

Rajiv Awas Yojana (RAY)

Scheme Guidelines
2013-2022



Ministry of Housing & Urban Poverty Alleviation
Government of India



PREFACE

Hon'ble Prime Minister in his address to the Nation on 15th August 2009 stated “We had started the Jawaharlal Nehru National Urban Renewal Mission for the urban areas. We will accelerate this programme also. Today, lakhs of our citizens live in slums which lack basic amenities. We wish to make our country slum free as early as possible. In the next five years, we will provide housing facilities to slum dwellers through a new scheme, Rajiv Awas Yojana.”

In pursuance of this vision of “Slum free India”, Rajiv Awas Yojana (RAY) was launched in June 2011 in two phases; the preparatory phase for a period of two years which ended in June 2013 and implementation phase. Central Government has approved the implementation phase for the period of 2013-2022.

RAY envisages two-step implementation strategy i.e. preparation of Slum free City Plan of Action (SFPCoA) and preparation of projects for selected slum.

This is the main scheme guidelines which broadly describe the Scope, Coverage, Reforms, Implementation Approach, Central Assistance, Administrative and Implementation structure and Monitoring mechanisms under RAY.

Further, operational guidelines issued separately to deal with specific issues related to implementation of the scheme are as follows:

1. Guidelines for Reforms
2. Guidelines for GIS, MIS and GIS-MIS Integration
3. Guidelines for preparation of Slum-free City Plan of Action
4. Guidelines for Community Participation
5. Guidelines for preparation of Detailed Project Reports
6. Guidelines for Project Management
7. Guidelines for Social Audit



8. Guidelines for Capacity Building

9. Quality Assurance Manual

Guidelines for Affordable Housing in Partnership Scheme will be issued separately.

These guidelines supersede all earlier guidelines issued by the Ministry in this regard. The Ministry of Housing & Urban Poverty Alleviation may modify these Guidelines as required from time to time with the approval of Hon'ble Minister (HUPA).



1. Vision

Rajiv Awas Yojana (RAY) envisages a “Slum Free India” with inclusive and equitable cities in which every citizen has access to basic civic infrastructure, social amenities and decent shelter.

2. Mission

Encourage States/Union Territories (UTs) to tackle slums in a definitive manner, by focusing on:

- 2.1. Bringing all existing slums, notified or non-notified (including recognised and identified) within the formal system and enabling them to avail the basic amenities that is available for the rest of the city/UA;
- 2.2. Redressing the failures of the formal system that lie behind the creation of slums by planning for affordable housing stock for the urban poor and initiating crucial policy changes required for facilitating the same.

3. Objectives

- 3.1. Improving and provisioning of housing, basic civic infrastructure and social amenities in intervened slums.
- 3.2. Enabling reforms to address some of the causes leading to creation of slums.
- 3.3. Facilitating a supportive environment for expanding institutional credit linkages for the urban poor.
- 3.4. Institutionalizing mechanisms for prevention of slums including creation of affordable housing stock.
- 3.5. Strengthening institutional and human resource capacities at the Municipal, City and State levels through comprehensive capacity building and strengthening of resource networks.
- 3.6. Empowering community by ensuring their participation at every stage of decision making through strengthening and nurturing Slum Dwellers’ Association/Federations.



4. Scope

- 4.1. RAY is to be implemented in a mission mode and will provide financial support to States/UTs/Urban Local Bodies (ULBs)/Central Government Agencies, hereafter called implementing agencies, for providing housing and improvement of basic civic infrastructure and social amenities in each selected slums. Rental and transit housing will be admissible under the scheme. Operation and maintenance (O&M) of assets created under this scheme will also be eligible for funding.
- 4.2. RAY will also extend financial support to States for creation of affordable housing stock through public-private partnership (PPP) under the Affordable Housing in Partnership (AHP) component of the scheme.

5. Duration

The implementation phase of the scheme is for the period 2013-2022.

6. Coverage

- 6.1. The scheme is applicable to all cities/UAs of the country. The selection for seeking assistance under the scheme will be made by the States in consultation with the Centre. The cities/UAs covered under preparatory phase of RAY are automatically included under implementation phase of RAY. The following criteria may further be followed for selection of cities and UAs:
 - 6.1.1. Cities/UAs with large proportion of slum dwellers should be given priority.
 - 6.1.2. District headquarters, cities of religious, historic, cultural, heritage and tourist importance may be given preference.
 - 6.1.3. Cities/UAs with predominance of SC/ST/minority population/other vulnerable section of the society may be accorded priority.
 - 6.1.4. States/UTs will require to assess their own resource mobilisation capacity and availability of allocated funds under the scheme while selecting cities.
- 6.2. The scheme is applicable to all slums within a city, whether notified or non-notified (including identified and recognised), whether on lands belonging to Central



Government or its Undertakings, Autonomous bodies created under the Act of Parliament, State Government or its Undertakings, Urban Local Bodies or any other public agency and private sector. It is also applicable to “urbanized villages” inside the planning area of the city, urban homeless and pavement dwellers.

7. Implementation Approach

Two step implementation strategy would be adopted i.e. preparation of Slum-free City Plans of Action (SFCPoAs) on ‘whole city’ basis and Detailed Project Reports (DPRs) on ‘whole slum’ basis for selected slums. The implementation approach has the following main elements:

7.1. Preparation of Slum-free City Plans of Action (SFCPoA):

- 7.1.1. The SFCPoA will be an overall action plan of the ULB with investment requirements projected and prioritized for improving/developing the existing slums and providing houses including basic civic infrastructure and social amenities for the urban poor for the next 10-15 years.
- 7.1.2. Selected cities will draw up their SFCPoA in accordance with the detailed guidelines on the subject, with the overall goal of tackling the problem of slums in a systematic and time bound manner.
- 7.1.3. SFCPoAs would be for a city as a whole, but within a city the implementation of slum up-gradation/redevelopment may require to be phased out and paced as per the financial and resource capacity of the implementing agencies.
- 7.1.4. The strategy to tackle slums would need to be in two parts – a) Curative Strategy for slum redevelopment of all existing slums; and b) Preventive Strategy for containment of growth of future slums.
- 7.1.5. As described in the SFCPoA guidelines, under the curative strategy, the main steps are identification of all slums, slum mapping, profiling, tenability analysis, prioritisation based on assessment of housing and infrastructure deficiency in each slum, formulation of development options for each slum. Under the preventive strategy, the main steps would involve assessment of housing shortage for the urban poor, framing supply options for the urban poor and enabling policy reforms for supply of urban poor housing.



- 7.1.6. As preparation of SFCPoAs would take some time, States/UTs may submit projects of specific slums for consideration and sanction, pending the preparation of SFCPoAs in the first year of the scheme. Slums taken up for intervention under RAY should be part of prioritised slums in SFCPoAs. Projects approved in RAY pilot phase would be integrated in the RAY implementation phase and funding and release pattern as in implementation phase will be applicable for DPRs approved in pilot phase.
- 7.1.7. States would also require to develop mechanisms to implement all mandatory reforms under RAY, mechanisms and structures for community mobilisation, private sector participation and institutional and human resource capacity.
- 7.1.8. Each completed SFCPoAs will be submitted for technical review of the sub-committee under Central Sanctioning & Monitoring Committee (CSMC) and after incorporation of comments, it would be placed before the CSMC for consideration and acceptance.

7.2. Preparation of Detailed Project Reports for the Selected Slums

- 7.2.1. On the basis of prioritization of slums in SFCPoAs, cities would be required to prepare Detailed Project Reports (DPRs) following a 'whole slum' approach. In each selected slum, an integrated approach would be adopted with the provision of housing, basic civic infrastructure and social amenities. DPRs should include details of arrangements for convergence of inputs of health, education, social security, livelihoods and connectivity to city civic infrastructure from existing schemes and programmes of State/ULB/Centre.
- 7.2.2. Infrastructure components would include all basic civic infrastructure and social amenities like water supply, sewerage, drainage, solid waste management, approach and internal road, street lighting etc. and community facilities such as pre-schools, child care centres, health centres/sub-centres, livelihoods centres etc.
- 7.2.3. The detailed DPR preparation guidelines must be referred while preparing the DPRs. The DPRs will have the financial and revenue model including commitment of State/ULB share required to complete the projects. DPRs



submitted to the Ministry for consideration shall contain duly authenticated detailed cost estimates, relevant drawings, prescribed undertaking by States/UTs and implementing agencies, list of beneficiaries, copy of necessary approvals etc.

- 7.2.4. In-situ development of selected slum would be preferred to ensure that development does not lead to loss of livelihood linkages or additional commuting hours leading to loss of income. Interventions in selected slums can be on the following lines:
- **Redevelopment:** Development of entire slum by providing adequate housing and infrastructure (civic and social) to the slum dwellers after demolition of the existing built structures.
 - **Upgradation:** Development of the entire slum by filling gaps in housing and infrastructure (civic and social) to the slum dwellers without complete demolition of the existing structures.
- 7.2.5. If temporary transit housing is required to accommodate the displaced slum dwellers of intervened slums, then it may also be proposed as part of the project DPR.
- 7.2.6. Slum relocation should preferably be selected as a method of slum-redevelopment for untenable slums and in such case, emphasis should be laid on providing mobility and recreating livelihood linkages. Such interventions would include adequate connected infrastructure (civic and social) on alternate site selected for such slum relocation.
- 7.2.7. Type of housing to be considered for slum upgradation/redevelopment/relocation, hereinafter referred to as slum intervention strategy, may include the following:
- **New housing:** Slum dwellers without *pucca* houses should be provided with new dwelling unit (Single storey or Multi-storied building) of carpet area between 21-27 sqm. with two rooms, kitchen, bathroom, water sealed toilet and individual potable water connection facility.
 - **Incremental housing:** During the assessment of housing needs, it may be



determined that the existing dwelling units built by the slum dwellers may need improvement i.e. if the dwelling unit is a *pucca* construction but having less than the desired minimum floor space or rooms, additional provision of rooms, toilets etc. should be considered to meet the minimum criteria so as to facilitate housing unit up-gradation. In case land is not available for expansion, vertical development may be considered. Provision of individual water supply, sanitation etc. should also be considered, where so required. As specified in the para above, for incremental housing also the central support shall be limited to the carpet area of 21-27 sqm.

- **Rental Housing:** Rental housing may be the preferred choice to accommodate tenants of slums, labourers, floating population and urban homeless. Recognising that managing such rental premises is challenging, States/UTs will be required to clearly enunciate mechanisms for managing such premises including fixation of rent, operation and maintenance, vacancy norms etc. The size of rental DUs is expected to be between 16-20 sqm. with shared civic infrastructure. However, rental DUs with size 21-27 sqm. can also be proposed in exceptional cases.

7.2.8. With regard to housing, full flexibility of approach is available for the manner of construction and arrangement of funds. Following models for execution may be adopted:

- **Beneficiary-led Execution:** Beneficiaries may be involved for construction of DUs which would result in better monitoring and implementation. Implementing agencies should ensure timely availability of funds required for the smooth progress and completion of projects. Funds to beneficiary should be released in not more than four instalments, the first of which can be before commencement of construction (10%), second once construction is upto plinth level (30%), third after construction is upto roof level (40%) and final instalment on completion of construction (20%). The exact quantum may be varied by implementing agencies as per local conditions.
- **Executing Agencies:** Execution of housing projects may be taken up by ULBs or parastatal agencies like Housing Boards, Development Authorities etc.



- 7.2.9. It would be expected that the implementing agencies will take into account the provisions of the City Development Plan, City Sanitation Plan etc while planning its interventions under RAY so as to achieve synergy with ongoing schemes/programmes. Each DPR would be submitted through the State Nodal Agency (SLNA) with approval of the SLSMC and would be considered for approval by Central Sanctioning and Monitoring Committee (CSMC). Each project would need to be in conformity with the SFPCoA except as mentioned in para 7.1.6.
- 7.2.10. Community should be involved at every stage, from planning through implementation and post-project sustenance, necessitating that the designing of slum development is done with people's participation, which will lead to community ownership and sustainability of the scheme. To have better coordination and participation in project formulation, implementation and post construction O&M, it is recommended that each slum should form cooperatives/associations of the resident slum dwellers or any other such structure. These can act as the representative body for giving ownership/lease rights, rent management, operation and maintenance e.g. paying of electricity, water bills, day-to-day maintenance of the premises etc.



8. Funding Pattern

8.1. The funding pattern is as per the table below:

Category	Type of City/Urban Agglomerations (UA) as per 2011 Census	Component	Contribution of			Beneficiaries (%)
			Centre (%)	State (%)	ULB (%)	
A	Cities/ UAs with Population 5 lakhs and above	Housing	50	25	-	25
		Infrastructure	50	25	25	0
B	Cities/ UAs having population less than 5 lakhs	Housing	75	15	-	10
		Infrastructure	75	15	10	0
C	Cities / UAs in North-Eastern Region and special category States (Jammu & Kashmir, Himachal Pradesh & Uttarakhand)	Housing	80	10	-	10
		Infrastructure	80	10	10	0

- 8.2. There will be an upper ceiling of ₹ 5 lakh per DU for cities with population more than 5 lakhs. This ceiling would be at ₹ 4 lakhs per DU for smaller cities with population less than 5 lakhs. In North East (NE) and special category States, upper ceiling would be at ₹ 5 lakh per DU irrespective of population of the city. Upper ceilings, as above, would also include cost of civic infrastructure and social amenities.
- 8.3. Cost of civic infrastructure and social amenities per DU should not exceed 25% of the cost.
- 8.4. Land cost will not be admissible for Central Government funding under the scheme.
- 8.5. Funds available under MPLAD/MLALAD may be used as a substitute for ULB share. The ULB share can also be borne by the State/UT or vice versa.
- 8.6. Beneficiary contribution is necessary to bring sense of ownership among the beneficiaries and is provided at the minimum of 10% in the case of SC/ST/OBC/PH/single woman/other weaker and vulnerable sections and 12% in case of general category.



- 8.7. For the Financial Year 2013-14, RAY will be implemented as Additional Central Assistance (ACA) Scheme wherein funds would be released to State by Ministry of Finance on the recommendations of CSMC. Thereafter, RAY will be implemented as Centrally Sponsored Scheme wherein funds would be released by Ministry of Housing & Urban Poverty Alleviation to States/UTs as per recommendations of CSMC.
- 8.8. States/UTs would be required to sign a Memorandum of Agreement (MoA) with Central Government agreeing to follow the RAY guidelines and undertaking required mandatory reforms as pre-requisite for taking central assistance under the scheme. In turn, concerned ULBs will also be required to sign a MoA with concerned State/UT to commit themselves to follow the RAY guidelines and required mandatory reforms. A copy of these MoAs is enclosed at Annexure I and II respectively.
- 8.9. Maintenance of the assets created under the scheme should preferably be carried out by the beneficiary or their association, if necessary, in partnership with ULBs. Upto 4% of the project cost is permissible as O&M fund under the scheme. Central Government will contribute one-time to this O&M fund in the applicable ratio for the city i.e. 50:50 for cities with population more than 5 lakh, 75:25 for cities with population less than 5 lakh and 80:20 for cities in North Eastern and special category States.
- 8.10. O&M Fund should be utilized as a corpus and placed at the disposal of the ULB. This fund should be used for implementation of O&M plan as agreed by the community for maintenance of assets created under the scheme like common structure of multi storey buildings, community centres etc.
- 8.11. Following activities will also be funded by Central Government in the ratio 50:50 for Cities with population more than 5 lakhs, 75:25 for cities with population less than 5 lakhs and 80:20 for NE and special category States. The unit cost/financial norms for the following activities will be determined by the CSMC.
- 8.11.1. Preparation of SFCPoA and various preparatory activities like slum survey, data entry, MIS, GIS mapping of slums, GIS-MIS integration and engagement of consultants.
- 8.11.2. For State level Technical Cells (SLTCs) the sharing between State and Centre would be in the ratio 50:50 except for NE and special category States where it will be in the ratio 80:20.



- 8.11.3. For City level Technical Cells (CLTCs) the sharing between State and Centre would be in the ratio 50:50 or 75:25, as the case may be, except for NE and special category States where it will be in the ration 80:20.
- 8.11.4. Preparation of DPRs, both for in-house or out-sourced.
- 8.11.5. Third Party Inspection and Monitoring Agency (TPIMA) and Project Management charges.
- 8.12. Procurement mechanisms as mandated by States/ULBs will be followed for all the activities prescribed under the scheme.
- 8.13. **Capacity Building, Administrative & Other Expenses (A&OE) and IEC activities:** 5% of the scheme allocation will be earmarked for these activities. Expenditure required for administering the Mission at the Ministry will also be met from this fund.
- 8.13.1. Ministry would be carrying out capacity building of State/City level officials dealing with slums and urban poverty, especially RAY and other stakeholders through training institutions as per the norms approved by the Ministry. Judicious mix of workshops and exposure visits will be conducted for building the capacities. Details will be provided in the guidelines being issued for this purpose. Ministry has been implementing the scheme of Urban Statistics for HR and Assessment (USHA) for development and maintenance of urbanization, slums, urban poverty and housing related statistics. USHA would be continued as a capacity building measure under RAY and will be further augmented and strengthened.
- 8.13.2. **A&OE:** For effective monitoring components such as Project Management Unit (PMU) at Central level, establishment of technical cells at both State and City levels, cost of preparation of SFCPoAs including preparatory activities for the same, preparation of DPRs, Third Party Inspection and Monitoring (TPIM) and Social Audit would be funded under this head.
- 8.13.3. **IEC:** IEC activities for dissemination and communication would be eligible for funding under this head.
9. **Reform Incentive Fund:** RAY is a reform driven scheme. As described below, apart from mandatory reforms, the scheme envisages to encourage optional reforms. In order to encourage States/UTs to take up optional reforms, a Reform Incentive Fund (RIF) has been



constituted. RIF is constituted out of funds remaining unutilized by States/UTs against their allocation for initial three years from the date of approval of the scheme. States/UTs carrying out optional reforms successfully will be eligible to pose projects for funding under this fund after three years of implementation of the scheme.

10. Reforms

RAY envisages reforms in urban governance by way of improving capacities, bringing in fiscal prudence, creation of land bank, simplified processes and procedures for creation of affordable housing stock, bringing in inclusive planning and providing security of tenure. Reforms are divided into mandatory reforms and optional reforms. The MoA as mentioned in para 8.8 above signed by States/UTs would include a timeline for implementation for mandatory reforms. Details will be provided in the guidelines being issued separately for the purpose.

10.1. Mandatory Reforms

10.1.1. Commitment and willingness to assign mortgageable and renewable, long-term (15 years) inheritable lease rights to slum dwellers who have been a resident of the slum for more than 5 years.

10.1.2. Reservation of 15% of residential FAR/FSI or 35% of dwelling units for EWS/LIG categories whichever is higher, with a system of cross-subsidisation in all future housing projects in accordance with guidelines to be prescribed by MoHUPA.

However, where Mission cities have given property rights or reserved land as per reform conditionalities under JNNURM and such orders/reservation is superior to the above, these reforms will not apply.

10.1.3. A non-lapsable earmarking of 25% of the budget of the municipality to provide basic services to the urban poor

10.1.4. Creating and establishing a municipal cadre for social/community development and urban poverty alleviation during the plan period.

10.2. Optional Reforms

10.2.1. Formulation of State Policy for Affordable Housing.

10.2.2. Amendments of Master Plans to provide for inclusive growth through inclusionary zoning and other measures for inclusive development.

10.2.3. Simplification of the processes and procedures of sanctioning buildings and