

12
Ly (LF)

**STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT
(1996-97)**

ELEVENTH LOK SABHA

**MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT
(DEPARTMENT OF URBAN EMPLOYMENT
AND POVERTY ALLEVIATION)**

DEMANDS FOR GRANTS—1997-98

TWELFTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

TWELFTH REPORT

STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT
(1996-97)

(ELEVENTH LOK SABHA)

DEMANDS FOR GRANTS-1997-98

MINISTRY OF URBAN AFFAIRS AND EMPLOYMENT
(DEPARTMENT OF URBAN EMPLOYMENT AND
POVERTY ALLEVIATION)

Presented to Lok Sabha on 22.4.1997

Laid in Rajya Sabha on 22.4.1997



LOK SABHA SECRETARIAT
NEW DELHI

April, 1997/Vaisakha, 1919 (Saka)

C.U. & R.D. No. 047

Price : Rs. 20.00

© 1997 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eighth Edition) and Printed by Jainco Art India, 13/10, W.E.A., Saraswati Marg, Karol Bagh, New Delhi-110005.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
REPORT	
CHAPTER I An overview	1
(A) Analysis of Demands for Grants.....	1
CHAPTER II Plan Performance	4
(A) Review of 8th Five Year Plan	4
(B) Ninth Plan	6
CHAPTER III Urban Poverty Alleviation Programmes	10
(A) Urban Poverty	10
(B) Urban Basic Services for the Poor UBSP...	11
(C) Nehru Rozgar Yojana.....	13
(i) Scheme of Urban Micro Enterprises.....	15
(ii) Housing & Shelter Upgradation Scheme	17
(D) Night Shelter & Sanitation Scheme for Footpath Dwellers.....	19
(E) Prime Minister's Integrated Urban Poverty Eradication Programme	23
CHAPTER IV Autonomous & Statutory Organisations	26
ANNEXURE	28
APPENDIX	32

STANDING COMMITTEE ON URBAN AND RURAL
DEVELOPMENT (1996-97)

Shri Sontosh Mohan Dev — *Chairman*

MEMBERS

Lok Sabha

2. Shri Nand Kumar Sai
3. Shri Shivraj Singh Chauhan
4. Shri Lalmuni Chaubey
5. Shri Prahalad Singh Patel
6. Shri Chitrasen Sinku
7. Smt. Ketki Singh
8. Shri Sankar Prasad Jaiswal
9. Shri Chintaman Vanaga
10. Shri Ashok Singh
11. Shri Kishanlal Diler
12. Shri J.P. Aggarwal
13. Shri Sarat Pattanayak
14. Shri Joyanta Bhattacharya
15. Dr. B.N. Reddy
16. Shri Dilip Singh Bhuria
17. Shri Maruti Patil D. Shelke
18. Shri C. Narayanaswamy
19. Shri Basavaraj Rayareddi
20. Shri Subroto Mukherjee
21. Shri T. Govindhan
22. Shri L. Balaraman
23. Shri Ramakant Yadav
24. Shri D. Venugopal

..

25. Shri Chhayana Patrudu
26. Shri Anant G. Geete
27. Shri B. Dharma Biksham
28. Shri Ram Sajivan
29. Shri Surjit Singh Barnala
30. Shri Jai Parkash

Rajya Sabha

31. Shri Thennala Balakrishna Pillai
- *32. Shri Sushil Barongpa
33. Shri V. Rajeshwar Rao
34. Shri Radhakrishan Malviya
35. Shri Sitaram Kesri
36. Shri O.P. Kohli
37. Shri Suryabhan Patil Vahadane
38. Shri Jagdambi Mandal
39. Shri Bhagaban Majhi
40. Shri Nilotpal Basu
41. Shri V. Rajan Chellappa
42. Shri Solipeta Ramachandra Reddy
- @43. Shri Joy Nadukkara

SECRETARIAT

1. Shri S.N. Mishra — *Additional Secretary*
2. Smt. Roli Srivastava — *Joint Secretary*
3. Shri G.R. Jeneja — *Deputy Secretary*
4. Smt. Sudesh Luthra — *Under Secretary*
5. Shri P.V.L.N. Murthy — *Assistant Director*

* Nominated *w.e.f.* 5.11.95 *vice* Shri Ajit P.K. Jogi ceased to be Member of the Committee.

@ Ceased to be Member of the Committee consequent upon his retirement from Rajya Sabha *w.e.f.* 21.4.1997.

INTRODUCTION

1, the Chairman of Standing Committee on Urban and Rural Development (1996-97) having been authorized by the Committee to submit the Report on their behalf, present the Twelfth Report on Demands for Grants (1997-98) of the Department of Urban Employment & Poverty Alleviation of the Ministry of Urban Affairs and Employment.

2. Demands for Grants have been examined by the Committee under Rule 331E(1) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) on 2nd April, 1997.

4. The Report was considered and adopted by the Committee at its sitting held on 20th April, 1997.

5. The Committee wish to express their thanks to the Ministry Department for placing before them the requisite material in connection with examination of the subject.

6. The Committee wish to express their thanks to the officers of the Ministry/Department who appeared before the Committee and placed their considered views. They would like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
April 21, 1997

1 Vaisakha, 1919 (Saka)

SONTOSH MOHAN DEV,
Chairman,
Standing Committee on Urban and Rural
Development.

CHAPTER I

AN OVERVIEW

The Department of Urban Employment and Poverty Alleviation came into being from March, 1995. The Department is responsible for formulation of Housing Policy & Programmes (except Rural Housing), review of implementation of Plan Schemes, collection & dissemination of data on housing, building materials & technology and nodal responsibility for National Housing Policy (NHP); Human Settlements including UN Commission for Human settlements; International Cooperation & Technical Assistance in the field of Housing & Human Settlements; Implementation of specific Urban Employment Schemes viz. PM's Integrated Urban Poverty Eradication Programme (PM's IUPEP), Nehru Rozgar Yojana (NRY); and Urban Basic Services for the poor (UBSP).

1.2 The estimated strength of establishment of the Department as on 1st March, 1997 stands at 87 with a provision of Rs. 90.84 lakhs for 1997-98.

A. Analysis of Demands for Grants (1997-98)

1.3 The Detailed Demands for Grants of the Department of Urban Employment and Poverty Alleviation were laid in Lok Sabha on 18.03.1997 containing the following Revenue and Capital expenditure:

(Rs. in crores)

	Revenue	Capital	Total
Charged	—	—	—
Voted	219.41	40.00	259.41

1.4 It may be seen from the Demands for Grants for the year 1997-98 that the total Demand under Demand No. 83 Deptt. of Urban Employment and Poverty Alleviation is Rs. 259.41 crores out of which Rs. 40 crores is on Capital side and Rs. 219.41 on the Revenue side. The details of financial requirements for different programmes/activities are given in Annexure.

1.5 The budget allocations, Actuals for 1995-96, BE & RE 1996-97 and BE 1997-98 of the Department of Urban Employment & Poverty Alleviation are given below:—

Revenue Section

(Rs. in crores)

Actuals 1995-96		BE 1996-97		RE 1996-97		BE 1997-98		Total
Plan	NP	Plan	NP	Plan	NP	Plan	NP	
207.09	1.58	214.85	1.40	165.00	1.35	218.00	1.41	219.41

Capital Section

16.00	6.00	16.00	5.00	16.00	5.00	35.00	5.00	40.00	
Total	223.09	7.58	230.85	6.40	181.00	6.35	253.00	6.41	259.41

1.6 It may be seen from the above that there has been only a marginal increase of Rs. 3.15 crores in the total plan expenditure at Rs. 218 crores in 1997-98 as compared to Rs. 214.85 crores in 1996-97 on the Revenue side, while the Capital expenditure on the plan side has increased from Rs. 16 crores in BE 1996-97 to Rs. 35 crores in BE 1997-98.

1.7 The allocations envisaged for 1997-98 in respect of some of the major schemes/Programmes *vis-a-vis* the BE & RE 1996-97 are as under:

(Rs. in crores)

Sl. No.	Scheme/ Programme	BE 1996-97	RE 1996-97	BE 1997-98
Revenue Section				
1.	UBSP	17.50	17.50	19.80
2.	PM's IUPEP	99.60	70.60	87.60
3.	NRY			
	(i) SUWE	25.17	19.60	26.45

Sl. No.	Scheme/ Programme	BE 1996-97	RE 1996-97	BE 1997-98
	(ii) SUME	30.24	30.24	38.10
	(iii) SHASHU	14.27	10.07	15.07

Capital Section

4.	Equity to HUDCO for Housing	15.00	15.00	35.00
----	--------------------------------	-------	-------	-------

1.8 Some of the noteworthy Schemes/Programmes are dealt with in the succeeding Chapters.

1.9 From the broad analysis of the budgetary provisions for 1997-98 of the Department, it is observed that as compared to Rs. 237.25 crores in 1996-97, the allocation made for 1997-98 at Rs. 259.41 crores (both Plan and Non Plan) has increased by about Rs. 22.16 crores. The allocation in the Capital Section increased by Rs. 19.00 crores, from Rs. 16 crores in 1996-97 to Rs. 35 crores in 1997-98, while the allocation in Revenue Section increased by about Rs. 3.16 crores only, from Rs. 216.25 crores in 1996-97 to Rs. 219.41 crores in 1997-98.

Furthermore, the Committee note that though there have been some increases in many poverty alleviation schemes, in the Budget estimates for 1997-98, they are constrained to observe that the Revised estimates for 1996-97 have shown sharp downtrends in respect of PM's IUPEP & SHASHU under NRY. The Committee regret to note that the BE for 1997-98 in respect of PM's IUPEP has in fact decreased by Rs. 12.00 crores over the BE 1996-97. The Committee, therefore, desire that Government should ensure that funds earmarked are utilised fully so as to enable eradication of urban poverty and provide employment to the urban poor in a substantial manner. They also desire that the down scaling of the Budget Estimates at the RE stage as is noticed in 1996-97 must be avoided in future to the extent possible.

CHAPTER II

PLAN PERFORMANCE

A. Review of 8th Five Year Plan

The following table shows the VIIIth Five Year Plan outlays in respect of Urban Employment sector :—

(Rs. in crores)

S.No.	Scheme/Programme	8th Plan outlay (1992-97) Budgetary Support	IEBR	Total
1.	Nehru Rozgar Yojana	227.00	—	227.00
2.	Urban Basic Services for the poor	100.00	—	100.00

2.2 Some of the important areas/objectives identified for the 8th Plan 1992-97 for this Deptt. are :

- (i) **Housing** : The core strategy of the 8th Five Year Plan consists of creating an enabling environment for housing activity—an important component of the national economy, by eliminating constraints and providing direct assistance to the specially disadvantaged groups.
- (ii) **Urban Poverty** : Amelioration of Urban Poverty accorded priority in the 8th Five Year Plan. A four pronged strategy was adopted to eradicate urban poverty comprising (a) employment creation for low income communities through promotion of micro-enterprise and public works; (b) housing and shelter upgradation; and (c) environmental upgradation of slums etc.
- (iii) **UBSP** : The Programme envisages fostering community structures ensuring effective participation of urban poor in developmental activities and providing a platform to other social sector programmes.

- (iv) **NRY** : Rs. 227 crores outlay with a target of 5.53 lakh beneficiaries under SUME, 228.01 lakh mandays of work to be generated under SUWE, 6.80 lakh dwelling units under SHASHU in respect of the three sub-schemes of NRY.

2.3 The physical and financial targets *vis-a-vis* the achievements in 8th Plan, scheme-wise up to 1996-97 is as follows :—

- (i) **UBSP** : The 8th Plan committed a budgetary outlay of Rs. 100 crores to achieve the target of 500 cities benefiting 70 lakhs urban poor. Till 1996-97, a sum of Rs. 76.68 crores was made available. The programme has benefited nearly 75 lakhs urban poor and has been implemented in 350 towns.
- (ii) **NRY** : During the 8th Plan, till 28.2.97, 7.58 lakh beneficiaries were assisted against a target of 5.23 lakh, 1.97 lakh persons trained against a target of 1.78 lakh persons under SUME, 260.04 mandays of work generated against a target of 225.66 under SUWE, 4.55 lakh dwelling units upgraded against a target of 5.13 lakh units and 0.65 lakh persons trained against a target of 0.62 lakh under SHASHU. Funds available under the three sub-schemes of NRY during the 8th Plan was Rs. 54,218 lakhs against which an expenditure of Rs. 48,853,67 lakh was incurred upto 28.2.97.

2.4 The Committee observe that Government accorded priority to amelioration of Urban Poverty and a four pronged strategy was adopted to tackle Urban Poverty by way of employment creation for low income communities through micro-enterprises, housing and shelter upgradation etc. in the 8th Plan. An outlay of Rs. 100 crores for UBSP and Rs. 227 crores or NRY was proposed with a target coverage of 500 towns and 70 lakh beneficiaries for UBSP and a target of 5.53 lakh beneficiaries under SUME, 228.01 lakh mandays of work to be generated under SUWE, 6.80 lakh dwelling units under SHASHU in respect of the three sub-schemes of NRY, respectively. The achievements under UBSP upto 1996-97 was 350 towns with 75 lakh beneficiaries at an expenditure of Rs. 76.68 crores. While 7.58 lakh beneficiaries were assisted under SUME, 260.04 lakh mandays of work generated under SUWE and 4.55 lakh dwelling units belonging to EWS were upgraded under the three sub-schemes of NRY during the 8th Plan upto 28.2.97.

The performance in respect the sub-schemes of NRY was satisfactory except under SHASHU, the physical targets were attained in respect of SUME & SUWE though under UBSP the coverage of towns fell below the target owing to lesser allocations. Similarly, under Nehru Rozgar Yojana also, the financial performance has left much to be desired though funds have been made available/released in excess of the original outlay of Rs. 227 crores to the extent of Rs. 261.54 crores as on 28.2.97. The committee, therefore, are of the view that allocation of funds be made keeping in view not only the achievements under the scheme but also the sustainability or otherwise of the enterprises so assisted under various programmes.

B. Ninth Plan

2.5 The National Housing Policy (NHP) has been adopted by the Government and the long term goal of the policy is to reduce houselessness, to improve the housing conditions of the inadequately housed and to provide a minimum level of basic services and amenities to all.

The Ninth Plan strategy will be to provide housing for all by the terminal year of the Plan by taking into account the upgradation of Kutchha units to semi-pucca and pucca units.

2.6 The Ministry identified the following as thrust area to attain the goal of housing for all by the terminal year of the IXth Plan :

The Common Minimum Programme (CMP) of the Government reinforced by the recommendation by all the States in the Chief Minister's Conference in June, 1996 envisages provision of affordable public housing and/or credit to all shelterless poor families so that the goal of providing shelter to every family is achieved by 2000 AD. Shelter for the houseless has been recognized as one of the seven basic minimum services identified as priority areas in the 9th Plan approach. The housing programmes in the Ninth Plan are to be targetted to achieve this end. Apart from this, the promotional activities undertaken during the 8th Plan period for promoting the use of cost effective building materials & technologies need to be continued with a new vigour during the Ninth Plan.

In line with CMP the thrust will be on following activities in the housing sector :

- (i) Direct assistance for augmentation of housing finance and stock for urban poor.

- (ii) Adoption of a variety of new initiatives apart from continuance of ongoing central sector schemes *viz.* (a) Night Shelter and Sanitation facilities for urban foot path dwellers; (b) Promotion of cost effective building materials and technologies through Building Centres after the validation of appropriate technologies by BMTPC; (c) The ongoing schemes for strengthening the data base on housing, budgetary support to HUDCO in the shape of equity/soft loans for EWS housing schemes, marginal support to NCHF etc. would need to be continued for consolidating the benefits derived out of these schemes.

2.7 On the question of the level of investment envisaged for the above purpose in the Ninth Plan, the Ministry stated in a note that the Working Group set up by the Planning Commission to evolve a strategy for urban housing has estimated the requirement of houses at about 16.76 million dwelling units. The Group has estimated that approximately Rs. 120,000 crores would be required to meet the above demand of housing during the 9th Plan. Against this the total flow of funds from formal sector comprising Government budgetary support and institutional finance such as LIC, GIC, Scheduled Commercial Banks, EPF, Housing Finance Companies, HUDCO, NHB etc., during the 9th Five Year Plan period will be of the order of Rs. 52,000 crores, out of which Rs. 34,000 crores will be for urban housing.

2.8 The targets fixed, outlays proposed in respect of certain on going schemes to be continued and New Schemes in the Ninth Plan is as follows :

Sl. No.	Name of the Scheme	9th Plan outlay Proposed (Rs. in crore)	9th Plan Proposed Physical Target
---------	--------------------	---	-----------------------------------

Ongoing Schemes to be Continued

1.	HUDCO Equity for Housing, UD and Water Supply	400.00	No physical target can be fixed. The equity support from Govt. would enable HUDCO to raise open market borrowings to sustain its operations. During 9th Plan, HUDCO proposes to sanction loans worth Rs. 14,000 crores.
----	---	--------	--

Sl. No.	Name of the Scheme	9th Plan outlay Proposed (Rs. in crore)	9th Plan Proposed Physical Target
2.	Housing Census periodic survey and MIS through National Bldg. Orgn. (NBO)	15.00	Plan provision will be utilised for strengthening building information system in NBO
3.	Grants to Building Materials and Technology Promotion Council (BMTPC)	28.75	Grants will be utilised for financing research and development activities in building materials & technology.
4.	Building Centres	12.00	It is proposed to operationalise 200 Building Centres during IXth Plan.
5.	Night Shelter/Sanitation for Pavement Dwellers	8.00	Provision will be used for providing night shelters/ Sanitation facilities as per demands.
6.	IYSH (to be renamed as Shelter Related Activities/Seminars/ Conferences/Workshops including international co-operation)	3.00	Plan outlay will be utilised for holding housing related seminars/workshops/ surveys etc. as per requirements.
7.	Grants of NCHF	1.00	The provision will be utilised for providing administrative expenditure of NCHF.
8.	OECE Pass through	45.00	The amount of Rs. 45 crores is for 1997-98 only.
New Schemes			
9.	Savings Linked Housing Sch. with LIC support & HUDCO loans for urban and rural poor	430.00	Only Token provision of Rs. 1.00 crores has been agreed by the Planning Commission for 1997-98. The details and modalities of the proposed Scheme to be worked out in consultation with LIC/HUDCO.
10.	Prime Minister's Awaas Yojana for urban poor affected by natural calamities	187.50	Only token provision has been agreed by the Planning Commission for 1997-98. The details of the Scheme to be worked out in consultation with HUDCO.
11.	Development of Indicators programme	10.00	Only token provision of Rs. 30 lakhs has been agreed by the Planning Commission for 1997-98. The details of the Schemes to be worked out.

Allocations for these Schemes have not yet been finalized by the Planning Commission.

2.9 The Committee note that the Ninth Five Year Plan strategy aims to provide housing for all by the terminal year of the Plan *i.e.* 2002 AD. Further, the Committee observe that shelter for the houseless has been recognised as one of the seven basic minimum services identified as priority area in the Ninth Plan approach. The major thrust will be on direct assistance for augmentation of housing finance and stock for urban poor and adoption of variety of initiatives apart from continuance of ongoing schemes like Night Shelter and Sanitation facilities for urban footpath dwellers, promotion of cost effective building material and technologies and strengthening of data base on housing and budgetary support to HUDCO in the shape of equity/soft loans etc. To attain the housing shortage of 16.76 million dwelling units, the Working Group set up by Planning Commission has estimated a requirement of approx. Rs. 120,000 crores during the Ninth Plan for Housing alone.

The Committee regret to note that though the Working Group of the Planning Commission estimated the Plan requirement of funds for Housing alone at Rs. 120,000 crores, the Ninth Plan outlays proposed by the Department in respect of new & ongoing schemes comes to only Rs. 1140.25 crores which is only about 10% of the estimated requirement for this sector along. The Committee are apprehensive, whether in the present position of the budgetary constraints faced by the Central Government even this amount would be finally allocated for this purpose. The Committee, therefore, desire that the Department should impress upon the Planning Commission to at least agree to the outlays suggested by it in view of the heavy shortage of housing and realise the objective of housing for all partially, if not fully by the terminal year of the Ninth Plan, *i.e.* 2002.

CHAPTER III

URBAN POVERTY ALLEVIATION PROGRAMMES

Urban Poverty Alleviation is a challenging task before the nation and its eradication requires an integrated attention to the economic, social and physical condition of the poor. The Central Government has accorded a high priority to the programmes meant for improving the life of urban poor and the Department of Urban Employment & Poverty Alleviation is monitoring implementation of four significant urban poverty alleviation programmes which are Nehru Rozgar Yojana, Urban Basic Services for the Poor, Environmental improvement of Urban Slums & Prime Minister's Integrated Urban Poverty Eradication Programme.

A. Urban Poverty

3.2 The bulk of the urban poor are living in extremely deprived conditions with insufficient physical amenities like low-cost water supply, sanitation, sewerage, drainage, community centres and social services relating to health care, nutrition, pre-school and non-formal education. A significant portion of the urban poor belong to Scheduled Castes, Scheduled Tribes and minorities. The need of the hour is to improve the skills of the urban poor and to assist them to set up micro enterprises thereby providing them avenues for enhancement of their incomes. Another major area for assistance to this target group is provision of funds for housing or shelter upgradation.

3.3 The urban population has increased by 36.19% from about 160 million in 1981 to about 217 million in 1991 further aggravating the scenario of urban employment. The National Sample Survey 43rd round (1987-88) has estimated that there are about 40 million persons living below the poverty line in Urban areas. However, according to Lakadwala Committee Report of March 1994 (set up by Planning Commission) about 86 million persons (40% in Urban India) as against total population of 217 million lived below the poverty line.

The number of persons below poverty line as per the methodology for 1993-94 by the Modified Expert Group stand at 763.37 lakhs constituting 32.36 percent of the total number of persons in Urban areas.

3.4 When asked whether the Department has taken into consideration the revised poverty level calculations devised by the Planning Commission based on the Report of the Modified Expert Group (1993-94), the representative of the Department stated during evidence that the Department has not received any report on the final estimates or the latest Report on Urban Poverty from the Planning Commission. The Department had projected a demand based on the 1993 figure of 27.02 million Urban poor.

3.5 The Committee observe with regret that while the estimates of Urban poor living below poverty line are varying between various surveys & Reports. The number of persons in Urban areas living below poverty line, as per the methodology adopted by the Modified Expert Group of 1993-94 stands at 763.37 lakh constituting 32.36 percent of an approximately 27.02 million Urban poor. The Committee are surprised to note that the Department has so far not received any information on the modified methodology of estimating the Urban poor living below poverty line while the counterpart Department of Rural Employment & Poverty Alleviation are in possession of the said Report of the Modified Expert Group. The Committee take a serious view of the state of affairs in the Department and are astonished to observe that the Department is functioning in a void like situation and are working without a sound basis. The Committee desire the Ministry to keep itself abreast of the developments around it so that its estimates of fund requirement etc. for various programmes of poverty alleviation are based on more realistic premises.

B. Urban Basic Services for the Poor (UBSP)

3.6 The Schemes of Urban Basic Services for the Poor (UBSP) seeks to bring about functional integration between the provisions of social services under UBSP and provision of physical amenities under the State Sector Scheme of EIUS. The broad goal of the Scheme is to create a facilitating environment in the quality of life of the urban poor. This is envisaged to be achieved through community organization and mobilization, empowerment of communities, decision making and community management to enhance the reach and effectiveness of the existing sectoral programmes for the urban poor.

3.7 A total outlay of Rs. 100 crores has been provided for the Scheme in the Eighth Plan to achieve a target of 500 cities benefiting 70 lakh Urban poor against which a sum of Rs. 76.68 crores (as on

28/2/97) was spent benefiting nearly 75 lakh Urban poor in 350 towns.

3.8 Asked what are the targets set forth, the amount proposed for the programme in each year in the Ninth Plan, the Ministry in a note stated that it is proposed to cover 75 lakh new beneficiaries (15 lakh beneficiaries per year), subject to availability of the following funds :—

Year	(Rupees in Crores)
1997-98	40.00
1998-99	45.00
1999-2000	55.00
2000-2001	65.00
2001-2002	70.00
Total	275.00

3.9 When asked how many towns are proposed to be covered under the Programme during each year of the Ninth Plan, the Ministry stated that as against the proposed allocation of Rs. 40 crores for the first year (1997-98) of Ninth Five Year Plan, only a sum of Rs. 20 crores has been allotted for the Programme. This amount is insufficient to cover the existing beneficiaries under the Programme and as such no physical targets of new towns and/or new beneficiaries can be fixed. However, subject to availability of the proposed allocation (Rs. 275 crores for the entire Ninth Five Year Plan) physical target of towns and new beneficiaries will be fixed.

3.10 The Committee are distressed to note that against Eighth Plan outlay of Rs. 100 crores for UBSP, the allocation/expenditure incurred as on 28/2/97 stands at Rs. 76.68 crores which is Rs. 6.07 crores less than the projected allocation as at the beginning of 1996-97. A yawning gap of Rs. 23.37 crores occurred despite the fact that 75 lakh urban poor have been benefited in 350 towns upto 28.2.97. The Committee take a serious view of the increase in the gap between the outlay envisaged and the allocations made for this Programme which in their opinion has resulted in shortfall of coverage of 150 towns. They are further dismayed to find that this

trend is likely to continue in 1997-98, because only Rs. 20 crores have been provided against a proposal of Rs. 40 crores for the Programme. They, therefore, recommend that funds be made available to the full extent to schemes performing satisfactorily for attainment of the objectives.

C. Nehru Rozgar Yojana

3.11 The Nehru Rozgar Yojana has been designed to provide employment to urban unemployed and under-employed poor. The employment contemplated is of two types—setting up of self-employment ventures and provision of wage employment through the creation of socially and economically useful assets and shelter upgradation programmes in urban areas.

3.12 The Yojana consists of three schemes *viz.* (i) Scheme of Urban Micro Enterprises (SUME), (ii) Scheme of Urban Wage Employment (SUWE) and, (iii) Scheme of Housing and Shelter Upgradation (SHASHU).

3.13 The entire expenditure on the Yojana is being shared on a 60:40 basis between the Central Government and the States from Eighth Plan onwards. The target group of the Yojana is urban poor while women and SC/ST beneficiaries constitute the special target groups.

3.14 On the question of achievements of Plan targets under NRY, the Department in a note stated that the financial progress is slightly on the lower side under SUME and SHASHU because majority of the projects are of such nature that the beneficiaries do not require skill upgradation training. So far as physical achievements are concerned there is little gap in the achievements of the target of dwelling units to be upgraded under SHASHU. It is hoped that the remaining targets will be achieved during the remaining one month of March, 1997 (of the Eighth Plan).

3.15 Asked whether the Ministry reviewed the progress of implementation of the Yojana, in the Eighth Plan period and if the Ministry was satisfied with the achievements as also the results of the reviews held so far, the Ministry stated in a written reply as follows :—

“Yes, the targets under all the components except upgradation of dwelling units under SHASHU, have been fully achieved. The slight

shortfall under SHASHU is on account of lack of State Government guarantees for recovery of the loan.”

3.16 Asked further what action is contemplated to rectify the drawbacks detected during such reviews, the Ministry further stated that it is proposed to increase the subsidy from Rs. 1000 to Rs. 2500 under SHASHU which may accelerate the pace of implementation.

3.17 When asked as to what is the level of investment proposed by the Ministry for Ninth Plan under the Yojana, sub-scheme wise, the Ministry stated that this Department has projected an allocation of Central share of Rs. 2117 crores for the Ninth Plan period. The sub-scheme wise details are as follows :—

	(Rs. in crores)
SUME (Subsidy)	630.00
SUME (T&I)	158.00
SUWE	647.00
SHASHU (Subsidy)	296.00
SHASHU (T&I)	74.00
A & OE	141.00
ULBs	106.00
NGOs	64.00
Salaries etc.	1.00

3.18 The Committee find that according to the Ministry the financial progress is slightly on the lower side in respect of SUME and SHASHU due to the reason that majority of the projects are of such nature where beneficiaries do not require skill upgradation training while on the other hand there is a little gap in the physical achievement of targets of dwelling units to be upgraded under SHASHU as on 28.2.97. The Ministry expects this gap to be covered before the end of the financial year 1996-97. The shortfall under SHASHU is reportedly on account of lack of State Government guarantees for recovery of loans.

The Committee further find that the Department has projected an allocation of Central share of Rs. 2117 crores for the Ninth Plan for the three sub-schemes of NRY. The Committee desire that the Department should take all measures to obtain the projected allocations for NRY to make it more viable and sustainable, if the Yojana is to be continued in the Ninth Plan.

(i) Urban Micro Enterprises Scheme (SUME)

3.19 The Urban Micro Enterprises Scheme is designated to encourage unemployed and urban youth to take up self-employment ventures. Under Urban Micro Enterprises Scheme, there are two elements the first is loan-cum-subsidy assistance or setting up self-employment ventures and the second element relates to providing training with a view to upgrading the technical and commercial skills of the beneficiaries. Infrastructural support is provided for technological upgradation, designs, marketing, etc. The allocation in BE 1997-98 for the scheme stands at Rs. 3810 lakhs.

3.20 The average per capita expenditure on training is Rs. 1200 per trainee. A subsidy of 25% of project cost provided for setting up micro enterprises with ceiling of Rs. 5000 for SCs/STs and women and Rs. 4000/- for general beneficiaries. The remaining amount is available from banks as loans. Upto the end 31.12.1996, 0.99 lakhs beneficiaries have been assisted and 0.35 lakhs persons trained under the scheme against a target of 1.17 lakh and 0.40 lakhs, respectively.

3.21 Asked whether the Ministry intends to continue the operation of the Scheme in the present form during the Ninth Plan, the Ministry stated in a written note as follows :—

“Yes the Schemes is likely to continue during the Ninth Plan as the Planning Commission has allocated funds for the first year of the Plan. The Scheme is likely to continue in the present form with slight modifications proposed as follows:—

- (i) The project cost ceiling to be raised to Rs. 1,00,000 with 15% as subsidy, subject to a ceiling of Rs. 7,500 per beneficiary and 5% of the project cost to be contributed as margin money by beneficiary. Rest of the project cost to come as loan from Commercial Banks.
- (ii) The average expenditure on SUME (T & I) per beneficiary to be Rs. 2,000 and the training period may vary from 2 to

6 months subject to a minimum of 300 hours. The stipend per trainee shall be Rs. 300 per month subject to a maximum of Rs. 1,000 if the duration of the training course exceeds 3 months."

3.22 On the question whether sustainability of the enterprise has been taken into consideration as a criteria for allocating finances at the time of review or monitoring the scheme, the representative of the Department stated during evidence as follows :—

"No."

3.23 Asked further as to what kind of review is being conducted without considering the sustainability aspect of the enterprises the witness further stated that the matter was being pursued by the Department with Finance Ministry and Planning Commission. A study has been sponsored to review the scheme and the sustainability aspect has to be studied by some Study Groups at the ground level as banks will not be able to pursue that.

3.24 It is observed that under the Scheme of Urban Micro Enterprises (SUME), though the physical and financial targets have largely been met during the 8th Plan, the allocation has been increased by Rs. 7.76 crores for 1997-98 as against Rs. 30.24 crores for 1996-97. The Committee regret to note that the Department proposes to continue the scheme in the 9th Plan in the present form only because the Planning Commission has allocated funds for the first year of the 9th Plan, *viz.*, 1997-98. They further note that the scheme is to be continued with slight modification of raising the project cost ceiling to Rs. 1 lakh with 15% subsidy subject to a ceiling of Rs. 7500 per beneficiary and rest of the project cost to be covered as loan from Commercial Banks.

3.25 Further, they are dismayed to note that the Ministry has not made any attempt to ensure the sustainability of the enterprises being funded by it, before the project cost ceiling modifications are implemented. It is regrettable to observe that the Ministry and the Planning Commission are allocating funds without first ensuring the viability and sustainability of the micro enterprises and thereby resulting in a virtual drain of resources through this scheme since no meaningful enterprise can survive based on the present levels of investment. So far, an amount of approx Rs. 100 crores has been spent on the scheme during the last 3-4 years alone. The Committee

is anguished to observe that the Ministry has paid scant regard to the recommendations/observations of the Committee in respect of the wisdom of continuing the scheme under the present form and has been investing hundreds of crores of rupees as commented upon by them in their 2nd Report on Demands for Grants (1996-97) and 10th and 20th Reports (10th Lok Sabha) on Nehru Rozgar Yojana. The Committee, therefore recommend that pending a final study and decision in consultation with Planning Commission and Department of Banking, Ministry of Finance on the aspects of viability and sustainability of the Micro Enterprises under the present guidelines, the scheme should be held in abeyance.

(ii) Housing and Shelter Upgradation Scheme (SHASHU)

3.26 Under the scheme of employment through housing and shelter upgradation, households belonging to economically weaker sections are assisted to construct simple dwellings or to upgrade their dwellings at a cost of Rs. 4,000. 25 per cent subsidy with a ceiling of Rs. 1,000 and a loan upto Rs. 9,950 from HUDCO at 10 per cent rate of interest is made available for this purpose. Additional financial requirements are met by way of loans from HUDCO under the scheme for EWS Built Houses or from Scheduled Banks.

3.27 Training is provided to urban poor beneficiaries under the scheme with an average, per-capita expenditure of Rs. 1,500 on trainees. Fifteen per cent of the funds earmarked for training and infrastructure (T&I) support is available for support to training institutions.

3.28 The municipal bodies identify beneficiaries by conducting household surveys with assistance from Neighbourhood Committees, Urban Basic Services Units where existing and NGOs etc.

3.29 As on 28.2.97 4.56 lakh dwelling units have been upgraded and 0.66 lakh persons trained under SHASHU against targets of 5.13 lakh and 0.62 lakh respectively, during the 8th Plan.

3.30 Asked whether the Ministry intends to review the current norms of subsidy etc. applicable for the scheme, the Ministry in a written note stated :—

“Yes, the Department has proposed the following amendments

- (i) Ceiling on subsidy and loan to be raised to Rs. 2,500 and Rs. 10,000 respectively with other conditions remaining the same.

••

- (ii) The average expenditure on SHASHU (T & I) per beneficiary to be raised to Rs. 2,000 and the training period may vary from 2 to 6 months subject to a minimum of 300 hours. The stipend per trainee shall be Rs. 300 per month subject to a maximum of Rs. 1,000 if the duration of the training course exceeds 3 months."

3.31 Asked whether the Ministry was satisfied with the performance of NGOs/Voluntary Organisations in the working of the scheme, the Department replied that the identification and monitoring of the performance of Non-Governmental Organisations (NGOs) is not done at the Central level.

3.32 Unspent funds carried over from the previous years and expenditure incurred during the last two years under SHASHU are as under :—

(Rs. in lakhs)

Year	Funds available (Central+State)	Expenditure reported	Unspent funds
1995-96	11,499.67	1388.06	10,111.61
1996-97	10,111.61	497.19	9,614.42
Total	21,611.28	1885.25	19,726.03

3.33 Asked what are the reasons for availability of unspent funds and the amounts that remained unspent *vis-a-vis* the allocations under the scheme of Housing and Shelter Upgradation (SHASHU), the Department stated that the main reasons for availability of unspent funds under SHASHU are :—

- (i) States are not coming forward to furnish the State guarantee for the schemes sanctioned by HUDCO;
- (ii) The urban poor, mostly the slum dwellers are occupying Government/Private land unauthorisedly and State Governments/ULBs are not willing to provide security of tenure to these dwellers.

No subsidy funds under SHASHU have been released during the years 1995-96 and 1996-97. However, an amount of Rs. 2.47 crores was

released under training component only during 1995-96. The main reasons for non-release of funds are diversion of funds to the newly launched scheme of PMI UPEP in 1995-96, imposition of economy cut in both the years and availability of surplus funds with HUDCO.

3.34 It is observed with regret that the performance under the scheme of Housing & Shelter Upgradation (SHASHU) the third sub-scheme of NRY has been well below the targets set for it in the 8th Plan. The Committee are peeved at the poor performance owing to the reported lack of participation from the State Governments on account of their inability to provide guarantees for shelter upgradation for the loan component under the scheme. The Committee are also distressed to find that there have been huge unspent funds under the scheme during the last two years amounting to Rs. 19,726.03 lakhs in 1995-96 and 1996-97, while expenditure reported was only Rs. 1885.25 lakhs against an availability of Rs. 21,611.28 lakhs in the same period. There has been an overall shortfall of 0.57 lakh dwelling units for upgradation as on 28.2.97. Further, the Department proposes to review/raise the ceilings on subsidy and loan under the scheme. The Committee are constrained to observe that the proposed review by Government of the norms under the scheme should not be limited to only the norms of subsidy but Government should also make a study as to how participation of State Government alongwith the role of Urban Local Bodies including elected representatives could be increased to make the implementation of the scheme effective to enable the realisation of the set targets and objectives of the scheme. The Committee, therefore, cannot but conclude, that poor performance under the scheme is also attributable to huge availability of unspent funds as also diversion of funds to the newly launched scheme of PM's IUPEP in 1995-96. The Committee, therefore, desire that steps be taken for fuller utilisation of funds as well as stop diversions to other schemes to improve the performance under the scheme.

D. Night Shelter and Sanitation Scheme for Footpath Dwellers

3.35 The scheme was launched in 1988-89 to ameliorate the shelter condition of absolutely shelterless in metropolitan cities. Since 1990-91, this scheme is being implemented through HUDCO. Budget Provision of Rs. 10 lakhs for the year 1995-96 could not be utilised as HUDCO could not utilize the Central subsidy released during the previous years.

3.36 The scheme has been reviewed by a Working Group set up by the Planning Commission to formulate strategy for Urban Housing for the Ninth Plan and the Group has recommended continuation of this scheme during the 9th Plan, for the following reasons :—

- (i) The scheme aims at providing some kind of shelter, although temporary to the absolutely shelterless in dire need of shelter.
- (ii) The sanitation component of the scheme would keep our cities, particularly the metropolitan ones clean.
- (iii) The scheme provides security to the shelterless women and children.

3.37 Asked why HUDCO could not use the Central subsidy given during previous years, the Ministry stated that this scheme was launched in 1988-89. Since 1990-91, this scheme is being implemented through HUDCO. HUDCO could not utilise the Central subsidy released during the previous years due to lack of response for this scheme from States/Municipal agencies for variety of reasons like, non-availability of land in the core areas in the cities, high recurring cost of maintenance and other related problems.

3.38 When asked what are the reasons for delay of about two years in formal implementation of the scheme of Night Shelter and Sanitation for footpath dwellers, the Ministry stated that the scheme was launched in 1988-89. During the first two years, the scheme was implemented by the Ministry through various State Governments. A total number of ten projects envisaging construction of 9852 individual shelters for urban footpath dwellers, 34 pay-and-use toilets blocks, 3 night shelter projects accommodating 2210 pavement dwellers were sanctioned by this Ministry for the States of Andhra Pradesh, Maharashtra, Tamil Nadu and West Bengal. These projects were executed in various metropolitan cities in these State by States agencies. It was felt later on that it would be more appropriate to involve HUDCO with the implementation of the scheme due to the fact that HUDCO has the appropriate machinery for appraisal and monitoring of projects as it has a network of regional/zonal/development offices all over the country. Accordingly, it was decided to implement the scheme through HUDCO from 1990-91 onwards. So there has been no delay in the implementation of the project.

3.39 Asked why the grant under this head has been increased to Rs. 60 lakhs in RE 1996-97 and Rs. 100 lakhs in BE 1997-98 when HUDCO could not utilise this subsidy in previous years, the Ministry stated that HUDCO has so far sanctioned 56 schemes with Central subsidy for Rs. 9.13 crores for the construction of 19366 beds and 5258/64/145 WC/bath/urinals. Against this Rs. 4.60 crores have been released by the Ministry till end of 1995-96, which has been utilised by HUDCO entirely. Thus HUDCO is in the need of the balance amount of Rs. 4.53 crores for the implementation of the sanctioned schemes. Keeping in view the pace of actual release of subsidy amount by HUDCO, this Ministry has increased the provision in the RE 1996-97 to Rs. 60 lakhs and proposed a provision of Rs. 100 lakhs in the BE 1997-98.

3.40 On the question of the steps the Ministry propose to take for effective implementation and fuller utilisation of funds earmarked for the scheme, the Ministry replied that to remove the shortcomings of the scheme, the guidelines were modified in 1993 by adding some remunerative component to it. Since then the scheme is gradually picking up in the various parts of the country.

3.41 Asked what are salient features of the modified guidelines issued by the Department in respect of Night Shelter and Sanitation Scheme for footpath dwellers, the Ministry in a note stated that in the light of experience gained with the working of the scheme and suggestions received from the State Governments and local agencies, the guidelines were later modified. The modified guidelines provide for construction of Night shelters and community pay and use toilets together with remunerative components so as to reduce the loan burden on the implementing agencies and to defray the maintenance cost to some extent.

The scheme has the following two components :—

- (i) Construction of community night shelters with community toilets and baths.
- (ii) Construction of community pay and use toilets/bath for the homeless.

These two components can be part of an overall complex of commercial or remunerative facilities or civic infrastructure.

3.42 For the construction of night shelter a Central subsidy a Rs. 1000/ per beneficiary and HUDCO loan @ Rs. 4000/- per beneficiary is made available. For the construction of pay and use toilets Central subsidy @ Rs. 350/- per seat per user is being provided. The implementing agencies are free to mobilise their own resources in addition to Central subsidy without seeking HUDCO loan.

3.43 The projects under the scheme will be formulated, implemented and operated by the Municipal Bodies or agencies designated by the State Governments or Municipal Corporations. Apart from State or Local agencies, the private agencies including voluntary organisations/NGOs which are recommended by the State Government or its agencies could also be associated with the implementation and management of the schemes. Earlier NGOs were not involved in the implementation of the scheme.

Construction of individual shelter as envisaged in the old scheme was discontinued as per the modified guidelines.

3.44 The Committee note that the Night Shelter & Sanitation Scheme for footpath dwellers was launched in 1988-89 with a view to provide shelter to absolutely shelterless in Metropolitan cities and that the scheme is being implemented through HUDCO since 1990-91. However, the Committee are distressed to find that as is the situation in other schemes like PM's IUPEP etc. the scheme is being formally implemented at the Central level since 1990-91, though the same was launched in 1988-89. Here too, the implementation at the Central level started after about two years only after the unsuccessful attempt by the States and Local agencies. Further, the Budget provision of Rs. 10 lakhs for 1995-96 too remained unutilised by HUDCO, as HUDCO could not use the Central subsidies in the previous years.

The Committee note further, that HUDCO has so far sanctioned only 56 schemes with a Central subsidy of Rs. 9.13 crores. The Government has reportedly modified the guidelines in 1993 to remove the shortcomings observed in implementation by adding some remunerative component to it, after which the scheme is gradually picking up. The Committee desire that for effectively implementing the schemes States/Municipal agencies be encouraged by providing land in core areas for setting up night shelters and providing sanitation facilities to the urban footpath dwellers. They further desire that apart from State/Municipal agencies, private agencies

including NGOs and Voluntary organisations in the urban areas may also be involved more vigorously in the implementation of the scheme.

E. Prime Minister's Integrated Urban Poverty Eradication Programme (PM's IUPEP)

3.45 Recognising the seriousness and complexity of urban poverty problems, especially in the small towns where the situation is more grave due to lack of resources for planning their environment and development, the Prime Minister announced on 15th August, 1994 an Integrated Scheme for Eradication of Poverty known as Prime Minister's Integrated Urban Poverty Eradication Programme (PM's IUPEP) which seeks to address the problems of urban poverty with a multi-pronged and long-term strategy.

3.46 The programme launched in November 1995 is applicable to 345 class II Urban Agglomerations with population ranging between 50,000 and one lakh as per 1991 census, subject to the condition that elections to urban local bodies have been held there.

3.47 The specific objectives under the new programme are (i) effective achievement of social sector goals; (ii) community empowerments; (iii) Convergence through sustainable support system; (iv) improvement of hygiene upgradation; (v) employment generation & Shelter upgradation; and (vi) environmental improvement.

3.48 A provision of Rs. 800 crores is envisaged as Central share for the entire programme period of five years (1995-96 to 1999-2000) benefitting over 5 million urban poor.

3.49 The process of identification of beneficiaries for the scheme of PM's IUPEP is house to house survey in low income neighbourhood, based on both income and non-income parameters to identify genuine beneficiaries *i.e.* poorest of the poor. This identification is to be carried out by the Community Based Organisation/NGOs/Research Institutes in the Government or Private Sector, under the guidance of Town UPE Cell.

3.50 The guidelines of PM's IUPEP provide for setting up of the Town Level Task Force, comprising the Chairman and the Municipal Commissioner of ULBs, Project Officer of UPE Cell, Bank representatives, community organisers and representatives from CBOs and NGOs, etc.

3.51 Upto 20.3.97, Rs. 7060 lakhs have been released as Central share to States against the total allocation of Rs. 9960 lakhs in BE 1996-97. An outlay of Rs. 8760 lakhs has been proposed for 1997-98.

3.52 Asked why the allocation under the scheme has been reduced by Rs. 1200 lakhs in BE 1997-98, the Ministry stated that the reduction in the allocation of funds has been made by the Planning Commission. Originally, this Department had projected an amount of Rs. 200 crores for the year 1997-98.

3.53 When asked about the targets set for 1996-97 and 1997-98 and if the achievements are commensurate with the funds spent in this scheme, the Ministry in a note stated that the PM's IUPEP targets to benefit about five million urban poor during the Five year Programme period from 1995-96 to 1999-2000. However, the Programme was launched in November, 1995 and the States are still largely in the primary stages of implementation of the Programme. The targets for 1996-97 were mostly of a preparatory nature, such as, House to House Survey, Spatial Mapping, Need Assessment, preparation of Project Reports, Building Community Structures, Constitution of Town Urban Poverty Eradication Cell, etc.

3.54 The following thrust areas have been identified for operationalisation of the programme in 1997-98:—

- (i) Completion of House to House Survey and Project Reports for those UAs/towns where it has not been completed.
- (ii) Building of Community Structures for urban poor women in all the UAs/towns.
- (iii) Assessment of Training needs (for elected representatives/ULB functionaries/Community workers) and an overview of the training courses.
- (iv) Involvement of NGOs and better convergence between different Ministries.
- (v) Intensification under the Self-Employment and Shelter Upgradation Components.

3.55 Asked by when house to house survey and project reports in all urban agglomerations/towns is expected to be completed, the

Department stated in reply that as reported by States/UTs upto now, Town-wise Project Reports in 229 urban agglomerations/towns and house to house survey in 213 urban agglomerations/towns have been completed. However, the States/UTs have been asked to expedite the completion of the above two works at the earliest.

3.56 Asked further in how many towns, the Town Urban Poverty Eradication Cells have been constituted, the Department replied that the constitution of Town Urban Poverty Eradication Cells is done by the State Government to facilitate the implementation of the PMI UPEP. As the scheme is implemented and monitored at the State level and the scheme being in the primary stages of implementation, most of the States have not intimated this information.

3.57 The Committee observe that the PM's Integrated Urban & Poverty Eradication Programme launched in November, 1995 with an outlay of Rs. 800 crores as Central share for a five year period (1995-96 to 1999-2000) has not made much progress though it is being implemented now for over two years. The programme intends to cover 345 Class II Urban Agglomerations (UAs) in the population range of 50,000 and one lakh as per 1991 census. The Committee, however, regret to point out that programme has so far not been able to take off in that the States are still in the primary stages of implementation of a preparatory nature *viz.*, House to House surveys, Spatial mapping, Constitution of Town Urban Poverty Eradication Cells, etc. to name a few. Upto the end of 1996-97, townwise project reports in 229 UAs/towns and House to House surveys in 213 UAs/towns have been completed. The Committee are surprised to learn that the Ministry has no information with regard to the number of towns where Town Urban Poverty Eradication Cells have been constituted on the ground that the scheme is being implemented and monitored at the State Level and is in its primary stages of implementation. The Committee desire that work of House to House surveys and preparation of Project Reports in the remaining towns be completed expeditiously. The Ministry being the nodal agency as also the fact that each year about Rs. 100 crores is being spent as Central share for the programme, the Committee expects the Department to keep itself abreast of the state of implementation of the programme. They would like to be apprised of the steps taken by Government in this regard.

CHAPTER IV

AUTONOMOUS AND STATUTORY BODIES

The Department of Urban Employment & Poverty Alleviation has under its control one attached office, one Public Sector Undertaking and three Autonomous/Statutory for bodies *viz.* (i) NBO, (ii) HUDCO, (iii) BMTPC, (iv) CGEWHO, and (v) NCHF of India.

National Cooperative Housing Federation of India (NCHF)

4.2 National Cooperative Housing Federation (NCHF) was set up in 1969 for spearheading the entire cooperative housing movement in India and has been playing a major role in coordinating the activities of various State level cooperative housing federations in the States and Union Territories.

4.3 As a part of Government policy to encourage cooperative housing the Ministry has been providing financial support to NCHF. All the 25 State level Apex Cooperative Housing Federations are members of NCHF. Upto 31.3.96, the State Federations had cumulatively advanced a loan of Rs. 3750.35 crores to primary societies. So far 1,348,843 dwelling units have been completed and 406,370 dwelling units are under construction. The grant under this head is being given to support part of administrative expenses of NCHF. In addition to the grants given by the Ministry the other sources of funds of NCHF comprise share money of the State level apex federations, membership fees, etc. During 1996-97 the entire Budget provision of Rs. 15 lakhs has been utilised. A provision of Rs. 20 lakhs has been made for 1997-98.

4.4 On the recommendation of the Working Group on Urban Housing for the 9th Plan which calls for increased thrust in the sector, plan outlay of Rs. 100 lakhs has been proposed for the 9th Plan. Accordingly, 1/5th of this amount, *i.e.* Rs. 20 lakhs has been proposed for 1997-98.

4.5 When asked what are the reasons for giving grants to NCHF to meet part of administrative expenses, the Ministry in reply stated that the National Housing Policy recognises group or Cooperative based activity or community association as the principal form of housing

activity in many rural settlements and large urban areas facing shortage of land and other constraints. The cooperatives and other community based organisations need to be encouraged to take up various shelter-related activities, especially for slum dwellers and the rural poor, assisted through preferential allotment of land, access to finance and fiscal support.

The National Cooperative Housing Federation (NCHF) has been playing a major role in coordinating the activities of the various State level housing cooperative federations in States and Union territories. The Central Government has been supporting the NCHF by providing a modest annual grant to cover a part of its administrative expenditure.

4.6 The Committee observe that the National Cooperative Housing Federation of India (NCHF) was primarily set up in 1969 for leading the entire Cooperative Housing Movement in the country. It is playing a major role in coordinating the activities of various State level cooperative housing federations. There are 25 State level apex cooperative housing federations as members of NCHF. The Committee, however, regret to observe that grants are being provided to NCHF by Government to part support the administrative expenses of NCHF. Though it is accepted that NCHF is playing a pioneering and major role in building and coordinating the activities of State level housing federations, the Committee are of the opinion that the NCHF could itself meet its obligations on account of administrative expenses from its other sources of finance viz. share moneys and membership fees etc. The Committee feel this is particularly in-built when viewed in the context of the very nature of task of developing cooperative housing movement in the country. They, therefore, desire that NCHF should try to encourage community based organisations to take up shelter related activities as the principal form of housing activity to attain the goals of National Housing Policy.

NEW DELHI;
 April 21, 1997
 Vaisakha 1, 1919 (Saka)

SONTOSH MOHAN DEV,
 Chairman,
 Standing Committee on Urban and Rural
 Development.

FINANCIAL REQUIREMENTS
DEPARTMENT OF URBAN EMPLOYMENT AND POVERTY ALLEVIATION

(A) Programme/Activity Classifications

S.No.	Programme / Activity	(Rs. in Thousands)										
		Budget Estimates 1996-97		Revised Estimates 1996-97		Budget Estimates 1997-98						
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total		
1	2	3	4	5	6	7	8	9	10	11		
1.	Secretariat -General Services	8000	3355	11355	80,00	28,00	1,08,00	80,00	32,00	1,12,00		
2.	N.B.O. including Rural Housing Wing & Research Survey Schemes	40000	6100	46100	3,50,00	60,00	4,10,00	4,00,00	64,00	4,64,00		
3.	UNCHS International Co-operation Activities (IYSH)	8000	3500	11500	80,00	37,00	1,17,00	60,00	35,00	95,00		
4.	Grants-in-aid-NCHF	1500	—	1500	15,00	—	15,00	20,00	—	20,00		
5.	Displaced persons Colonies in West Bengal	180000	—	180000	18,00,00	—	18,00,00	18,00,00	—	18,00,00		
6.	Urban Basic Services for the Poor	178000	...	178000	17,80,00	...	17,80,00	19,80,00	...	19,80,00		

1	2	3	4	5	6	7	8	9	10	11
7.	Financing Housing Schemes for Central Govt. Employees through Housing Agencies	150000	50000	50000	15,00,00	5,00,00	5,00,00	35,00,00	5,00,00	5,00,00
8.	Finance to Public Sector Companies-Equity-Housing			150000	15,00,00		15,00,00			35,00,00
9.	Night Shelter Scheme	1000		1000	60,00		60,00	1,00,00		1,00,00
10.	Nehru Rozgar Yojana	708000		70,80,00	49,95,00		49,95,00	79,80,00		79,80,00
11.	PM's Integrated Urban Poverty Eradication Programme	996000		996000	70,60,00		70,60,00	87,60,00		87,60,00
12.	Building Material and Technology Promotion Council	28000		28000	2,80,00		2,80,00	4,40,00		4,40,00
13.	Central Govt. Employees Housing Welfare Orgn.	10000	1000	11000	1,00,00	10,00	1,10,00		10,00	10,00
14.	Saving Linked Housing Scheme							1,00,00		1,00,00
15.	PM's Awas Yojana for Urban Poor affected by natural calamities							50,00		50,00
16.	Development of Indicators Programme							30,00		30,00
	Total	2308500	63955	2372455	1810000	63500	1873500	253,00,00	6,41,00	259,41,00

1	2	3	4	5	6	7	8	9	10	11
	Object Headwise Classification									
01.	Salaries	47,00	77,00	1,24,00	37,00	69,00	1,06,00	37,00	75,00	1,12,00
02.	Wages	40	50	90	40	50	90	40	50	90
03.	Overtime Allowance	2,50	1,30	3,80	131	1,30	2,61	1,50	1,30	2,80
11.	Domestic Travel Expenses	9,00	2,00	11,00	9,00	2,00	11,00	9,00	2,19	11,19
12.	Foreign Travel Expenses		2,00	2,00		2,00	2,00		2,00	2,00
13.	Office Expenses	14,00	5,00	19,00	14,00	5,00	19,00	14,00	5,00	19,00
16.	Publications	2,00	2,70	4,70	2,00	1,70	3,70	1,00	2,70	3,70
28.	Professional Services	1,00		1,00	1,00		1,00	2,00		2,00
31.	Grants-in-aid	212,25,00	10,05	212,35,05	162,90,00	10,05	163,00,05	214,60,00	10,05	214,70,95
32.	Contributions	2,80,00	35,00	3,15,00	2,30,00	37,00	2,67,00	1,60,00	35,00	1,95,00
33.	Subsidies							1,00,00		1,00,00
50.	Other Charges	4,10	4,00	8,10	15,29	6,45	21,74	15,10	7,26	22,36
54.	Investments	15,00,00		15,00,00	15,00,00		15,00,00	35,00,00		35,00,00
55.	Loans & Advances	...	5,00,00	5,00,00	...	5,00,00	5,00,00	...	5,00,00	5,00,00
	Grant Total	230,85,00	6,39,55	237,24,55	181,00,00	6,35,00	187,35,00	253,00,00	6,41,00	259,41,00

1	2	3	4	5	6	7	8	9	10	11
Demand No. 83—Urban Employment and Poverty Alleviation										
2052	Secretariat—General Services	8000	3355	11355	80,00	28,00	1,08,00	80,00	32,00	1,12,00
2216	Housing	78500	10600	89100	7,85,00	1,07,00	8,92,00	12,00,00	1,09,00	13,09,00
2217	Urban Development	17000		17000	1,70,00		1,70,00	1,70,00		1,70,00
3475	Other General Economic Services	11300		11300	1,13,00		1,13,00	1,13,00		1,13,00
3601	Grants-in-aid to State Governments	2026500		2026500	152,80,00		152,80,00	201,65,00	...	201,65,00
3602	Grants-in-aid to UT Governments	7200		7200	72,00		72,00	72,00		72,00
4216	Capital Outlay on Housing	160000		160000	16,00,00		16,00,00	35,00,00		35,00,00
6216	Loans for Housing	...	50000	50000	...	5,00,00	5,00,00	...	5,00,00	5,00,00
Total : Demand No.—83 Urban Employment & Poverty Alleviation		2308500	63955	2372455	181,00,00	6,35,00	187,35,00	253,00,00	6,41,00	259,41,00

APPENDIX

Statement of Observations/Recommendations

Sl. No.	Para No.	Recommendation
1	2	3
1.	1.9	<p>From the broad analysis of the budgetary provisions for 1997-98 of the Department, it is observed that as compared to Rs. 237.25 crores in 1996-97, the allocation made for 1997-98 at Rs. 259.41 crores (both Plan and Non Plan) has increased by about Rs. 22.16 crores. The allocation in the Capital Section increased by Rs. 19.00 crores, from Rs. 16 crores in 1996-97 to Rs. 35 crores in 1997-98, while the allocation in Revenue Section increased by about Rs. 3.16 crore only, from Rs. 216.25 crores in 1996-97 to Rs. 219.41 crores in 1997-98.</p> <p>Furthermore, the Committee note that though there have been some increases in many poverty alleviation schemes in the Budget estimates for 1997-98, they are constrained to observe that the Revised Estimates for 1996-97 have shown sharp downtrends in respect of PM's IUPEP and SUWE & SHASHU under NRY. The Committee regret to note that the BE for 1997-98 in respect of PM's IUPEP has in fact decreased by Rs. 12.00 crores over the BE 1996-97. The Committee, therefore, desire that Government should ensure that funds earmarked are utilised fully so as to enable eradication of urban poverty and provide employment to the urban poor in a substantial manner. They also desire that the downscaling of the Budget Estimates at the RE stage as is noticed in 1996-97 must be avoided in future to the extent possible.</p>
2	2.4	<p>The Committee observe that Government accorded priority to amelioration of Urban</p>

1

2

3

Poverty and a four pronged strategy was adopted to tackle Urban Poverty by way of employment creation for low income communities through micro-enterprises, housing & shelter upgradation etc. in the 8th Plan. An outlay of Rs. 100 crores for UBSP and Rs. 227 crore for NRY was proposed with a target coverage of 500 towns and 70 lakh beneficiaries for UBSP and a target of 5.53 lakh beneficiaries under SUME, 228.01 lakh mandays of work to be generated under SUWE, 6.80 lakh dwelling units under SHASHU in respect of the three sub-schemes of NRY, respectively. The achievements under UBSP upto 1996-97 was 350 towns with 75 lakh beneficiaries at an expenditure of Rs. 76.68 crores. While 7.58 lakh beneficiaries were assisted under SUME, 260.04 lakh mandays of work generated under SUWE and 4.55 lakh dwelling units belonging to EWS were upgraded under the three sub-schemes of NRY during the VIIIth Plan upto 28.2.97.

The performance in respect the sub-schemes of NRY was satisfactory except under SHASHU, the physical targets were attained in respect of SUME & SUWE though under UBSP the coverage of towns fell below the target owing to lesser allocations. Similarly, under Nehru Rozgar Yojana also, the financial performance has left much to be desired though funds have been made available/released in excess of the original outlay of Rs. 227 crores to the extent of Rs. 261.54 crores as on 28.2.97. The Committee, therefore, are of the view that allocation of funds be made keeping in view not only the achievements under the scheme but also the sustainability or otherwise of the enterprises so assisted under various programmes.

3

2.9

The Committee note that the Ninth Five Year Plan strategy aims to provide housing for all by the terminal year of the Plan i.e. 2002 A.D. Further,

1

2

3

the Committee observe that shelter for the houseless has been recognised as one of the seven basic minimum services identified as priority area in the 9th Plan approach. The major thrust will be on direct assistance for augmentation of housing finance and stock for urban poor and adoption of variety of initiatives apart from continuance of ongoing schemes like Night Shelter & Sanitation facilities for urban footpath dwellers, promotion of cost effective building material and technologies and strengthening of data base on housing and budgetary support to HUDCO in the shape of equity/soft loans etc. To attain the housing shortage of 16.76 million dwelling units, the Working Group set up by Planning Commission has estimated a requirement of approx. Rs. 120,000 crores during the Ninth Plan for Housing alone.

The Committee regret to note that though the Working Group of the Planning Commission estimated the Plan requirement of funds for Housing alone at Rs. 120,000 crores, the Ninth Plan outlays proposed by the Deptt. in respect of new & ongoing schemes comes to only Rs. 1140.25 crores which is only about 10% of the estimated requirement for this sector alone. The Committee are apprehensive, whether in the present position of the budgetary constraints faced by the Central Government even this amount would be finally allocated for this purpose. The Committee, therefore, desire that the Deptt. should impress upon the Planning Commission to at least agree to the outlays suggested by it in view of the heavy shortage of housing and realise the objective of housing for all partially, if not fully by the terminal year of the Ninth Plan, *i.e.* 2002.

4.

3.5

The Committee observe with regret that while the estimates of Urban poor living below poverty line are varying between various Surveys & Reports. The number of persons in Urban areas

1	2	3
		<p>living below poverty line, as per the methodology adopted by the Modified Expert Group of 1993-94 stands at 763.37 lakh constituting 32.36 percent of an approximately 27.02 million Urban poor. The Committee are surprised to note that the Deptt. has so far not received any information on the modified methodology of estimating the Urban poor living below poverty line while the counterpart Deptt. Rural Employment & Poverty Alleviation are in possession of the said Report of the Modified Expert Group. The Committee take a serious view of the state of affairs in the Deptt. and are astonished to observe that the Deptt. is functioning in a void like situation and are working without a sound basis. The Committee desire the Ministry to keep itself abreast of the developments around it so that its estimates of fund requirement etc. for various programmes of poverty alleviation are based on more realistic premises.</p>
5.	3.10	<p>The Committee are distressed to note that against 8th Plan outlay of Rs. 100 crores for UBSP, the allocation/expenditure incurred as on 28.2.97 stands at Rs. 76.68 crores which is Rs. 6.07 crores less than the projected allocation as at the beginning of 1996-97. A yawning gap of Rs. 23.37 crores occurred despite the fact that 75 lakh urban poor have been benefited in 350 towns upto 28.2.97. The Committee take a serious view of the increase in the gap between the outlay envisaged and the allocations made for this Programme which in their opinion has resulted in shortfall of coverage of 150 towns. They are further dismayed to find that this trend is likely to continue in 1997-98 also because only Rs. 20 crores have been provided against a proposal of Rs. 40 crores for the Programme. They, therefore, recommend that funds be made available to the full extent to schemes performing satisfactorily for attainment of the objectives.</p>
6.	3.18	<p>The Committee find that according to the Ministry the financial progress is slightly on</p>

1

2

3

the lower side in respect of SUME and SHASHU due to the reason that majority of the projects are of such nature where beneficiaries do not require skill upgradation training while on the other hand there is a little gap in the physical achievement of targets of dwelling units to be upgraded under SHASHU as on 28.2.97. The Ministry expects this gap to be covered before the end of the financial year 1996-97. The shortfall under SHASHU is reportedly on account of lack of State Government guarantees for recovery of loans.

The Committee further find that the Department has projected an allocation of Central share of Rs. 2117 crores for the 9th Plan for the Three sub-schemes of NRY. The Committee desire that the Department should take all measures to obtain the projected allocations for NRY to make it more viable and sustainable, if the Yojana is to be continued in the 9th Plan.

7.

3.24

It is observed that under the Scheme of Urban Micro Enterprises (SUME), though the physical and financial targets have largely been met during the 8th Plan, the allocation has been increased by Rs. 7.76 crores for 1997-98 as against Rs. 30.24 crores for 1996-97. The Committee regret to note that the Department proposes to continue the scheme in the 9th Plan in the present form only because the Planning Commission has allocated funds for the first year of the 9th Plan, viz., 1997-98. They further note that the scheme is to be continued with slight modification of raising the project cost ceiling to Rs. 1 lakh with 15% subsidy subject to a ceiling of Rs. 7500 per beneficiary and rest of the project cost to be covered as loan from Commercial Banks.

8.

3.25

Further, they are dismayed to note that the Ministry has not made any attempt to ensure the sustainability of the enterprises being funded by it, before the project cost ceiling modifications

1

2

3

are implemented it is regrettable to observe that the Ministry and the Planning Commission are allocating funds without first ensuring the viability and sustainability of the micro enterprises and thereby resulting in a virtual drain of resources through this scheme since no meaningful enterprise can survive based on the present levels of investment. So far, an amount of approx Rs. 100 crores has been spent on the scheme during the last 3-4 years alone. The Committee is anguished to observe that the Ministry has paid scant regard to the recommendations/observations of the Committee in respect of the wisdom of continuing the scheme under the present form and has been investing hundreds of crores of rupees as commented upon by them in their 2nd Report on Demand for Grants (1997-98) and 10th and 20th Reports (10th Lok Sabha) on Nehru Rozgar Yojana. The Committee, therefore recommend that pending a final study and decision in consultation with Planning Commission and Department of Banking, Ministry of Finance on the aspects of viability and sustainability of the Micro Enterprises under the present guidelines, the scheme should be held in abeyance.

9.

3.34

It is observed with regret that the performance under the scheme of Housing & Shelter Upgradation (SHASHU) the third sub-scheme of NRY has been well below the targets set for it in the 8th Plan. The Committee are peeved at the poor performance owing to the reported lack of participation from the State Governments on account of their inability to provide guarantees for shelter upgradation for the loan component under the scheme. The Committee are also distressed to find that there have been huge unspent funds under the scheme during the last two years amounting to Rs. 19,726.03 lakhs in 1995-96 and 1996-97, while expenditure reported was only Rs. 1885.25 lakhs against an availability of Rs. 21,611.28 lakhs in the same period. There

1

2

3

has been an overall shortfall of 0.57 lakhs dwelling units for upgradation as on 28.2.97. Further, the Department proposes to review/raise the ceilings on subsidy and loan under the scheme. The Committee are constrained to observe that the proposed review by Government of the norms under the scheme should not be limited to only the norms of subsidy but Government should also make a study as to how participation of State Government alongwith the role of Urban Local Bodies including elected representatives could be increased to make the implementation of the scheme effective to enable the realisation of the set targets and objective of the scheme. The Committee, therefore, can not but conclude, that poor performance under the scheme is also attributable to huge availability of unspent funds as also diversion of funds to the newly launched scheme of PM's IUPEP in 1995-96. The Committee, therefore, desire that steps be taken for fuller utilisation of funds as well as stop diversions to other schemes to improve the performance under the scheme.

10.

3.44

The Committee note that the Night Shelter & Sanitation scheme for footpath Dwellers was launched in 1988-89 with a view to provide shelter to absolutely shelterless in Metropolitan cities and that the scheme is being implemented through HUDCO since 1990-91. However, the Committee are distressed to find that as is the situation in other scheme like PM's IUPEP etc., the scheme is being formally implemented at the Central level since 1990-91, though the same was launched in 1988-89. Here too, the implementation at the Central level started after about two years only after the unsuccessful attempt by the States and Local agencies. Further, the Budget provision of Rs. 10 lakhs for 1995-96 too remained unutilised by HUDCO, as HUDCO could not use the Central subsidies in the previous years.

1

2

3

The Committee note further, that HUDCO has so far sanctioned only 56 schemes with a Central subsidy of Rs. 9.13 crores. The Government has reportedly modified the guidelines in 1993 to remove the shortcomings observed in implementation by adding some remunerative component to it, after which the scheme is gradually picking up. The Committee desire that for effectively implementing the scheme States/Municipal agencies be encouraged by providing land in core areas for setting up night shelters and providing sanitation facilities to the urban footpath dwellers. They further desire that apart from State/Municipal agencies, private agencies including NGOs and Voluntary organisations in the urban areas may also be involved more vigorously in the implementation of the scheme.

11.

3.57

The Committee observe that the PM's Integrated Urban & Poverty Eradication Programme launched in November, 1995 with an outlay of Rs. 800 crores as Central share for a five year period (1995-96 to 1999-2000) has not made much progress though it is being implemented now for over two years. The programme intends to cover 345 Class II Urban Agglomerations (UAs) in the population range of 50,000 and one lakh as per 1991 census. The Committee, however, regret to point out that programme has so far not been able to take off in that the States are still in the primary stages of implementation of a preparatory nature *viz.*, House to House surveys, Spatial mapping, Constitution of Town Urban Poverty Eradication Cells etc. to name a few. Up to the end of 1996-97, townwise project reports in 229 UAs/towns and House to House surveys in 213 UAs/towns have been completed. The Committee are surprised to learn that the Ministry has no information with regard to the number of towns where Town Urban Poverty Eradication cells have been constituted on the ground that the scheme is being implemented

1

2

3

and monitored at the State Level and is in its primary stages of implementation. The Committee desire that work of House to House surveys and preparation of Project Reports in the remaining towns be completed expeditiously. The Ministry being the nodal agency as also the fact that each year about Rs. 100 crores is being spent as Central share for the programme, the Committee expects the Department to kept itself abreast of the state of implementation of the programme. They would like to be apprised of the steps taken by Government in this regard.

12.

4.6

The Committee observe that the National Cooperative Housing Federation of India (NCHF) was primarily set up in 1969 for leading the entire Cooperative Housing Movement in the country. It is playing a major role in coordinating the activities of various State level cooperative housing federations. There are 25 State level apex cooperative housing federations as members of NCHF. The Committee, however, regret to observe that grants are being provided to NCHF by Government to part support the administrative expenses of NCHF. Though it is accepted that NCHF is playing a pioneering and major role in building and coordinating the activities of State level housing federations, the Committee are of the opinion that the NCHF could itself meet its obligations on account of administrative expenses from its other sources of finance *viz.*, share moneys and membership fees etc. The Committee feel this is particularly in-built when viewed in the context of the very nature of task of developing cooperative housing movement in the country. They, therefore, desire that NCHF should try to encourage community based organisations to take up shelter related activities as the principal form of housing activity to attain the goals of National Housing Policy.