

**GOVERNMENT OF INDIA
HOUSING AND URBAN POVERTY ALLEVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3022
ANSWERED ON:13.12.2011
CONSTRUCTION OF HOUSES UNDER BSUP AND IHSDP
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Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

- (a) the reasons for delay in construction of houses under Basic Services for Urban Poor and Integrated Housing and Slum Development Programme;
- (b) whether the cost of houses has escalated due to the said delay and the one escalated cost would be charged from the beneficiaries;
- (c) if so, the reasons therefor; and
- (d) the remedial steps taken/proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF HOUSING AND URBAN POVERTY ALLEVIATION (KUMARI SELJA)

(a): The reasons for delay in construction of houses under Basic Services for Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) among other things are as under:

- (i) Lack of capacity/financial resources at the local/state levels – inability of urban local bodies to meet their share in particular,
- (ii) Difficulties in making slum residents temporarily relocate in the case of in situ projects,
- (iii) Beneficiaries' reluctance to move on to the new locations in the case of relocation projects,
- (iv) Cost escalation due to various factors,
- (v) Inability of beneficiaries to contribute their share and towards cost escalation,
- (vi) Availability of litigation free land, and
- (vii) Inadequate community involvement.

(b) and (c): The escalation in cost of houses is partly due to the delay in execution of projects. The main reason for cost escalation is steep increase in prices of steel and cement during 2007 to 2009. It is upto the States to meet the cost escalation out of the State /ULB/parastatal funds, as meeting such escalation from central funds is not permissible under BSUP and IHSDP Guidelines. However, in some instances, States are increasing the beneficiary contribution for housing to meet the cost escalation.

(d): States have been advised during the course of review meetings at Central/Regional and at State level as follows:

- (i) start the non-starter projects or propose, cancellation and replacement by alternative projects;
- (ii) achieve the completion of houses within the Mission period as early possible;
- (iii) provide additional state share to meet cost escalation and also where urban local bodies and beneficiaries are not in a position to contribute due to poor financial health.