

DRAFT

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Annexure – Contributors to the First Draft of the 'National Rural Housing and Habitat Policy' developed at the workshop held at New Delhi on 23rd February 2006

National Rural Housing and Habitat Policy 2006

*a proposal to the
Government of India*

Facilitated by



South Asia
Regional Knowledge Platform



POOREST AREAS
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The Auroville Earth Institute, India aims to research, develop, promote and transfer earth-based technologies through training courses, seminars, workshops, publications and consultancy within and outside India.



Centre for Ecocentric Development and People's Action, India is a non-profit organization working for "People Centered Eco-Centric Development."



Coastal Area Disaster Mitigation Efforts, India is a network of twenty voluntary organizations working for the uplift and disaster preparedness of Fishing Communities in India.



Exnora International, India aims at developing civic and environmental consciousness through self-help approach, enactment of suitable legislation and environmental protection through local initiative.



Gram Vikas, India works with marginalized communities of Orissa for making sustainable improvements in the quality of life of the rural poor through sustainable, socially inclusive and gender equitable processes.



Grambangla Unnayan Committee, Bangladesh is a non-governmental voluntary organization working for people whose lives are dominated by extreme poverty, exclusion, deprivation, illiteracy, disease and handicaps.



Orissa Development Technocrats' Forum, India works to facilitate an effective rural housing delivery system through "Promotion of Appropriate Construction Technologies and Sustainable Livelihoods."



Society of Environmental Journalists, Nepal is a national level media organization working in the sector of environment. Their mission is to build up public awareness on environmental issues.



Trust for Village Self Governance, India focuses on establishing local self governance in villages using *Panchayat* as a tool for creating sustainable employment opportunities in habitat development.



UNNATI, India is a not-for-profit, non-governmental organization working over the last 15 years for "civic leadership promotion and strengthening local self governance."



The Aga Khan Planning and Building Services (AKPBS), Pakistan works to improve the living conditions and built environment in rural and urban areas, through the provision of material and technical assistance and construction management services.



Development Alternatives, India is a not-for-profit sustainable development enterprise that designs and promotes programmes and products which, through the use of alternative technology, contribute to the enrichment of human life.



Swiss Agency for Development and Cooperation (SDC), India is Switzerland's international cooperation agency within the Swiss Foreign Ministry. The Rural Housing Project (RHP) supported by the SDC focuses on providing choices and access to poor rural families for improved housing, especially for affordable, energy and resource-efficient and environment-friendly building material and technologies.

ABOUT THIS DOCUMENT

A house with basic amenities of water, sanitation and domestic energy, offering a sense of privacy, safety and dignity is the right of every individual in society. Facilities of education, health and child care, and special opportunities for income generation are essential to the growth and well being of a productive society, and form a part of human habitat.

It is the responsibility of a society to ensure that basic human rights and equity of opportunities for growth are available to all citizens. As a nation, we give our selves "policies" to create conditions that cause the realisation of rights and equitable access to opportunities for all.

The National Habitat Policy over the decades, has sought to achieve the aim of "adequate habitat (shelter) for all". It has undergone many revisions to suit national priorities and changing macro - social and economic conditions. The last National Habitat Policy of 1998, although comprehensive, could not provide adequate direction especially to rural areas in the absence of a focus on the distinct concerns and needs of these areas. The new 'Draft National Urban Housing and Habitat Policy' attempts to tackle urban habitat issues. The country now needs a 'Rural Housing and Habitat Policy' based on the "special character", priorities and potential of rural India in order that Rural Habitat concerns are adequately and realistically addressed.

Considering its backward – forward linkages to the overall economy, it is essential that rural habitat development be seen in the context of rural poverty alleviation. The *Bharat Nirman* Program and the National Rural Employment Guarantee Act (NREGA) are steps in this direction. In order that positive movements are reinforced and "people's" investments are harnessed towards an integrated rural development process, it is essential that we give ourselves a National Rural Habitat Policy that will promote conditions to facilitate the creation of sustainable habitat and livelihood in rural areas. **basin-South Asia** Regional Knowledge Platform (**basin-SA**) has undertaken a small initiative to bring together ideas, opinions and successful methodologies of different stakeholders to inform the development of the 'National Rural Housing and Habitat Policy'. The dialogue was triggered by research and documentation supported by the Building and Social Housing Foundation, UK and Swiss Agency for Development and Cooperation. In this process, intensive research and consultations with practitioners and policy makers across the country were carried out to form an understanding of rural conditions, strengths, needs and potential for large scale development of habitat and livelihoods in rural areas. The process resulted in the development of a "Framework for a Rural Habitat Policy for India" and has further motivated **basin-SA** to initiate a country wide process of engaging different stakeholders for developing a draft of the Rural Habitat Policy – as it should be and proposing it to the Government of India. As a first step, a consultation was organised on 23rd February 2006 in New Delhi by Akhil Bhartiya Samaj Sewa Sansthan, facilitated by **basin-SA** and supported by DFID's Poorest Areas Civil Society Program. The consultation brought together NGOs, bankers and government functionaries to discuss, debate and propose clauses for the policy document (refer Annex 1 for list of participants). This document is the first draft of the policy developed through this process to serve as a trigger for discussion on policy clauses and provisions with a wider audience. It draws heavily from the 'Draft National Urban Housing and Habitat Policy' (2005) and attempts to connect the policy on urban areas with rural areas.

The process of policy development is now being taken to all the States in the country for consultation. Inputs from each State Level Consultation will be incorporated at each step as the process continues, to culminate as 'Final Draft of the Rural Habitat Policy for India' - a proposal to the Government by the people of India.

The readers are invited to criticise, comment and propose changes or additions to this document, and share the same with **basin-SA** at basin@devaft.org. Let us use this process to help the government develop a Rural Housing and Habitat Policy that we feel – should be.

NATIONAL RURAL HOUSING AND HABITAT POLICY

A Proposal to Government of India

1 PREAMBLE

- 1.1 Habitat development in rural India has traditionally been a 'people's process'. Viewed from a consumption rather than a production perspective, building activity to improve or repair homes is mostly undertaken by women and men according to the needs of the family only when they have saved enough money to do so. Many people in rural areas still view a house as separate from drinking water and personal sanitation facilities, mostly for economic reasons. The former is symbolic of social status while the latter are felt needs but secondary to 'a roof over one's head'. An overall approach towards 'habitat' development that includes access to safe and adequate housing, water and sanitation facilities, livelihood and community infrastructure needs to take root in rural development practice in India.
- 1.2 Shelter is a basic human right. It is a need just next to food and clothing. The need for a National Housing and Habitat Policy emerges from the responsibility of the State to ensure that every citizen has a safe, secure and healthy place to live and work to lead a life of dignity. It also emerges from the pressing need to enhance quality of life and opportunities of growth in rural areas. As per the UN (1999) estimates, average annual rate of increase in rural population will change from 0.82% during 2000-2005 to (-) 0.40% during 2025-30. This is indicative of rapid migration from rural to urban areas in the country. At present, effectively over 80% of rural households do not have access to an adequate and reliable livelihood base primarily due to distress conditions of poor employment opportunities in villages. The neglected condition of habitat in rural areas of high poverty such as the States of Bihar, Rajasthan, Uttar Pradesh, Orissa, West Bengal and Madhya Pradesh further highlight the vulnerability of people in rural areas. Developed rural economies and landscapes would serve as obvious counter magnets to the pull of the cities.
- 1.3 Housing, besides being a very basic requirement for the human beings, also holds the key to accelerate the pace of development. Investments in housing like any other industry, have a multiplier effect on income and employment. It is estimated that overall employment generation in the economy due to additional investment in the housing/construction is eight times the direct employment (IIM-Ahmedabad Study, 2000). The construction sector provides employment to 16% of the work force (absolute number 146 lakh-1997). It is growing at the rate of 7%. Out of this, housing sector alone accounts for 85.5 lakh

workers which importantly include poor people. Housing provides opportunities for home-based economic activities and at the same time also decides the health status of occupants. Therefore, on account of health and income considerations, housing is a very important tool to alleviate poverty and generate employment.

- 1.4 Magnitude of housing requirement is linked to pattern of growth, settlement status and overall shelter quality. As per the Census of India 2001, rural areas account for about 65% housing shortage in the country. Of the 71% of the rural population in India, only 41% live in *pucca* (or permanent) houses. About 78% of rural households have access to “some source” of water while less than 23% have access to sanitation. Under such conditions, there is a need for a holistic perspective that promotes adequacy of housing, sanitation facilities and water supply to rural households based on their specific housing needs and; off-farm, farm and on-farm livelihood needs.
- 1.5 This Policy is in continuation of public sector interventions and related developments within human settlements in India during the last 15 years which began with the Economic Liberalisation Policy of 1991, National Housing Policy of 1994, National Housing & Habitat Policy, 1998 and follow up of 73rd Constitution Amendment of 1992. These Policy initiatives focused on re-definition of the Public Sector role as a ‘facilitator’, increased role of the private sector, decentralisation, development of fiscal incentives and concessions, accelerated flow of housing finance and promotion of environment-friendly, cost-effective and pro-poor technology.
- 1.6 The implementation of Policy through programmes and schemes such as *Indira Awas Yojana*, and Swarnajayanti Grameen Swarozgar Yojna (SGSY) have yielded mixed results in the area of housing and human settlements. This Policy builds on the learnings from previous initiatives potential offered by the recent initiatives of the government: Provision of Urban amenities in Rural Areas (PURA), *Bharat Nirman* Program and the National Employment Guarantee Act (NREGA).
- 1.7 This Policy seeks a solution to bridge the gap between demand and supply of housing and infrastructure to achieve the objective of increasing supply at affordable prices with benefits to the local economy. In this regard, specific initiatives are suggested to further re-orient the public sector as facilitator. At the same time, convergence of resources and involvement of various stakeholders is essential in the supply of housing and infrastructure with the overall context of sustainable development of rural areas.

- 1.8 This Policy also draws from innovations in the area of housing and habitat in India and elsewhere. It lays down aims and non-negotiable principles that must be adhered to, for implementing the Policy. It also gives a menu of actionable points which interalia include promotion of community participation and self help, linkage between livelihood and habitat creation, decentralisation of delivery in the framework of Panchayati Raj, development of ecologically sustainable technologies and standardisation for local production, supply of construction materials and technologies. It encourages savings to accelerate supply of funds, pro-poor development of partnerships, conservation of natural resources, development of environment-friendly, pro-poor and disaster resistant options for building construction. The purpose is to guide various stakeholders to take well-planned, concerted, transparent, mutually-acceptable and pro-poor initiatives in the best possible manner.
- 1.9 This Policy dwells upon the role of various stakeholders and specific actions pertaining to land, finance, legal and regulatory reforms, technology support and transfer, infrastructure, sustainability concerns in habitat development, employment issues in the building sector and monitoring the implementation of the Policy.
- 1.10 Finally, this Policy intends to build synergy, convergence and integration of housing related infrastructure and livelihood interventions. It aims to act as complementary to poverty alleviation, generation of income and employment to achieve overall objective of shelter for all and sustainable development of human settlements.

2 AIMS

The National Rural Housing & Habitat Policy, by 2010, aims at :

- (i.) Creation of adequate rural housing stock, both on ownership and rental basis.*
- (ii.) Facilitating accelerated supply of serviced land with particular focus on vulnerable sections such as tribals, backward classes, disabled, aged and women-headed households, taking into account the need for development of supporting infrastructure and basic services to all categories.*
- (iii.) Ensuring that all dwelling units have easy access to basic sanitation facilities, drinking water, power and livelihood infrastructure for environment friendly, farm, on-farm and non-farm economic activities.*
- (iv.) Development of villages in a manner which provides for a healthy environment, increased use of renewable energy sources and pollution free atmosphere with a concern for solid waste disposal, drainage, and other environmental considerations for living and livelihoods .*
- (v.) Promotion of larger flow of funds and pro-active financing mechanisms including micro-financing, Self Help Group (SHG) programmes and infrastructure credit to village Panchayats to meet the revenue requirements of housing and infrastructure based on demand.*
- (vi.) Providing quality and cost effective housing options to the citizens, especially vulnerable groups such as SC/ST, disabled, freed-bonded labourers, elderly, women, and other weaker sections of the society.*
- (vii.) Guiding rural settlements so that planned and balanced growth is achieved with the help of innovative methods such as PURA leading to in-situ upgradation.*
- (viii.) Using technology for modernising the housing sector to reduce drudgery and increase efficiency, productivity, quality and sustainability. Technology would be particularly harnessed to meet the housing needs of the poor and also specific requirements of 'green' housing.*
- (ix.) Removing legal, financial and administrative barriers for facilitating access to tenure, land, finance and technology.*
- (x.) Facilitating, restructuring and empowering institutions at state and local government levels to mobilise land and financing for housing and basic amenities and provision of community infrastructure.*
- (xi.) Forging strong partnerships between private, public and cooperative sectors to enhance the capacity of the construction industry to participate in every sphere of rural habitat.*
- (xii.) Ensuring people's participation, especially of the disabled, vulnerable sections of society, women and weaker sections in formulation, design and implementation of housing / habitat schemes.*
- (xiii.) Protecting the environment and promoting our cultural heritage, architecture, and traditional skills and knowledge system.*
- (xiv.) Establishing a Management Information System (MIS) in the rural housing and habitat sector.*
- (xv.) Using the housing sector to generate more employment and achieve skill upgradation in housing and building activity, for harnessing the provisions of the NREGA.*

3 GUIDING PRINCIPLES

A principle is defined as a 'basic truth or law that guides processes and action and helps confirm to a perspective' (Oxford Advanced Learner's Dictionary, 1998). In the context of habitat development, principles are 'norms' that are responsible for the overall social, environmental and economic sustainability of human settlements. The guiding principles for the National Rural Housing and Habitat Policy are:

The Principle of Inclusiveness and Flexibility

This principle advocates inclusion of various stakeholders, particularly participating communities, especially women for habitat development as critical for quality and sustainability of habitat initiatives. Rural habitat development in India has been an 'owner-driven process' based on self-help. With access to key enablers such as finance and technology, the end product of people's efforts is far better than what most habitat 'projects' can deliver on ground. Involvement of Panchayati Raj Institutions (PRIs), the foundation of local governance in India, is critical as they are responsible for management of local resources and community assets as well as welfare measures at the grassroots especially from the point of view of the poorest sections. Similarly, the involvement of the private sector would be a catalyst for a balanced, market-driven approach to habitat development with a focus on small-scale local entrepreneurship.

Flexibility needs to be promoted through policy measures, especially in planning and implementation. It facilitates local interpretation of the habitat policy for greater effectiveness at the grassroots. It includes flexibility in the design of interventions, their implementation through community-based processes, technology choice and most importantly, the allocation of financial resources based on local needs.

The Principle of Integration

The principle of integration promotes access to housing, basic amenities, livelihood and community infrastructure and natural resources together as habitat development. Any one of these, without the others, is ineffective in improving quality of life; while together their impact is much greater. A *pucca* (or permanent) house very often serves as a work space for many households in rural areas, facilitating income generation. Access to a safe house with clean surroundings has a positive impact on people's health and supports access to education. Community level livelihood infrastructure and facilities promote village industry and lead to an overall improvement in quality of life. The development of rural regions reduces out-migration to cities, releasing pressure on urban land, infrastructure and services. Thus, in the larger perspective there are direct links between a safe and secure habitat and other aspects of quality of life. These links have a strong potential for vulnerability reduction.

The Principle of Access

The Habitat Agenda (1998) argues that *'adequate shelter means more than a roof over one's head. It also means adequate space; physical accessibility; adequate security; security of tenure [...] adequate basic infrastructure: water supply, sanitation [...] suitable environment quality and health-related factors; and an adequate accessible location with regard to work and basic facilities: all of which should be available at an affordable cost.'*

Basic necessities such as food, shelter and livelihood are entitlements rather than a 'magnanimous' gesture of the State under the human rights law. India being a signatory to major Human Rights Treaties such as the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, strives to ensure the realisation of human rights including the Right to Adequate Shelter. Article 21 of the Indian Constitution guarantees the 'Right to Life' to all its citizens. Various rulings by the Supreme Court of India have reiterated, 'the right to live in any civilised society implies the right to food, water, decent environment, education, medical care and shelter.' In order to enjoy the 'right to shelter', the poor in particular, need access to livelihoods, finance and technology as well as relevant capacities, knowledge and skills for habitat development.

The Principle of Safety against Disasters

Nearly 1% (about 15 lakh houses) of the housing stock in the country is destroyed every year due to natural hazards. Inadequate preparedness in the form of neglect of indigenous wisdom and non-compliance with safe designs and construction practices has left many families homeless and vulnerable; the poor being the worst sufferers. In addition, ecologically harmful practices have contributed to the vulnerability of the rural poor. Simple safety measures, if taken before a disaster, can prevent tremendous loss of life and property. It is imperative that the safety and security of families and houses are given due importance in habitat development. Safe individual houses and community shelters can minimise disaster losses to a large extent.

The Principle of Resource Efficiency and Sustainability

The principle of resource efficiency and sustainability refers to balancing the environmental, social and economic issues in the short and long term. It encompasses all the various resources (social, natural, human and financial) employed in habitat development and points to their sustainable utilisation. The principle makes it imperative that maximum benefit is derived from investment of these resources in a sustainable manner. Habitat development and building activity have tremendous implications on the quality of natural environment. Issues of land utilisation, use of natural resources and dumping of wastes make construction activity an environmentally challenging task. Given the social and economic benefits of habitat development, it is important that negative environmental impacts are minimised.

Local human resources when utilised effectively are developed further through on-job capacity enhancement. There are obvious positive implications on the local economy if local resources – natural and human – are used efficiently and with discretion. Such connections can trigger positive cycles of local development.

4 SPECIFIC ACTION AREAS

The Policy recommends concerted efforts in the following action areas:

4.1 Land – Access and Management

The most essential pre-requisite to habitat development is the availability of land for the purpose. In the past, many households have not managed to access even government grants and subsidies for housing and habitat as they do not have access to land. They are therefore not eligible for the government support, nor are they able to utilize the external support effectively in the absence of land availability. Policy should ensure that such households do not continue to be left out and are provided with adequate land and security of tenure. While selected groups such as tribals occupying forest land may be in a conflicting situation with the natural environment, Panchayati Raj Institutions (PRIs) have a clear role in making land available for the poorest. Access to land would trigger a positive cycle of asset creation and consolidation so that long-term vulnerability and poverty is also impacted. Land is made available to the landless by the PRIs for habitat development. At the settlement level, land use, planning and management would promote the effective utilization of village land for housing, agriculture and village industrial development. Rural habitat development would be immensely accelerated with appropriate land reform.

- i. A 'land inventory' would be developed and maintained by the Village Panchayat to record areas of land and locations under private ownership, public uses, common property – grazing and fallow lands. Alongside, a record of landless and houseless households would also be maintained by the Panchayat. These records would be available at the village and district levels for easy access as public knowledge. The effective use of technology, such as using a web based system of mapping lands and recording the ownership can be initiated, as is done in Karnataka. This process can first be concluded in the south of India and can form a model for the northern states to emulate in a regulated manner.
- ii. Land use, planning and management for housing, civic infrastructure, community and livelihood infrastructure, industrial uses and institutional uses at the local level is the responsibility of the local Panchayat. The Panchayat would plan these in consultation with the *Gram Sabha* and submit to district authorities for integration in district plans.
- iii. In the local plans, it is necessary to earmark land for housing the landless. This could be about 10-25% per village. Donation of land to Village Panchayat for housing the landless would be encouraged through tax incentives. Irregular title deeds must be regularized by the State Revenue Department especially for the marginalised sections as a campaign.

- iv. Land assembly and development by the local Panchayats would be encouraged. The Panchayat can, through public referendum allocate land for housing for the vulnerable in the village including women-headed households, the disabled, those rendered landless because of natural disasters and those households whose current housing is directly in conflict with natural resources such as forests.
- v. Land in the rural context is a matter of granting homestead rights. States need to provide this right to the landless category with special emphasis on persons belonging to the Scheduled Castes (SC) and Scheduled Tribes (ST) category.
- vi. State governments in consultation with the Village Panchayat, would continue to provide appropriate land for relocation of households affected by natural disasters. Such land must be suitable with regard to safety, local livelihoods and minimum quality and quantity norms. Public agencies would undertake land acquisition for housing and basic services along with more feasible alternatives like land sharing and land pooling through the Village Panchayat in consultation with the Gram Sabha. In this process, public and private initiative that requires land acquisition would be first assessed and evaluated for statutory support for land availability. Illegal possession and encroachments should be removed and land be redistributed among marginalized sections, based on the land inventory prepared by the Village Panchayat.

4.2 Access to Finance

Access to credit is critical for habitat development. Except for the recently evident success of SHGs in micro-lending, informal sources continue to be exploitative, especially for the poor. Formal finance options, on the other hand, are still few and mostly remain inaccessible to the rural population. It is important to improve ground conditions that encourage financial institutions to lend in rural areas. There is a need for flexible and easily accessible credit products, along with alterations in institutional mechanisms in response to the needs and conditions of rural areas such as irregular income stream and low cash surplus of rural populations. Emerging successes of community-based finance mechanisms provide reasons for optimism. Communities have evolved their own informal ways of consolidating savings and accessing loans as groups. There is a need to acknowledge ground realities in rural areas and respond to these by providing space for alternate, innovative methods of credit lending. Success in repayment would only be enhanced through a dovetailing of habitat development with income-generating opportunities for the poor.

- i. Village governments would be empowered to mobilise finances for habitat development through generation of revenues from common lands, forests and infrastructure maintenance.
- ii. Fiscal concessions would be provided to village governments to mobilise resources for funding housing for the poorest. Concessions would also be provided to encourage different activities like affordable, cost effective, energy efficient housing, disaster resistant construction etc.

- iii. Housing would be considered at par with infrastructure as far as funding and concessions are concerned, in order to encourage investments in the sector.
- iv. Banks and Financial Institutions would invest in awareness creation for habitat development and link loan schemes through intermediary institutions such as Non Government Organisations (NGOs).
- v. Reserve Bank of India (RBI) / National Housing Bank (NHB) would develop separate Non-Performing Asset norms, taking into account crop seasons and other occupational revenue cycles. Lending Institutions should have flexibility in fixing appropriate repayment schedules depending on the income stream and repayment capacity.
- vi. A National Rural Shelter Fund with an initial contribution of Rs.500 crores from the Central Government is recommended to be created under the aegis of NABARD for refinancing to banks for rural housing and habitat development (for the poor) provided the ultimate lending rate is fixed within a defined range. The rate instead of being specified, could be defined as certain basis points above the Nabard rate. This rate could be upto [500] basis points above the NABARD rate. Banks using intermediary institutions for onward lending need to factor in higher overhead costs to reach rural clients. The private sector, especially the building material industry would also contribute to the corpus. This fund would also provide for development costs of credit delivery to the rural poor so that housing finance rates in rural areas are at par with or lesser than prevalent rates in urban areas.
- vii. To mitigate the risk faced by the banks in lending to the rural housing / habitat sector on account of irregular / uncertain income stream, a "Risk Fund" with an initial corpus of Rs 500 crore (to be contributed by the Central Government) would be created within NABARD. To enlarge the corpus of the Risk Fund, commercial banks would contribute a specified percentage of the shortfall in achievement of their target for priority sector lending.
- viii. Banks would step up the quantum of loans disbursed for rural housing / habitat. They would also consider fixing targets for disbursement of loans for various vulnerable groups and declaring it publicly. Currently the priority sector lending of the banks are for all loans over Rs 15 lacs (for housing). The lending therefore borders around lending to the middle level of income earners and those who are located close to towns and cities. Upgradation and repairs are upto a limit of Rs 2 lacs in urban and Rs 1 lac in rural areas. In order to reach the rural underprivileged, a separate lower target of Rs 2 lacs and an upgradation limit of Rs 50000 would be suggested.
- ix. To enable institutional housing finance mechanism to serve all segments of society in rural areas, Village Government Certificate on land titles would be treated as sufficient documentary evidence for banks and financial institutions to lend.
- x. Habitat credit would be insured and one time premium would be provided by the bank itself, or shared by Government and primary lending institutions.

- xi. To encourage Financial Institutions to increase their lending to vulnerable sections of the rural population which involves comparatively higher risk and operational costs, the benefit under Section 36 (1) (vii) of IT Act as available to banks, public finance institutions etc. may be extended to Housing Finance Companies (HFCs) also.
- xii. To encourage primary lending institutions to enhance their credit flow to the vulnerable sections of the rural population, existing institutional mechanism as available through SHGs / NGOs and Micro Finance Institutions would be actively involved in extending housing loans to the poor.
- xiii. Micro-financing especially for the rural poor would be encouraged. In this context, micro-credit for housing would be given a strong push to provide formal finance especially to those segments of households who do not satisfy norms for formal sector lending. Aggregation of poor households as SHGs to provide social collateral for lending would be encouraged.
- xiv. Livelihood and income generating schemes would be linked with saving for housing and habitat development. SHG savings would be mobilized for livelihood creation and would serve as collateral for repayment of individual loans to members directly linked to banks (with the onus of repayment residing on the individual loanee).
- xv. Fiscal incentives would be provided to producers of cost effective, energy efficient building materials.
- xvi. Livelihood and Community infrastructure grants would be coupled with supportive credit cum grant for housing development for the poorest.

4.3 Legal and Regulatory Reforms

To speed up the process of habitat development, fundamental legal and regulatory reforms should be set in place that will form the backbone of the habitat processes. There is a need for the government to act as an enabler and create a suitable environment for the private sector and other stakeholders to effectively participate in the overall habitat development process. It can be an effective enabler only if adequate sensitisation and capacity development is carried out. These need to be backed by effective and transparent monitoring systems.

It is important to re-evaluate the overall legal and regulatory framework governing the habitat sector such as land rights, land use, building regulations and codes and price controls. It is imperative to ensure integration between programmes and coordination between the various government departments and agencies. Legal and regulatory reforms will check supply constraints and promote equitable access to habitat in rural areas.

- i. Panchayati Raj Institutions at the village level would be responsible for developing rural habitat plans, sanctioning building of plans and enforcement of norms. Procedures for sanctioning building plans would be simplified to eliminate delays through strict enforcement of rules and regulations along with simplified approval procedures to ensure that the system is made user friendly.

- ii. Planning at the district level would be undertaken by the Zilla Panchayat using the professional services of a planner.
- iii. In accordance with Articles 243ZD & ZE of the 73rd Constitutional Amendment, based on the funds devolved through the objective processes of the Central and State Finance Commissions and the locally available financial and environmental resources, the Panchayats shall prepare local analytical, quantitative and spatial plans. These shall be coordinated by District Planning Committees as District level plans. These will in turn be logically coordinated by state and national planning authorities for spatial plans. In this way, environmental resources-land, waster systems and forests, shall be in the planning and administrative control of local governments to ensure that they are used in a sustainable and transparent manner.
- iv. The preparation of a District Housing Action Plan would be made time bound and be put in place before expiry of current Five Year Plan. The laws and procedure for notification of new master plan would be simplified.
- v. All Sates would be advised to adapt a "Model Panchayat Law on Rural Habitat" prepared by central government. Provisions relating to housing and basic services including minimum quantity and quality standards may be examined in line with the model law to make specific recommendations for implementation at the State and District level. Minimum standards for area of homestead land considering livelihood activities in residential space as well as minimum standards of basic services in rural areas would be developed and implemented.
- vi. Rent Control Legislations in the States would be amended to stimulate investment in rental housing in peri-urban rural areas or urbanising villages.
- vii. The concerned land policy and land-use regulations would provide statutory support for land assembly, land pooling and sharing arrangements. Panchayati Raj Institutions need to lead the process of land assembly, land pooling and sharing.
- viii. NGOs and Community Based Organisations (CBOs) would be promoted as part of Public-Private-Partnership (P-P-P) housing schemes. All NGOs working in villages would be accountable to the Gram Sabha.
- ix. Acts relating to the Insurance Sector would be amended to facilitate housing insurance even in rural areas in the country. Title Insurance would be encouraged for housing to prevent fraudulent transactions.
- x. Stamp duty would be reduced / waived for rural poor households.
- xi. With the introduction of information technology, States would be persuaded to simplify registration procedures in the conveyance of immovable properties. The Indian Registration Act and the rules, circulars, guidelines and government orders issued by the respective State Government would be amended within a time frame. The procedure of the process of registration would be made easy, and for non-encumbrance certificate and other details would be readily available for any transaction of land.
- xii. The land revenue records of the States and other governments would be computerised and put on GIS mode within a time frame.

- xiii. In areas where several Acts have concurrent jurisdiction, the provision of Town & Country Planning Act and Development Act (or any other similar Act) only would operate. The concerned State Governments would amend respective provisions of Acts accordingly including that the ceiling on agricultural land would not be operative in a Development Area covered by the Town Planning and Development Acts.
- xiv. Guidelines and regulations would need to be developed by the State governments to facilitate adoption of sustainable building practices.
- xv. Clean environment and quality of life in the settlements depend on various legislations and coordination among the regulatory authorities. There is a need to integrate policies regarding natural resource management, solid waste disposal, use of solar energy, rain water harvesting, energy recovery from wastes and electricity supply in the planning process. Maintenance of internal feeder/distribution lines free from pollution would be the obligation of the developer/local bodies.
- xvi. No settlement can support unbridled consumption of natural resources, such as land, water, forest cover and energy. Norms for consumption of these resources and also conservation techniques would be specified and enforced.
- xvii. In order to reduce energy consumption and pollution, low energy consuming construction techniques and materials would be used. Guidelines and regulations would be drawn up for use of renewable energy source particularly solar water heating, cooking and lighting systems in residential buildings. Plantation of secondary timber for use in construction would be encouraged.
- xviii. The government would take an active lead in promoting and using building materials and components based on agricultural and industrial wastes. All government housing and building projects must increasingly use such materials and components whenever available. Government would promote use of such innovative and eco-friendly materials through fiscal concessions and tax materials that are high consumers of energy.
- xix. The vulnerability atlas of the country has identified zones which are prone to earthquake, floods and cyclones. The Code for disaster resistant construction and land use planning would be observed and enforced without exception by all State Governments / Union Territories.
- xx. Re-sale of land or house allotted to poor / marginalized / discriminated women or men would be banned for a certain period.

4.4 Infrastructure: Reinforcing the ‘Habitat’ Paradigm over a Focus on ‘Housing’

Complete settlements with pucca houses, schools and health care, livelihood infrastructure and a sound natural resource base, connected with transportation and telecom facilities are indicative of the extent of ‘development’ and resilience of a community. Rural areas, especially in the northern states of India, need urgent attention from various stakeholders for development. Interventions are needed at two levels: at the village level and at the household level.

At the village level, it is observed that public investment in rural infrastructure development including schools, livelihood centres, roads and power is probably needed more urgently than even credit. Infrastructure development will attract investment, enhance local skills and capacities, increase the economic and market worth of rural areas and also make lending more practical and viable.

- i. There is a need to find ways to achieve the required installation / upgradation of infrastructure of rural areas in the country in a gender sensitive manner and to make these comparable to the needs of women and men in the present times.
- ii. The areas that fall within the ambit of infrastructure in all human settlements encompass the provision of adequate and safe water supply, bathing and toilet facilities, efficient waste treatment and disposal, convenient public transport, adequate power supply and energy solutions; and a clean & healthy environment. Infrastructural amenities consist of educational facilities (Schools and Colleges, Rural Research Institutes), recreational facilities (parks, public gardens, play grounds, and entertainment centres), sports fields, medical facilities (hospitals and allied health care), connectivity via rail, road, and waterways and e-Connectivity. Livelihood infrastructure such as continuous and affordable power supply, work sheds for off-farm activities; animal sheds, water supply and waste disposal form an important part of sustainable habitats.
- iii. Panchayati Raj Institutions would be responsible for infrastructure planning and management based on local needs especially with regard to creation of sustainable livelihoods.
- iv. 'Public-Private-Partnership' approach for Infrastructure would be devised for the development of all the areas referred to in (ii) above. Macro-economic strategies would be devised to enable flow of resources including attracting private capital to the infrastructure sector. Initiatives by micro and small scale entrepreneurs would be encouraged for decentralised power generation, water treatment and waste treatment and disposal.
- v. PURA at different locations in a participatory manner using contribution from various stakeholders. In this regard, feedbacks would be taken from demonstration projects being implemented by some of the States.
- vi. Financial Institutions, State Governments and Central Government would encourage and support 'local' infrastructure development efforts being made by local authorities as well as by the private sector for the development of all areas referred to in (ii) above.
- vii. For creation of national level infrastructure e.g. power plants, mines, railways, airports etc. if rural people are subjected to displacement, they would be compensated by equal amount of land and equal size of houses and cash compensations would be discouraged.

4.5 Reorganizing Delivery Mechanisms

The essential part of rural housing challenge in India is developing a self-sustaining delivery system. Given the conditions on the ground in rural areas, a habitat delivery system can be self-sustaining only if it is based on diverse and flexible options. Lack of effective demand, which is a function of stable income and savings, coupled with the absence of a viable, sustainable credit system are major constraints in its development. Involvement of the commercial private sector in production and supply of rural housing is also negligible. There is a need to re-organise the delivery mechanism, involving various stakeholders in the process besides the government to decentralise delivery to whatever extent possible. Recent trends indicate that a viable, profitable local supply system for appropriate building materials and labour via enterprise route enables better habitat for rural poor with several additional benefits such as improvement of local economies.

Basic needs products, such as houses, energy and clean water can be converted into demand through a market creation / development approach. Significant impact can be made on people's income levels by setting up village based production units run by self help groups and privately owned micro-enterprises that use clean technology. The market development approach combines training and improved access to appropriate technology, information and markets. In addition, this approach places emphasis on products that meet basic needs of the poor, thereby supporting the creation and sustained growth of local markets in underdeveloped regions.

- i. Village level habitat interventions would be finalised by the Gram Sabha and enforced by the Gram Panchayat.
- ii. Public agencies and rural housing schemes would support and facilitate technical certification as opposed to 'type designs' in order to promote people centered housing.
- iii. SHG based housing programs under the leadership of Village Panchayats with the help of financial institutions would be promoted.
- iv. Transfer of proven cost-effective building materials and technologies, from 'lab to land', would be intensified through the vast network of institutions at the village or district level. New materials and technologies would be demonstrated in public buildings in initial stages.
- v. Delivery of sustainable technologies locally produced within the district, by micro and small entrepreneurs in rural areas would be encouraged through fiscal incentives and capacity building. Locally produced materials would comply with standard specifications.
- vi. Rural Building Centers need to be set up at the District / Village Panchayat level for easy access to sustainable building materials and technologies by the people. Building centers would be set up on an entrepreneurial model. These centers would also function as decentralised production units for building materials based on local raw materials and as training centers for construction workers.

- vii. District level building material banks would be promoted. Villages will have similar banks (Gram Kosh) under the leadership of the Panchayat, supported by various agencies / organisations.
- viii. Construction materials and technologies used should be derived from indigenous practice in line with local needs, traditions and resources.
- ix. The compliance of building codes and safety norms for design and construction would be enforced by the Village Panchayat.
- x. States would include the specifications of new building materials in their schedule of rates and promote them vigorously. It is expected that the products of research developed would be included in the schedules in a time bound manner. Zilla / Village Panchayat would modify state level schedule of rates as per local conditions.
- xi. Standardisation of various building components, based on local conditions would be emphasised so as to get better quality products at competitive rates, through decentralised production.

4.6 Capacity Development

Adequate capacity development of various stakeholders is essential for effective implementation of policy on ground. There is also a need for developing technical capacities of government functionaries for design of community based programmes and facilitating delivery of safe habitats. At the level of the local communities, besides general awareness on the value of safe construction, habitat based livelihood orientation will go a long way in institutionalising good, safe construction in rural India. It is essential to develop technical and managerial capacity of delivery agents such as entrepreneurs and artisans for further market development

- i. Campaign on rural habitat would be initiated as a movement to create awareness on right to safe and environment friendly habitat.
- ii. Capacity development would be an essential component of all social housing schemes – especially the ones that promote eco-friendly construction materials and techniques. Capacity development of households for participating in planning, design and monitoring of construction through Village Panchayats would be promoted.
- iii. NREGA would be used as an opportunity for on-the-job training of unskilled labour for skill upgradation.
- iv. A training cess would be levied by the Panchayat on those houses with plinth area greater than 20sqm. Buildings using Cost-Effective Environment Friendly (CEEF) technologies or being built through self-help would be exempt from the training cess. This amount could be spent on training and imparting new skills to the construction workers.
- v. Capacities of State functionaries and Panchayati Raj Institutions would be enhanced for effective delivery of habitat in villages.
- vi. Masons, carpenters, plumbers and other artisans would be considered at par with rural entrepreneurs. They would be included in State sponsored schemes for skill enhancement and enterprise training.

- vii. Construction industry is the biggest employer of women workers and is perhaps their biggest exploiter in terms of disparity in wages. The solution lies in skill upgradation and induction of women at supervisory levels and also encouraging women as contractors. Public agencies would take a lead in this. All training institutions must enroll women on a preferential basis.
- viii. Adequate provisions for the safety and health of women engaged in construction activities which are hazardous in nature would be made by the authorities executing the project. Support services like crèches and temporary accommodation would be provided by the implementing authority at the construction site.
- ix. Concerned states would be advised to provide decentralized training both for men and women. Several schemes of Government for imparting training and skill enhancement could be converged to integrate efforts in this direction.
- x. Building centers would provide decentralised training both for men and women. Government schemes for imparting training and skill enhancement would be converged to integrate efforts in this direction. Capacity building of producers of building materials either in building centres or private entrepreneurs would be taken up by the State government through technical institutions.
- xi. A regular capacity assessment system would be put in place taking into account technology use, skills and impact of capacity building programs at District / Panchayat level with the involvement of professional agencies. Through appropriate technological inputs, effectiveness of local building materials can be enhanced. Innovative building materials, construction techniques and energy optimizing features would be made an integral part of curricula in architecture, engineering colleges, polytechnics and training institutions in order that their use and application can be mainstreamed.

4.7 Employment issues in the Housing Sector - Linkage between Livelihood Sector and Habitat Technology

Women and men in rural areas participating in formal or informal savings schemes can access financial resources for habitat upgrading either by using their own savings or through credit. Given a favourable socio-economic context, rural customers access credit and pay higher rates of interest for services they value and repayment is rarely a problem. Habitat planning in villages needs to include livelihood creation-physical infrastructure, working capital and market linkages. Livelihood opportunities in production of building materials and construction skills are well known. Options also exist in ancillary services such as sanitary marts that promote environmental sanitation on one hand and provide jobs to the poor on the other.

- i. Poverty and unemployment are detrimental to healthy growth of any settlement. States Government and local authorities need to vigorously implement poverty alleviation and employment generating programmes such as the National Employment Guarantee Scheme. Development of income augmenting activities, expansion of the services sector and imparting of training and skill upgradation would be taken up.
- ii. Panchayati Raj Institutions are an effective channel for implementation of local employment schemes targeted at developing local infrastructure.
- iii. Subsidy funds would be clearly allocated to Gram Sabhas. Of this, 30% funds would be spent on creation of habitat infrastructure, atleast 10% for on-the-job training of local people and balance on housing & community facilities.
- iv. The government would take an active lead in promoting and using building materials and components based on local agricultural and industrial waste such as stone dust, fly ash and red mud, locally produced in a decentralised manner by small and micro-scale entrepreneurs.
- v. Atleast 50% of the Labor Employed in Habitat Projects would be from the same Gram Sabha.
- vi. Atleast 50% of Labour Mentioned in (v) would be women engaged in semi skilled / skilled jobs drawing equal wages.
- vii. Post disaster reconstruction would also comply with (v) & (vi) above.

4.8 Effective Monitoring and Access to Information

Several problems related to effective habitat development can be addressed through consistent monitoring and transparent information flows. Besides monitoring and implementation of on-going programmes, there is a need for information systems related to land, pricing and local resources for design of effective programmes. Information and telecommunication systems have a huge potential in facilitating such information flows as has been demonstrated by various e-governance initiatives.

- i. Complete information related to local building codes and norms especially in relation to sustainable building and safe construction would be made available with the Village Panchayat, in the local language.
- ii. The Central Government will support the States to prepare a State Level Rural Housing and Habitat Policy and district specific action plans. This would cover preparation of Model Acts, legal & regulatory reforms, fiscal concessions, financial sector reforms and innovations in the area of resource mobilisation, etc.
- iii. States will prepare State Housing and Habitat Policies and State Rural Housing and Habitat Action Plan (SRHAP) based on District Housing and Habitat Action Plans giving a road map of actions pertaining to (a) institutional, legal, regulatory and financial initiatives in relation to (i) supply of land (ii) modification of Acts/Bye-laws (iii) technology promotion (iv) infrastructure provision

- iv. Village planning of housing and habitat infrastructure shall be led by the Village Panchayat with support from the District Rural Development Agencies and will be available for public scrutiny under the Right to Information Act.
- v. The action plans will be made available with the District Rural Development Agencies for general information of the people. A Management Information System will track the implementation of the District Action Plans at the State level.
- vi. Monitoring framework at State level may be set up to review implementation of SRHAP. This framework would essentially include an interface with the direct beneficiaries of housing and habitat interventions.
- vii. A High Level Monitoring Committee at Central Government level would be set up to periodically review the implementation of National Rural Housing & Habitat Policy.
- viii. SRHAP would also cover actions to motivate, guide and encourage participatory approach including private sector, NGOs, CBOs, State parastatals and PRIs for converging resources along with the Government resources.
- ix. A National Commission on Human Settlements (NCHS) would be set up by Government of India to :
 - a. assess the status of 'Human Settlements in India' in terms of 'sustainability', 'balanced regional development', 'shelter status', access to basic services, nature and dimension of poverty.
 - b. review the progress made on the decentralisation process initiated by the 73rd Constitutional Amendment.
 - c. suggest inter-sectoral action plan to achieve housing and habitat related policy objectives.
 - d. carry out research, undertake field visits, meetings, etc. to gather information on (a), (b) and (c) above.

5 ROLE OF STAKEHOLDERS

5.1 The objectives of the Policy would be carried out through action-oriented initiatives by various stakeholders as follows :

5.1.1 Village Governments or Panchayati Raj Institutions (PRIs) and Gram Sabhas would :

- Develop a long term view to habitat with regard to safety in construction, health implications of habitat quality and environmental consequences of habitat development.
- Identify specific housing shortages and prepare village level Rural Habitat Action Plans based on housing, infrastructure and related livelihood needs of the people such as work-sheds and energy.
- Develop list of beneficiaries of government subsidy with the approval of the Gram Sabha
- Promote participatory planning and funding based on potential of local level stakeholders for innovative mechanisms of habitat development.
- Provide for supply of land for housing, particularly for the marginalised groups such as tribals.
- Participate in the implementation of government schemes at the local level and monitor quality.

5.1.2 District level Government and their Instruments would :

- Compile District Level Habitat Action Plans.
- Promote planning of housing together with infrastructure services including roads, safe water supply, treatment and disposal of waste, energy solutions, public transport, power supply, health, educational and recreational facilities etc.
- Devise programmes to meet housing shortages and augment supply of land for housing, particularly for vulnerable groups
- Devise capacity building programmes at the local level for district and village level functionaries especially with regard to the 29 subjects covered under the 11th Schedule of the Constitution of India.
- Implement central and state sponsored schemes and programmes pertaining to housing and infrastructure sector.
- Effectively enforce regulatory measures for planned development.
- In order to deal with the issue of land availability, district authorities can play an effective role in land redistribution between the Panchayats having shortfall / no land and those having excess land to be given to landless.
- The district level governments/ authorities should aim to harmonise development interventions through effective sharing/ balancing and redistribution of resources across the district. For example a cluster of villages working as a network economy model could be developed, rotating and exchanging the commodities for improving and contributing to local economy.

5.1.3 State Government and their instruments would :

- Prepare State Rural Housing & Habitat Policy (SRHHP) and State Rural Housing and Habitat Action Plans (SRHAP).
- Prepare long term programmes and short term strategies to tackle problems in housing and basic services. Synergise provision of adequate infrastructure facilities like water sources, connectivity, drainage, sewerage, sanitation, solid waste management and power supply for habitat as well as livelihood development.
- Review the legal and regulatory regime to give a boost to housing and supporting infrastructure.
- Facilitate or provide civic and community infrastructure in villages such as water, sanitation, energy and public transport.
- Facilitate, restructure and empower village institutions in regulatory and development functions.
- Facilitate training of PRIs for effective design, implementation and monitoring of habitat and livelihood initiatives of the State and the private sector.
- Amend existing laws and procedures or promulgate legislation for the effective implementation of SRHHP with particular reference to easy and affordable access to land by PRIs.
- Promote and incentivise private sector in undertaking housing and infrastructure projects for all segments.
- Encourage partnership between NGOs/CBOs, Private sector and PRIs / district governments for housing, micro finance and infrastructure activities.
- Promote decentralised production and availability of building materials and facilitate training of construction workers especially for use in State sponsored infrastructure projects.
- Develop MIS at state and local levels.
- Facilitate Research & Development activities in the field of housing through appropriate capacity building programmes.
- Ensure large scale dissemination of government habitat and livelihood schemes and set up structures for accessing them.
- States should ensure availability of their share in schemes sponsored by central govt.
- If required State Government should make efforts to mobilise resources from international development / funding agencies exclusively for the purpose of rural habitat development.
- Another important role, which can be effectively played by the State, is to revive defunct Building Centers. A large amount of money has been spent by the Central Govt. and many assets (land, building, plant and machinery) have already been created but classified as non-performing assets. These, when managed well, can be valuable resources for rural habitat development.

5.1.4 The Central Government would :

- Take steps to bring in planning, financial, regulatory, institutional and legal reforms.
- Devise macro economic policies to enable flow of resources to the housing and infrastructure sector.
- Evolve plans, strategies and parameters for optimal use of available resources including land for sustainable development.
- Devise action plans for the provision and creation of adequate infrastructure facilities like water sources, connectivity and power supply.
- Develop and enforce appropriate ecological standards to protect the environment and provide a better quality of life in human settlements.
- Continue and pursue rural reforms with focus on revision of bye-laws, simplification of legal and procedural framework, introduction of property title, introduction of regulators and development of effective schemes.
- Provide fiscal concessions for housing, infrastructure, regulatory and monitoring mechanism to ensure that the concessions are correctly targeted and utilised.
- Develop convergence and integration between rural development sector initiatives and financial sector reforms.
- Advise and guide respective State Governments to adopt and implement the National Rural Housing & Habitat Policy 2006 in a time bound manner.
- Ensure adequate focus on rural habitat development in the National Five Year Plans and the Central Budget.
- Strengthen a nation-wide Management Information System on house building activities to help in designing housing programmes and also assist in decision making.
- Promote Research & Development on innovative building materials, transfer of technology for energy efficient construction.
- Set up a National Commission on Human Settlements (NCHS) and to oversee and monitor progress on rural habitat development in convergence with urban habitat development.
- Set up the National Rural Shelter Fund and Risk Fund.

5.2 Financial Institutions (FIs) would :

- Reassess their strategies and identify potential areas for further expansion of their operations towards habitat development in rural areas.
- Develop flexible, customised finance products that address the needs of the rural population and facilitate easy repayment by the rural clients. Facilitate safe and sustainable construction practices by offering financial incentives for application of these practices.
- Devise innovative lending schemes to cover poorer segments, which depend on the informal sector. The funding of these programmes could be done through NGOs / CBOs, who could undertake the tasks of confidence building and mobilising small savings from the beneficiaries.
- Encourage saving habit and customer aggregation by NGOs and Micro-Finance Institutions through bulk loans for on-lending to eligible members of SHGs. SHGs nurtured by NGOs and Micro-Finance Institutions agencies over a period of time are steadily maturing to handle housing credit for their members.
- FIs would also look at ploughing a part of their resources towards financing housing for the poor and infrastructure upgradation programmes.
- Adopt a more flexible and innovative approach in their credit appraisal norms and encourage rural clients to take insurance cover.

5.3 Non-Governmental Organisations (NGOs) would :

- Promote common public opinion in favour of safe and healthy habitat environment and re-orient the thinking of people, government functionaries and other stakeholders towards holistic habitat development rather than piecemeal housing and infrastructure thinking.
- Facilitate exposure and access of innovative technological and institutional solutions for habitat development to PRIs and village communities.
- Aggregate rural customers for making large scale habitat interventions effective, manageable and private investment viable.
- Undertake an active role in terms of land assembly, construction of houses and development of amenities within the projects along with the PRIs.
- Provide hand holding / extension services to Panchayats. Stand alone capacity building and training without sufficient follow up and backstopping is not effective in the long run.
- Facilitate Panchayats to access foreign funds / grants and wherever required, provide services for increased effectiveness and greater work efficiency.

5.4 Private and Corporate Agencies would :

- Develop innovative ways to realise the potential of rural areas as viable markets for private sector products and services with regard to habitat development – beyond the Corporate Social Responsibility agenda.
- Customise habitat related products and services for rural markets and promote local entrepreneurship for the same.
- Work with PRIs and local NGOs for developing viable rural habitat initiatives that can be effectively implemented based on collaborative efforts.

5.5 Research and Technology Transfer Agencies would :

- Integrate new sustainable technology alternatives with conventional and traditional building practices both technically and in delivery.
- Provide long term perspective on technology based links between local resources, building construction and markets.
- Promote use of locally available raw materials as far as possible and reduce the use of scarce resources, so that the stress on the natural environment is reduced.
- Customise alternate technologies for larger application locally, in line with the prevalent climatological, social and cultural norms.
- Promote disaster mitigation techniques for new constructions as well as strengthening of existing houses.
- Share information and technologies with the other stakeholders and facilitate awareness creation on new, innovative and sustainable methods of construction.

5.6 International Funding Agencies/ Donors would :

- Ensure that funds provided by them for rural habitat development are being used effectively and not being misused by the NGOs / or the Government functionaries for purposes other than for which the funds were released.

6 ACTION PLAN / FOLLOW UP

- i. The Central Government will support the States to prepare a State level Rural Housing and Habitat Policy and also specific action plans.
- ii. States will prepare a SRHAP (State Rural Housing and Habitat Action Plan) giving a road map of actions pertaining to (a) institutional, legal, regulatory and financial initiatives in relation to (i) supply of land (ii) modification of Acts/Bye-laws (iii) technology promotion (iv) infrastructure provision (v) livelihood strengthening through habitat.
- iii. SRHAP would also cover actions to motivate, guide and encourage participatory approach including private sector, NGOs, CBOs, State parastatals and PRIs for institutionalising community sector and private sector resources along with the Government resources.
- iv. In order to augment sustainable housing stock with related infrastructure including water, drainage and sanitation facilities, the action plans and programmes will focus upon flow of funds for housing, including various cost effective shelter options, promotion of a planned and balanced regional growth, creation of employment, protection of weaker sections and vulnerable groups, promotion of partnerships, conservation of rural environment and development of MIS.
- v. A National Commission on Human Settlements (NCHS) may be set up by Government of India to :
 - a) Assess the status of 'Human Settlements in India' in terms of 'sustainability', 'balanced regional development', 'shelter status', access to basic services, nature and dimension of poverty.
 - b) Review the progress made on the decentralisation process initiated by the 73rd Constitution Amendment
 - c) Suggest inter-sectoral action plan to achieve Housing and Habitat related policy objectives
 - d) Carry out research, undertake field visits, meetings, etc. to gather information on (a), (b) and (c) above.
- vi. A High Level Monitoring Committee at Central Government level would be set up to periodically review the implementation of National Rural Housing & Habitat Policy 2006.

7 The ultimate goal of this Policy is to ensure sustainable and inclusive development of human settlements. It promotes “shelter” and a better quality of life for all citizens using the potential of all the stakeholders.

Annexure

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