TDR projects, the proposal is to be submitted beforehand, and SSNS in its attempts to create a precedent has had architects work with communities to arrive at good design solutions before the application is submitted.
Construction	Delayed payments from the municipality is the main cause of stalling construction. The lack of a clause that allows for cost escalation means that the burden of rising construction cost has also to be borne by SSNS in all its projects.

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2 Project Assessment: Sanitation

Lands owned by forest department, airport, railways are not provided clearance easily for community toilet blocks even though these lands are identified under the scheme. Some sites were cancelled as the CBOs were not ready to cooperate, resistance from local residents, there isn't enough space to construct the toilet block. Dense slums can make it difficult to transport materials onto the site.	**Land**
High court has issued orders to not use sand from the river for construction resulting in shortage and cost escalation. There is no provision to pay for start-up costs of creating CBOs or community mobilization or to tide over delays in construction.	**Finance**
In most cases, eligibility criteria makes it difficult for NGOs to apply. Only PWD Contractors or Government bonafide Contractors (with class-based certification and with a sound financial background) are eligible to apply. SPARC/Nirman have avoided acquiring a Government bonafide Contractors certificate because it involves a tremendous amount of legal issues and paperwork. In addition, the requirement of ownership of property, construction equipments, and goods has further discouraged SPARC/Nirman to apply for it. Qualifying for this criteria is again challenging for NGO's since the scope of the area is usually tremendously technical. In the majority of the cases, the RFP fails to specify on what basis the ULB reserves the right to accept or reject proposals.	**Procurement**
Creating CBOs and cooperation of communities can pose a challenge Designs finalized through community inputs are objected to once construction begins and have to be changed.	**CBO creation**
Long procedures in the ward offices to obtain water and electricity connections. Mandatory quality test for materials used in construction can cause delays. At some places, bore wells have been dug up whereas on other sites where this is not possible we get water connection from BMC which takes a long time.	**Construction**
Political interference includes local corporators instigating the communities against the project, or seeking to 'take over' the project and setting up office space where the caretaker's office should be, after the toilet block is constructed.	**Occupation**

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2   Policy Impact

Leveraging capital for (small) Loans	Savings & Loan activities have demonstrated the capacity of slum dwellers to save and repay small amounts of money. This resulted in linking with Rashtriya Mahila Kosh (RMK) which provides livelihood loans to women. This process is now being extended through other revolving loans to individual toilets and incremental housing
Community-led data collection as an accepted Planning Tool	Enumeration has demonstrated the capacity of Mahila Milan to conduct accurate surveys and encouraged several cities to accept community led survey and data collection as a basis of their planning and negotiations with the authorities. As a result, many municipalities have begun directly asking communities to carry out surveys in project areas. (Eg. The MMRDA (Mumbai Metropolitan Region Development Authority) approached Mahila Milan to conduct surveys for slums to be resettled due to city infrastructure and transportation projects); Cuttack municipality has contracted the federation to do surveys.
Inclusion in Government Policies for Slum Upgrading	Slum Rehabilitation Act, Maharashtra: Advocacy work among the first Mahila Milan pavement groups led to their inclusion, for the first time, in 1997 as part of the Slum Rehabilitation Act. The Act, introduced in 1995 by the State Government of Maharashtra, began by recognizing the rights of slum dwellers to avail housing given they could provide proof of residency prior to 1995. Over a period of time, slum dwellers have demonstrated their ability to participate in upgrading resulting in their inclusion in government schemes: JNNURM, SRA, IHSDP, VAMBAY to provide subsidies for housing. The new government elected in May 2009 announced the major new RAY program which will give incentives to state governments to provide tenure to slum dwellers. Sheela Patel, Director, SPARC/SSNS is on two committees linked to JNNURM to review Progress on Rajeev Awas Yojana (RAY) and facilitate transparency and civil society participation. Slum Rehabilitation Act of Maharashtra State (SRA) taskforce being considered by Government of India (GOI) is reportedly following Indian Alliance recommendation. Government Resolution (GR) on rental housing reportedly influenced by Indian Alliance. SPARC-SSNS is working on national housing policy linked advocacy for RAY. SPARC-SSNS is empanelled, along with 8 other NGO's, to support Maharashtra State government in community participation.
Changing Procurement Norms	Procurement process norms and terms and conditions of contracts, which exclude NGOs and CBOs, are being revised as follows: Revising the tendering process with dialogue with the state and municipalities to enable communities to tender for projects independently. Recommending a national procurement draft document to ensure equal playing field for NGOs and CBOs to construct subsidy-based housing for slum dwellers.

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The alliance strategy is that sustainability comes in phases but these are decadal and must be developed along with scale a bit at a time.

Joint Allocation of Housing: Learning from the experience of Mahila Milan and Federations, it is now part of policy in Maharashtra and many Indian states to allocate housing in the name of the woman or jointly with her husband. Participation in design: Design & Construction in no longer the purview of professionals only – women's collectives play an active part (alongside professionals) in changing the norms for gender-sensitive/low-income housing & sanitation. Community Contracting: Aside from women gaining self-confidence and improving their status as leaders in the community- it is now mandatory that 30% of the work in any of the Alliance's projects are given to community contractors of which 80% are women contractors.	**Reforms in Housing**
SPARC/Mahila Milan and the Federation are working to address the challenges of Dharavi, Mumbai to make the project people-centered. This intervention is critical as it will set the default slum redevelopment	**Dharavi Redevelopment Project**
The Indian Alliance along with the Water and Sanitation Program (WSP) played a significant role in developing the open defecation free policy, which is now a national policy. Cities Alliance project managed by WSP and its evaluation are available. This has led to benchmarking of status of sanitation in 400 cities and towns by the Ministry of Urban Development.	**Open Defecation Free Policy**
Through community participation and involvement in toilet projects in Pune and Mumbai, the federation and Mahila Milan have set norms for allowing the urban poor to take part in the tendering and design and implementation process in constructing toilets under various government schemes as seen under MCGM and MMRDA projects.	**1998, Community and NGO involvement in Toilet projects**
SPARC advocated the importance of forming a Community Based Organization (CBO) under the MCGM project, to give them the responsibility of the operation and maintenance of the toilet block. Six years later, in 2006, the MCGM changed procedure so that formation of a CBO is imperative prior to construction. In 2011-12, many cities were appraised of risks of closure due to land issues, political interference and issues of locating toilets within high density slums. The city of Mumbai and its very senior officials have been the first to incorporate this by having separate tenders for developing relocation for households where needed and a similar separate project to have NGO-CBOs design ongoing monitoring and support the city to engage communities to maintain toilets.	**2000, Formation of CBOs for toilet Projects**

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3   Projects for 2012-13

No.	Project Description	Location-Date	Status
PROJECT APPROVALS			
01.	Under MSDP, Planning, Designing and Construction of community toilets in slum belonging to Zones 1&2, 4 and 7	Mumbai, Maharashtra July 2011	Agreement signed and Implementation begun
02.	MCGM has introduced two projects under the Slum Sanitation Programme: 1)To provide Project Management Services (PMS) to the BMC-MSDP department 2)To provide Project Management Services (PMS) to MSDP for shifting and rehabilitating of slum dwellers as Project Affected People (PAP)	2012	
03.	Empanelment of Consultancy Firm for the preparation of DPRs for Slum Redevelopment Schemes under RAY	Odisha	Empanelled
ONGOING PROJECTS			
01.		Bhubaneswar	750 houses: 67 complete, 175 ongoing
02.	Housing and Infrastructure Upgrading under BSUP	Puri	164 houses: 6 complete, 22 ongoing
03.		Pune	Total 750 + 428 houses, 274 complete, 753 ongoing
04.		Nanded	Total 280 houses, 178 ongoing
05.	SRA redevelopment in Mumbai	Kanjurmarg 3 Joint Venture	2 out of 4 buildings, has reached 8th floor out of a total of 14 floors.
06.	MSDP-3	Mumbai	90 Toilet Blocks
07.	Loans for Housing and Sanitation		
PROPOSALS			
01.	56 house design proposal for Leprosy Colony, Bangalore Karnataka Design Proposal Underway		
02.	Milan Nagar, Bharat Janata and Rajiv Indira second phase discussions		
03.	Design for 1000 households in Dharavi; Sub-sector one of Sector 4 for redevelopment and Sector 5 drawings and proposals to seek redevelopment approval from the Slum Rehabilitation Authority		
CLOSURE OF PROJECTS			

- Sanitation: Nirmal MMR being wound down, other Sanitation projects being reviewed
- TDR applications made for Jollyboard, last 2 buildings in Bharat Janta, and also Oshiwara buildings, for which a joint venture is being explored for 11 buildings of phase II.
- Hadapsar I, 95 houses, 2003-2005, 45.22 lakhs due from MHADA
- Hadapsar II, 618 houses, 2005, 25.37 lakhs due from PMC-MHADA
- PCMC Sanitation, 6 toilet blocks, 56552+29000 and security deposit due from PCMC
- MSDP Lot 6&7, 208 toilet blocks, 2000, 3 crore balance due from MCGM
- MMR Sanitation, 353 toilet blocks, 2005, 13 crore
- Vizag toilet: Approx. INR 940,000 pending. Re-started discussions to recover money for 1 toilet
- block previously caught in a court case.

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4 Emerging Strategies

Provision of Universal Sanitation

The challenge of universal sanitation is one which produces maximum impact for investments made, and has been much neglected. Instead of developing a wide spectrum of delivery mechanisms in the short run, the discussions have been around the BEST form of delivery, urban informal settlements continue to having growing deficits of sanitation. In the meanwhile, we see games being played about data that gets manipulated to show success or failure depending on who is analyzing it,

The federations have two emerging strategies. One to document in detail the lack of sanitation in slums, and first negotiate with cities for a minimum citywide sanitation investment by the city in capital costs with communities managing and maintaining the toilets. The second to build individual toilets within households wherever that is acceptable.

Expanding Financing & Upgrading

Recent studies of Redevelopment and Upgrading schemes have indicated a 'one size fits all' approach to design and planning with little community participation, leaving many households dissatisfied and many units built under government schemes still unoccupied. In addition, it is found that the schemes are often ad-hoc and reaching very few numbers of slum dwellers, thus unable to reach scale. Our approach is two fold:

1) To assess the needs of the settlement and provide the opportunity to explore several upgrading alternatives in one settlement with communities.

2) To begin to expand the reach of subsidies through innovative financial mechanisms and exploring incremental upgrading strategies (infrastructure upgrading and housing upgrading) in order to reach scale.

This is to demonstrate what alternatives exist for subsidy projects when the next round of projects are undertaken, and to build capacity of federations to undertake the next level of scaling up projects. It is also to demonstrate that initial investments of project funding could leverage more funding from the state and if demonstrated may at some time lead to banks coming. A crucial element of the potential to scale is the access to finance and the blending of resources.

Proposed Studies

- Infrastructure Study: To look at costing and provision of infrastructure upgrading in small and medium towns using existing data.

- DPR procurement: To identify an alternative process for producing Detailed Project Reports with communities using the alliance experience in on-going BSUP projects in Pune and Odisha and in proposals developed for Cuttack and Dharavi.
  Already highlighted this year are existing challenges in DPR procurement and requirements that limit participation of NGOs and CBOs.

- Incremental Study: To develop the existing study into a proposal for how incremental upgrading can be supported by SSNS both financially and technically.

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Scaling-Up

Perhaps the most important obstacle in scaling up is the mindset of policy makers and others who do not give slum housing and sanitation its rightful place in the development agenda. The focus is primarily on housing even under a scheme titled 'Basic Services to the Urban Poor'. The focus on housing completely negates the reality that the poor invest in and construct their homes more than the state. Yet, the imagery of ground plus three units in rows built by contractors forms the basis of the BSUP subsidy even though it hardly reaches 5% of those living in slums across large and medium towns.

Cities have modest fund allocations for providing amenities and sanitation to slums and even this is rarely utilised. This is exacerbated by the refusal of most central government agencies to allow basic amenities to slum dwellers. The same can be said for some state governments which limit development only to recognized or notified slums. Going to scale in the area of slum upgrading and sanitation depends upon the existence and continuing growth of Non-Governmental Organizations and Community Based Organizations in large numbers. Today, there are few civil society entities interested in urban informal settlements.

Aspects that prevent scaling include the interference of private developers or local politicians want to have their own say and hold over the projects and then the overall strategy of working with slum dwellers. These hindrances can be covered up when communities are involved throughout the process to self manage and implement their own projects as part of the government schemes.

Advocacy for Policy Change

Unless there is parallel advocacy to bring project precedents into policy, a vital aspect of project potential is lost. With central and many state governments reviewing their project delivery mechanism, this process has to be strengthened and advocacy goals have to be decadal rather than annual. Precedents have to be scaled in different geographies in a federal structure where state governments set up their own policies.

For solutions to long term challenges and vulnerabilities that the poor face, strategies have to first identify the basket of problems and locate aspects of that process which first inhibit the poor themselves, believing they have a role and contribution to make in finding the solutions. Once that hurdle is crossed, then priorities get set and communities begin to link affordability and aspirations to balance out what is possible, then examine what structurally still continues to define obstructions in the form of resources, existing rules regulations and build strategies to address them.

Engagement and Mentoring

As the geography of projects extends to more cities, coordination is a challenge. NSDF and Mahila Milan also have to balance their time between construction supervision and ongoing federation negotiations and advocacy work. Still, City level organisations of the poor must have a pipeline of construction activities to refine and build their capacity and knowledge. We must also begin to explore ways to mentor the next level of communities and professionals who will be part of expanding the cadres of solution creators to refine and scale this process.

Be it developing a solution or advocating it within communities or with city and government, unless this process stays on course for a decade at least, the status quo will drown this process.

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Talking Points

The Big Sustainability Question

Before we begin to discuss sustainability, we need to clearly understand the implications on what we do and where it will take us. In development linked discussions there is a big debate on how institutional sustainability is defined and unfortunately the simplistic assumption is that if you have financial sustainability all else will follow. There is no question that financial independence and sustainability have value in and of themselves, however the singular focus on that is a denial of the complex environment in which organizations working on issues of poverty operate in.

The formal institutions seem decades away from creating real inclusion of informal urban dwellers and all rhetoric of inclusion has to be constantly tested. The innovative precedents needed to make this process operational are few and far between and even those financial institutions which exist (such as CLIFF) seem in a hurry to demonstrate sustainable models.

While the full fledged debate on this continues within the CLIFF implementing partners, SSNS and the Indian Alliance is of the opinion that the development industry has to see projects as **investments in organizations of the poor who have outreach and scale as part of their research and development arm**. There are few strategies and even fewer systems that seek to get the poor to seek investments from the state. Clear linkages between what is good for the poor and for the nation, and strategies that have both local feasibility for scale and globally transferable solutions are in short supply.

We believe the urgency of this contribution in both the Indian context as well as in the international space. What we do and who we interact with to create solutions has huge significance and the quest to refine and develop it, merits investments as a priority against making us financially self sufficient. At some point when we will no longer have financial support, we will be forced to develop alternative strategies and prepare ourselves internally for this possibility. But that will limit our ability to set precedents, take risks and innovate to explore scale while building internal governance structures and management skills that will work not only for us but inform policy and practice of a sector that needs to be built from scratch.

Goals

Facilitate several different types of community upgrading projects to be designed financed and executed through communities living in slums.

To bring communities, cities, technical professionals (architects, planners and engineers) bankers to work together to produce a pipeline of projects.

Challenges and loop holes in policy and project delivery that are often in this initial phase will be identified through concurrent monitoring to refine and improve delivery mechanisms.

To pilot project that become learning centers and precedent setters to a new way to deliver slum improvement and upgrading by leveraging subsidies with loans.

SSNS

SPARC SAMUDAYA NIRMAN SAHAYAK