



**SPARC SAMUDAYA NIRMAN SAHAYAK**

**ANNUAL REPORT**

**2014-15**





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# Letter from the Secretary



**What** is SPARC Samudaya Nirman Sahayak (NIRMAN)? It is part of the Indian Alliance initiated by the National Slum Dwellers' Federation (NSDF), Mahila Milan and SPARC. It is a Section 25 company owned by the Alliance through which community Federations take on projects to improve and upgrade their habitat.

**Why only work on upgrading and improving habitat for the poor?** Most organizations believing that taking up middle income projects to create surpluses for the poor have not demonstrated such potential. Besides, the sheer volume of projects needed to serve the poor will need a thousand companies like SPARC Samudaya Nirman Sahayak (SSNS).

**A massive aspiration and no institutional framework:** Today the quantum of work needed to upgrade, improve and build additional habitat for the poor in India is a phenomenal volume of work for which there are few real takers. SSNS seeks to develop such institutional entities. The present volume challenges all the stakeholders to make a contribution towards improving the lives of the urban poor through habitat improvements. This is our way.

**Why is incremental upgrading missing in financing strategies for the poor?** The new and urgent focus of our advocacy is on why the state and all stakeholders concerned about slums are not taking into account what the poor are doing through their own incremental housing. The more they ignore this reality, the more dysfunctional later interventions to change the outcomes will be.

**The governance deficits in informal settlements:** the greater the lack of state involvement in poor peoples' own efforts towards creating habitat and neighborhoods, the deeper are the governance challenges and chances of other negative elements taking over governance functions in these areas. The Federations and their networks look at producing a robust and direct linkage between communities and cities as their biggest challenge.

**Why a not for profit? The pressure is to explore for profit arrangements and the values they bring.** Our project portfolio in some instances may produce surpluses but all this goes towards creating funds that will support and assist more communities to take on projects rather than give dividends to shareholders.

However there are some disadvantages that we face in this process. We can't borrow from sources outside India and repatriate the money. We forgo many opportunities to obtain the much needed capital for expanding our project portfolios.

But the discussions in our Board and within the Alliance is that SSNS is in the business of facilitating communities to develop their own strategies, take risks and explore solutions and they need some circle of comfort to make mistakes, take risks and explore new possibilities. Therefore, to date we remain a not for profit organization.

This annual report champions the role and contribution of the poor communities and their organizations to design, develop and execute projects for their own development and that of their city.

It shows the manner in which we have built our portfolios, managed to change many procurement mechanisms to allow federated communities to seek projects and explore wider involvement in a range of projects.

It looks at how we have blended different finances to produce the funds to bridge the finance gaps and the various organizations foundations, grant makers, and financial institutions that have contributed to facilitating our work.

At the heart of all this work SSNS seeks to produce an institutional framework for the organizations of the urban poor like NSDF and Mahila Milan, to explore taking on construction, both to serve their own needs for improved habitat, as well as to create policies, practices and demonstrations of the power of what the poor bring into these projects through their participation.

In the process, the modest surplus we hope to generate will contribute to taking on more projects as well as covering the soft costs of creating community capacity to manage these projects. It should give those who either give or lend us money confidence in us.

1984

National Slum Dwellers Federation (NSDF) formed after the demolition and displacement of 70,000 houses in Janata Colony, Chembur,

SPARC formed and begins working with pavement dwellers leading to a community based women's savings group called Mahila Milan (MM).

Mahila Milan means "Women Together" in Hindi. It is a decentralized network of women's collectives that manage credit and savings activities in slums.

1986

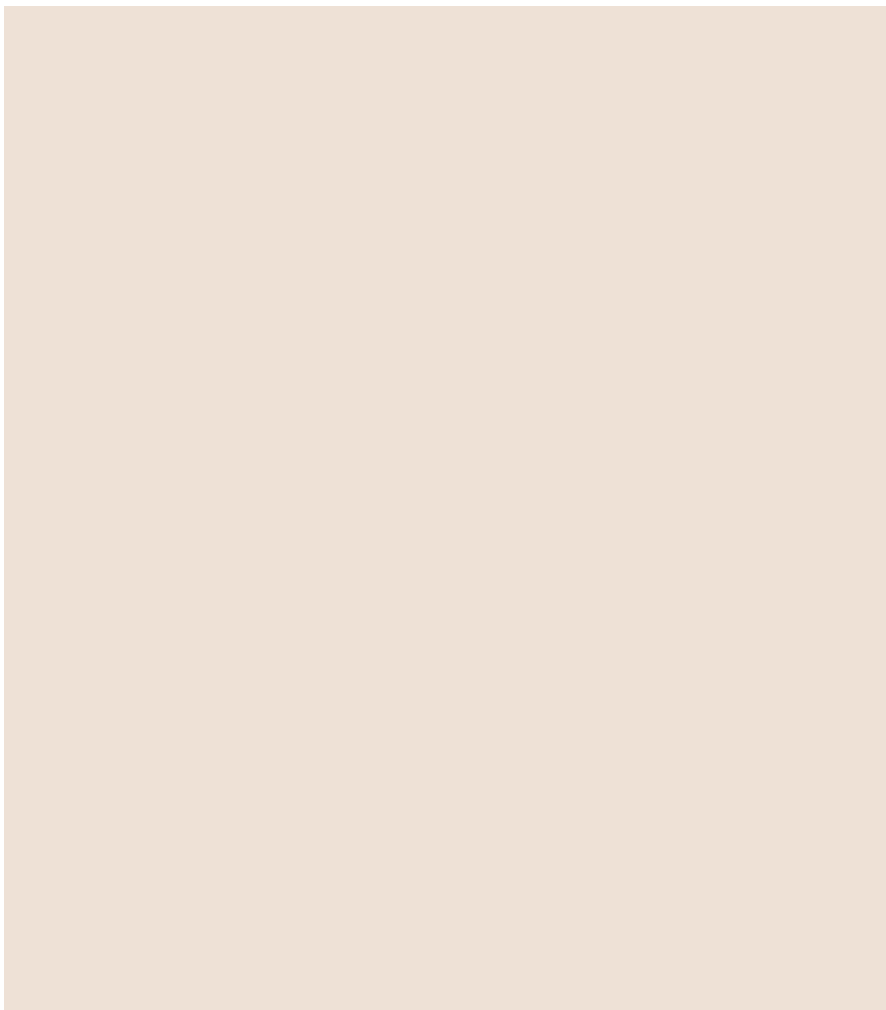
SPARC joins up with NSDF and together with Mahila Milan they work as the Indian Alliance where SPARC provides the legal, financial support.

## The Alliance behind the projects

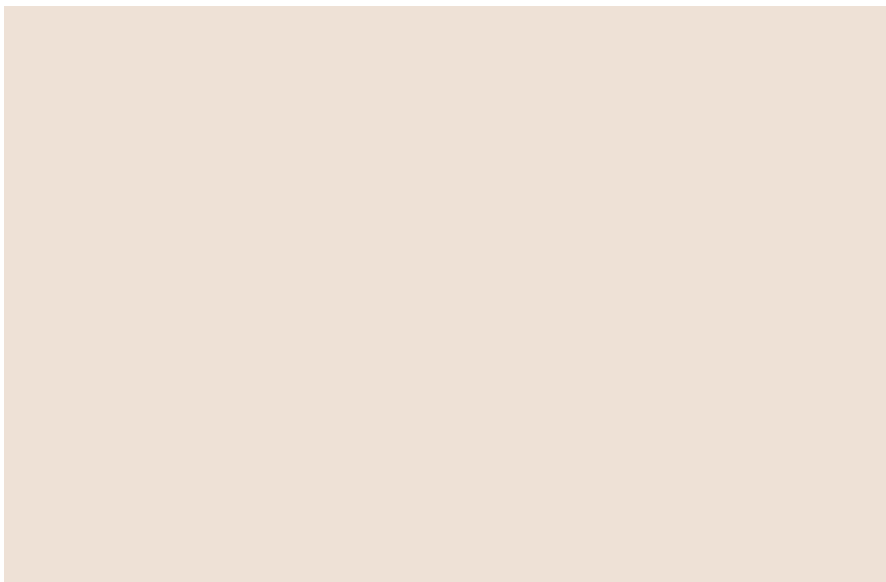
1998

SPARC SAMUDAYA NIRMAN SAHAYAK (SSNS) or NIRMAN was set up on 4 June, 1998 by SPARC, NSDF and Mahila Milan to provide technical and professional assistance to design, access finance and undertake/manage construction projects in partnership with organized informal dwellers for affordable

SSNS' purpose is to demonstrate the potential and value of facilitating communities to drive construction of their homes and neighborhoods; to establish a working relationship with professionals, financial agencies, politicians and administrators.



# **Reflections on creating SSNS**



### **The logic behind its formation**

The Alliance's strategy to seek visibility and demand land security and basic services for the urban poor began to bear results. The slum dwellers participating with NSDF and Mahila Milan began to see the results of this Alliance, and the impacts and outcomes it was producing. As was the case in the past, SPARC became the logical, legal institutional arrangement, and a vehicle through which project financing and execution was initiated. Three issues emerged that made the Alliance to explore if SPARC was the right vehicle. Firstly, the sheer volume of project costs, per project. Each was several times the budget of grants which SPARC managed. Secondly, the skill sets needed to design, manage and execute projects were different. There was a possibility of these two challenges to change the nature of the culture of SPARC. Thirdly, and what really made the real shift to explore a new identity was the fact that as a trust, SPARC needed to seek permission to take loans, to own or transfer property. This would considerably challenge SPARC's abilities to take up these projects, and therefore a decision was made to form SPARC Samuday Nirman Sahayak.

### **Institution jointly owned by the Alliance**

It was sometime until SSNS and its institutional structure was set up, after careful exploration of elements that will define the institutional architecture of this new entity of the Alliance. Its outlines were agreed upon and like its name—'SPARC Samuday Nirman Sahayak', which literally means SPARC's support to collective community led construction, it was to be structured just to do that. The entity was to be set up on these basic principles:

- It would be sponsored by SPARC to be a not for profit company jointly owned by SPARC, Mahila Milan and NSDF, along with invited independent directors. The SPARC board would nominate three directors from its own board to be also on the board of SSNS
- It would take on projects that are recommended by the Alliance, and as far as possible executed under the complete direction of the federation members
- All project surplus was to be accumulated and spent within SSNS to take on more projects and to build capacity and advocacy for more community driven projects, that served the urban poor
- It would be a demonstration of the potential for forming such entities that provide technical and financial assistance to community led construction, and its potential to be replicated elsewhere
- Finally as much as its role would be to build bottom capacity to take on construction, it would work with state and city procurements, their policies, financial agencies; to create inclusive policies so that the urban poor could take on construction.

### **It's evolution since it's inception in 1998**

Many systems and mechanisms developed within the Alliance of SPARC, Mahila Milan and NSDF over several years, also became a part of SSNS. The Community federations initiated explorations, and the collective alliance worked to challenge exclusive procurement practices and gradually developed an impressive portfolio. *See past SSNS reports [here](#).* More and more projects, also outside Mumbai have been taken up leading to the development of capacity of the local federations, that have created Project Management Units that works with Architects, Engineers and city officials.

SSNS has revolving funds received from SPARC for projects that were undertaken by SPARC, which are lent to various projects. SSNS is jointly owned by NSDF and Mahila Milan. Early in the formation of SSNS many friends of the organization considered that the governance and organizational linkages between SPARC, NSDF and Mahila Milan should be severed so that SSNS and SPARC were at an arm's length relationship, however this was not acceptable to NSDF and Mahila Milan. SSNS is now the implementation arm for projects and undertakes construction and helps communities to take on construction on the recommendations of federations.



## **SSNS, SDI and the collective challenge**

Much before SSNS was created, the SDI affiliated People's dialogue for land and shelter and the South African homeless people's federation which is modeled on the Indian alliance, (now COURC, FEDUP and ISN) set up the uTshani Fund where the alliance in South Africa got a 10 million Rand fund from the government to bridge finance housing that the federation leaders would build.. Read more about the uTshani fund [here](#) and about the SA Alliance [here](#)

## **Slum Dwellers International (SDI) now has many affiliates with financing and construction businesses**

Over the years many other SDI affiliates have also set up separate entities to manage construction. Some were set up to manage construction, others to manage financing. But in whichever format they existed they were created to develop institutions to help the urban poor to take on construction.

### **Our collective governance challenges**

The SDI affiliates like us face many governance challenges:

- Externally, even grant makers worry that slum dwellers may not make good decisions, they may not be efficient managers, and maybe that could be the initial starting point. However SDI and we in India, see this as a process that transforms community leadership from being 'consumers' of development to trustees and managers of their own development. It seeks to nurture, protect and expand what the poor can and want to do.
- In most countries, the formal financial system treats lending to the poor as very risky, since they are without assets to mortgage and will turn these into non performing assets. Consequently, they never lend to the poor. Even if projects are well developed, with no start up capital, it becomes a non-starter. The lack of external confidence in lending to the poor results into unavailability of support to blend finances and for projects to take off.
- Most procurement practices are extremely exclusive and the poor can never bid for projects regardless of who is seeking to execute the project. The remit of these organizations is therefore not only limited to taking on projects, but also seeking changes in procurements to make them inclusive.
- Internally, federation leaders need time and space and support to participate in both governance and execution of the organizational processes, as well as at project levels. Often projects do not go well if externally brought in experts are not capable of working in partnership with community leaders.
- All new ventures have failures, and often, initial failures of such organizations are the basis of excluding the urban poor from being decision makers

### **The strategy to blend money and seek start up capital**

International grant makers and domestic financial institutions acknowledge the vacuum in the sector of construction for the poor. They acknowledge the need of champions that treat construction in slums as its major domain activity, and that if it is partially owned by the slum dwellers themselves, it will develop new accountability measures. Yet, even these agencies require start up capital, and though such amounts are initially modest, they are still difficult to access. This has been the most important element behind creation of this institutional identity.

Grant Makers and bilateral agencies have created such finances available through SDI, in the form of the Urban Poor Fund International (UPFI), and Homeless International (HI, now called REALL) through Community Led Infrastructure Funding and Finance Facility (CLIFF). This provides technical assistance and start up bridging capital guarantee to these organizations.

### **What we know collectively**

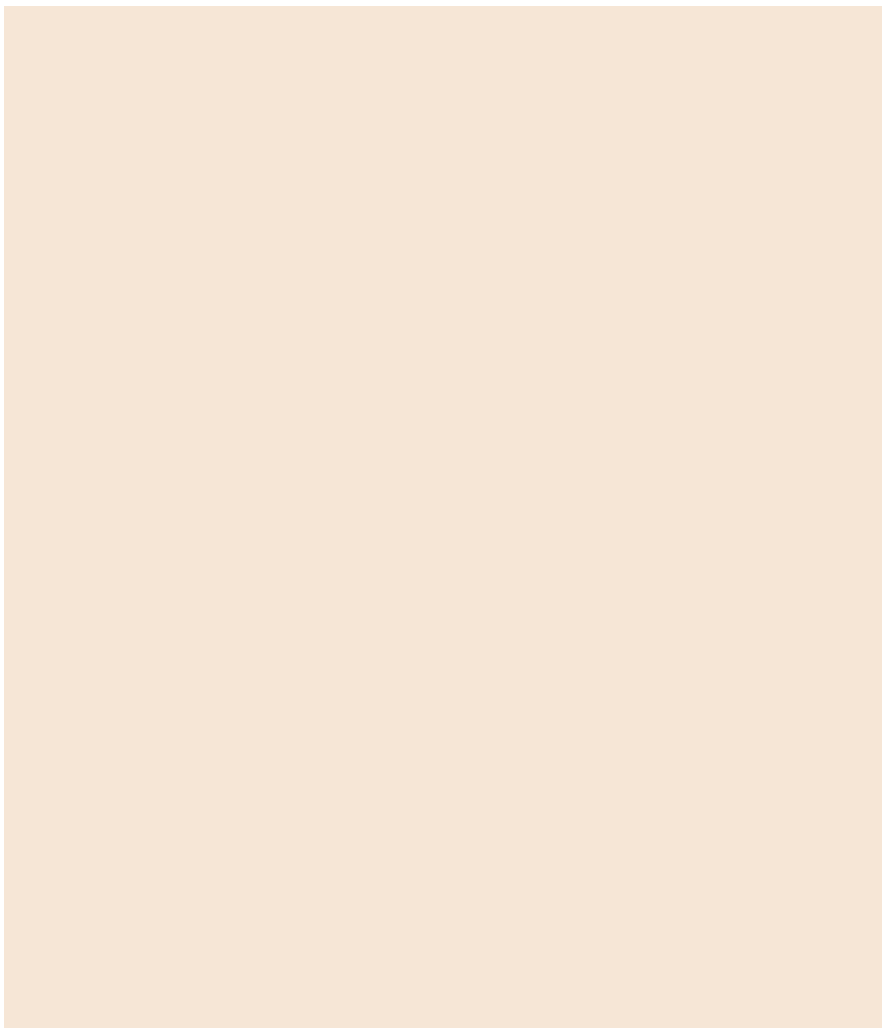
After a decade down the line, these group of organizations have had differential outcomes, and a wide range of emerging different governance structures. Some retain their original commitments to insure support to and accountability towards their federations, others have moved away. Yet, all face the initial challenges of negotiating with cities and state institutions for planning, design, financial and other legal frameworks and their exclusionary structures.

### **The development of SDI financing mechanisms**

SDI knows that we are at the first phase of our learning cycle, and that the need to support institutional development of these new institutional arrangements that have a potential to support communities to build better habitat, provide better amenities. Creating bodies of experiences and developing a bigger financial access is the present challenge.

### **What the Indian alliance contributes**

We believe that the Indian Alliance has just begun to complete its first phase. While the period 2015-2017 is critical in its consolidations, there is a deep commitment of NSDF and Mahila Milan to explore ways to work with other similar organizations, to develop these institutional arrangements in the same manner as the processes such as exchanges and enumerations have served.

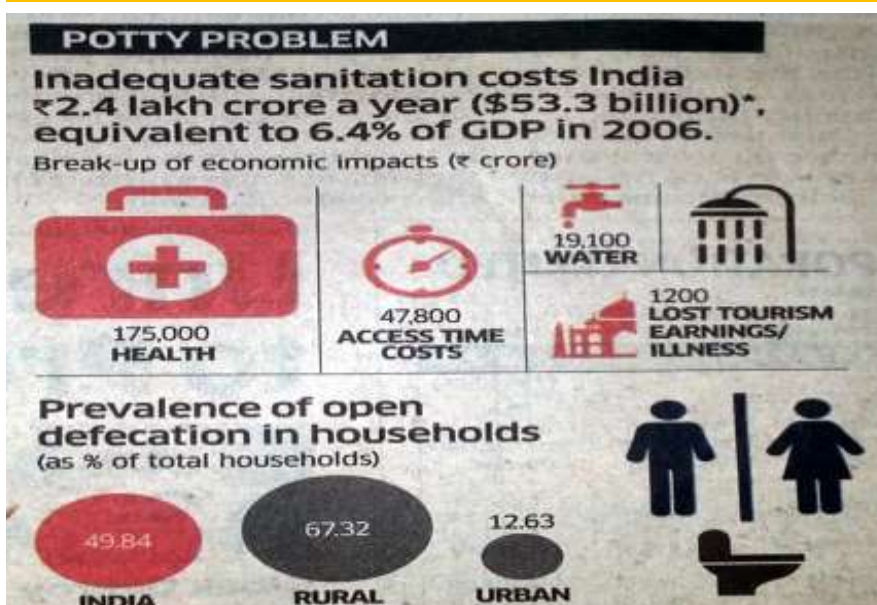


## **An institutional role for SSNS in community driven construction**



<b>Starting with developing a base strategy with communities</b>	<p>While the scale at which upgrading, improvements and investments need to be made are huge, the challenge lies in creating a process that is demanded by the residents of informal settlements themselves. In each settlement, if communities know their roles, and are clear about what they need to get done, they can interact with external actors and ensure the involvement and participation by these actors. All this begins with collectively exploring possible alternatives, experimenting with what should be the foundational elements and what can become a range of options that along with this base concept facilitates adaptations for design construction and financing.</p>
<b>Design and project development</b>	<p>When we look to get a buy-in, (participation and contribution into the process) it is important to accept that both the state and its institutions and the residents' associations will look for different elements and creating a framework that allows for negotiations and compromises between them is critical. Many flexible possibilities, financial viability, availability of material, capacity to undertake design and construction; all these have to fall into place. This takes time, but it is worth the effort.</p> <p>Moving from a concept to developing collective construction at one site is the next step, in which further insights about what works and what does not, emerge. Many considerations that are not explored while initializing the process come up and these have to be addressed and acceptable solutions are to be developed.</p>
<b>Procurement norms and standards</b>	<p>Often when the government or external agencies are involved, procurement and tendering challenges emerge which tend to exclude the participation of the poor. Seeking inclusive procurement is to examine how much it can to empower the residents and communities, build their livelihood options in construction and build their ability to retain control over their process. Ensuring that the transition to inclusive procurement occurs and yet state requirements are fulfilled is the challenge that SSNS takes on.</p>
<b>Construction management and financial accountability</b>	<p>SSNS finds its real contribution in developing robust but community centered processes. <b><i>At the heart of the success of its projects is sharing the risks of construction and finance management.</i></b> Almost all well thought out community processes collapse at this stage as managing finances and ensuring good quality construction need sustained support, an ability to anticipate areas of challenge and managing external interference, especially by elements who do not believe that community driven projects are possible. There is a gap in the institutional presence to take this role. Creating robust inspection routines, getting third party reviews of finance and construction while ensuring that they don't disempower the local leadership, remain the major role for SSNS to play.</p>
<b>Operational and maintenance mechanisms</b>	<p>Our experience has shown that, mere provision of housing is inadequate and housing projects consider completion of construction as a success criteria for project completion. However, in order to improve the quality of living in the new houses, there is also a basic need to set up community led mechanisms that insure proper maintenance and operations. The Federations provide the necessary support and hand-holding to the newly moved families, until cooperative societies of the residents are formed that independently begin operating and maintaining the society processes.</p>
<b>Moving to scale and sustained advocacy</b>	<p>The goal of the projects taken up by the Federation and Mahila Milan are basically to set precedents for community led infrastructure provision, that become examples for the governments and other communities to look at while undertaking projects via a similar process. Scale and sustainability require focused and long term commitments by the government agencies to incrementally expand the successful precedents on a larger scale leading to city wide up gradation, an important core value of the advocacy of the Federations.</p>

# SSNS and its financing strategy



<b>The need for an intermediary institution which is not a 'micro-finance only'</b>	While its good to say that communities must drive their hardware habitation agenda, design and construct their neighborhoods and homes, in reality the inability of the urban poor to take on construction is due to lack of finance. They continue to build incrementally, but there is no support to deepen, quicken or strengthen that process (discussed later). Most habitat upgrading or construction projects, even for basic upgrading need money upfront, even more so when a state subsidy access initiates the project. Simply put, if you don't spend first to construct, you don't get the money.
<b>What does blending mean?</b>	Most of the initial projects that SSNS undertook, does seek to ensure that available state subsidies for housing and infrastructure are used (a large allocation remains unutilized. Surprised?). Communities connected to NSDF and Mahila Milan get assisted to negotiate for projects and SSNS facilitates the development of a financial strategy whose basic concept is to blend money coming from different sources. Some grant funds are always needed to build capacity and prepare projects. The money for technical support, design and bidding costs for a project, as well as the initial 15% startup capital to begin construction has to be raised long before the state pays for it. This forms part of the money the project has to borrow. After that, the billing process kicks in and the project finances roll through with state and city subsidies being paid for through the reimbursements.
<b>What procurement issues are involved in finance?</b>	All subsidy projects are required to be tendered and in almost all cases NGOs or Not for Profits and community groups are not included in the list of eligible participants. Secondly, even where they are termed eligible, the capabilities of these organizations are measured only in terms of construction expertise. Finally, with bid security and post-bid winning a tender, the winning organizations are expected to provide large securities, that these organizations cannot pay without being able to borrow the money or have a back to back bank guarantee.
<b>Why should venture capitalists or foundations support this?</b>	SSNS works on these subsidy projects to build confidence, capacity and skills within communities that in turn will help demonstrate what communities can do. But the real test is to reach those who are poor and will not get subsidies. The government claims that if houses for the poor were to be built it could constitute 5% of national GDP. Banks and housing policy and practices have not yet understood the fact that, unless institutions that facilitate such blending are created and their institutional practices are developed to catalyze mainstream financial support, the state provided funds will only reach a very small percentage of informal habitats. The rest will continue to need funds but will find no institutions or instruments available.
<b>Who all have assisted SSNS in the past?</b>	The presence of one helps the others. Selavip, a Luxemburg based charity first gave a bank guarantee that helped us get a loan from an Indian bank to build Markendeya Cooperative Housing society in Dharavi in the 1990s. HI (Homeless International now Reall) , a UK based charity, then gave us both capital and a bank guarantee to undertake the next loan from Citibank and created CLIFF (Community Led Infrastructure Financing Facility). IIED (International Institute for Environment and Development) and SDI have also provided technical assistance and capital funds that along with CLIFF funds have produced a revolving fund within SSNS which now adds to the initial financing that is required to pool the start-up capital needed to take up projects. Gradually banks have begun to come in but still need evidence, guarantees and organizations' own capital that finances the first 15 % before they make the loan money available.
<b>Some assumptions of cross subsidies that have shown they don't work.</b>	<p><b><i>A belief that "For Profit organizations" will always do better than Non Profits is often based on the premise that "not for profit institutions" cannot generate surpluses.</i></b> We believe that the only difference between the two is that the shareholders in "not for profit" don't get the dividends, yet in each case the level of organizational capability and entrepreneurial spirit can produce organizations that can scale up and produce resources to grow and explore more outreach. One third of the Directors of SSNS are slum dwellers representing Mahila Milan and NSDF and their understanding of what they will do with surpluses and dividends is to reach more households and access more funding to take on more projects.</p> <p><b><i>Another myth is that you build houses for the non-poor and cross subsidize the poor.</i></b> Evidence from almost all government and non government organizations indicates this is a belief that never reaches fruition. The skill sets needed to service non-poor are very different from those needed to service the poor and most such organizations ultimately fall between the gap.</p>



	Selavip	Homeless International	UPFI/IIED	USAID	Indian banks
<b>Guarantees</b>	Markandeya	Rajeev India, Bharat Janata	-	Oshiwara II	-
<b>Letter of comfort</b>	-	MSDP	-	-	AXIS Bank/UTI Bank
<b>Bank loans</b>	-	-	-	-	HDFC NHB/Canara bank ICICI Citibank HUDCO/BOB
<b>Bridging funds</b>	Transit Camp	MSDP Rajeev Indira MSDP Kanjurmarg I&II Bharat Janata Milan Nagar Sholapur Bidi Pune, Nanded, Puri, Bhubaneswar BSUP Oshiwara1&2	Pune, Nanded, Bhubaneswar BSUP	-	-

## FINANCING PROJECTS

### The art of blending resources



# The strategy of blending finances

**Why SSNS is needed in the Alliance:** NSDF, Mahila Milan and SPARC focus on organizational activities of building capacity, creating knowledge, developing strategies and negotiating with cities and government for land, basic amenities and services. Many negotiations are prolonged and yet others produce projects and with them comes an opportunity for the communities and the Alliance to build contracts, change rules. These offers are critical to demonstrate what people can do, but they also come with challenges relating to project designing, bidding for tenders, and obtaining finances for the project even if the city or government will pay for the projects through subsidies. SSNS represents the other half of the support that NSDF and Mahila Milan need to assist community driven construction. Unlike SPARC which is a charitable trust, SSNS is a company which can borrow, take on construction and manage projects.

**The need for blending is critical for community driven projects:** All projects need start up capital. With a clear inability to mortgage land or provide any security deposits borrowing money is not an option. Therefore, SSNS has to locate different ways to obtain the money to start projects. In most projects where the city pays for capital costs through subsidies, the money comes only after the work done is inspected and found satisfactory. Over time, different types of financial mechanisms have emerged as being useful for communities taking on construction. Most important is collectives of men and women, especially women, in neighborhoods who can manage money, account for it, demonstrate to each other and the external world that they are trustworthy. This is often done through a long standing savings and loans activity.

**The SELAVIP, HI and SDI project of understanding the gap in such financing:** In the beginning when the initial housing projects began to come up, HUDCO (Housing and Urban Development Corporation) was willing to give a loan but needed a guarantee against that loan, which SELAVIP gave for the project. In the late 1990s HI now re-named as REALL worked on the Indian experiences and produced a research called 'Bridging the financial gap'. Based on that, it indicated that organized communities can produce projects but rarely can they generate resources upfront to take on the projects. Based on that, (Department for International Development) DFID and SIDA (Swedish International Development Agency) helped HI/REALL to set up CLIFF which began to provide capital to SSNS to undertake a range of projects. Subsequently SDI also began to provide Capital funds for projects.

**Different financial products we have explored through various supportive institutions:** Guarantees, letters of comfort, bridging capital and bank loans are the most utilized instruments that SSNS has used to date for projects. In each instance, banks need a lot of exposure to understand the business model of community driven construction projects but with patience and already existing demonstrations of other projects these sources have now become available to the Alliance. In India, not for profit organizations like SSNS especially with FRCA (Foreign Contributions Regulation Act) registration cannot repatriate the foreign funds they receive, unlike the for profit companies that are allowed to repatriate within the law. As a result such returnable funds, remain with SSNS as revolving funds, but are regularly checked and reviewed by the funding organizations.

**The urgent need to build such institutions such as SSNS to facilitate community driven projects:** Clearly the opportunities for communities to take on construction are increasing; however without the support of institutional arrangements like SSNS the potential to take on such projects is missing.

**SSNS WANTS CHANGE:** In the immediate sense, SSNS would like to mentor other social movements and organizations, to develop similar organizational structures that are committed to support community driven construction. In the long term, financial institutions can also develop intermediaries that can play such roles, as well as develop securitization and internal guarantee arrangements that will be able to lend to the communities to take up such projects. The quest to provide housing for all cannot even begin to be explored without such institutional arrangements being put in place.



## CONTRACTORS or COLLABORATORS

There are different ways to view what implications there are to take on contracts to build houses financed through state subsidies. Most civil society organizations often claim it makes the organizations subcontractors. While contractually this is true, SSNS and the alliance believes that it is only through this strategy of taking contracts that alternatives get explored, communities begin to understand what control they can exercise through their informal or formal supervisions and what they can demand in design and delivery. The reality is that increasingly the state has sought to abdicate these obligations and push them on to the formal private sector, which does not feel accountable to the urban poor. Consequently, either projects don't get done or they get done in ways that the poor do not need or want. The NSDF and Mahila Milan networks believe that, by exploring such projects and seeking to build capacity to undertake them, they achieve three things; one, they get livelihoods, two, they build capacity and three, they begin to change policy and procurements on projects related to the poor.

**The Alliance believes in doing and seeing. Getting it done is believing**

Creating large federated networks of the urban poor requires a redistribution of how the poor view their own roles. For too long, there has been a belief that it is the duty of the state to “GIVE” services and subsidies to the poor but these do not come to those who need them or in the manner they require them. So the Federations seek to ensure that allocations are made, but instead of the state asking private sector to produce those goods and services that presently don't work for them, they as the organized poor take on the contracts to produce and deliver these goods and services.

**Habitat for the poor MUST involve the state and communities**

Provision of water, sanitation and housing require central participation of the states as well as slum dwellers. Since this is not the situation now, Federations within NSDF and Mahila Milan utilize SSNS to change procurement rules and contest for tenders and demonstrate how the relationship between the state, city and the poor needs to be reformulated. This means roles change, but resources are allocated for these purposes do get utilized in ways that work for the poor. IN ALL INSTANCES, THE INITIAL PROJECTS PRODUCE HUGE CHALLENGES AS THE CITY/STATE DOES NOT HAVE THE EXPERIENCE AND CAPACITY TO WORK WITH THE POOR. HOWEVER, WITH PATIENCE AND SUSTAINED PRESSURE TO INCLUDE ORGANISATIONS OF THE POOR IN SUCH PROJECTS, *CHANGE HAPPENS.*

**Most interactions with the state are initially dysfunctional**

WHY DOES THE CONTRACTUAL RELATIONSHIP START BY BEING DYSFUNCTIONAL? It is often the case that professionals in the city actually believe that poor don't deserve to get these benefits, or that they cannot undertake the works they have been assigned. Often the initial performance of the communities that take such contracts with little support, produces problems that confirm this belief. However, the persistence to gain experience and learning while doing changes this.

**Challenges we have faced**

SSNS faces the following challenges:

- A. All communities have to face the huge learning curve the first time they take on contracts. Few get a second chance so continuous learning for each city Federation requires a lot of support
- B. Cities, when they do award contracts, never realize that the time needed for organizing neighborhoods to participate and the pressure for outcomes produces a rush for completion that leads to making mistakes.
- C. In most of our projects, the state often contributes to the capital costs. However, the bills are never paid on time, producing pressures on SSNS to pre-finance projects, at most times up to 50% of the total project costs.

**Why seek to access state funds with such distressing starting challenges**

The state cannot be allowed to abdicate from its roles and responsibilities towards the urban poor, and must not be allowed to dissociate with how the poor themselves want to shape the strategy. Transforming the way in which the poor contribute can serve two important outcomes. One, it gives them the contracts that help them improve livelihoods as well as serve the community better. Two, at a later point of time, if the private sector does come in, what the poor want and how it should be delivered is also better understood.

**When does the role of contractor change to collaborator?**

This change occurs if all three or one of the three possibilities occur:

- A. The state or city leadership, already believes or through the project believes the value of community contribution. Their power to change policy and practices of program delivery transform the state's relationship with the communities.
- B. The city or state needs this scalable solution to be executed and cannot operationalize it by present means and invites community networks and their organizations to participate.
- C. When such projects occur in many cities and states, this gets translated into policy at state or national levels.

**The Alliance now has many examples where these transitions have begun to occur.**



## SSNS and its project portfolio

SSNS has a portfolio of Housing and Sanitation projects

- that will benefit 140,000+ households
- that are designed, constructed and managed with community participation
- that are producing capacities and capabilities amongst organized communities to work with cities, professionals and construction companies and with peers, motivating them to take on projects that impact lives and livelihoods of the poor
- That is in the process of changing procurements, financing and design for housing the poor.





ODISHA

**PROJECT PORTFOLIO**

		Complete	Ongoing	TOTAL	Households who benefitted	Value of projects in Rs. Cr.
<b>TOTAL</b>					143,503	345.24
<b>HOUSING UNITS</b>		<b>5918</b>	<b>1075</b>	<b>7533</b>	<b>7533</b>	<b>196.05</b>
1	State subsidy housing	2681	718	3746		74.86
2	Market subsidy housing	3063	-	3256		119.63
3	Incremental housing	174	357	531		1.55
<b>SANITATION—SEATS</b>		<b>14110</b>	<b>160</b>	<b>15010</b>	<b>135,970</b>	<b>149.18</b>
1	Community toilet blocks	677	8	722	135,400	149.11
2	Individual toilets	570	0	570	570	0.07



<b>ONGOING</b>			
<b>Project Name</b>	<b>Total House</b>	<b>Ongoing</b>	<b>Completed/ Finishing Stage</b>
Kanjurmarg 3	780	-	587
<b>TOTAL</b>	<b>780</b>	<b>-</b>	<b>587</b>

<b>COMPLETED</b>		
<b>Project Name</b>	<b>Status</b>	<b>Project Cost (est.)</b>
Rajiv Indira-Suryodaya (In-situ)	263 units, 4 out of 5 buildings completed	157,800,000
Bharat Janata (In-situ) Phase 1	147 units, 3 buildings	73,500,000
Milan Nagar (R&R-MUTP) Phase 1	88 units, 1 building	50,600,000
Oshiwara I (In-situ and R&R – MUTP)	836 units	250,800,000
Kanjurmarg II- Jollyboard (R&R, MUIP)	106 units, 1 building	42,400,000
Oshiwara II—Phase I	1036 units completed	621,228,029
<b>TOTAL</b>	<b>2476</b>	<b>1,196,328,029</b>

## **HOUSING PROJECTS with Market Subsidy**



MILAN NAGAR

# Market Financed Housing

**HOW DOES THIS SUBSIDY WORK:** The Government of Maharashtra in 1995 set up a slum rehabilitation task force which produced a policy now popularly known as SRA (SRA refers to both the SLUM REHABILITATION ACT and the SLUM REHABILITATION AUTHORITY). It sought to allow for increased construction on any given plot already encroached by slums to increase the FSI (Floor Space Index) to 2.5 times the size of the plot from the existing 1 and 1.33 which was the construction permissible at that time. In case the density was high and all the FSI was used up for accommodating slum dwellers the additional FSI generated would be able to move northward in the city and get built on another plot of land where such TDR (transfer of development rights) was accepted. This TDR could also be sold in the market and purchased by those who needed additional FSI. The houses of initially 250 sq feet and subsequently 275 sq feet were to be given to each slum household free of costs and the construction costs of these tenements would be paid for by the sale construction that would be additionally build to cross subsidize these houses. Additionally, the construction project would pay a fee that would go to the municipality for upgrading the basic infrastructure, and make a contribution of Rs. 20,000 per household constructed for slum dwellers that the society would be given to contribute towards the municipal charges for water, land lease etc.

**IS IT REALLY FREE?** There are many in the city who lament that the houses should not be free, but each slum dwelling in Mumbai is with a market value and is traded informally. To the slum dwellers the houses are not free, **they are a return on their investment** and their rightful entitlement.

**THE GOVERNANCE:** When the policy was enacted, it had several good governance and execution elements included in the process. All households who were present with evidence of being in Mumbai on 1st January 1995 were entitled to this policy. All households and structures had to be documented and details and verification was an essential part of the project being accepted by the SRA. 70% of households needed to agree to the scheme to initiate this project and the first right to undertake development was of the residents' association of slum dwellers.

**WHAT IS THE CURRENT SITUATION:** Due to a wide range of reasons, the financing that needed to accompany the potential for communities to take on projects was never put together. Since the land leased was not permitted to be mortgaged, the poor has no capital for the project. The scheme that was initiated to use market subsidy to build houses for the poor, became a means to access slum land that was on high value locations to access upper income houses and slum dwellers were packed off in terrible congested badly designed homes. The total lack of trust between the developers and slum dwellers, very poor documentation and name substitution in residents lists has led to a large number of projects held up in court due to complaints. And pressure on the government by developers is beginning to erode the 70% permission requirement and many other such features.

**WHAT SSNS BRINGS TO THIS STRATEGY?** As a company which is part owned by NSDF and Mahila Milan, it has made several demonstrations in this pursuit.

1. It has developed projects that show that, communities can and must take a larger interest in the project and can make the scheme work for slum dwellers.
2. It has demonstrated that the scheme can be made financially viable and that banks and financial companies can actually develop instruments that can finance such projects.
3. Working with slum communities as their clients, Architects and Engineers can also help designing creating spaces and designs that emerge from the interactions rather than little boxes being developed to stuff the poor in while more creative designs work for the for sale component.

**WHAT SSNS WANTS CHANGED:**

1. **Separate design and construction:** the preparatory part of the projects, documentation, design, planning about transit accommodation while houses get built should be separated from the construction. A fixed fee can be developed to cover these costs by the SRA and a wide range of organizations with the required skills and capacities can be on a panel for the communities to choose from. The project once approved can be tendered to construction companies.
2. All for sale housing units should be less that 800 sq feet. The city needs smaller houses which banks can lend for and which are presently not produced within the areas where they are needed.
3. A more transparent grievance redressal mechanism that will make slum dwellers and construction agencies comply to the production of houses which presently is very slow because of complete lack of trust and no arbitration.

**WHERE ELSE WOULD SUCH A CROSS SUBSIDY WORK?**

This exact model will only work where the value of land is higher than the cost of construction and where city administrations and government can put the administrative procedures in place, however there are many adaptations of this strategy where land sharing concepts can produce useful variations.

Project Name	Total House Units	Completed	Ongoing	Finishing Stage	Per Unit Cost	Project Cost (est.)
<b>TOTAL</b>	<b>3,746</b>	<b>1,502</b>	<b>718</b>	<b>1,179</b>		<b>748,657,406</b>
Phase 1, Yerwada, Pune	697	-	17	680	300,000	209,100,000
Phase 2, Yerwada, Pune	370	-	239	13	300,000	111,000,000
Bhubaneswar, Odisha	244	-	0	244	250,000	63,250,000
Puri, Odisha	49	-	0	49	215,000	11,610,000
Nanded, Maharashtra - II	884	-	462	193	230,000	203,320,000
Hadapsar	713	713	-	-	75,000	56,762,406
Sholapur Bidi	501	501	-	-	90,000	45,090,000
Sunnuduguddu	75	75	-	-	150,000	11,250,000
Nanded 1	213	213	-	-	175,000	37,275,000

## HOUSING PROJECTS with government subsidy

The capacity deficit: If we consider the habitat triangle, on one side we have the Central, State and City Governments, on the second, the professionals such as engineers, architects and planners, and on the third, the civil societies, communities and NGOs. There is capacity deficit with each of the three sides.

This will not be wished away with workshops but through live labs that build capacity through dialogue and engagement and by working together.

# Government Subsidized Housing

**HOW DOES THIS SUBSIDY WORK:** The subsidy under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) first requires the city and state to agree towards some reforms in the sector, then it provides a subsidy of 35% from the central government towards the cost of the house, which the state government and the city have to match to produce 88%-90% of the house cost, while the person who obtains the subsidy has to contribute 10-12%. Land and infrastructure are additional contributions made by the city.

**PAST SUBSIDY PROJECTS FOR HOUSING THE POOR:** There have always been some forms of subsidy programs for housing at the central government and state government level. However all of them, then and now hardly produce 2-3% of the housing deficit as a result of their intervention. The initial programs, gave the subsidies to individual households so that some houses in some settlements got houses. Gradually the need to provide housing in Clusters (the Alliance also made this plea) was understood and the approach accepted. In 2005 JNNURM was launched and its BSUP project sought to upgrade settlements. *Read more about it [here](#).* However, in general, communities were only considered beneficiaries and most often subsidies were used to build houses on the edge of the city to relocate households rather than take up in-situ upgrading. Today, many such buildings remain unoccupied and several project appointed contractors abandoned the projects mid-way for a variety of reasons.

**WHAT SSNS BRINGS TO THIS STRATEGY?** In the early housing programs, NGOs were not allowed to bid for projects. But in some cities, communities demanded to be given a chance to construct houses, to start with, where contractors abandoned the projects mid-way. In all instances, the Alliance through SSNS helped cities redraft procurements to allow CBOs and NGOs to take on construction, redid all the detailed project design and planning and developed interesting and unique strategies in collaboration with communities. Many community leaders not only managed the projects, some even took up construction. SSNS pre-financed the projects until the subsidy payments began to come in after the first 35% was invested. Federations and professionals learnt many important and strategic lessons, and more than anything it gave the leadership a critical role when they spoke about their experience of demonstrating how community participation produces “community ownership” of the projects.

Most importantly, these projects have produced precedents, demonstrated what communities can do and should do in habitat changes, built insights on roles of the state and professionals in such projects and created credibility for the Alliance in discussions on habitat policy for the urban poor.

**WHAT IS THE CURRENT SITUATION:** The new government has developed a series of new policies for urban India. Ambitious undertaking such as “housing for all” and “smart cities” are announced. While these are developing, all the JNNURM and RAY projects are getting completed.

**WHAT SSNS WANTS CHANGED:** Based on our experience we believe that :

- A. The volume of habitat of the informal and urban poor to be improved has to be the central target and this cannot come out of a program that subsidizes housing for a very few.
- B. Do what the informal poor cannot do, give secure tenure, and basic amenities as an ongoing program to cover deficit rather than build a few houses.
- C. Develop micro credit for incremental upgrading of houses.
- D. Develop affordable prefab materials that can reduce costs of incremental upgrading, improve the quality of shelter, is well tested and accepted by government norms.
- E. Finally, focus on in-situ development and take on relocation only after all other options are explored.



NANDED YOUTH DISCUSSING IN SITU DEVELOPMENT WITH PUNE LEADER 2011 MARCH

## **A CASE FROM THE FIELD**

### **The construction process in Nanded**



NANDED COMMUNITY MEMBERS DISCUSSING PLANS 2011 JULY



## Nanded BSUP Housing

**Nanded got 20,000 BSUP subsidies.** When Jawaharlal Nehru National Urban Renewal Mission (JNNURM) allocations for Maharashtra were made, the then Chief Minister of Maharashtra, Ashok Chavan was the MP from Nanded. **So Nanded got as many units as Pune.** The Commissioner of Nanded met SPARC at an event and asked if a delegation of communities and officials from Nanded could come to see the work in Pune, and when 30 young people arrived in Pune and saw the work done by Mahila Milan they demanded that this kind of design and execution occur in Nanded.

**Taking on a risky proposition:** The challenge was that the allocations for contractors were already made, but due to the huge delays the private developers almost abandoned the projects as they were not financially viable for them. Rather than rescind the contract and start a fresh one, NSDF and Mahila Milan wanted to build as many houses as they could as a sub-contractor so people don't lose out on getting a house. Phase One was those house units.

**The Second Phase:** In the second phase 800 houses have been given directly to SSNS. Together with the community groups, technical support and a Project Monitoring Unit, it is constructing the houses which will continue through 2015-16. If these finish on time, there are still more houses to be constructed.

**The process now and in the future:** The new contractual agreement will also in all probability, include the provision of amenities to the settlements where houses are built.

**This process in Nanded has proved that the SSNS process to support community driven construction works well, and with each project, it only improves further.**



TARODA CANAL SLUM 2011 JANUARY



NANDED YOUTH VISIT PUNE 2011 MARCH



AMBEDKAR NAGAR. MAHILA MILAN CONTRACTOR MONITORING CONSTRUCTION 2011 JULY



NANDED IN SITU DEVELOPMENT 2015 MARCH



<b>INDIVIDUAL HOUSING LOANS</b>				
<b>NEW LOANS IN 2014-15</b>				
<b>Location</b>	<b>Households</b>	<b>Loan amount (INR)</b>	<b>Balance (INR) as of Mar 15</b>	<b>Loan Year</b>
Kolar Gold Fields	138	1,825,000	1,071,522	2014-15
Kolhapur	2	100,000	100,000	2014-15
<b>TOTAL</b>	<b>140</b>	<b>1,925,000</b>	<b>1,171,522</b>	
<b>CARRIED FORWARD LOANS INTO 2014-15</b>				
<b>Location</b>	<b>Households</b>	<b>Loan amount (INR)</b>	<b>Balance (INR) as of Mar 15</b>	<b>Loan Year</b>
Paradweep, Odisha	15	730,000	170,853	Apr-14
Jasma Bhavan, Bangalore, Karnataka	30	1,200,000	-	Oct-12
L R Nagar, Bangalore, Karnataka	25	1,000,000	-	Oct-12
Shivaji Nagar, Bangalore, Karnataka	16	800,000	-	Feb-13
Maddur, Karnataka	12	850,000	-	Jun-13
Kolar Gold Fields, Karnataka	91	1,100,000	-	Aug-13
Nizamabad, Andhra Pradesh	122	4,675,000	3,765,789	Sep-13
Maddur, Karnataka	15	450,000	173,645	Dec-13
Pondicherry	15	1,800,000	1,244,298	Dec-13
Madurai, Tamil Nadu	50	1,000,000	595,669	Feb-14
<b>TOTAL</b>	<b>391</b>	<b>13,605,000</b>	<b>5,950,254</b>	

## HOUSING PROJECTS

### Incremental housing



LOAN FUNCTION ORGANIZED BY KOLAR SLUM DWELLERS FEDERATION

## Self Built incremental housing

**What do we call incremental self built housing:** Houses that get built gradually over time using different materials, through self financing and outside formal institutional arrangements, are defined by us as informal incremental housing. It is a unit that almost all informal households start with, and we believe that adding to this initially to consolidate it and later to further build with formal materials is a seriously scalable habitat investment that has yet to be recognized.

**Why is it important to develop a strategy for facilitating this in India:** While everyone is aware of the urban shortage, in no way, for the next 50 years at the least, the resources of state and formal private sector will be adequate to cover the backlog of the upgrading needed and the anticipated future urbanization. Therefore, using public funds to provide basic amenities, creating credit instruments and availability of good building material for the urban poor will be the fastest way forward.

**Where would it work best:** Ideally this will work best in smaller towns and cities, and in states that are less than 20% urban. But the general process of incremental upgrade is actually occurring in all metros as well as in large and small towns. Yet, it is completely ignored and remains invisible to policy and financial instrument developments.

**What interventions are essential at different stages of development of a settlement:** The house building norms that are critical to producing safe homes and good neighborhoods are required to be translated into simple rules. For e.g. plinths above sea level, good foundations, good ceiling, good ventilation, open spaces for private as well as public usage around the house etc. What works for the settlement dwellers—individual or collective water and sanitation? Such and more questions which in reality will mean adherence to the norms, but understood in a way that makes sense for the communities and what works for them.

**What is SSNS doing in this sector?** Though incremental housing is officially not considered as the most wide spread way by which households improve their habitat, SSNS wants to show case it. Secondly, through its internal pilot lending process, it is exploring systems that can be developed within the micro-credit bandwidth to include borrowing for home improvements. Thirdly, exploring possibilities of developing design and materials that can improve quality and standardize the financing of specific elements such as foundations, flooring, walls or roof. In the final analysis, the real challenge is to include upgrading as part of the financing strategy of the “Habitat for All” strategy of the government.

**What have we learnt from these loans:** Poor communities know that while they initially resort to recycled materials and plastic, it’s yearly wear and tear costs more than taking a loan. They also know that a good tiled floor, and good ceiling transforms the quality of life. Many want to build a house with a toilet as well. Given access to finance, many want to make these changes to improve the quality of their living. People take loans based on what they can afford and what they can do at one time. But there can be practical challenges to it. For e.g. in large cities, the densification leaves hardly any space for pathways and other open uses. Retrofitting pipes for water and managing sewer lines gets harder as densification increases. Given good support, there can be huge improvement in how they decide on materials and in the sequence of what they take up to improve their house.

**What do people want the state to do:** They want the state to provide some security of tenure and basic amenities. They want more households to be able to access incremental loans at rates that the state provides and subsidy to other sections through reduced taxes etc. They want to take group loans that the whole neighborhood can get so costs will come down with the scale.

**What does it want from professionals:** Although professionals recommend lots of specifications, reality often stops communities from following these specifications. This is more pronounced due to the existing densities in urban slums. But the suggestions for design and upgrading possibilities should continue to expand the choices available to the poor. Over a period of time, this will evolve and more people will automatically follow these new practices.

**What does it want from the financing institutions and the state:** To accept that, for a long time to come people will live in incremental houses, and the bottom 25-30% in the economic ladder cannot afford even the EWS schemes of houses or loans.



## **Community participation and provision of habitat for all**

Over the world, Governments have clearly begun to abdicate from their primary responsibility towards the poor under the assumption that the formal private sector is to be exploited to provide the solutions. Clearly, in the case of housing for the poor in slums, especially those families at the bottom 80% in the economically weaker section, most of whom have built their homes bit by bit, this is not a strategy that will work for them. Instead, collective networks of the urban poor supporting and assisting households and their neighborhoods will need to undertake improvement with the active involvement of the city and financial intermediaries. This remains to be the only way to include them in ensuring habitat for all.

# Insights to facilitate community participation

It is both significant and yet a terrible lapse on the part of the governments who proceed with plans for HABITAT improvement for the poor, and refuse to recognize the reality of what the poor do when they build their homes and neighborhoods. Instead of supporting them and aiding them to improve, upgrade and giving advise to make this happen, the states assumed that private sector investment will produce houses for all especially the poorest where the gap is maximum. **UNTIL THIS CHANGES THERE CAN BE NO SUCCESSFUL "HABITAT FOR ALL" OUTCOMES.**

**What do we mean by community participation:** Houses that get built by the poor.

In the absence of the state norms for public space and safety, these issues get ignored and often densities reach levels that make retroactive interventions difficult. Creating groups and encouraging the households and their associations to take the lead in improving their neighborhoods represents a huge shift in state policy towards habitat.

**How do NSDF and Mahila Milan suggest the achievement of scale:**

In all urban areas, 30-70% residents live in slums, where they create their neighborhood organizations. Building linkages with them and involving them in various city activities and in turn assisting them to improve their neighborhoods will improve and encourage communities to participate in city activities as well as help them improve their own neighborhoods.

**Where would it work best:**

Actual or perceived security of tenure is a big incentive to improve homes and neighborhoods. Creating networks of neighborhood associations also improves confidence and provides opportunities for learning from others who have explored upgrading and engagement etc. with the city.

**What roles do the state, the market and professionals have in this process?**

The concept of governance often gets interpreted in complex and complicated ways. For slum dwellers, positive and demonstrated mechanisms which seeks city's involvement to improve neighborhood, is a sign of good governance for the poor and encourages response. The potential for modest but significant techniques that use materials and designs by professionals can transform and rapidly scale home improvements. And there is a huge market for the private sector to provide materials, finances and services but these have to serve the poor in what they seek to do. Not push them into options that don't work for them.

**What is SSNS doing in this sector:**

The NSDF, Mahila Milan and federated communities which are part owners of SSNS, utilize it as an instrument to access financial resources, bid for projects and demonstrate what communities can do.

**What are the urgent requirements to facilitate community participation:**

1. Tenure provision with basic minimum amenities.
2. Creating engagement between communities of slum dwellers and the city to gradually improve neighborhoods and homes.
3. Creating access to modest loans over several years, but repaid in a short period rather than a big amount that cannot be repaid.
4. Creating and facilitating norms and standards that allow communities to undertake improvements that increase security of tenure
5. Encouraging a wide range of forms that will strengthen communities to take charge of their neighborhoods, its management and safety.



## SANITATION PROJECT PORTFOLIO

The central focus of the Alliance is to ensure universal access to sanitation and no open defecation. Sanitation facilities require water as well as fecal disposal mechanism for sustained functioning. Both are subjects of city administrations and therefore their involvement in sanitation provision is central. For many years, cities did not provide sanitation assuming it would “encourage people to migrate to cities”. Now the backlog over the world is huge, and slum densities make sanitation infrastructure technically non-feasible.





<b>COMPLETED</b>		
<b>Project Name</b>	<b>Toilet Blocks</b>	<b>Project Cost (est.)</b>
BSDP Lot 6 & 7	213	332,800,000
Vijaywada	17	3,040,000
Pune Phase 4	23	12,800,000
Tirupur Toilet	14	14,500,000
Vizag Toilet	18	11,100,000
Pimpri Chinchwad	6	6,900,000
MSDP Lot 8 Mumbai	65	140,000,000
MMR Sanitation	301	690,000,000
<b>TOTAL</b>	<b>657</b>	<b>1,211,140,000</b>

<b>ONGOING</b>				
<b>Project Name</b>	<b>Toilet Blocks</b>	<b>Ongoing</b>	<b>Completed/ Finishing Stage</b>	<b>Project Cost (est.)</b>
MSDP Lot 9, Mumbai	65	8	20	280,000,000
<b>TOTAL</b>	<b>65</b>	<b>8</b>	<b>20</b>	<b>280,000,000</b>

## **Community Toilets: Making Tough Choices**

Women in informal settlements want toilets for themselves and their children more than anything else and remain sanitation's major champions. It was in 1987 that the Alliance was compelled by Mahila Milan from pavement settlements from Mumbai to explore ways to integrate sanitation within future habitat provision. They considered three options, individual toilets, shared toilet between 4 households, and community toilets. Each had a feasibility that was dependent on other aspects of settlement development. However it is the community toilet block that remains the most feasible option that has so far been taken up by the Alliance.



# Community Toilets in slums

**WHY THE COMMUNITY TOILET?** The most urgent need is to provide minimum sanitation to all. Given the fact that slums have high densities, lack water and sewerage systems, constructing toilets outside the house is most hygienic.

**WHO DOES WHAT TO PRODUCE COMMUNITY TOILETS?** City Governments have funds to provide toilets but never utilize them completely. The Alliance's strategy is to demonstrate that, community toilets get constructed with capital costs given by the city administration. It also provides water and electricity connections. Organized communities manage and maintain the toilet block by running it on a cooperative basis, where families pay a monthly contribution towards the coverage of costs. They hire a caretaker who lives on top of the toilet and maintains the toilet.

**HOW ARE WOMEN AND COMMUNITY INVOLVED ?** The management of the toilet represents the first step in creating organizations of slum dwellers to undertake toilet management, and women who champion this process have to be centrally associated with this task. Over time, the committees gradually begin to look at other aspects of the sanitation functioning.

**WHAT SSNS BRINGS TO THIS STRATEGY?** Initially NGOs were not allowed to bid for projects on habitat policy for the urban poor. The procurement process did not value their ability to work with slum dwellers but focused on construction experience only. Now with the Alliance advocating change SSNS has been able to win contracts for toilet construction .

**WHAT IS THE CURRENT SITUATION?** SSNS supports local Federations to bid for contracts and provides technical and financial support for construction. Most cities are both uncomfortable and uneasy about communities building toilets. Although in reality, the private sector does not like this job since it is hard to work in 100 locations doing "small" projects. But for the slum dwellers, these are very good livelihood options and SSNS helps them register as contractors and get access to bank accounts and project finance.

**WHAT SSNS WANTS CHANGED?** Based on our experience we believe that universal sanitation is a urgent priority :

- A. The volume of habitats of the informal and urban poor to be improved has to be the target and this cannot come out of a program of subsidies. Sanitation is the foundational step in improving habitat for the poor.
- B. It builds bridges and linkages between the city and slum dwellers and initiates service provision.
- C. Sanitation not only is an end, it is an important requirement to address health and dignity in slums especially for women and children.



Carried forward loans				
City	Households	Loan Amount	Balance	Loan Year
Bangalore	15	2,00,000	0	Feb-12
Pondicherry	25	91,000	2,510	Apr-03
	10	34,000	555	Oct-03
Kanchipuram	9	45,000	45	Feb-05
	43	2,15,000	85,572	Oct-05
	25	1,25,000	53,062	Aug-06
	87	8,70,000	2,07,662	May-10
Thiruvanamalai	11	55,000	1,366	Oct-05
	32	1,60,000	77,504	Jul-07
Ambur	21	1,05,000	7,423	Oct-05
Chengam	15	75,000	11,034	Oct-05
	25	1,25,000	10,143	Jul-07
Polur	7	35,000	35,000	
	12	60,000	24,068	Sep-07
Arani	100	3,00,000	1,17,363	Apr-04
	49	2,45,000	1,90,162	Oct-05
Tirupattur	15	75,000	30,944	Oct-05
Theni	10	40,000	40,000	Jan-04
Bangalore	2	10,000	3,420	Jun-04
	11	55,000	22,127	Jan-06
	29	2,90,000	2,90,000	Jul-10
Nasik	10	100,000	0	2013-14
Maddur	7	70,000	0	2013-14
<b>TOTAL</b>	<b>570</b>	<b>3,380,000</b>	<b>1,209,960</b>	

## Individual Toilets: When and Where they Work in Urban Areas



# Individual toilets and households

**When do Federations go for individual toilets?** Federations believe that when the house size is more than 300sf. and there are possibilities of safe disposal of the waste, they should have individual toilets. However in many in-formal settlements even though slum dwellers have toilets inside their house, they still want a community toilet as each house has 5-8 people who may need additional toilets.

**What is the unsorted piece of this story still to be undertaken in the coming year?** Most households who have taken a loan for individual toilets are now looking for a slum based decentralized treatment unit. This is an urgent matter to be explored in the coming years. It is clear that medium and small towns in general have no sewerage system even for their formal habitat and neighborhoods .

## **WHAT SSNS WANTS undertaken:**

1. Demonstrate what communities and households who take collective loans for individual toilets need and what they can do.
2. Work with towns and cities to develop a range of options for technology, materials, designs and construction that communities can undertake while cities work towards management of fecal matter and provision of water.
3. All processes should have at least three stages.

Firstly to develop a complete documentation of what is needed,

Secondly a comprehensive demonstration project to sort out kinks and ensure that it serves the city and community and

Thirdly, build the capacity of all involved to interact with each other, play their roles and produce tangible outcomes.

**The present loans have started to develop capacity within federations and Mahila Milan, the challenge of developing acceptance from the city and creating building materials that make incremental upgrading truly strengthen what households can do themselves to improve their homes.**





## **Exploring new advisory roles for universal sanitation for slums in urban centers: the critical preparations**

In a country where there is a clarion call to provide every household with a toilet, all aspects of this strategy needs to be examined carefully to produce scale and impact. Three areas are very unclear and remain fuzzy:

Firstly what is the role of the urban and rural poor whose homes and lives are to be transformed by the “Swachh Bharat Abhiyan”?

Secondly, what about the management of the fecal matter that has to be treated? How? Where? And by Whom?

And thirdly, how are the scale, coverage and costs to be sequenced? For centuries, sanitation in particular has been ignored, how will the fast transformation occur in such a case?

# **The Alliance now seeks to take on an advisory function to produce city wide sanitation for slum dwellers**

**How the organizations of the poor view sanitation and their role in its provision?**

The urban poor have a central role in the provision of universal sanitation for all, and women in slums especially are the most important actors. Building their capacity to design, supervise and in many instances construct these facilities is vital to their sense of ownership of the facility and their ability to maintain it. Its leaders having undertaken these activities for many years and they now believe that they can explore new roles.

**How do the organizations of the urban poor divide roles and functions?**

The Alliance of NSDF, Mahila Milan, SPARC and SSNS believe very strongly that arrangement for managing fecal matter and its transportation are clearly the function of the city. Wherever possible, if community toilets are being built, the capital costs should be borne by the city and the maintenance should be undertaken by the residents' association. Where toilets have to be built inside homes, people can finance it but they need affordable loans and technical support. The Alliance now has developed many intervention systems where their leaders, through exchanges and demonstration, can produce networks in various cities and facilitate city-community partnerships.

**How do they proceed with scale and coverage?**

Every program must start with developing systems, exploring workable options and actually constructing some toilets to examine their usage, their challenges and their impact before undertaking massive construction. It is not just the construction of the physical structure that will produce change, but a combination of many factors most valuable of which is ownership of the process and city and communities working together to produce this transformation.

**The role of documentation and data in this process**

Especially if sanitation has to reach those living informally, first and foremost there is a need for good quality, comprehensive and complete data on informal settlements. The earlier the sanitation intervention the better the range of possibilities for its provision. Data about how many households, type of land and densities of slums, organization levels of the neighborhoods, their present sanitation practices all these and many more issues have to be studied. The more the communities begin these reflections themselves, the greater the ownership they have towards the process and their engagement and leadership of the process becomes deeper.

**The critical value of learning, refinement of processes and strategies and monitoring in the campaign**

No activity or action which has to reach such mammoth scale will emerge from a standard one size fits all solution. Circumstances will vary, capacities will vary, access to space, water, sewerage treatment, slum densities and cultural habits will differ from place to place. The ability to define some principles through which queries, analyses, participation being sought and capacities built would remain the same while experimentation, then standardization and refinement emerging from practice and constant monitoring will create the necessary scale. The city, the technical people, the communities and every stakeholder has to start with a capacity to learn, engage and co-create.

**The Sandaas Mela phenomenon**

For NSDF and Mahila Milan, each toilet, each facility, is a local celebration of achievement and demonstration of capacity. The development of the *Sandaas Mela* or the 'toilet festival' where every toilet is inaugurated; where this humble facility is treated with the auspiciousness of a shrine of worship, where coconuts are broken and ribbons are cut demonstrates a change of perspective, a change of paradigm and the transformation from a dirty smelly space to one which is the center of the community ... a public space where everyone gathers with pride.



# Annexure A

## Housing Project Tables

[ALL FINANCIAL FIGURES ARE IN INDIAN RUPEES. Approximate exchange rate is 1 USD = 60 Indian Rupees]

### SUBSIDIZED HOUSING

#### ONGOING

Project Name	Phase 1, Yerwada, Pune	Phase 2, Yerwada, Pune	Nanded II, Maharashtra	TOTAL
Total House Units	697	370	884	1951
Ongoing	17	239	462	718
Completed/ Finishing Stage	680	13	193	886
Per Unit Cost	300,000	300,000	230,000	
Project Cost (est.)	209,100,000	111,000,000	203,320,000	523,420,000
Expenses till March 2014	157,445,431	42,642,973	0	200,088,404
Expenses till March 2015	171,964,976	56,591,009	51,000,000	279,555,985
Income till March 2014	115,808,526	37,900,707	0	153,709,233
Income till March 2015	132,817,644	46,903,458	38,575,070	218,296,171
Balance to be Received	76,282,357	64,096,542	164,744,930	305,123,829
Bridge funds till March 2014	82,327,725	51,775,665	0	134,103,390
Bridge funds till March 2015	55,412,313	51,775,665	48,131,601	155,319,578

#### COMPLETED

Project Name	Hadapsar	Solapur Bidi	Sunudugudu	Bhubaneswar	Puri	Nanded - I	TOTAL
Total Units	713	501	75	244	49	213	1795
Project Cost (est.)	56,762,406	45,090,000	11,250,000	63,250,000	11,610,000	37,275,000	225,237,406
Expenses till March 2015	56,762,406	45,945,517	11,370,397	51,740,200	10,294,436	40,244,516	216,357,472
Income till March 2014	32,152,317	450,000	-	27,224,303	3,971,998	18,448,066	82,246,684
Income till March 2015	38,802,610	-	-	32,176,087	5,675,239	18,891,546	95,545,482
Bridge funds till March 2014	22,280,790	45,945,517	11,370,397	34,578,106	11,678,772	24,599,921	150,453,503
Bridge funds till March 2015	22,280,790	45,945,517	11,370,397	25,356,018	9,752,225	45,952,936	160,657,883

## MARKET FINANCED HOUSING

### ONGOING

Project Name	Kanjur Marg III	Total
Total House Units	780	780
Completed/ Finishing Stage	587	587
Income till March 2014	31,900,281	31,900,281
Income till March 2015	36,900,421	36,900,421

### COMPLETED

Project Name	Rajeev Indira-Suryodaya (In-situ)	Bharat jana-ta Phase 1 (In situ)	Milan Nagar (R&R-MUTP)	Oshiwara (In-situ and R&R-MUTP)	Kanjurmarg II - Jolly-board (R&R-MUIP)	Oshiwara II - Phase I	TOTAL
Status	263 units, 4 out of 5 buildings completed	147 units, 3 buildings	88 units, 1 building	836 units	106 units, 1 building	1036 units completed	
Project Cost (est.)	157,800,000	73,500,000	50,600,000	250,800,000	42,400,000	621,228,029	1,196,328,029
Expense till March 2015	114,771,221	69,437,739	49,439,023	246,992,063	55,220,381	552,680,029	1,088,540,456
Income till March 2015	18,881,759		101,181,600	259,000,000	61,779,938	388,945,241	829,788,538
Bridge funds till March 2015	81,358,648	25,545,296	0	0	17,246,108	140,263,470	264,413,522

# Annexure B

## Sanitation Project Tables

### ONGOING

Project Name	MSDP Lot 9, Mumbai	TOTAL
Toilet Blocks	65	65
Ongoing	8	8
Completed/ Finished Stage	20	20
Project Cost (est.)	280,000,000	280,000,000
Expenses till March 2014	49,393,913	49,393,913
Expenses till March 2015	90,862,314	90,862,314
Income till March 2014	11,777,714	11,777,714
Income till March 2015	70,475,502	70,475,502
Balance to be Received	209,524,498	209,524,498
Bridge funds till March 2014	49,393,913	49,393,913
Bridge funds till March 2015	49,234,310	49,234,310

### COMPLETED

Project Name	BSDP lot 6 & 7	Vijaywada	Pune Phase 4	Tirpur	Vizag	Pimpri Chinchwad	MSDP lot 8 Mumbai	MMR Abhiyan	TOTAL
Toilet	213	17	23	14	18	6	65	301	657
Project	332,800,000	3,040,000	12,800,000	14,500,000	11,100,000	6,900,000	140,000,000	690,000,000	1,211,140,000
Expense till March 2015	321,343,277	7,891,000	12,766,132	14,465,257	11,100,000	6,846,624	143,426,030	705,098,756	1,222,937,076
Income till March 2015	237,764,329	-	6,887,838	12,430,000	8,847,944	2,754,636	123,892,368	594,177,708	986,754,823
Bridge Funds till March 2015	144,304,032	7,891,000	9,711,594	7,925,000	11,100,000	6,846,642	40,867,680	115,062,108	343,708,056

**Board of Directors**

Vijay Agarwal, Chairman  
Sheela Patel, Secretary  
Rajesh Tandon  
Jockin Arputham  
Srilatha Batliwala  
M.G. Shekhar  
Savita Sonawane

**Advisors**

Sundar Burra  
S.K Joshi

**General Manager**

Aseena Viccajee

**Administration**

Kaliyanarayan Murthy  
Sutapa Bhattacharya  
Mahendra Jagdale  
Prashant Bhosale  
Kaushik Bhattacharya

**Data Managers**

Palash Patra  
Supriya Bhattacharya  
Sanjay Inchalkar

**Housing/Micro-Credit**

Sunita Waghmare  
Mohammad Azhar  
Ganesh Muknak

**Accounts & Project Management**

Rizwan Kalwal

**Research and Documentation**

Preeti Banarse  
Sharmila Gimonkar  
Maria Lobo  
Monali Waghmare  
Vinod Kumar Rao

**Internal Auditors**

ANK Financial Advisors Private Ltd.,  
Mumbai

**External Auditors**

Krishnan and Co.  
Chartered Accountants, Chennai

**Project Management Units**

Mumbai  
Pune  
Nanded  
Bhubaneswar  
Puri

**SPARC Samudaya Nirman Sahayak (SSNS)**

Girgaum, Mumbai 400004

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