

## CHAPTER 35

### RURAL & URBAN DEVELOPMENT

The Government of India in recognition of the role played by infrastructure in poverty removal has taken up massive programmes for construction of both urban and rural infrastructure under different programmes. Some of the important schemes for development urban sector and rural sector are elaborated below.

#### Schemes for Rural Development

In order to design wage employment programmes to fight poverty more effectively, the Central Government formulated the **National Rural Employment Guarantee Act(NREGA)** in 2005. National Rural Employment Guarantee Act 2005 (NREGA) was launched with effect from 2<sup>nd</sup> February, 2006. During 2009-10, through an amendment, the NREGA was renamed as the **Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA)**.

To start with 200 selected districts of the country were brought under its ambit. In 2007-08, it was extended to 130 more districts. As against the original target of 5 years, within three years of its launch Mahatma Gandhi NREGA was extended to all the districts from 1st April 2008. The Act, at present, is being implemented in 625 districts in the country.

Mahatma Gandhi NREGA aims at enhancing livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. Unique features of the Act inter alia include, time bound employment guarantee and wage payment within 15 days, incentive-disincentive structure to the state governments for providing or not providing employment as per demand, emphasis on labour intensive works prohibiting the use of contractors, and machinery, ensuring the creation of durable community, social and economic infrastructure and assets in the rural areas. The act also mandates 33 per cent participation for women. The primary objective of the Act is augmenting wage employment. The choice of works suggested in the Act addresses causes of chronic poverty like drought, deforestation and soil erosion, so that the process of employment generation is maintained on a sustainable basis. The Act is also a significant vehicle for strengthening decentralization and deepening process of democracy by giving a pivotal role to local governance bodies, that is, the Panchayati Raj Institutions.

In 2010-11, a total of ` 43,111.27 crore including the Opening Balance is available for Mahatma Gandhi NREGA. Up to December 2010, an amount of ` 28163.71 core has been released to the states and ` 20854.46 crore has been

utilized. During the same period 145 crore persondays employment has been generated across the country out of which 72.93 crore were women (50%), 32.65 crore(23%) were SC and 24.83(17%) belonged to ST category. A total of 4.10 crore rural households have been provided employment during the period. At the national level, average wage paid under Mahatma Gandhi NREGA has increased from ₹ 65(FY 2006-07) to ₹ 99 in FY 2010-11(up to December 2010). This has led to a strengthening of the livelihood resource base of the rural poor in India.

In FY 2010-11 upto December, 68.60 lakh works were undertaken; of which 3.18 lakh works were completed. Out of total works, 50% works related to water conservation, 21% rural connectivity, 13% land development and 12% provision of irrigation facility to individual land owned by SC/ST/BPL and IAY beneficiaries.

### Swaranjayanti Gram Swarozgar Yojana (SGSY)

Assisting the rural poor in self employment by encouraging group and cluster activities, providing skill development opportunities, credit linkages and subsidies and creation of marketing opportunities for products has been another major plank of the Poverty alleviation schemes of the Government. Launched on 1st April, 1999. SGSY is an integrated scheme for providing opportunities of self employment to the rural poor. The assisted families (Swarozgaris) may be individuals or Groups (Self Help Groups). However, the emphasis is on Group approach and also with particular emphasis on group formation by women and the weaker sections.

It has been conceived as a holistic programme of self employment and some of its salient features are:

- Organising the rural poor into Self Help Groups (SHGs) through social mobilization
- Key activity and development of activity clusters.
- Training and marketing support to the Swarozgaris
- Involvement of NGOs/CBOs Animators in social mobilization and training and capacity building of Self Help Groups

SGSY is being implemented by the District Rural Development Agencies (DRDAs) with the active participation of Panchayati Raj Institutions, the Banks, the line Departments, and Non-Governmental Organisations. In order to provide incentives to rural artisans, SARAS fairs are also organized in various parts of the country to promote sale of products produced by Self-Help Groups. During 2010-11 upto December, a total of 12.81 lakh Swarozgaris have been assisted out of which 8.50 lakh (66.35%) are women Swarozgaris.

## Swarnjayanti Gram Swarozgar Yojana (SGSY)

Swarnjayanti Gram Swarozgar Yojana (SGSY) has been restructured as National Rural Livelihoods Mission (NRLM) to implement it in a mission mode in a phased manner for targeted and time bound delivery of results. Universal social mobilization through formation of SHGs under NRLM will ensure at least one member of each rural BPL family, preferably a woman member, is covered under SHG net. With a view to form strong People Institutions, NRLM will focus on setting up of federations of SHGs from village panchayat to district levels. NRLM proposed to ensure Universal financial inclusion by facilitating opening of savings accounts of all its beneficiaries, simultaneously encouraging thrift and credit activities, facilitating access to credit from banks etc. There is a provision to utilize 10% of allocation under the Programme for training and capacity building of the intended beneficiaries to take up the micro enterprises for employment, NRLM will also focus on supporting rural BPL youth for accessing skilled wage employment through placement linked skill development projects.

In order to ensure a holistic approach towards income enhancement of the rural poor, NRLM will focus on four streams of livelihoods which would be as follows :

- Coping with vulnerabilities – debt bondage, food insecurity, migration, health checks
- Existing livelihoods – stabilizing and expanding, making them sustainable
- Self employment – micro-enterprise development
- Skilled wage employment opportunities in growing sectors of the economy

## Indira Awaas Yojana (IAY):

The Indira Awaas Yojana (IAY) initiated in 1985-86, is a flagship scheme of the Ministry of Rural Development to provide houses to the Below Poverty Line (BPL) families in the rural areas. The role of the State Government is limited to releases and to facilitating use of appropriate technology. The ceiling on construction assistance under IAY is ` 35,000 per unit in the plain areas and ` 38,500 in hilly/difficult areas. For upgradation of kutchha house, the financial assistance is ` 15,000 per unit. In addition to the unit assistance availed under IAY, a beneficiary can also borrow a top-up loan upto ` 20,000/- from any nationalized Bank at 4% interest per annum under Differential Rate of Interest (DRI) Scheme. The allocation amongst districts is based on 75% weightage to housing shortage and 25% weightage to SC/ST component. Further, 60% of the IAY allocation is meant for benefiting SC/ST families, 3% for physically handicapped and 15% for minorities. The IAY houses are expected to be invariably allotted in the name of women.

## Rural Electrification:

The Rural Electricity involves supply of energy for two types of programmes, namely, production oriented activities like minor irrigation, rural industries etc. and electrification of villages. While the emphasis is laid on exploration of ground water potential and energisation of pumpsets/tube wells, which has a bearing on agricultural production, the accent in respect of areas covered under the Revised Minimum Needs Programme (RMN P), is on village electrification. A village will be deemed to be electrified if (1) the basic infrastructure such as distribution transformer and or distribution lines is made available in the inhabited locality within the revenue boundary of the village including at least one hamlet/Dalit Basti as applicable and (2) any of the public places like Schools, Panchayat Office, Health Centres, Dispensaries, Community centers etc. avail power supply on demand and (3) the ratings of distribution transformer and LT lines to be provided in the village would be finalized as per the anticipated number of connections decided in consultation with the Panchayat/Zila Parishad/District Administration who will also issue the necessary certificate of village electrification on completion of the works. The number of household electrified should be minimum 10% for villages which are unelectrified, before the village is declared electrified. Rural Electrification Corporation Limited (REC), a NAVRATNA Central Public Sector Enterprise under Ministry of Power, was incorporated on July 25, 1969 under the Companies Act 1956. Its main objective is to finance and promote rural electrification projects all over the country. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched in 2005 by merging all ongoing schemes. REC is the nodal agency for the programme and 90% grant is provided by Government of India and 10% as loan by REC to the State Governments. The aims under RGGVY are (1) electrifying all villages and habitations as per new definition; providing access to electricity to all rural households; and providing electricity Connection to Below Poverty Line (BPL) families free of charge. The infrastructure to be created under RGGVY are (1) Rural Electricity Distribution Backbone (REDB) with 33/11 KV (or 66/11 KV) sub-station of adequate capacity in blocks where these do not exist; (2) Village Electrification Infrastructure (VEI) with provision of distribution transformer of appropriate capacity in villages/habitations; and (3) Decentralized Distributed Generation (DDG) Systems based on conventional & non conventional energy sources where grid supply is not feasible or cost-effective.

## Renewable Energy for Rural Application:

The Ministry of New and Renewable Energy has been supporting programmes for the deployment of renewable energy systems and devices such as biogas plants, photovoltaic systems, biomass gasifiers, solar cookers and other solar thermal systems, etc. in rural areas of the country. The Ministry has also been implementing remote village electrification, village energy security test projects and decentralized biogas-based power generation programmes which include:

- (1) National Biogas and Manure Management Programme (NBMMP)

- (2) Small Wind Energy And Hybrid Systems
- (3) Small Hydro Power Programme

## Schemes for Urban Development

### Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM), which was launched on 3<sup>rd</sup> December, 2005 is expected to give focused attention to integrated development of urban infrastructure and services in select 65 Mission cities with emphasis on provision of basic services to the urban poor including housing, water supply, sanitation, slum improvement, community toilets etc. The Mission makes available reform-linked Central Assistance over the Mission period of seven years beginning from 2005-06. There are also subcomponents under JNNURM to cater to similar needs of the small towns and cities. The Mission completed five years in December 2010.

The objective of the Mission is to encourage the city governments to initiate measures that would bring about improvements in the existing service levels in a financially sustainable manner. The Mission calls upon states/cities to undertake fiscal, financial and institutional changes that are required to create efficient and equitable urban centres, and the Mission is reform-driven, which would largely meet the challenges of urban governance.

Under National Urban Sanitation Policy launched in 2008 with the vision of all Indian cities and towns becoming totally sanitized, healthy and liveable to ensure and sustain good public health and environmental outcomes for all their citizens with a special focus on hygienic and affordable sanitation facilities for the urban poor and the women, various activities are being taken up. These include rating of towns and cities on sanitation. Service level benchmarks have been laid down for municipal services. The Ministry is supporting capacity building at various levels, including the urban local bodies and the State personnel in areas related to governance, financial management, and service delivery. The Ministry has set up 13 centres of Excellence 9 for urban development and 4 for urban transport in reputed institutions across the country.

### National Urban Sanitation Policy

The Government of India launched the National Urban Sanitation Policy in December 2008. The main goal of the policy is to transform urban India into community driven totally sanitized healthy and liveable cities and towns. The vision of the policy is that all Indian cities and towns become totally sanitised, healthy and liveable and ensure and sustain good public health and environmental outcomes for all their citizens with a special focus on hygienic and

affordable sanitation facilities for the urban poor and women. Awareness Generation and Behavioral Change; Open Defecation Free cities; Integrated City Wide sanitation; sanitary and Safe Disposal; and Proper Operation and Maintenance of all Sanitary Installations are main goals of the policy.

Initiatives taken under the National Urban Sanitation Policy (NUSP) are

**Rating of Cities:** The rating has been carried out for 423 cities and completed in May, 2010. In respect to the Baseline information, eligibility and selection procedures have been completed. The next rating exercise will be conducted in 2012. The ranking or rating exercise is a bi-annual exercise. The rating exercise shows that 189 cities are on the brink of public health and environmental 'emergency'; needing immediate remedial action. About 44.68% of the cities are in this category. Another 230 cities need considerable improvements. Only 4 cities namely Chandigarh, Mysore, Surat and N.D.M.C. are better than the rest.

**Communication campaign:** The communication campaign included broadcasting of audio spots and jingles on Radio/FM channels with a view to sensitizing citizens regarding the importance of sanitation, negative impacts on health and the environment due to lack of sanitation and most importantly the need to eliminate open defecation. The jingles have been developed in twelve languages. 4 audio spots and 1 jingle in 13 languages have been broadcasted in 1<sup>st</sup> phase.

**National Urban Information System (NUIS):** The NUIS scheme launched in 2006 for developing GIS databases for towns/cities in the country in two scales, i.e., 1:100000 and 1:2000. In addition utility mapping on 1:1000 scale would also be undertaken for 24 towns. Presently, 152 towns/cities are under coverage of this scheme. The objectives of the scheme are to (1) develop spatial and attribute database; (2) use modern data sources; (3) develop standards; (4) develop urban indices; and (5) build capacity at State & Local level. The NUIS scheme consists of four major components (a) Mapping, (b) Systems (HW/SW) (c) National Urban Data Bank and Indicators (NUDB&I) and (d) Capacity Building.

**Scheme for Urban Infrastructure in Satellite Town around seven mega cities:** Ministry of Urban Development has formulated a scheme for Urban Infrastructure in satellite Town around seven mega cities. The objective of the scheme are: (1) to develop urban infrastructure facilities such as drinking water, sewerage, draining and solid waste management etc at satellite towns/counter magnets around the seven mega-cities and to channelize their future growth so as to reduce pressure on the mega cities; (2) to implement reforms such as e-governance, property tax, double entry accounting, creation of barrier free environment, structural safety norms in compliance with the National Building Code, water and energy audit of water and wastewater utilities and implementation of service level benchmarks; and (3) strengthening implementation of reforms such as levy of reasonable user charges, earmarking

of budgets for basic services and at least 10-15% of housing sites for the urban poor, formulation of by laws to incorporate provisions for disaster management, water harvesting and reuse and recycle of waste water and implementation of Public Private Partnership (PPP) projects.

**Accelerated Urban Water Supply Programme (AUWSP):** The AUWSP was initiated in 1993-94 to provide safe and adequate water supply facilities to the entire population of the towns having population less than 20,000 as per 1991 Census. Pattern of the Finance by the Government of India and the State Governments for implementation of water supply schemes is on 50:50 matching basis. With the launching of JNNURM, under which UIDSSMT formed a subcomponent for creating Urban Infrastructure including for water supply and sanitation in Small and medium towns, AUWSP was subsumed in UIDSSMT.

**Renewable Energy for Urban, Industrial and Commercial Application:** The solar energy and technologies for energy recovery from municipal, industrial and commercial wastes have been promoted by the Ministry of New and Renewable Energy for meeting certain niche energy demands of urban, industrial and commercial sectors in the country. The Programmes, namely, 'Solar energy systems and devices including solar thermal and photovoltaic systems' and 'Energy recovery from urban, industrial and commercial wastes iii) Bio-energy and cogeneration in industry' are being implemented. Solar Thermal Energy programme of the Ministry aims at meeting certain niche energy demands of rural, urban, industrial and commercial sectors in the country. Research and development, solar water heating, solar air heating / cooling /crop drying, solar cooking, solar green buildings and solar cities are the main components of the programme.

**Programme on Energy Recovery from Urban Wastes:** There is a need for increased efforts to manage and safely dispose the increasing quantities of solid and liquid wastes caused by rapid urbanization, industrialization and changes in life style across the country. Technologies are now available that help in generating substantial quantity of decentralized energy besides reducing the quantity of wastes for their safe disposal and reducing its adverse impact on the environment. According to a recent estimate, over 55 million tonnes (1.5 lakh tonnes per day) of municipal solid waste (MSW) and a large quantity of liquid waste i.e. sewage, are generated every year by our urban population. This translates into a potential for generation of over 2600 MW of power from urban wastes in the country. The estimated potential of energy from MSW upto the end of 11th and 12th five year Plans is estimated as 3650 and 5200 MW, respectively. Similarly, it has been estimated that there is a potential for recovery of about 1300 MW of energy from solid and liquid wastes generated by various industry sectors such as, sugar, pulp and paper, fruit and food processing, sago / starch, distilleries, etc. The major benefits of recovery of energy from wastes are to bring about reduction in the quantity of waste, cost of waste treatment, demand for land as well as cost for transportation of wastes to far-away landfill

sites and environmental pollution, besides generation of substantial quantity of energy. The Ministry of New and Renewable Energy is promoting setting up projects for recovery of energy from wastes under separate programmes for urban and industrial wastes.

### Highlights:

- The total number of job cards issued under NREGA increased from 37.85 million in 2006-07 to 119.56 million in 2010-11 signifying an increase of more than 3times during the period. The person days employed increased from 905.05 million to 2536.80 million in 2010-11. The total number of the work taken up under MG NREGA was 5.46 million, whereas, expenditure incurred was ` 386485 million in 2010-11.
- The per capita investment under SGSY increased from ` 17113 in 1999-00 to ` 31378 in 2010-11, whereas, the number of Self Help Group increased from 292426 to 311314 and total number of assisted Swarozgaris increased from 933868 to 2109796 during the same period.
- The total number of habitations covered under rural road component of Bharat Nirman is estimated at 40088 up to 2010-11, whereas, the construction of roads increased from 18054.3 Km to 125548 Km and the upgradation of the road increased from 3898.10 Km to 221595 Km during the same period. The length of roads completed under PMGSY was 319507 Km up to March, 2011.
- The total number of the projects under taken under the Drought Prone Area Programme was 27439, whereas, the total number of the projects under taken under the Desert Development Programme was 15746 upto 2006-07.
- The number of beneficiaries under NOAPS/IGNOAPS increased from 6.70 million in 2002-03 to 17.06 million in 2010-11, whereas, the number of beneficiaries under NFBS increased from 85.21 thousand to 334.92 thousand and the number of Beneficiaries under Annapurna increased from 768.59 thousand 963.69 thousand during the same period.
- The number Gram Panchayat Ghars and Traing Resource Centers at Gram Panchayat level sanctioned up to 31.3.2011 under RGSY were 3504 and 304 respectively.

- **This chapter contains the following tables:**

**Table 35.1:** Implementation report under NREGA. (2006-07 to 2010-11)

**Table 35.2:** Physical outcomes under NREGA. (2008-09 to 2010-11)

**Table 35.3:** Financial outcomes under NREGA. (2008-09 to 2010-11)



**Table 35.4:** Physical and financial progress under SGSY. (1999-00 to 2010-11)

**Table 35.5:** Physical progress of rural roads under Bharat Nirman. (2005-11).

**Table 35.6:** Physical and financial progress under PMGSY. (2010-11).

**Table 35.7:** Projects sanctioned under drought prone area and desert development programmes. (2006-07)

**Table 35.8:** Expenditure and beneficiaries under NSAP.

**Table 35.9:** Physical progress under Rashtriya Gram Swaran Yojana. 2006-07 to 2010-11.

**Table 35.10:** Resource centres at block level sanctioned under capacity building component of BRGF and RGSY.

**Table 35.11:** Estimated potential and installed capacity of renewable energy in India.

**Table 35.12:** Achievement in new and renewable energy.