

## CHAPTER 35

### RURAL & URBAN DEVELOPMENT

35.1 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

#### **Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA).**

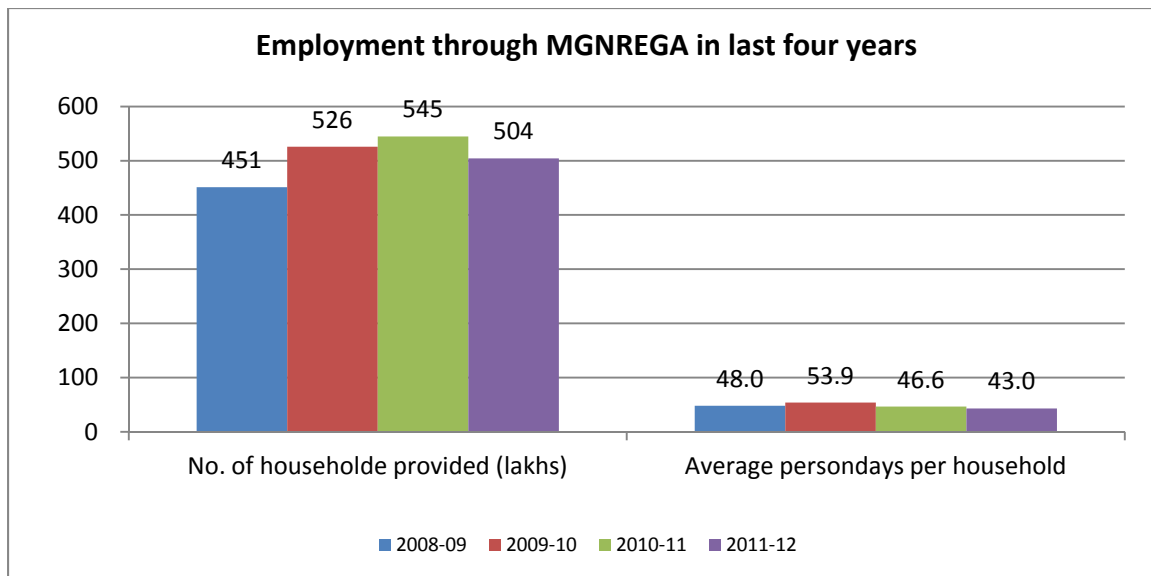
35.2 In order to design wage employment programmes to fight poverty more effectively, the Central Government formulated the National Rural Employment Guarantee Act (NREGA) in 2005. National Rural Employment Guarantee Act 2005 (NREGA) was launched with effect from 2<sup>nd</sup> February, 2006. During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

35.3 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.

35.4 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.

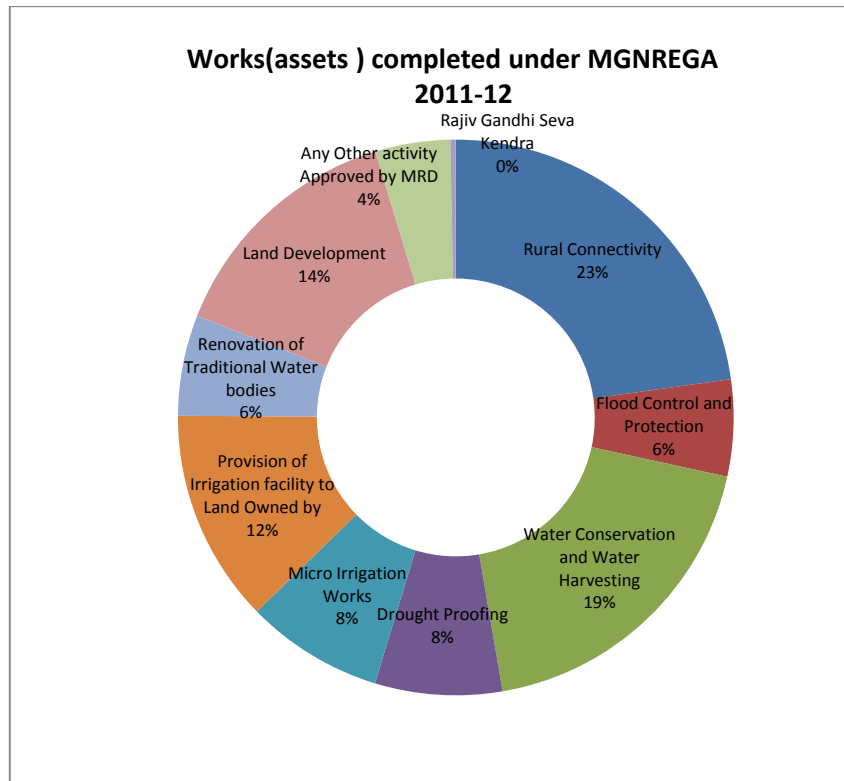
35.5 About 12.4 Cr households have been issued job cards in MGNREGA since the inception of the scheme. During 2011-12, about 5.04 Cr households were provided employment through MGNREGA vis a vis 5.09 Cr households who demanded employment. Out of the 5.04 Cr households who were provided employment through MGNREGA during 2011-12, only about 40 lakh households availed 100 days of employment and the average employment in person days per household was 43.0, lowest in last four years. Out of the total person days of employment (216.34 Cr), SC's & ST's accounted for about 22 & 18 % respectively. About 48 % of total person days of employment was taken by women.



35.6 Bihar saw steepest annual decline (60% each) in number of households who demanded employment & consequently those who were provided employment through MGNREGA, as the number of the households who were provided employment plunged to 17 lakh in 2011-12 from about 43 lakh a year before. Maharashtra on the other hand saw steepest rise in number of households who demanded employment (150%) The number of households in Maharashtra who were provided employment rose by 232 % to 14.6 lakh in 2011-12 from 4.4 lakh a year before. Karnataka & Odisha were amongst other significant states which saw more than a quarter (25%) change

compared to previous year as households who sought job & those who obtained it under MGNREGA decreased by 30 % in both states during 2011-12.

35.7 About 22 per cent of the total work (82.5 lakh) taken up under MGNREGA was completed during 2011-12. Break up by type of work is given below:



35.8 Including Central release of about Rs 29189.77 Cr , total of Rs 48,832 Cr were available for MGNREGA during 2011-12. Out of the funds available, about 78 % was utilized during the year . Wages comprised maximum share of the expenditure (65%) followed by material (29%) & administrative expenses (6%).

### **Swaranjayanti Gram Swarozgar Yojana (SGSY)**

35.9 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. Lunched 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.

35.10 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

35.11 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.

35.12 Total of Rs 27402 Cr, including Rs 3752 Cr during 2010-11 have been made available under the SGSY since 1999-2000 and on the average 76.52 percent of funds have been utilized. Above 41 lakh Self Help Groups including 27.98 lakh women SHGs were formed till 2010-11. Total of 163 lakh swarozgaris , including 45 lakh individual swarozgaris were assisted through SGSY. Of the total Swararozgaris assisted during 2010-11 , women comprised about 60%, SC/ST about 48 %, minority 6% and disabled 2 %. In 2011-12 ,till December 10.47 lakh swarozgaris were assisted , out of which 7.23 lakh (69.07%) were women.

35.13 Swarnjayanti Gram Swarozgar Yojana (SGSY) has been restructured as National Rural Livelihoods Mission (NRLM), now renamed as "**Ajeevika**" to implement it in a mission mode in a phased manner for targeted and time bound delivery of results. Aajeevika recognizes that the poor people have the potential to come out of poverty with proper handholding, training and capacity building and credit linkage. Aajeevika also believes that a strong institutional architecture owned by the poor, enables them to access institutional credit for various purposes, pursue livelihoods based on their

resources, skills and preferences and also to access other services and entitlements, both from the public and private sector. Therefore, Aajeevika will focus on building strong institutions of the poor into Self Help Groups (SHGs), their federations and livelihoods collectives.

35.14 The two major strategic shifts under Aajeevika, vis-à-vis SGSY are that

- (i) Aajeevika will be a demand driven programme and the states will formulate their own poverty reduction action plans under it based on their past experience, resources and skills base and
- (ii) Aajeevika will provide for a professional support structure for programme implementation at all levels from National to Sub district level in different streams.

35.15 In order to improve the present status of women in Agriculture, and to enhance the opportunities for her empowerment , Government of India has announced "**Mahila Kisan Sashaktikaran Pariyojana**" (MKSP), as a sub component of the Aajeevika.

#### **Indira Awaas Yojana (IAY):**

35.16 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 Rs 35,000 per unit in the plain areas and Rs 38,500 in hilly/difficult areas. For upgradation of kutcha house, the financial assistance is Rs 15,000 per unit. In addition to the unit assistance availed under IAY, a beneficiary can also borrow a top-up loan up to Rs 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.

35.17 During 2011-12, the IAY Guidelines have been relaxed and modified in 60 identified naxal affected districts. 60 identified IAY districts are now treated as difficult areas and are eligible for higher rate of unit assistance of Rs 48,500/- provided in hilly/difficult areas.

Since inception of scheme about 272.83 lakh houses have been constructed with an expenditure of Rs78986.81 crore (upto end 2011). Further, for the current financial year 2011-12, Rs 10000.00 crore has been provided for Rural Housing, out of this Rs 9491.20 crore has been earmarked under IAY for release to the various districts of various States for construction of 27.27 lakh houses. Besides this, Rs 500 crore has been kept for homestead scheme. Thus the total earmarking for IAY is Rs 9991.20 crore. Physical Target for the year has been set at 27.27 lakh houses out of which till December 2011, a total of 11.07 lakh houses have been constructed and another 26. 41 lakh houses are under construction.

35.18 Rural Housing is one of the six components of **Bharat Nirman** Programme. Under Bharat Nirman Programme Phase-I, 60 lakh houses were envisaged to be constructed through Indira Awaas Yojana all over the country during the four years i.e. from 2005-06 to 2008-2009. Against this target, 71.76 lakh houses were constructed with an expenditure of Rs.21720.39 crore. The target for the next five years period starting from the year 2009-10, has been doubled to 120 lakh houses. During the first two years of the Bharat Nirman Programme Period-Phase-II, approx. 70.81 lakh houses have been constructed.

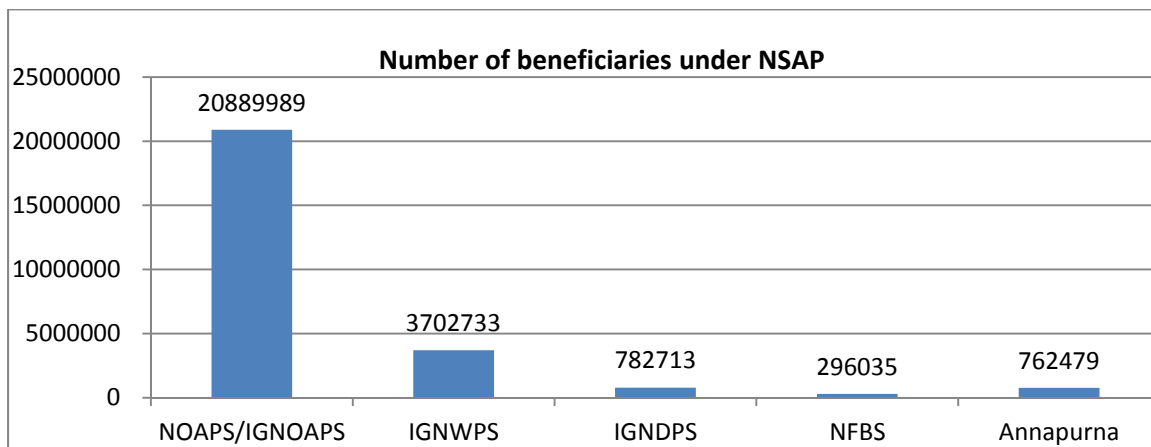
35.19 **Pradhan Mantri Gram Sadak Yojna (PMGSY):** The 100 % centrally sponsored scheme was launched in December 2000 with the objective of providing connectivity by all weather roads to about 1.6 lakh unconnected habitation with population of 500 or above ( 250 in case of hills, desert and difficult areas). Till 2010-11, about 3.2 lakh Km length of roads works was completed at an expenditure of about Rs 80551 Cr.

35.20 Government of India has identified 'Rural Roads' as one of the six components of 'Bharat Nirman' with a goal to provide connectivity to all eligible unconnected habitations with a population of 1,000 persons and above (as per 2001 census) in plain areas and 500 persons and above in the case of hilly or Tribal areas – Schedule V) with an all-weather road. Upto January, 2012, a total of 42,531 habitations were connected out of 63,940 habitations to be connected and works for 58,387 habitations was sanctioned. In 2011- 12, a target of 4000 habitation was set to be covered and 33,000 kms of road length was to be constructed. Till January 2012, a total of 4142 habitations were covered and 21750 kms of road was constructed.

35.21 **National Social Assistance Programme (NSAP):** This was introduced in the budget of 95-96 and it included **National Old Age Pension Scheme (NOAPS)**, **National Family Benefit Scheme (NFBS)** and **National Maternity Benefit Scheme (NMBS)**. In 2000 a new scheme known as **Annapurna Scheme** was launched with an aim to provide food security to those senior citizens who, though eligible had remained uncovered under the NOAPS. With effect from 01.04.2011, the eligibility age for old age pension under IGNOAPS has been reduced from 65 years to 60 years and the amount of pension has been raised from Rs 200 to Rs 500 per month for those who are 80 years or above. In view of the modification in age limit, 278 lakh beneficiaries are estimated to be covered under IGNOAPS against 171 lakh beneficiaries covered during the year 2010-11.

35.22 In February 2009 two new Schemes namely **Indira Gandhi National Widow Pension Scheme (IGNWPS)** and **Indira Gandhi National Disability Pension Scheme (IGNDPS)** have been introduced under NSAP. During 2011-12, a total of 14 lakh beneficiaries were expected to be covered under the scheme.

35.23 During 2011-12, a total of RS 5703.17 Cr were spend under NSAP. Following figure indicates number of beneficiaries under various components of NSAP.



35.24 **Integrated Watershed Management Programme(IWMP):** The three watershed programmes of the Department of Land Resources namely **Drought Prone Areas Programme (DPAP)**, **Desert Development Programme (DDP)** & **Integrated Wasteland Development Programme (IWDP)** have been consolidated as a comprehensive programme named 'Integrated



Watershed Management Programme (IWMP)'. A total number of 1898 projects covering an area of 9.079 m ha were undertaken during 2011-12 and Central funds of Rs 1866 Cr were released. The cumulative total including as on 31<sup>st</sup> July 2012 was 5087 projects covering 24.213 m ha area and Central funds release of Rs 4249.33 Cr.

### **Rashtriya Gram Swaraj Yojna:**

35.25 During 2011-12, 365 gram panchayat ghars were sanctioned in Chhattisgarh, 277 in Punjab, 162 in UP and a total of 150 in other states – Haryana, Karnataka, Odisha & Rajasthan . The total units sanctioned since 2006-07 is 4,484 . In addition to this, about 304 units of training infrastructure has also been sanctioned under RGSY along with 2491 block resource centres sanctioned under BRGF.

### **Rural Electrification:**

35.26 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:**

35.27 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)**

35.28 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.

35.29 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.

35.30 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.

35.31 Schemes for **Basic Services to Urban Poor (BSUP) & Integrated Housing & Slum Development Program (IHSDP)** are administered by Ministry of Housing & Urban Poverty Alleviation. **Rajiv Awas Yojna** aims at slum free planning of cities whereby cities would be developed as per 'Whole City' concept redeveloping the slums , providing basic infrastructure including affordable housing and sanitation.

### **National Urban Sanitation Policy**

35.32 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:

(i) **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 in a better position.

(ii) **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.

35.33 **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.

35.34 **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.

**35.35 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.

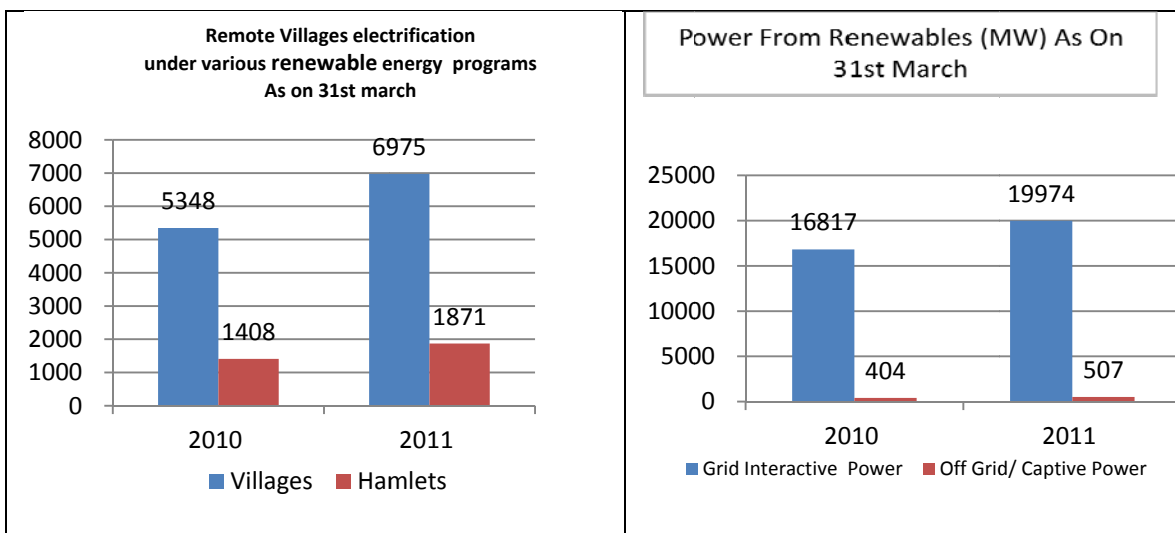
**35.36 Renewable Energy for Urban, Industrial and Commercial Application:**

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.

**35.37 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.

**35.38** Following graphs summarize the development in various renewable energy programs during last year:



35.39 **Source of Information** : Various components of rural & urban development are dealt by different Departments/ Ministries. consolidated information for most of the schemes relating to rural development is available with **Ministry of Rural Development** (IWMP – D/o Land Resources & Rest with D/o Rural Development). However, information wrt sanction of panchayat ghars/resource centres at Panchayat Level through Rashtriya Gram Swaraj Yojna is maintained by **Ministry of Panchayati Raj**. Information pertaining to individual schemes is also available in the website of respective schemes like iay.nic.in (Indira Awas Yojna), sgsy.nic.in (Swarna Jayanti Gramin Swarozgar Yojna), nrega.nic.in (Mahatma Gandhi NREGA) etc. Information on various programs related to renewable energy is maintained by **Ministry of New & Renewable Energy** whereas information on JNNURM is maintained by **Ministry of Urban Development**. The information on BSUP & IHSDP- Rajiv Awas Yojna is maintained by **Ministry of Housing & Urban Poverty Alleviation**

**Reference** : Annual Report 2011-12, Ministry of Rural Development.