

**CITIES ALLIANCE PROJECT  
ON PRO-POOR SLUM UPGRADING  
FRAMEWORK FOR MUMBAI, INDIA**

**FINAL REPORT**

**SUBMITTED**

**TO**

**CITIES ALLIANCE**

**AND**

**UNITED NATIONS (HABITAT)**

**BY**

**SOCIETY FOR PROMOTION OF AREA RESOURCE CENTRES**

**(SPARC)**

January 2004

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## FOREWORD

The first draft of this Report was submitted to UN Habitat in October 2003. After receiving comments from Habitat and others, it has been revised.

As in all our writings, even if authorship is attributed to the persons named below, this document represents an articulation of the shared and collective experience of Society for Promotion of Area Resource Centres (SPARC), National Slum Dwellers Federation (NSDF) and Mahila Milan. The ideas and views of Sheela Patel, Director, SPARC, A.Jockin, President, NSDF and Slum/Shack Dwellers International (SDI), and Celine D'Cruz, Associate Director, SPARC, all find resonance in the contents.

We hope that this report throws some light on the complexities of the Mumbai context.

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## EXECUTIVE SUMMARY

This paper is a part of the 3 Cities Project that documents the experiences, frameworks and practices in slum upgradation in the cities of Mumbai, Manila and Durban. The aim of this project is to share lessons, challenges and methodologies that emerge from city-wide slum upgradation efforts and support those initiatives where local and national governments work in partnership with groups of the urban poor.

In fact, this document is being written at a very exciting time for the city of Mumbai. In August 2003, the Government of Maharashtra made a presentation to the Prime Minister of India suggesting policy and legislative changes that would result in massive slum upgradation in the city. Around the same time, Bombay First, a citizen's initiative, along with McKinsey, a private consulting company, produced a report called Vision Mumbai: Transferring Mumbai into a world-class city. This report has generated much interest and a Task Force has been set up by the state government to scrutinize and examine Bombay First-McKinsey's recommendations. In fact, the Alliance is a member of a "Housing for All" sub-committee that will make recommendations to the Task Force. All these very welcome initiatives are representative of a genuine will to improve the face of Mumbai, of which making the city slum-free is an important component. However, these are top-down approaches, and the authors believe that unless the urban poor are organised, they will be unable to benefit from policy and legislative change in any significant way. This document illustrates a number of grassroots examples that demonstrate how communities can be involved in the upgrading of their slums and presents a bottom-up perspective to scaling up city development.

The paper is structured as follows. The introduction reviews the main arguments of the paper, introduces the Alliance and provides some data on the urban poor in Mumbai. The first chapter presents the mobilisation strategies of the Alliance. The next chapter discusses the emphasis the Alliance places on precedent setting activities and also presents its engagement strategies. The third chapter discusses the Alliance's financial strategies, the current framework of slum redevelopment policy in Mumbai, and presents a financial model that demonstrates that the poor are creditworthy and how financial institutions can support community-led slum upgradation initiatives. The fourth chapter presents the legislative and policy reform frameworks necessary for slum upgradation to be taken up at the city-wide level. Finally, the document ends with a City Action Plan.

In conclusion, the authors maintain that there is much to be optimistic about. What is important is the city's genuine will to support organisations of the urban poor, nurture private-public-NGO partnerships, and ensure that the market is truly friendly to the poor.

## List of Acronyms

<b>BUDP</b>	Bombay Urban Development Project
<b>CBO</b>	Community Based Organisation
<b>CLIFF</b>	Community-Led Infrastructure Financing Facility
<b>CRZ</b>	Coastal Regulations Zone
<b>EWS</b>	Economically Weaker Sections
<b>FSI</b>	Floor Space Index
<b>GOI</b>	Government of India
<b>GOM</b>	Government of Maharashtra
<b>LIG</b>	Low Income Group
<b>LISP</b>	Low Income Shelter Programme
<b>MHADA</b>	Mumbai Housing and Area Development Authority
<b>MMRDA</b>	Mumbai Metropolitan Regional Development Authority
<b>MOEF</b>	Ministry of Environment and Forests
<b>MUIP</b>	Mumbai Urban Infrastructure Project
<b>MUTP</b>	Mumbai Urban Transport Project
<b>NDZ</b>	No Development Zone
<b>NGO</b>	Non Government Organisation
<b>NSDF</b>	National Slum Dwellers Federation
<b>NSDP</b>	National Slum Development Programme
<b>RSDF</b>	Railway Slum Dwellers Federation
<b>SDI</b>	Shack Dwellers International
<b>SJSRY</b>	Swarn Jayanti Rojgar Yojana
<b>SPARC</b>	Society for the Promotion of Area Resource Centres
<b>SRA</b>	Slum Rehabilitation Authority
<b>SRD</b>	Slum Redevelopment Scheme
<b>SUP</b>	Slum Upgradation Programme
<b>TDR</b>	Transferable Development Rights
<b>VAMBAY</b>	Valmiki Ambedkar Yojana – a housing subsidy programme

# INTRODUCTION

## 1. Overview

The 3 Cities Project documents the experiences, frameworks and practices in slum upgradation in the cities of Mumbai, Manila and Durban. Supported by Cities Alliance, the aim of this project is to build upon the lessons and challenges that have been faced in the effort to strengthen policy and practical approaches within each city and also to develop horizontal exchanges across the cities. The goal is to critically understand various slum upgradation frameworks and methodologies and support those initiatives where local and national governments work in partnership with groups of the urban poor. The success of each city model is judged in terms of the actual deliverables and the capacities that were created in the process of implementing policy.

The partnership of the Society for the Promotion of Area Resource Centres (SPARC), the National Slum Dwellers Federation (NSDF) and Mahila Milan, elsewhere referred to as the Alliance, have been working in Mumbai on urban issues for nearly two decades. The Alliance works with and has detailed information for over 200,000 households in Mumbai. The Alliance is actively involved with the following projects:

- 1) The Mumbai Urban Transport Project (MUTP) where we have been given the responsibility of resettling 20,000 households living along the railway tracks. Of these, some 12,000 households have already been resettled either in permanent accommodation (4000) or temporary accommodation (8000). The Alliance actually got 2500 transit tenements constructed.
- 2) The Mumbai Urban Infrastructure Project (MUIP) where we have been tasked with resettling 35,000 households affected by road construction projects.
- 3) The Slum Redevelopment/Pavement Dwellers projects where we are in the process of constructing some 1500 tenements in about 20 buildings.
- 4) The Slum Sanitation Programme where we have nearly finished constructing 4000 toilet seats in slums through community participation. If 50 people use a toilet seat a day, this will benefit 200,000 persons living in slums.

It is out of our twenty-year history of community organisation and working with the city that we present our insights on the process and politics of slum upgradation in Mumbai.

This paper is the second part of the documentation of slum upgradation, financial and legislative frameworks in the city of Mumbai, and it builds upon our previous

work. The first paper described the experiences of Mumbai's urban poor and analysed the institutional and legal framework for slum upgrading in Mumbai today. It examined the historical relationship between the centre, state and local governments and slum communities and discussed, in detail, the evolution of slum policy in Mumbai, with special emphasis on the city's current slum upgradation policy. The paper also introduced the work of Society for Promotion of Area Resource Centres (SPARC), National Slum Dwellers Federation (NSDF) and Mahila Milan, presenting some of its projects, as well as the various mobilisation tools that this alliance has developed to organise communities of the poor to engage with their local authorities and access better housing and infrastructure. The author also considered the difficulties that NGOs and CBOs encounter in the area of financing and underlined the need for different forms of finance. Lastly, the paper made the point that although the Slum Redevelopment Authority's policy of granting free housing for the city's poor has been extremely problematic, and largely unsuccessful, it has been the only available slum upgradation option available in Mumbai other than public infrastructure projects. Moreover, the alliance of SPARC, NSDF and Mahila Milan, by involving slum communities in the redevelopment of their area, have sought to explore innovative approaches under this scheme which are affordable to the poor and can be scaled up considerably.

This paper discusses the mobilisation, engagement, financial and legislative reform strategies that must be simultaneously employed by an organisation that aims to create city-wide slum upgradation models. The paper is divided into five sections. The first section discusses the mobilisation strategy of the Alliance. It emphasises the need to include and organise very large numbers of the urban poor – the larger the numbers of people involved, the more seriously their collective demands are taken. As mentioned previously, the Alliance has organised hundreds of thousands of the urban poor in the city of Mumbai alone. At the heart of this strategy is organising people into daily savings groups which are run by poor women – with the twin goals of building the financial assets and strength of the poor as well as developing strong bonds of trust within and between similar communities. Moreover, all communities must be encouraged to gather information about themselves, examine the insights that emerge, and use this data to negotiate with local authorities. Other tools that this chapter discusses are peer exchanges – where leaders from one area visit another settlement to share experiences and knowledge – and housing exhibitions – where the poor first learn about low-income housing construction and costing and then present a realistic life-size housing solution to both local authorities and other communities. The central idea is that the poor must first organise themselves at the grassroots and deal with local situations before they can take on more complex city-wide problems such as slum upgradation.

The second section describes the precedent setting activities as well as the engagement strategies of the Alliance. Here, the basic assumption is that there are no ready-made policy solutions for the poor. Either policy that is truly participatory and realistic does not exist, or, due to the lack of successful examples, it has not been implemented. Therefore, the Alliance invests times and energy in exploring

what kinds of institutional, financial, community and organisational arrangements need to be in place before a process can be scaled up successfully. Moreover, the Alliance believes that it must engage – from the lowest to the highest rungs of bureaucracy – with the state because there is no other institution in the country that compares in the capacity for scaling up pro-poor activities.

The third section is divided into three parts. The first part presents the financial strategies that the Alliance employs. The point is that the poor must first build their own financial strength to prove their creditworthiness, and in a form that is understandable to formal public and private financial institutions. This also ensures that the poor can participate in and contribute towards their own housing and infrastructure development. The second part presents the current slum upgradation framework of the city of Mumbai. However, as the paper reveals, because of the massive initial financial investment that this upgradation requires and the fact that formal financial institutions are loath to lend to the urban poor, the latter are basically excluded from leading their own upgradation. The third part presents the Community-Led Infrastructure Finance Facility (CLIFF) -- a financial model that aims to demonstrate the creditworthiness, as well as the effectiveness, of community-led slum upgradation to sceptical city authorities and conservative financial institutions. It is hoped that such a model will eventually be adopted and form the basis for the large scale and long term entry of private finance into slum upgradation.

The fourth section presents the policy and legislative frameworks and reforms that are necessary for city-wide slum upgradation. It examines why current policy is unable to result in substantial change and suggests a number of possible alternatives. The fifth and final section lays out a City Action Plan. In fact, as this paper is being written, state authorities in Mumbai are deeply involved in trying to change the face of the city. After a consulting company, McKinsey, in collaboration with an NGO called Bombay First, presented a report on how to develop Mumbai, the state government set up a Task Force to recommend how to implement these suggestions. The Alliance was invited to, and currently is a member of, a sub-committee on "Housing for All" that is to report to the Task Force. The City Action Plan includes all the recommendations so far discussed in the sub-committee.

While writing this second part of the Report, there has been some inevitable overlap with the first part. The dilemma was to make this a 'stand alone' document and avoid repetition and to resolve it, we have to make an uneasy compromise.

## **2. About the Alliance**

### **The Society for the Promotion of Area Resource Centres (SPARC)**

SPARC is an NGO established in 1984 by a group of professionals who had previously worked with more traditional and welfare-oriented NGOs in the neighbourhood of Byculla in central Mumbai. Previous to forming SPARC, much of



the work of the founder group was with the pavement dwellers of the Byculla area, and once established, the women pavement dwellers became SPARC's main constituency. These women had repeatedly borne the brunt of demolitions of their homes and loss of their meagre belongings, and observing the failure of welfare-oriented NGOs to deal with the demolitions, SPARC instead began to work with the women pavement dwellers to better understand the effects of the demolitions and how they could be countered. Training programmes were then established so that the women could learn how to survey their own settlements and start to use the data generated to campaign for land. When SPARC and the National Slum Dwellers Federation (NSDF) met, one product of their alliance was Mahila Milan. NSDF and Mahila Milan are described in greater detail below. Within this alliance, the role of SPARC is to design and develop strategies to enable its partners to meet with and make demands of government agencies. In addition, it also performs administrative tasks and raises funds needed for its work. Currently operating in more than 50 cities in 9 States and 1 Union Territory in India, the SPARC, NSDF and Mahila Milan Alliance now works with similar NGOs and CBOs in Asia and Africa, helping to build up effective networks in 15 Asian and African countries including Cambodia, Thailand, the Philippines, South Africa, Namibia, Kenya, Nepal, and Indonesia. This network is known as the Slum/Shack Dwellers International.

### **The National Slum Dwellers Federation (NSDF)**

NSDF is a CBO whose membership was largely made up of male slum dwellers. Established in 1974, NSDF has a history of organising the poor against demolitions, as well as attempting to secure the basic amenities of water, sanitation and such like for the urban poor. While the Federation was initially a male slum dwellers organisation, in 1987 it began working in partnership with Mahila Milan and SPARC, and since then the number of women members has grown, with around half of NSDF's community leaders now being women. Within its alliance with SPARC and Mahila Milan, NSDF is mainly responsible for the organisation, mobilisation and motivation of slum dwellers, as well as working abroad to strengthen similar federations of slum dwellers and homeless families in Africa and Asia. Membership of NSDF remains restricted to slum dwellers, and currently the Federation spans more than 50 cities in 9 States and 1 Union Territory in India.

### **Mahila Milan (Women Together)**

MM is the third partner of the SPARC/NSDF alliance and is a CBO made up of collectives of women pavement and slum dwellers whose central activity is the operation of savings and credit activities. Set up in 1986, as a result of SPARC's work with the Muslim pavement dwelling women of the Byculla area of Mumbai, the rationale behind the formation of Mahila Milan lay in the recognition of the central role of women in the family as well as the enormous potential that women's groups had in transforming relations within society and in improving the lives of poor

families. Mahila Milan now conducts informal training and support activities, as well as saving and credit groups, and aims to empower women to play a greater role in community management and to work with NSDF on broader policy issues at state and city levels. Mahila Milan thus represents both an opportunity to satisfy the credit needs of poor women and a strategy to mobilise them towards taking a more proactive role in relation to their own poverty. The stress of the organisation lies not so much on concrete achievements and outputs, but instead on the learning process and the building of confidence among poor women. In the Byculla area, approximately 600 women are members of Mahila Milan, but together with NSDF, Mahila Milan now has a total of over 300 thousand households as members across the country.

### **3. About Mumbai**

Mumbai is the commercial and financial capital of India contributing over Rs. 40,000<sup>1</sup> crores or one-third of the entire country's annual taxes. It generates over 20% of the state's Gross Domestic Product and 5% of the entire country's Gross Domestic Product, handles over one-third of the country's total foreign trade and has the largest airport in the country. These figures sound extremely impressive and one would expect that the city's citizens enjoy a high quality of living. However, in return, the city only gets back between 1%-3% of its revenue generated toward its development.<sup>2</sup>

Over half of Bombay's twelve million people live in 3000 slum pockets.<sup>3</sup> These slums are characterised by the inadequacy of the most basic of necessities including water, sanitation, electricity and drainage. One estimate puts it that the slum population lives on only 16% of the land area, a statistic revealing of existing inequities and prompting of the question as to whom the city belongs.

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<sup>1</sup> Nearly \$10 billion

<sup>2</sup> A Bombay First - McKinsey report

<sup>3</sup> Mumbai Metropolitan Regional Development Authority (MMRDA) presentation to Prime Minister of India, 21 August 2003

## **Section I**

### **Mobilisation Strategies And Community Management Tools**

The Alliance mobilises communities of the urban poor to take a leading role in driving city-wide initiatives for safe and secure housing and infrastructure. At the core of the mobilisation strategy is the idea that it is only when very large numbers of the poor are networked as an organised collective with clear strategies and goals that their demands are taken seriously by the state. Therefore, the federation membership expands within a settlement and between settlements, within a city and across cities, and within a country and across countries, together representing hundreds of thousands of households. Moreover, in order for the urban poor, rather than the middle or educated class, to actually spearhead the process of change, a great deal of time, thought and effort must be invested in building organisational, financial, managerial and negotiation skills and capacities of communities as well as their leadership. The idea is that communities and their leadership must begin by getting together, building their assets, searching for land, doing their homework and preparing for managing their housing and infrastructure – all well before they actually get tenure of land, secure shelter and basic services. Eventually, it is only in the articulation of their problems and survival strategies, and the interaction with local officials that the urban poor begin to explore possible solutions, test out various options and to see themselves as important agents of change.

Towards these ends, the Alliance has a number of mobilisation strategies.

#### **1.1 The Area Resource Centre (ARC)**

- 1.1.1. In every settlement, a physical space is assigned for members of a community to meet, hold discussions and events, and receive visitors. This might start off as somebody's home, and then, as there is an increasing demand for a larger and more central space, a room is chosen or built. The point is that as people gather here regularly, they begin to feel a sense of collective ownership for the centre, and use it as a focal point for interaction within the community and with other communities and organisations. In fact, for many women, this is the only place, outside of their homes, that they can meet and relax! The ARC is also the place where savings are pooled and loans disbursed.

## **1.2 Daily Savings and Credit groups and Women's Involvement: Mahila Milan**

- 1.2.1 Mahila Milan (which means 'Women Together' in Hindi) is a loose network of collectives of women pavement and slum dwellers whose central activity is the operation of savings and credit activities. In fact, whenever the Alliance enters a community, the first thing it does is form saving and credit groups. This is the most basic and essential building block of the entire structure of the federation's mobilisation strategy and, as federation members say, is the pulse of the organisation. When the Mahila Milan in an area is strong, the entire federation is strong.
- 1.2.2 Mahila Milan leaders collect savings on a daily basis. This strengthens the federations because of the bonds it creates. As members of the Alliance say – daily savings is a ritual that is not just about collecting money, it is about collecting people, about collecting information about their lives and about learning how best to support them. The entire program is designed to maximise contact that people have with each other. When people interact with each other on a daily basis – whether it be over savings or loans or an impending demolition – their sense of being a community intensifies. Economic and social networks are formed around their shared identity as members of the urban poor class.
- 1.2.3 Apart from encouraging savings, Mahila Milan also issues crisis/consumption and income generation loans. The point here is that the urban poor need access to cheap credit. They are completely excluded from the formal financial market and are thus forced to borrow from moneylenders who charge very high rates of interest. Very often they are caught in vicious cycles of debt, which are extremely difficult to come out of. Therefore, offering cheap credit fulfils a critical need/gap for the urban poor, and is an important entry point for the Alliance while entering a community and mobilising its members. Moreover, there are neither minimum savings requirements nor rules controlling what people can borrow money for – as long as the need is genuine and legitimate and it enables a person to slowly come out of his or her poverty. Again, there is no fixed repayment schedule or instalments, but the only insistence is that there must be a daily repayment. In fact, this process is entirely geared towards building trust and creating strong bonds within the community. As explained below, there are no penalties for repayment delays or defaults but renewed attempts to lift a family out of its poverty,
- 1.2.4 Trust is built up by a system which allows a person to take a loan for almost any purpose whatsoever – whether it is to buy one's freedom as a prostitute from the brothel-owner or to get a husband out of jail on bail – to cite some examples. The idea is that people should not dip into their slowly growing savings when they face a crisis, but to take small

affordable loans that they can pay back depending on their capacity. In fact, contrary to prevailing micro-credit logic, the federation is very clear that it will not punish those people who cannot repay immediately. Instead, after finding out the reason for the delay, it will issue a second loan. And a third. And this will continue until the person and their family is strong enough and supported enough to start earning an adequate income. After all, Mahila Milan leaders live on the same street. Once they see that the person has the ability to stand on her own feet, they will visit her every day to ensure that she repays!

- 1.2.5 What is also at the core of the Alliance's daily savings and credit strategy is that it is entirely run and managed by women. Every ten to fifteen households are assigned one Mahila Milan leader to visit their homes and make collections everyday. The idea is that the leader gets to know all about the situation of her member's household and this helps her in determining the creditworthiness, the repayment schedule and the degree of urgency of each member. She presents this information back to the Mahila Milan group and together they decide on giving a loan.
- 1.2.6 There are two critical points here. First, that the loan proposal, proposal vetting, loan sanctioning and collections are all dealt with in a highly decentralised manner to maximise people's participation in the credit program. It also allows the community to look upon the money as their own and it being their responsibility to look after the funds.
- 1.2.7 Second, managing the entire credit programme, a most crucial need in poor communities, develops women's management capacities and their confidence in operating and handling such an important system. Thus it also serves as an important aim to recognise women's contributions as managers of money and public decision-makers. In fact, savings and credit activities – apart from their clear financial benefits – serve as a means to bring women out of the home and into the public sphere in a manner rarely resented by men.

### **1.3 Federating along Land Ownership**

- 1.3.1 The federation expects groups of the poor to come together at the settlement level. Therefore, there must be a certain number of households from the same slum that must together approach the federation with the aim to make improvements in their entire community, before they - and their settlement – can join the federation. Once these settlements are involved in daily savings collection, they are connected to other settlements.

- 1.3.2 The federation connects and mobilises settlements based on land ownership. Therefore, in Mumbai, there is an Airport Slum Dwellers Federation – because the land on which these communities sit is owned by the airport – there is a Railway Slum Dwellers Federation, a Bombay Port Trust Federation, a Pavement Dwellers Federation and so on. These federations have weekly meetings and connect with other federations as and when necessary. Given the multiplicity of land-owning agencies and the different authorities that control them – for example, the Railways, the Port Trust and the Airport are all under their respective Ministries in the Government of India while other land owning agencies are under the State Government – one would have to negotiate on behalf of slum dwellers' rights with particular agencies/authorities. This is the rationale for federations to be formed around land ownership.
- 1.3.3 At the next level however, leadership from these federations within the city are linked up in a central Mumbai committee so that they can collectively negotiate with city-level authorities. Finally, key leaders from different cities are linked regionally, and key regional leaders are linked to form a national committee. Every year, usually in September, an annual convention is held in Mumbai, where leaders from across the country meet each other, share information, learn about various federation activities and together strategise for the upcoming year.
- 1.3.4 This loose structure is critical to giving federations the ability and the control to make quick, independent decisions and respond immediately to their member's needs. For instance, if there is a demolition threat on railway land, the main leadership can approach the relevant authorities right away to stay an eviction rather than involve other federations. It is only when federations cannot handle a situation on their own, that they call on the support of a wider network of leaders.
- 1.3.5 It is also important to note here that various settlements respond to the federation strategy in different ways. Sometimes, communities, once introduced to the federation, become very involved and take on many activities. On the other hand, there are other communities and even federations that are not as involved, and their activities remain few and even dormant for a long time. However, the federation's philosophy is that the impetus for change must come from within communities and federations if they are to be truly participatory and sustainable.

## **1.4 Enumeration, Mapping and Survey of Slums**

- 1.4.1 Enumerations, mapping and surveys of slums are critical to the process of community mobilization. The federation introduces communities to these tools and encourages them to collect all details related to housing,

sanitation, water and income at the individual, household and settlement level.

- 1.4.2 The central idea is that communities themselves must be involved in collecting this information about themselves and using these findings to explore solutions and negotiate with relevant authorities. Moreover, the activity of collecting and processing data by and for a community generates the understanding that many problems can be dealt with only through collective effort. Thus, data gathering and analysis are not detached, mechanical exercises done by third-party professionals. Slum dwellers themselves decide what information is needed and for what purpose and in this process, survey and enumerations become powerful tools in strengthening group bonds.
- 1.4.3 A very important point is that, most often, nobody has such detailed information about a community. Thus, communities soon discover the power of this information when they are able to speak from a position of knowledge to which no one else has access. Consequently, they are in a much stronger position to negotiate for their rights with the government. For example, a few years ago, when the Alliance was involved in a railways resettlement project, over a thousand households who lived along the tracks were illegally demolished. The situation would have been extremely tragic and chaotic if the federation had not stepped in – showing the detailed maps of the area that it had made which were able to exactly locate and indicate each house that had been demolished. The railways were left with no choice. They were forced to give everyone eligible alternate accommodation.

## **1.5 Exchanges**

- 1.5.1 Community exchange are the main methodology that the federation uses to transfer learnings, ideas and information between communities of the poor. In these exchanges, members that live in a particular area visit each other to learn about conditions in other poor settlements in their own city, in other cities in their country and in other countries. For new members this begins to break the isolation and helplessness they feel and allows them to see themselves as a part of a large and interdependent process. Through the process of collective exploration and sharing of ideas and possible solutions, strong personalised bonds between communities are created across geographical spaces.
- 1.5.2 For more experienced communities, exchanges serve as important tools to learn about and share solutions that are being tried and developed in other areas, and to strengthen and build upon their existing activities. New members and leaders are constantly being introduced to this process so

that the pool of financial, organisation, managerial, construction and technical knowledge is forever expanding. Moreover, exchanges also build the capacity of the host community to manage relations with external groups, and with relationships with all levels of government.

## **1.6 Housing Exhibitions**

- 1.6.1 Housing exhibitions form a part of the Alliance's strategy of positive planning towards future housing. Model house exhibitions take place when the urban poor get together and draw up a set of alternative house models for themselves, designed to fit their economic standards and needs and then invite other communities, city and state officials to examine their innovative plans for their future houses. For new communities and members, exhibitions are an exciting event as they walk through, closely examine all possible financial and spatial options and vote for the model they like the best. They also serve as an important turning point because poor people slowly begin to believe that their dream house can become a reality.
- 1.6.2 Here the role reversal is interesting- the poor are no longer beneficiaries waiting for housing to be designed by an architect/city administrator who has little understanding of their needs. Instead it demonstrates to city and state officials that the poor are important partners in planning for city upgradation and development.
- 1.6.3 The first housing exhibition was held in 1986 by the Byculla Mahila Milan in Mumbai who used saris and other household articles as measures to portray the kind of housing they wanted. It is this experience that set the ground for similar exhibitions in the city, across the country, and indeed, around the world.

## **1.7 The Growing Attractiveness of Organisational Membership**

- 1.7.1 As more and more women within a community meet regularly and become involved in savings and credit activities, they begin to discuss and address their problems. If there are some domestic problems in one house, Mahila Milan leaders try and resolve the issue and sometimes even take the matter to the police to resolve. If some members in the community do not have ration cards – which provides low income households subsidised food grains and is a scheme to which every Indian citizen is entitled – Mahila Milan leaders accompany them to the local municipal office to ensure that they can get one. Although the first time the Byculla Mahila Milan tried to get ration cards for its members, they spent two years running between offices, once the officials realised that they were not



going to make any money off these women and nor was Mahila Milan going to stop persisting, they gave them over a hundreds cards. Since then, Mahila Milan leaders have been able to ensure that all new members get ration cards quickly and without doling out bribes. They even speak of how they are offered a cup of tea whenever they visit the office! For many of the urban poor, this is a tremendous shift in power relations and convinces them of the benefits of participating in such an organisation.

- 1.7.2 The basic idea is that, while mobilising and organising for the larger goal of housing and infrastructure, Mahila Milan and federation leaders begin by addressing immediate household and settlement level issues such as ration cards. In this process, they build their confidence and skills to dialogue, and form relationships with local authorities. Consequently, more and more people join the federation. Thus success breeds more success and the ability to make and negotiate for significant demands increases.
- 1.7.3 In addition, all these mobilisation tools described build both the capacities as well as the credibility of the federation to take on large-scale projects, and this in turn attracts more people. One example is that of the Mumbai Urban Transportation Project (MUTP II) where the Alliance, based on its enumerations strategy and data, was asked to do a socio-economic survey and resettle 20,000 families that lived along the railway track. The project is being implemented successfully and so far 12,000 families have been resettled without any force. This has led to an unprecedented rise in federation membership, as poor communities across the city who hear of this resettlement approach the federation on a daily basis, all eager to participate and benefit.
- 1.7.4 Recognising the efforts of the Alliance under MUTP, the Mumbai Metropolitan Regional Development Authority contracted it to resettle 35,000 households under the Mumbai Urban Infrastructure Project. As the work of survey proceeds, more and more communities are beginning to see the Federation as a means of addressing their basic needs and therefore drawn into its membership.

## **1.8 Global Campaigns and Popular Mobilisation**

- 1.8.1 As member of Slum/Shack Dwellers International, the Alliance is linked up with UN Habitat and Cities Alliance to promote the Global Campaign for Secure Tenure in different countries in Asia and Africa. Events around these campaigns also served to mobilise communities of the poor in local and national contexts and built bonds between them and other SDI communities. In Mumbai, when the Global Campaign was launched in 2000, there were a series of mass meetings and events, where thousands

of slum dwellers participated and rubbed shoulders with Central and State Ministers, diplomats, UN officials and other SDI members. At one such event, the Chief Minister of Maharashtra spoke of impending legislation to provide secure tenure for the poor.

## **1.9 Preparing for the Future**

### **1.9.1 Land Searches**

1.9.1.1 The federation believes in preparing for the future. When poor communities are told by city authorities – as is often the case -- that there is no land available for them in the city, the federation encourages those communities to actually test this out and search for land themselves. For instance, in 1986 when pavement dwellers in Mumbai were told that there was no land, they got a city development plan and started walking the city, visiting all the land available and checking what it was being used for. They found thousands of hectares that had been reserved for public projects but had not been used as required! With this information, they approached the authorities again, and again, displaying persistence of a high order. But it was to be more than a decade later that land was actually allotted for pavement dwellers' housing.

### **1.9.2 Forming Housing Cooperative Societies**

1.9.2.1 Another community management tool is the forming of housing societies – even before a house becomes available. This is to ensure that community networks and support systems that have developed as people lived next to each other are maintained in the new, formal accommodation and that people are involved in and happy with the process of choosing where and next to whom they will live. For instance, communities usually assign tenements on the ground and lower floors to families with older or unwell people. Moreover, this also helps familiarise members with Mumbai's housing society rules and regulations. All this promotes collective behaviour for the common weal.

### **1.9.3 Saving for Housing**

1.9.3.1 Finally, communities are encouraged to put aside money into housing savings accounts, so that they can, when the land becomes available, contribute towards their new homes, or, if the need be, make a down-payment towards a low-income housing loan. This strategy has been discussed in detail in the community financial strategies section of this paper.

## Section II

### Engagement with the State

#### 2.1 Engagement with the State

2.1.1 The Alliance is clear that the purpose of engagement with the State is to renegotiate and reorient the roles and responsibilities of State agencies, NGOs and CBOs and to influence the policy and programme of the State to become pro-poor. The practical reason for engaging with the State is that it either produces, controls or regulates all the goods the urban poor need: land, water, sanitation, electricity, housing finance and the like. The ideological reason for engaging with the State is to remind it of its responsibility towards the poor and to make sure that the poor are not left to the mercy of markets. The model of engagement with the State is that of partnership while at the same time zealously guarding the Alliance's autonomy. The Alliance resolutely eschews confrontational strategies but this does not entail automatic agreement with State partners.

#### 2.2 Setting Precedents

- 2.2.1 In the previous and companion volume to this Report, we had cited examples of pilot projects which became precedent-setting. To recapitulate, the resettlement and rehabilitation of 900 families in transit accommodation at Kanjur Marg became the basis of the two-stage resettlement strategy of the Mumbai Urban Transport Project (MUTP), under which the Alliance has been tasked with resettling 20,000 families living along the railway tracks in Mumbai. Again, the story of mass public sanitation in slums in Pune (where the Municipal Commissioner and NGOs – including SPARC - worked together to reach 500,000 people in slums) was based upon pilot experiments in other towns and cities.
- 2.2.2 The Alliance invests energy, time and money in precedent-setting projects because they become the basis of scaling up slum upgrading/ redevelopment/ resettlement efforts. When governments and the general public see that something they did not imagine possible – as was the case in resettling 900 slum dwellers living along the railway tracks without force – has actually taken place, they are keen to build upon such success. As we have pointed out earlier, there are other spin-offs as well: the Pune sanitation experiment became the basis of a Government of India (GOI) scheme to offer subsidies for slum sanitation.

## **2.3 Community mobilization**

- 2.3.1 Since 1987 onwards, the Railway Slum Dwellers Federation had organized the communities along the railway tracks, mapped the slums, begun savings and credit groups of women and had held housing exhibitions as well. When the Government of Maharashtra and the World Bank started designing MUTP, it was natural for them to draw the Alliance into design and implementation for at least the reason that there was no other organization that had such information or such a mass base amongst the slum dwellers living along the tracks.

## **2.4 Roles and Responsibilities: in general**

- 2.4.1 It will be useful to give a few practical examples of how this engagement works. Under the MUTP, the alliance has been asked to prepare base-line socio-economic surveys of Project Affected Households, design Resettlement Action Plans, implement them and then remain with the communities for a period of 3 years after R&R. The role of government is to make policy, lay down standards, fund the project and coordinate its implementation with different agencies. Again, in our experience of slum sanitation in Pune and Mumbai, it is for the Municipal Corporation to provide land, water and electricity and fund capital costs while it is for the NGOs/CBOs to design, construct and maintain the sanitation blocks.

## **2.5 Roles and Responsibilities: Transit Camps**

- 2.5.1 When the Indian Railways unilaterally demolished several thousand huts in 2000, the Alliance was contracted to construct 2500 transit houses by the Government. The cost of construction was borne by the State. But the residents were expected to contribute to maintenance of both transit and permanent accommodation. In fact, even before the resettlement, the federation had organized communities to form housing cooperative societies and committees to deal with different subjects: cleanliness, sanitation and the environment, police matters, municipal issues and the like. Moreover, after the shifting, Fair Price shops for essential commodities were set up and are being run by women's groups. Savings and Credit groups of women are functioning at all relocation sites and loans are given from Revolving Funds for small businesses. In fact, the same decentralized processes are followed even in the permanent accommodation and identical self-governing structures are in place. Every family has to pay a monthly maintenance charge for common services and against the populist culture of "free housing", the Alliance insists that each family save at least Rs.25,000 towards a corpus for future maintenance, taxes, etc.

## **2.6 Who initiates engagement**

2.6.1 In the initial years, it was the NGO SPARC that would initiate engagement with the State but over a period of time as leaders of NSDF became more confident, they gradually took over this function. Confidence of federation leaders grew as they became increasingly familiar with government officials, government procedures and officialdom. For their part, officials came to trust them and appreciate the work done on the ground. Pilot projects and precedent-setting activities earned the Alliance legitimacy in the eyes of the bureaucracy. As the credibility of the Alliance grew, very often it was the State that initiated engagement. For example, Sheela Patel, Director, SPARC, was invited to be a member of the Afzalpurkar Committee, whose report forms the basis of slum upgrading in Mumbai. Again, she was invited to be a member of the Task Force to prepare a policy on Resettlement & Rehabilitation for the Mumbai Urban Transport Project and A.Jockin, President, NSDF, was made member of its sub-committee on land. Membership of the Task Force on R&R led to the design of a policy with a prominent role for the NGOs/CBOs involved. Sundar Burra, Adviser, SPARC, was invited to prepare a report on institutional arrangements for R&R under MUTP. He was also appointed member, Slum Rehabilitation Authority. Some years ago, A.Jockin was made a member of a Government committee set up to work out the modalities of resettling all pavement dwellers in the city. Most recently, A.Jockin has been made member of a sub-committee on "Housing for all" that is to report to a Task Force on Mumbai. These invitations to be part of policy-making bodies / implementing agencies are really a recognition of the legitimacy of the Alliance, its capacity to bring change on the ground and its firm anchoring in a grass-roots movement of the urban poor. Over the years the Alliance has been able to build allies who perhaps did not hold high office in the '80s, but are now in positions of considerable authority.

## **2.7 Urban Study Group**

2.7.1 The Alliance has been the convener of an informal and loose group of individuals, made up of serving and retired officials, independent professionals and the like. This group meets every few months, has brainstorming sessions and tries to feed back its deliberations into government policy and programme. The Principal Secretaries of the Housing and Urban Development Departments are regular invitees. This forum has helped bring fresh ideas into the continuing conversation about the poor.

## **2.8 Unbundling the State**

2.8.1 We should make clear here that the State is an umbrella term: for governing authorities it can mean anything from municipality to para – estatal to State or Central Government. In Mumbai, vast tracts of land where there are slums are owned by Central agencies like the Airport and the Railways. The State Government, the Municipality in Mumbai and other public agencies also own lands on which there are slums. Policies for Central and State lands have to be worked out with respective owners. We are involved with all these entities since our work entails interaction at all levels. Moreover, it is important to distinguish between elected officials and the career bureaucracy. The Alliance invests time and energy in linking up with the career bureaucracy at least in part because we steer clearly away from “partisan party politics”. Our experience has been that this policy pays dividends because it is the lower bureaucracy with whom the poor deal at the cutting edge – whether it is the police station or the municipal office – and in the Indian context, it is the elite cadres of the bureaucracy that play a critical role in formulating policy and programme. While leaders in the settlement acquire the skills and confidence to interact with the local police station or the municipal office, leaders of the Federation and some SPARC personnel interact with the highest echelons of the bureaucracy. Our approach to the bureaucracy is to forge partnerships with them by approaching them with solutions rather than problems. We try to create champions and pioneers amongst them, who will support people’s processes and defend them.

## **2.9 Electoral Politics**

2.9.1 At the same time, the Alliance is clear that it will not take part in electoral politics. As a result, we are not seen as competitors by political formations. However, as the power and influence of the Alliance over vast masses of the urban poor increase, we find that the leaders of the National Slum Dwellers Federation (NSDF) are being wooed by different political parties in view of their expanding mass base. But we remain firm in resisting allying with “party political” forces.

2.9.2 The distancing of the Alliance from electoral politics as also party political processes has certain consequences. For one thing, the Alliance will negotiate with government officials irrespective of which party is in power. Some ideologically anchored NGOs see in this behaviour a lack of principle. Yet, from the view-point of the urban poor – rather than that of a middle-class intellectual – it is imperative to engage in the ‘here-and-now’. Another consequence is that the Alliance generally refrains from public criticism of political parties as it does from public endorsement. This stance can also be misunderstood, especially when there are some

political parties whose ideologies are far from progressive. One might say that the stance of the Alliance is both pragmatic and principled: on the one hand, its fortunes are not linked to electoral cycles and on the other, we are free to concentrate upon the task of community mobilization.

## **2.10 Capacity building for State officials**

1.10.1 Elsewhere in the paper, we have referred to capacity-building exercises for the urban poor. In a similar vein, we try to build the capacities of bureaucrats by inviting them to other cities and other countries where successful partnerships between the local bureaucracy and the local NGO/CBO have been forged, where they can themselves see the results on the ground of such partnership. Visiting another city allows officials to escape the strictures of their own can and engage with new models and modalities of working with the poor – i.e. thinking outside the box.

## **2.11 New Opportunities**

2.11.1 The Bangalore Action Task Force (BATF) is a public-private partnership effort between the Government of Karnataka and the corporate sector in that city to improve it. The BATF recently invited the alliance to Bangalore to share their insights into slum sanitation. By then, they had acquired experience in providing and maintaining sanitation at commercial locations but wanted to become familiar with the Municipal Commissioner of Bangalore and the Director of Municipal Administration of the State. Both evinced interest in the federation model of community sanitation and the latter visited Pune and Mumbai to see the work of the alliance. As a result, a massive exposure exercise, described below, was planned for 128 key personnel from 32 municipalities of the State.

2.11.2 In November, 2003, the Alliance entered into an MOU with the Administrative Staff College of India (ASCI) in Hyderabad and Yashada in Pune. The ASCI is an autonomous body that is frequently contracted by State Governments, the Government of India, funding agencies and other bodies to conduct training courses for senior bureaucrats as well as elected officials of municipalities. Yashada is the administrative training institute of the Government of Maharashtra based in Pune. The MOU between these three agencies aims to share learning and knowledge around urban development, sanitation, slum redevelopment and resettlement through a collaborative effort. The first practical outcome of this MOU was the holding of 4 two-day exposure visits for personnel from 32 towns in the State of Karnataka in the area of slum sanitation, held in December, 03 and January, 04. The municipality of each town was represented by its President, Municipal Commissioner, one community

member and an engineer. The groups made field visits in Pune and Mumbai and met senior officers as well as elected officials. After this successful programme, the Karnataka Slum Clearance Board wants to send fifty of its engineers from the 25 districts of the State on a similar exposure visit. We hope to use this MOU to conduct large-scale capacity building exercises for personnel from different states in our areas of interest. This is a new dimension to our engagement with State agencies – over planned capacity-building exercises – rather than ad hoc visits by interested individuals.

## **2.12 Global Campaigns and engaging the State**

2.12.1 We have noted earlier how the Global Campaign for Secure Tenure was launched by UN Habitat in 2000 with the National Slum Dwellers Federation in Mumbai and how it became an occasion to interact with and influence both the Government of India and the Government of Maharashtra over the issue of secure tenure.



## Section III

### Financial Strategies And Slum Upgradation Frameworks

This section is divided into three parts. It presents the financial strategies that the Alliance employs to strengthen the capacities and assets of poor communities. Next, it describes the financial arrangements of the slum upgradation framework that are available under current policy in the city of Mumbai. However, what we find is that for the poor to actually participate in leading slum upgradation under this policy, simply relying on their savings and community contributions is not enough. Instead, they must have access to loans from formal financial institutions. Unfortunately, there is no experience in the kinds of arrangements that are required for successful partnerships between organisations of the poor and private or public financial institutions. The last section presents exactly this – a financial model that the Alliance employs that serves as an example of how private finance can support the urban poor. This is a tool that has been developed by the Alliance and an international UK-based NGO called Homeless International. The Community-Led Infrastructure Finance Facility (CLIFF) has been supported by the UK Government's Department for International Development and the Swedish International Development Agency.

#### 3.1 The Alliance's Financial Strategies

- 3.1.1 In Mumbai, with real estate prices so high that even the middle classes find it extremely difficult to afford a house, it is entirely unreasonable to expect the poor to buy land. Instead, what is more realistic is for the poor to contribute towards the construction of their homes, once they have acquired the land for free or at some nominal cost.
- 3.1.2 Therefore, the Alliance's financial strategy focuses on two aspects – building the financial assets and capacities of its members and building the financial management skills of federation leadership. These financial capabilities strengthen the ability of the urban poor to engage in meaningful partnerships with city and state authorities as well as formal financial institutions, when they are upgrading their homes at the same location or being resettled at a different location.

#### 3.2. Building Financial Assets

##### 3.2.1 Savings and Credit

- 3.2.1.1 At the core of the financing strategy of the Alliance is encouraging federation members to start saving on a daily basis and to provide credit

for crises, consumption and income generation loans. This fulfils two main objectives – it builds the asset base of communities and savings can eventually be used to act as collateral or a downpayment when applying for a housing loan and second, it inculcates a regular habit of savings which demonstrates creditworthiness and financial reliability which is understandable and acceptable to formal institutions and necessary to prove when applying for a loan.

3.2.1.2 The Alliance offers three kinds of loans. To date, tens of thousands of loans worth several tens of million rupees have been loaned out – and an equivalent amount saved as well.

3.2.1.3 A. Crisis credit and consumption loans

For any credit program to be really helpful, it has to include in its loan portfolio credit for personal as well as emergency needs. Timely credit in cases of accidents or rites of passage like marriage are as important for the poor communities as credit for entrepreneurial ventures. A service charge of 12% a year is charged on this loan.

3.2.1.4 B. Income generation loans

Income generation loans are given to providing working capital for starting and maintaining small and petty businesses. Selling vegetables and fruit, garbage recycling and running a small tea shop are examples of informal sector enterprises. Most loans range from Rs. 2000 to Rs. 5000 (from \$45 - \$110) but at times also go up to Rs 10,000 (about \$220). These loans are to be repaid at an interest rate of 12% and to this is attached a compulsory savings of 12%. From experience we find that one or two loans of this nature taken by a person will not suffice but if over a period of time as a person takes several such loans, he or she will show a positive change in income status.

3.2.1.5 C. House repair loans:

We generally prefer not to distinguish between income generation loans and loans for house repair because most entrepreneurial ventures by poor communities, particularly women, are home based and therefore loans for house repair are as much for the business/cottage industry as they are for personal reasons.

3.2.1.6 These loans are for temporary repairs (like water proofing against the rains) and not for substantive upgradation since people do not have tenure of land.

There are two kinds of savings accounts:

**3.2.1.7 Regular savings accounts:**

People they can withdraw from these as and when necessary, although they are encouraged to take a loan which they slowly repay rather than deplete their savings.

**3.2.1.8 Housing savings accounts:**

People are expected to save larger amounts and which will eventually serve as a downpayment towards getting a housing loan when land becomes available, or, in the case of resettlement and rehabilitation projects, towards meeting maintenance costs once they have moved into their new (more expensive) tenements. These are long-term deposits and people are discouraged from encashing them.

3.2.1.9 From the NGO point of view, a number of credit lines from different agencies operate to manage and maintain the community based savings and credit system. Although SPARC began with simply Mahila Milan savings, as they were able to demonstrate the repayment ability of the poor, they were able to access larger pools of external resources. For instance, in December 1993, SPARC received its first loan of Rs. 500,000 (about \$1100) from the Rashtriya Mahila Kosh, an Indian-government fund, for the purpose of providing credit to poor women for income generation activities. When SPARC repaid the entire amount with interest on schedule, the RMK was convinced of our creditworthiness. Since then, RMK has extended million of rupees in loans to the Alliance.

**3.2.2 Investing in Mutual Funds**

3.2.2.1 Another instrument to build the financial base of the urban poor is for them to invest in mutual funds or in safe financial ventures that the market offers. This is because bank interest rates are generally much lower than those available on the financial market, and there is little reason (apart from the higher risk involved) why the poor should not also benefit from this traditionally middle class mechanism to build financial strength. However, these investments must be safe and able to accommodate the poor's needs for easy entrance and exit as well as offer positive and steady returns.

3.2.2.2 One such example for the Alliance is its experience with the Unit Trust of India's (UTI) Small Investor's Scheme. The constituency of the alliance - pavement dwellers and slum dwellers - had saved money towards their housing and this money was earning a paltry 4% per annum rate of interest in savings accounts in banks. In 1998, discussions with Unit Trust of India - India's largest mutual fund - led to their designing a Small Investors Fund especially for the alliance. Since the general schemes of UTI would not suit the contexts of the urban poor, a special fund was designed where the

minimum amounts to be invested were affordable, there was no lock-in period and returns were secured. A total of 57 housing societies comprising 1000 households took part in this scheme. One of the few schemes that grew considerably was the Small Investors Fund. In the four years of its operation the money invested had grown at an average annual rate of 17%. Though this scheme was closed down, we intend to negotiate a fresh scheme with UTI. In the meantime, released funds have been parked in UTI Bonds that are government guaranteed.

### 3.2.3 Saving for maintenance expenses and slum sanitation

3.2.3.1 Today, State policy is to provide free houses for the urban poor. The Alliance believes that once the state provides housing or infrastructure services, communities must be prepared to invest in maintaining these assets appropriately. For instance, when communities move into their new tenements, they are expected to cover all future maintenance costs. Since this sum is far larger than their outgoings to maintain their informal house, the Alliance also encourages its membership to save Rs. 20,000 (about \$450) towards maintenance costs and property taxes.

3.2.3.2 In the earlier volume of this Report, slum sanitation in Pune and Mumbai has been extensively discussed. The basic elements of the model are that the Municipality provides capital costs for construction and electricity and water connections. However, the costs of maintenance are to be met by monthly contributions from user-families and collections from passers-by who use the facilities. In the Mumbai model, an additional Rs. 100 per adult (a little over \$2) is charged upfront towards a corpus for maintenance.

## **3.3 Building Financial Management Skills**

### 3.3.1 Managing savings and credit

3.3.1.1 The experience that the Mahila Milan women develop in managing money gives them confidence to negotiate with city authorities as well as financial institutions. The collective savings serve as a downpayment for low-income housing loans in the few cases where this has happened. Moreover, backed by the knowledge of the exact nature of the savings and payment capacities of their members, they can cost various housing and loan options in an affordable and realistic manner. It is the financial tool of savings and credit that strengthens the financial skills of the leaders and assists them, later, in dialogue and negotiation with the state and other institutions.

### 3.3.2 Managing housing and construction projects

3.3.2.1 As Mahila Milan members become adept at handling their communities' money, the Alliance starts training them in housing and infrastructure construction. This includes technical as well as financial skills such as learning to make forecasts based on savings and credit behaviour, learning about costing of materials, maintaining detailed accounts of cash income and flow and so on. Experience of managing construction projects with help and guidance from more experienced federation leaders builds capacities to manage more construction projects in the future and train other men and women.

### 3.3.3 Creating a special company to support urban poor-led construction activities

3.3.3.1 Twenty years of mobilisation and activism by the Alliance has led to communities being able to recommend and lead projects themselves. As a result, in 1998 the Alliance created a non-profit construction company – Nirman or SPARC Samudaya Nirman Sahayak (which in Hindi means Community-Led Construction that is supported by SPARC). Nirman only undertakes projects on the recommendation of the federation and is aimed at demonstrating how poor-led construction projects are viable, effective and clearly targeted. The legal form of an NGO (SPARC) was not conducive for the kinds of transactions construction activity requires and hence the creation of Nirman.

## **3.4 Current Slum Upgradation Financial Frameworks in the city of Mumbai**

3.4.1 The legal, institutional and financial frameworks of slum upgradation in Mumbai have been described in great detail in the previous paper. However, to summarise, current state policy is that all slum dwellers who can prove that they have been living in a structure prior to 1<sup>st</sup> January, 1995, are eligible for a 225 sq. foot permanent tenement for free.

3.4.2 Considering that half of Mumbai's twelve million strong population lives in slums, the government is entirely incapable of funding such an initiative itself. Therefore it has created incentives for private developers to participate in such a programme. Here, if a private builder constructs a tenement for free for a slum dweller, he is given incentive FSI to construct more tenements for sale in the open market and/or sell in the market as Transferable Development Rights. Those sales are meant to cross subsidize slum dwellers' houses. This scheme is popularly known as the Slum Rehabilitation Authority (SRA) model. (For detailed explanation see pp. 20 – 23 of earlier Report).

3.4.3 Under the private developer upgradation framework, there are two kinds of slum upgradation models – when tenements are constructed on the same site

as the original slum, and when communities (because they are living on pavements or on lands needed for some public purposes or at high risk areas) need to be resettled at permanent accommodation at another site. In the first case, the private builders finance the construction of apartment blocks, pay for communities to live in transit camps until the permanent accommodation is built and contribute to a corpus of Rs. 20,000 (about \$450) per family to cover maintenance costs. In the second case, communities move into their new accommodation once it is completed – without necessarily moving into transit camps. In both instances, once they move into their new home, any additional maintenance costs (which are not covered by the corpus the builder has set up) are to be borne by the community.

- 3.4.4 Moreover, in both cases, builders make profits by constructing additional tenements on the redevelopment site (the incentive measure that was just mentioned) and selling them on the open market. Sometimes, however, if the limit of the total amount that can be constructed on a particular piece of land has been reached, the builder can sell something known as Transferable Development Rights or TDR. According to the policy, another builder can buy this TDR and add it to his own construction site as if he were buying that much more area of land.
- 3.4.5 The central idea here is that the finances for slum upgradation are borne, for the most part, by the private developer. They require huge initial financial investments because costs are recovered and profits are made only once the additional tenements have been sold on the open market and all the slum dwellers have been housed and construction activity is complete.
- 3.4.6 There is also another model for slum upgrading which is led by the government. This occurs when the government needs a piece of land – on which slum dwellers reside – for a public works project. In this case, similar to the private builder, the government provides slum dwellers with free accommodation at another site and puts in a certain amount into a maintenance corpus. Land-owners who offer their lands for new construction for public projects as also the developers/contractors who do the construction are also given incentives in the form of TDR. As a result, government has to spend little and can even earn money for particularly profitable locations. But when TDR rates fall, then government has to give money in addition to TDR to attract developers.
- 3.4.7 Sometimes, however, because the numbers that are to be resettled are so large (20,000 households for the MUTP and 35,000 households for the MUIP) the government constructs transit camps for people to live in while the permanent accommodation is being constructed. This way land becomes free earlier and project benefits flow earlier. In these instances, the community is responsible for all maintenance charges of the transit camp. Again, any additional expenditure for maintenance once the permanent tenements are

constructed and people have moved in, are borne by communities themselves.

### **3.5 Community-Led Infrastructure Financing Facility (CLIFF)**

3.5.1 In theory, the SRA policy does provide opportunities for NGOs and communities of the poor to actually participate in, lead and design the upgrading of their houses. However, the current financial model makes it extremely difficult for this to happen because NGOs and community organisations need to be able to make huge initial investments before they can actually recover their costs or make profits. At the moment, it is only large private builders who can afford to do this except for the Alliance.

#### **3.5.2 How did CLIFF develop?<sup>4</sup>**

3.5.2.1 The development of safe, secure shelter and its associated infrastructure (safe water, sanitation, access roads and energy) to meet the needs of the urban poor requires capital financing, which the majority of municipalities in developing countries find great difficulty in mobilising. This presents a real challenge when collectives of the urban poor become increasingly organised, developing the capacity to manage slum upgrading, resettlement and infrastructure initiatives. Research carried out in the Bridging the Finance Gap in Housing and Infrastructure project coordinated by Homeless International (a UK based NGO), and funded by the UK Government's Department for International Development, has shown that community-driven initiatives in infrastructure and housing do have the potential for significant scaling up. However lack of access to capital financing restricts the ability of communities to use the capacities they have developed in a manner that benefits large numbers of the poor as well as cities as a whole. Unfortunately this gap cannot easily be met using micro-finance, as the housing and infrastructure solutions required usually necessitate a collective rather than individual response, with an emphasis on area upgrading rather than simply the improvement of individual units. While micro-finance services have been expanded and successfully used to stimulate small enterprise and individual housing improvement through the provision of short-term loans, there is a chronic lack of medium term credit available for major slum upgrading, resettlement and infrastructure investment by the poor.

3.5.2.2 To address this challenge, Homeless International, in collaboration with SPARC in India and other partner organisations, established a Guarantee Fund in 1996, using deposits from UK housing associations to secure local currency loans from banks in India and Bolivia for organizations undertaking slum upgrading and improvement work. However it soon became clear that in addition to guarantees, local organisations needed access to working capital

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<sup>4</sup> Section 3.1 onwards upto Section 3.4 are extracts from the Annual Report on CLIFF (August 2003).

to start projects so that bankers would believe that their plans were feasible as well as serious. The Bridging the Finance Gap study explored how such bridge financing might be provided in different national contexts and the findings were used to develop a new initiative, the Community Led Infrastructure Finance Facility, otherwise known as CLIFF.

3.5.2.3 CLIFF has been designed to address poverty reduction objectives by facilitating the transfer of funds directly to community organisations implementing housing and infrastructure initiatives developed by poor communities in urban areas. In particular CLIFF functions as a financial catalyst in slum upgrading by providing strategic support for housing and infrastructure projects that have the potential for scaling-up to city-level interventions.

3.5.2.3 The Facility combines grant assistance from international donors (such as DFID and Sida) with Homeless International guarantee funds which provide the comfort financial institutions need to give loans for these schemes. The bi-lateral capital and operational grants are channelled through Cities Alliance to Homeless International and then on to the local CLIFF implementing partner.

3.5.2.4 The facility is co-ordinated globally by Homeless International, a specialist urban development NGO based in the UK which works with a network of national federations of the urban poor. Locally CLIFF is being piloted in India by Nirman.

### 3.5.3 How does it work?

3.5.3.1 In India all the projects supported by CLIFF are developed and prioritised for support by the NSDF through its own consultative processes and, as far as possible, the Federation's own selection criteria are reflected in the criteria applied when projects are assessed by professionals advising CLIFF. These professionals sit on two Technical Advisory Groups - one in the UK to advise the Homeless International Council of Management, and one in India that advises the Nirman Board. The formal CLIFF criteria are subject to annual review as experience develops in implementing local initiatives. It is important to note that the criteria are applied to the project portfolio as a whole and used as a framework through which to look at specific projects. Experience has already shown that the criteria need to be applied flexibly as projects do vary considerably. Sometimes they may be strategically very important and have considerable potential in the longer term but may not, in the short term meet the criteria for financial viability. In these cases projects may be approved so long as the nonfinancial returns of the investment in terms of precedent-setting, challenging expectations, policy and practice and shared learning are justified to be significant enough, and the whole project portfolio is not being put at risk.



3.5.3.2 Each project is designed as a joint venture between Nirman and the local community organisation spearheading the scheme. This is necessary because local groups do not have the formal credibility or track record required to negotiate with banks and other financial institutions for loans. For this reason CLIFF is often described as a venture capital fund for the urban poor. Many of the Indian projects generate income streams either as a result of subsidies that can be drawn down from the state or through mixed developments with "for sale" components that enable internal cross subsidisation of improved housing for the poor. In some schemes repayments by individual households are also involved. Each project is usually financed from a range of sources. The viability of each scheme is assessed on the basis of projected costs and income streams, and cash flows are designed to allow for the delays that currently seem inevitable in reaching negotiated agreements with both banks and the state. The need for, and level of CLIFF financing is then identified and considered within the framework of the whole of the CLIFF portfolio.

3.5.3.3 Once a project is selected for support by CLIFF a range of help is provided. Technical assistance helps to ensure that projects are packaged in a way that can be handled by formal institutions - be they governmental or commercial. Help is provided to ensure that the necessary technical skills are available for management of the projects, and assistance is given in financial negotiations with banks. Then, when a project is ready for implementation, working capital is made available from the CLIFF fund so that work can begin. Financing is normally provided at a 10% rate of interest although this may vary between schemes and flexibility is needed to respond to changes in the market. Where possible, discussions are organised early on in project design to locate funding from banks or other financial institutions. However it is frequently the case that CLIFF financing has to be provided before any of these discussions result in the delivery of actual finance. Indeed experience over the last decade has shown that banks will usually only take a proposal seriously when they see a scheme already initiated on the ground, even where hard currency guarantees are available. Hopefully, this situation will change in the future. However, at the moment, the "seeing is believing" rule seems to apply when initiatives led by the urban poor are put forward for backing by formal finance institutions.

3.5.3.4 Once a project is completed loans are repaid into the CLIFF Fund within Nirman, and to local banks. Any guarantees released as a result are then available for other projects and loan capital recovered by CLIFF is recycled into new schemes.

#### 3.5.3.5 At local level CLIFF:

- Provides bridging loans, guarantees and technical assistance, both local and international, to initiate medium scale urban rehabilitation in cities in the developing world;
- Works in partnership with community based organisations/ NGOs who have, or can be assisted to have, a track record in delivery of urban rehabilitation;
- Seeks to attract commercial, local and public sector finance for further schemes thus accelerating or scaling up the response to the challenge of urban renewal.

#### 3.5.3.6 The funding made available through CLIFF complements local resources that have been mobilised by communities and their support NGOs. In India these resources are extensive and include:

- Extensive and reliable information and databases developed on informal settlements. These databases are increasingly being shared with state authorities to aid the planning of slum upgrading and resettlement as well as in the planning and delivery of urban infrastructure services.
- Accumulated savings created within the membership of NSDF and Mahila Milan as well as the tried and tested systems that have developed from long-standing savings and loan practice managed at the community level by slum and pavement dwellers.
- An extensive network of collaborative relationships with other federations of slum dwellers, and with public officials, professionals and donors.
- A pre-existing bridge fund of over US\$2 million donated by northern NGOs.
- A significant level of good will generated over twenty years of collaborative work with a wide range of organisations and institutions.

#### 3.5.4 What is it designed to achieve?

3.5.4.1 CLIFF is a financing facility designed to help organisations of the urban poor in developing countries to carry out and scale up community-driven infrastructure, housing and urban services initiatives at city level, in conjunction with municipal authorities and the private sector (including banks and landowners). CLIFF is unusual in that it provides funding for projects that are developed locally, on a larger scale than is usually available to NGOs and people's organisations and in a form that helps leverage funds from other groups and, where possible, to recoup the capital for reinvestment.

3.5.4.2 The facility has been developed to achieve a number of specific objectives:

- Improved housing and infrastructure provision for many thousands of the urban poor in line with the millennium development goal to improve the living conditions of at least 100 million slum dwellers.

- An operational mechanism for extending loans, guarantees and grants to organisations of the urban poor undertaking urban infrastructure and housing initiatives.
- Increased local market financing of community-driven infrastructure and housing initiatives.
- Where applicable, improved use of state subsidies by municipalities supporting community-driven initiatives.
- A sustainable CLIFF facility in India and at least one other country.
- An improved policy, regulatory and legislative environment in countries where CLIFF is implemented.
- The methodology and institutional mechanisms developed where CLIFF is implemented, disseminated and shared with other local authorities, communities and interested parties.

### 3.5.5 Where have we reached?

3.5.5.1 The different types of projects already supported by CLIFF, or in preparatory stages, have also enhanced the communities' repertoire. Housing and infrastructure projects illustrate communities' ability to manage several different processes, including:

- Managing resettlement, including temporary resettlement to enable in-situ upgrading to take place.
- Designing, developing and managing different types of housing schemes (high-rise, ground-plus-two or three, 'Mahila Milan' apartments) with different amenities and commercial spaces, in a variety of city and state regulatory environments.
- Designing, developing and managing different types of infrastructure schemes in different institutional environments.
- Developing alternatives to threatened eviction and forced relocation.
- Mediating discussions around entitlements to upgrading within communities.
- Mobilising, training and working with communities formerly outwith the Federation network.
- Utilising, with support from the broader Alliance, different financial arrangements.
- Sharing learning and experiences with other communities, policy-makers and practitioners from a range of institutions.

## Section IV

### Policy and Legislative Reforms

Today in Mumbai, there is mainly one instrument available for slum upgrading and resettlement. The backdrop of all efforts is the law guaranteeing security of tenure to all those who can establish they were on a piece of land as of 1/1/95. The most favoured instrument is the grant of extra FSI to cross-subsidize the housing of the poor from the market. This instrument is applicable both to slum upgradation in situ as well as for public infrastructure projects like MUTP and MUIP. It is the key element in the SRA scheme, explained elsewhere in the Report. Below, we suggest a typology of slums in Mumbai and then look at whether existing policy and law can suitably address them and, if not, what changes are necessary. We will then try to place this discussion in a larger context.

#### 4.1 Typology Of Slums

- 4.1.1 In our analysis, about 30% of all slums in Mumbai are such that almost everybody has 300 - 400 sq.ft. per family. These families would not be interested in 225 sq.ft. housing under SRA. In these cases, cooperative housing societies of slum dwellers must be given lease of land and after securing the lease, plan their own redevelopment with savings/loan finance. In addition, they could be given bulk supply of services like water and electricity for internal distribution. The financial implications really relate to land being given either free or at nominal cost.
- 4.1.2 Another 30% of all slums in Mumbai can be redeveloped in situ. Here, we may continue to use the SRA model but free it of its rigidities so that a cafeteria approach is possible. For instance, high-rise development should not be the only alternative as it is today. Here again, the subsidy from the State is confined to virtually free land since the rest of the subsidization comes from the market.
- 4.1.3 The balance 30% of all slums are built on at-risk locations or upon lands that are needed for some developmental purpose or other like roads, parks, schools and so on or are on pavements or are on lands belonging to public agencies like the Airport, the Railways and the Port Trust, for example. There is no alternative in these cases but to resettle and rehabilitate them. The policy framework as it exists today provides for free housing for all eligible families whether as subsidy from the State or the market or a mix of both.

4.1.4 In our analysis, the balance 10% of slum families are those who have entered the city after 1/1/95, the 'cut-off date'. As of now, they are not covered by any policy and have no rights. They are categorized as 'encroachers'.

## **4.2 Well – Settled Slums**

4.2.1 Consider the first case of well-settled slums that should be given tenure of land and bulk services. These families have more area than would attract them to an SRA redevelopment alternative. The precedent of giving tenure of land to cooperative societies of slum dwellers was set in the Bombay Urban Development Project (BUDP), a World Bank funded project in the middle eighties. About 20,000 families in 400 slum pockets were given tenure of land on 'as is – where is' basis with the expectation that they would upgrade their houses out of savings/loan finance. Under the BUDP, infrastructure was upgraded and while land tenure was given virtually free, a 20 year loan was to be recovered to meet infrastructure costs from each family. Thus the policy precedent of granting tenure of land already exists and is even used today in slum redevelopment and slum relocation projects. But this policy is not being applied today to existing slums of the type described above. So our first recommendation is that this policy instrument be revived and used as it was in the BUDP.

## **4.3 In Situ Redevelopment**

4.3.1 Now take the case of 30% of slums that fall under SRA in situ redevelopment. The objective of the SRA scheme was to construct 8 lakh tenements in 5 or 6 years. To date, a little more than 19,000 tenements have been completed and the SRA has reported that another 80,000 or so are in the pipeline at various stages of approval/construction. From the point of view of targets, the scheme has not been successful. There are also complaints that builders have manipulated the scheme and thrown out the original slum dwellers perhaps by offering a monetary incentive. Many of these complaints are probably true. Yet, as of today it is the only way for slum dwellers to get land virtually free. Our second recommendation is that SRA continue but in a modified way: there must be no insistence upon only high-rise development as the only option. The only condition should be that all slum dwellers be properly rehoused.

## **4.4 Slums To Be Resettled**

4.4.1 The third category of 30% of slums relates to those who have to be resettled at other locations either because they are 'at-risk' locations or on lands needed for public purposes. We have noted how under MUTP, each

household is entitled to a 225 sq.ft. tenement free of cost along with a sum of Rs.20,000 as corpus for maintenance. Though there is no general policy of the State Government for all cases of resettlement, in practice these entitlements are being given in other projects as well. For example, under the Mumbai Urban Infrastructure Project (MUIP) where the Alliance has been asked to resettle 35,000 households, the same policy applies. Again, under an agreement between the Ministry of Civil Aviation, Government of India, the State Government and the Alliance, the same entitlements are being offered to nearly 1900 families that were resettled. Our third recommendation is that a general policy for resettlement and rehabilitation be formulated.

#### **4.5 Slums After 1/1/95**

- 4.5.1 The fourth category of those who entered the city after 1/1/95 is made up of 'encroachers'. This is a deeply sensitive issue on which almost all political parties agree and is not likely to be resolved in the near future. Yet, the alliance does not see any point in having artificial cut-off dates and would recommend their removal.

#### **4.6 Two Key Reforms**

- 4.6.1 For slum upgrading/resettlement to take place on a large scale, the two most important reforms are to do away with the concept of 'free housing' and to provide housing finance for the urban poor. The Government of Maharashtra has already decided that each family should pay at least Rs.25,000 but this decision is not yet being enforced. The problem of housing finance for the urban poor is more intractable: housing finance companies do not have a 'comfort' factor when it comes to the poor. Some negotiations and discussions regarding this are going on between Housing Development Finance Corporation (HDFC) Ltd., the largest private company in India, and the Government of Maharashtra in discussions of the Sub-committee on 'Housing for all'. It will be beyond the scope of this document to imagine the outcome of those discussions.
- 4.6.2 Government subsidies for housing are miniscule in relation to the size of the problem. The SRA scheme depends entirely on market forces and will attract capital at only favourable locations. The savings of communities and their conversion into down payments for housing loans from financial institutions is the only long-term, sustainable solution.

## **4.7 The Larger Context**

- 4.7.1 To place the earlier discussion in a larger context, a centrally important factor is to increase the supply of land. The McKinsey Report has recommended certain policy and legislative reform in this direction. They expect that land supply can be increased by
- 1) Increasing FSI and linking the increase to redevelopment that would provide better physical and social infrastructure (30% - 40%)
  - 2) Building a rail-cum-road line to connect Mumbai to the hinterland (15% - 20%)
- 4.7.2 Apart from these policy reforms, relaxation in the Coastal Zone Regulations and amendment/repeal of the Urban Land Ceiling & Rent Control Acts could increase supply by 15%-20% on each count. With these changes, it is estimated that increase in supply would be between 50%-70%.
- 4.7.3 Other policy reforms suggested by different groups and widely supported are to reduce the time and eliminate corruption in getting building approvals, reduction in stamp duty, construction of more transit housing and to provide incentives to developers to create additional low-income housing units.

## Section V

### ACTION PLAN

#### 5.1 The Alliance's Portfolio

- 5.1.1 It is worth restating here that the Alliance is involved with slum upgradation and resettlement on a significant scale in the city of Mumbai. Under the Mumbai Urban Transport Project, we are involved with the resettlement and rehabilitation of 20,000 families living along the railway tracks. Of these, some 12,000 families have already been relocated in permanent or transit accommodation. Of these, the Alliance constructed 2500 tenements. Under the Mumbai Urban Infrastructure Project, the alliance has been tasked with the resettlement of 35,000 families and the process of community mobilization and conducting of base-line socio-economic surveys is well under way. So far we have resettled nearly 2000 families living on airport lands in collaboration with the Airport Authority of India and the State Government. Other projects including slum redevelopment at Dharavi and pavement dwellers' resettlement account for another 1500 families and these projects are at different stages of development. Moreover, we are involved with a \$10 million project, funded by the World Bank, to construct public sanitation in slums in the city through community participation. Besides, we have several projects in incubation. The aim of describing this portfolio of projects is to underline that the changes to be recommended in law, policy and programme emerge from our practical experience in the field.
- 5.1.2 If one looks at the existing portfolio of the Alliance, it involves the resettlement of about 55,000 households (of whom, 12,000 are already resettled). These on-going projects will take about 3 to 4 years to complete. The role of the Alliance is to prepare baseline socio-economic surveys, prepare Resettlement Action Plans and implement them. Moreover, the Alliance is expected to remain with the resettled communities for a period of 3 years after resettlement. The role of the Government of Maharashtra is to lay down policy and programme and fund all the resettlement works under MUTP and MUIP. With respect to the project on community sanitation in slums, the role of the Municipality is to provide capital costs, water and electricity and the role of the Alliance is to get the sanitation blocks designed, constructed and maintained by communities.



## **5.2 Task Force**

5.2.1 In preparing an Action Plan for a city, it is well to remember that there is no tabula rasa. Negotiations and discussions amongst different stakeholders is always a continuing process. As mentioned, representatives of the Alliance have over the years been involved with various Committees and been on various government bodies. Most recently, A.Jockin has been made member of a sub-committee on “Housing for all”. This sub-committee was set up under a Task Force appointed by the Government of Maharashtra to come up with a set of recommendations for the future of Mumbai. So far, three sittings of the sub-committee have been held and it has government officials, builders, developers and a housing finance company chief in it. In September 2003, the consulting firm McKinsey had come out with a series of recommendations for transforming Mumbai into a world class city. The Government of Maharashtra used the publication of this document as an occasion to generate wider discussion and hence the Task Force.

## **5.3 Recent developments**

5.3.1 At the same time, some of the constraints facing Mumbai were brought to the notice of the Prime Minister of India in August 2003 during a special presentation by the Government of Maharashtra on the city. It is reported that the Prime Minister desires that Mumbai be slum – free in the next 10-15 years and is of the opinion that at least 100,000 families be properly settled in the next 3-4 years. The Prime Minister has also sanctioned a grant of Rs.500 crore for the improvement of Dharavi – Asia’s largest slum with 70,000 households – towards the end of 2003. The Government of Maharashtra has recently approved a plan to redevelop Dharavi by giving FSI incentives to private developers.

## **5.4 An overlapping consensus**

5.4.1 Even though there are divergent interests and view-points amongst the many stake-holders in urban development, there appear to be some issues over which almost all parties would tend to agree, as experienced in the meetings of the sub-committee on “Housing for all”. Those issues are listed below as enjoy a wide consensus of opinion even if this has not yet been formalized.

5.4.2 While it is not possible to give time-lines for the actions suggested below, they have been categorized as short, medium and long-term measures and classified according to category of activity.

### **Short – term measures**

- 1) The Government of Maharashtra must give up the free housing policy and every family to be upgraded/resettled must contribute at least Rs.20,000 – Rs.25,000 towards costs. (Policy Reform)
- 2) The Government of Maharashtra must suitably amend the No Development Zone regulations to bring more land into the market for public housing. (Policy Reform)
- 3) The Government of Maharashtra must give tenure of land to the 30% of slums which are well-settled. (Policy Reform)
- 4) The Government of India should appropriately transfer salt-pan lands to the Government of Maharashtra for resettling slum dwellers on the lands of different public agencies. Central agencies like the Airport, the Railways and Port Trust must agree to land and cost sharing. (Operational Activity)
- 5) The scheme of the Slum Rehabilitation Authority should be made more flexible so that there is a ‘cafeteria’ of options rather than an insistence upon high-rise development and its procedures made transparent and efficient. (Policy and Procedural Reform)
- 6) The approvals procedure of the Municipal Corporation of Greater Mumbai for building plans must be tightened to eliminate delay and corruption. (Procedural Reform)
- 7) 23,000 families living on pavements must be resettled along SRA principles in partnership with NGOs/CBOs. (Operational Activity)
- 8) All land and housing should be in the joint names of women and men. (Procedural Reform)

### **Medium – term measures**

- 1) The Government of India must amend the Coastal Zone Regulations to bring more land into the market. (Legislative Reform)
- 2) The Government of Maharashtra must repeal/amend the Urban Land Ceiling Act and the Rent Control Act, both of which have inhibited supply of land as also rental housing. (Legislative Reform)
- 3) The Government of Maharashtra should invest in more transit housing stock. (Operational Activity)

### **Longer - term measures**

- 1) The island of Mumbai should be linked to the mainland by building a road and rail link, thus increasing land for housing stock. (Operational Activity)
- 2) The Government of Maharashtra should provide incentives for the large-scale provision of housing for the poor. (Policy and Programme Reform)
- 3) Where possible, developers can be given larger FSIs provided they increase social and physical infrastructure in a particular area and secure the interests of the poor. (Policy and Programme Reform)
- 4) Ways have to be found to involve housing finance companies to loan to the poor for housing. (Institutional charges)

### **5.5 General issues**

- 1) Capacity building for NGOs and CBOs: it is the belief of the alliance that unless there are organizations of the poor with the requisite capacities, the benefits of development do not reach the poor and are appropriated by State functionaries, better-off sections of society or developers. It is a key necessity to focus upon women's capacities amongst the poor. Without such a process, they will not be able to participate in change as actors but will be passive recipients of the largesse or patronage of others.
- 2) Funding has to be found for NGOs and CBOs to take up activity in this sector.
- 3) The model of CLIFF can be expanded and replicated.

### **5.6 Conclusion**

- 5.6.1 If this Action Plan is implemented, at least 100,000 households will be upgraded/resettled in the next 3 to 4 years and about 2 million households can be given collective security of tenure in well-settled slums.