

**23**

**STANDING COMMITTEE ON  
URBAN AND RURAL DEVELOPMENT  
(1998-99)**

**TWELFTH LOK SABHA**

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

**DEMANDS FOR GRANTS  
(1999-2000)**

**TWENTY-THIRD REPORT**



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**LOK SABHA SECRETARIAT  
NEW DELHI**

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COMMITTEE ON URBAN & RURAL DEVELOPMENT  
(1998-99)

Corrigenda to the 23rd Report  
(12th Lok Sabha)

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**STANDING COMMITTEE ON**  
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**(1998-99)**

**(TWELFTH LOK SABHA)**

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

**DEMANDS FOR GRANTS**  
**(1999-2000)**

*Presented to Lok Sabha on 22.4.1999*

*Laid in Rajya Sabha on 23.4.1999*



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

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STANDING COMMITTEE ON URBAN & RURAL DEVELOPMENT  
(1998-99)

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45. Shri Suryabhan Patil Vahadane

SECRETARIAT

- |                         |   |                             |
|-------------------------|---|-----------------------------|
| 1. Shri G.C. Malhotra   | — | <i>Additional Secretary</i> |
| 2. Shri S.C. Rastogi    | — | <i>Director</i>             |
| 3. Shri P.V.L.N. Murthy | — | <i>Assistant Director</i>   |

## ACRONYMS

BE	—	Budget Estimates
BMTPC	—	Building Material and Technology Promotion Council
BPL	—	Below Poverty Line
CBO	—	Community Based Organisations
DU	—	Dwelling Units
DWCUA	—	Development of Women and Children in Urban Areas
EWS	—	Economically Weaker Section
HFI	—	Housing Finance Institution
HUDCO	—	Housing & Urban Development Corporation
LIG	—	Low Income Group
NCHF	—	National Cooperative Housing Federation of India
NGO	—	Non-Governmental Organisation
NHB	—	National Housing Bank
NHHP	—	National Housing & Habitat Policy
NP	—	Non Plan
NSDP	—	National Slum Development Programme
RE	—	Revised Estimate
SJSRY	—	Swarna Jayanti Shahari Rozgar Yojana
UEPA	—	Urban Employment & Poverty Alleviation
UNCHS	—	United Nations Centre for Human Settlements
UPA	—	Urban Poverty Alleviation
USEP	—	Urban Self Employment Programme
UT	—	Union Territories
UWEP	—	Urban Wage Employment Programme



## INTRODUCTION

I, the Chairman of Standing Committee on Urban & Rural Development (1998-99) having been authorised by the Committee to submit the Report on their behalf, present the Twenty-Third Report on Demands for Grants (1999-2000) of the Department of Urban Employment & Poverty Alleviation of Ministry of Urban Affairs & Employment.

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

3. The Committee took evidence of the representatives of the Ministry of Urban Affairs & Employment (Department of Urban Employment & Poverty Alleviation) on 31st March, 1999.

4. The Report was considered and adopted by the Committee at their sitting held on 7th April, 1999.

5. The Committee wish to express their thanks to the Ministry of Urban Affairs & Employment (Department of Urban Employment & Poverty Alleviation) 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 of Urban Affairs & Employment 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;  
12 April, 1999  

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22 Chaitra, 1921 (Saka)

KISHAN SINGH SANGWAN,  
Chairman,  
Standing Committee on  
Urban & Rural Development.

## CHAPTER I

### INTRODUCTORY

The Department of Urban Employment & Poverty Alleviation (UEPA) is responsible for implementation of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) launched w.e.f. 1.12.1997 subsuming the earlier schemes of urban poverty alleviation. The Department also deals with formulation of housing policy and programme (except rural Housing); review of implementation of Plan Schemes; collections and dissemination of data on housing, building materials and techniques, reduction of building costs and nodal responsibility for National Housing & Habitat Policy (NHHP); Human settlements including UN Commission for Human Settlements, International cooperation and technical assistance in the field of Housing and Human settlements.

1.2 The estimated strength of establishment of the Department as on 1st March, 1999 stands at 130 with a provision of Rs. 179.39 lakh for 1999-2000 against the actual strength of establishment at 122 as on 1.3.98 with an outgo of Rs. 136.90 lakh.

#### ANALYSIS OF DEMANDS FOR GRANTS (1999-2000)

##### *Budget at a Glance*

(Rs. in crore)

	Revenue	Capital	Total
Charged	—	—	—
Voted	204.32	160.00	364.32

1.3 A total provision of Rs. 364.32 crore for 1999-2000 has been made in respect of the Department of Urban Employment & Poverty Alleviation. The detailed Demands for Grants of the Ministry of Urban Affairs & Employment were laid in Lok Sabha on 15th March, 1999.

1.4 The detailed Demands for Grants show that the total demand (Voted) under Demand No. 84 — Department of Urban Employment and Poverty Alleviation is Rs. 364.32 crore of which Rs. 204.32 crore is on the revenue side and Rs. 160 crore on the capital side. The details of financial requirements for different programme/activity-wise and object/Head-wise are given in *Appendix-I*.

1.5 The comparative budget allocations, net of recoveries of the Department of Urban Employment and Poverty Alleviation during 1998-99 and 1999-2000 and Budget Estimates and actuals for 1997-98 are given below:-

### Comparative Budget Proposals

(Rs in crores)

	1997-98		1998-99		1998-99		1999-2000		
	BE		BE		RE		BE		
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Total
	(Actuals)						(% change over BE 98-99)		
Revenue	213.00 (201.95)	1.41 (1.39)	218.00	4.21	177.00	4.22	195.00	9.32	204.32
Capital	35.00 (35.00)	5.00 (4.75)	110.00	5.00	110.00	5.00	150.00	10.00	160.00
Total	253.00 (236.95)	6.41 (6.14)	328.00	9.21	287.00	9.22	345.00 (+5.18)	19.32 (+10.5)	364.32

1.6 It may be seen from the above comparative statement that there has been a decline of over 10% in the total plan expenditure of Rs. 195 crore in 1999-2000 over BE 1998-99 of Rs. 218 crore whereas the actual for 1997-98 stands at Rs. 201.95 crore on the revenue side, though non-plan expenditure at Rs. 9.32 crore registered an increase of Rs. 5.11 crore from Rs. 4.21 crore in BE 1998-99. However, on the capital side, the provision of Rs. 150 crore for 1999-2000 shows an increase of 36.36% over BE figure of Rs. 110 crore for 1998-99 on the plan side, while allocation of Rs. 10 crore in respect of non-plan expenditure on the capital side shows a 100% increase over BE 1998-99 figure of Rs. 5 crore.

1.7 The allocations envisaged for 1999-2000 in respect of certain major schemes/programmes *vis-a-vis* the BE & RE 1998-99 are indicated below :-

(Rs. in crore)

Sl. No.	Scheme/Programme	BE 1998-99	RE 1998-99	BE 1999-2000
<b>Revenue Section</b>				
1.	SJSRY	188.50	162.28	180.65
<b>Capital Section</b>				
1.	Equity to HUDCO for Housing	110.00	110.00	150.00

1.8 When asked the justification for an increase of 36.36% in Capital outlay during 1999-2000, the Ministry in a written note stated:—

“The increase in Capital outlay is on account of increase in Equity capital to HUDCO for Housing from Rs. 110 crore during 1998-99 to Rs. 150 crore during 1999-2000.”

1.9 Asked further if the overall hike of 5.18% in the total outlay (Plan) during 1999-2000 over BE of 1998-99 would be sufficient to fulfil the targets under different schemes of the Department, the Department stated in a written note as under:—

“The allocation of funds depends on the overall allocation made by the Planning Commission/Ministry of Finance. With the previous balances with the State Governments, it is not expected that achievements of targets under Swarna Jayanti Shahari Rozgar Yojana Scheme will suffer a serious setback. Nonetheless, achievements will be in proportion to the allocations made.”

1.10 On the reasons for reduced BE from Rs. 218 crore to Rs. 177 crore (RE) on revenue side during 1998-99, the Ministry stated that the major reduction in the RE has been under Major Head-3601 wherein BE provision of Rs. 195.72 crore was brought down to Rs. 157.98 crore

at RE stage. The reduction at the RE stage is mainly at the instance of Ministry of Finance who reviews the availability of funds etc. before deciding RE allocations. In the case of SJSRY as mentioned above, there are previous balances and scheme is not likely to suffer adversely.

1.11 The Ministry justifying the reduced outlay of Rs. 195 crore for BE 1999-2000 (revenue side) as compared to BE 1998-99 of Rs. 218 crore stated that the major areas of the reduction are under the Scheme of providing infrastructure facilities in Displaced Persons Colonies in West Bengal from Rs. 18 crore in 1998-99 to Rs. 5 crore in 1999-2000. There is also a reduction in allocation under the Scheme of SJSRY from Rs. 188.50 crore to Rs. 180.65 crore as balances are available with the State Governments.

1.12 It may be seen that on the non-plan side there is an increase on account of additional provision of Rs. 5 crore each towards Interest Subsidy to HUDCO for construction of 2 million houses and the loan to HUDCO from CGEIS Funds (Rs. 10 crore).

1.13 The performance of certain schemes/programmes being implemented by the Department of UEPA is dealt with in the succeeding chapters.

1.14 The Committee note that the budgetary provision for 1999-2000 show that as compared to a total allocation of Rs. 337.21 crore for 1998-99, the outlay at Rs. 364.32 crore for 1999-2000 registered an increase of only 5.18% over BE 1998-99, while in the previous year (1998-99) the outlay increased by 29.64% over the earlier year (1997-98). However, there is 105% increase in the non-plan outlay at Rs. 19.32 crore for 1999-2000 over the BE 1998-99 of Rs. 9.21 crore.

The Committee observe that the allocations envisaged for the major scheme of SJSRY in the Revenue Section at Rs. 180.65 crore for 1999-2000 showed a reduction of Rs. 7.85 crore over the BE 1998-99 outlay of Rs. 188.50 crore. It is also observed that there has been a reduction of outlay to the extent of Rs. 26.22 crore at RE 1998-99 stage in respect of this Yojana. Further, in the capital section, the contribution towards equity capital to HUDCO for Housing has increased by about 36% at Rs. 150 crore for 1999-2000 over BE 1998-99 outlay of Rs. 110 crore.

1.15 According to the Ministry the reduction of outlay at RE stage was at the behest of the Ministry of Finance and also that the reduced outlay in 1999-2000 would not adversely affect the performance under SJSRY as there are previous balances with the State Governments and that the achievements will be in proportion to the allocations made.

The Committee are at a loss to understand the rationale for reducing the outlays in respect of SJSRY at the RE stage in 1998-99 and in BE 1999-2000 on the ground that previous balances with States would take care of the reduced allocation. The Committee apprehend that the achievements may be adversely affected since the Ministry has admitted that results will be in proportion to the allocation made. The Committee, therefore, desire that allocations for the schemes should at least be kept at the levels originally decided at the beginning of the year to avoid possible shortfalls in the achievements under any Yojana/programme.

## CHAPTER II

### URBAN POVERTY ALLEVIATION PROGRAMMES

Urban Poverty Alleviation is a major challenge to the nation and calls for an imaginative new approach. The goal is to adequately feed, educate, house and employ the large and rapidly growing number of impoverished city dwellers.

2.2 The Department of Urban Employment & Poverty Alleviation in the Ministry of Urban Affairs & Employment is monitoring the implementation of Swarna Jayanti Shahari Rozgar Yojana (SJSRY).

#### *A. Urban Poverty*

2.3 The majority of the urban poor are living in extremely deprived conditions with insufficient civic amenities. A significant portion of the urban poor belong to Scheduled Castes, Scheduled Tribes and minorities. These groups require facilities to improve their skills and assistance in setting up micro-enterprises for enhancement of their income. Another major area of assistance for this target group is provision of funds for housing or shelter upgradation. Government have accorded high priority to the substantial expansion of programmes meant for improving the quality of life of the urban poor.

2.4 The Planning Commission estimate of urban poor (1993-94) stands at 76.3 million constituting 32.36% of total urban population.

2.5 The allocation of funds for 1999-2000 in respect of the urban poverty schemes is in the ratio of 1:50 as compared to rural development & poverty alleviation schemes as against a poverty ratio of 1:3 between urban and rural areas.

2.6 The Committee observe that urban poverty alleviation has been a major challenge to the nation at large as the number of persons living below poverty line in urban areas constitute 32.36% of urban population. While the ratio of poverty is 1:3 for urban and rural areas, the funding for urban poverty alleviation programmes *vis-a-vis* the rural poverty alleviation programmes presently is in the ratio of 1:50 leading to an imbalanced and unplanned growth in

urban population and resultant stress and strain on the available civic infrastructure in urban areas. The Committee, therefore, recommend that allocations for urban poverty programmes be stepped up substantially not only to reduce the urban - rural imbalances but also to provide for a better quality of life to the urban poor.

#### ***B. Swarna Jayanti Shahari Rozgar Yojana***

2.7 In a decision of far reaching consequences the Union Cabinet on 5<sup>th</sup> August, 1997 approved the Swarna Jayanti Shahari Rozgar Yojana (SJSRY). The SJSRY has been launched as a replacement for Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP), and Prime Minister's Integrated Urban Poverty Eradication Programme (PMI UPEP) on 1.12.1997. The SJSRY seeks to provide gainful employment to the urban unemployed, or underemployed poor through encouraging the setting up of self-employment ventures or provision of wage employment.

The Scheme consists of two special schemes, namely-

- (a) The Urban Self Employment Programme (USEP)
  - (b) The Urban Wage Employment Programme (UWEP)
- (a) *Urban Self Employment Programme (USEP)*
- 2.8 This Programme will have three components:
- (i) Assistance to individual urban poor beneficiaries for setting up gainful self employment ventures.
  - (ii) Assistance to groups of urban poor women for setting up gainful self employment ventures. This Sub-scheme has been titled as, 'The Scheme for Development of Women and Children in the Urban Areas (DWCUA).
  - (iii) Training of beneficiaries, potential beneficiaries and other persons associated with the urban employment programme for upgradation and acquisition of vocational and entrepreneurial skills.



**Salient Features of Urban Self Employment Programme are:-**

**(i) *Setting up Micro-Enterprises and Skill Development***

Maximum Unit cost	Rs. 50,000/-
subsidy	15% of the Project cost subject to a maximum ceiling of Rs. 7500/-.

Margin money to be contributed by the beneficiary	5% of the Project Cost
---	------------------------

**FOR JOINT VENTURE**

Project cost	Sum of individual project cost allowable per beneficiary.
--------------	---

Subsidy	Total permitted subsidy per person.
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**(ii) *Training and Infrastructure Support***

Training cost per person	Rs. 2000/-
Training period	Two to six months subject to a minimum of 300 hours.

Tool Kit worth	Rs. 600/-
----------------	-----------

**(iii) *Development of Women and Children in Urban Areas (DWCUA)***

2.9 DWCUA aims at helping groups of urban poor women consisting of at least 10 women in taking up self-employment ventures. The ceiling of subsidy is Rs. 1.25 lakh or 50% of the cost of project whichever is less. Where the groups sets itself up as Thrift and Credit Society, it will be eligible for an additional grant of Rs. 25,000/- as Revolving Fund at the rate of Rs. 1000 maximum per member. The fund is meant for purposes like purchases of raw material and marketing, infrastructure support etc. and expenses upto Rs. 500/- on travel cost of group members to bank, payment of insurance premium etc. are allowed by the State in Group's interest. The Revolving Fund can be availed by the Group only after one year of its formation.

**(b) Urban Wage Employment Programme (UWEP)**

2.10 This programme seeks to provide wage employment to beneficiaries living below the poverty line within the jurisdiction of urban local bodies by utilising their labour for construction of socially and economically useful public assets.

2.11 The programme shall apply to urban local bodies, the population of which was less than 5 lakh as per the 1991 census.

2.12 The material labour ratio for works under this programme shall be maintained at 60:40. The prevailing minimum wage rate as notified from time to time for each area, shall be paid to beneficiaries under this Programme.

2.13 As per the guideline to fulfil the objectives of the Yojana, Neighbourhood Groups (NHGs), Neighbourhood Committees (NHCs), and Community Development Societies (CDSs) shall be set up in the target areas. The CDSs shall be the focal point for purpose of identification of beneficiaries, preparation of application, monitoring of recovery and generally providing whatever other support in recovery for the programme. The CDS will also identify viable projects suitable for the particular area. The number of NHGs, NHCs and CDSs set-up under the Yojana (upto 31.12.1998) is given at *Appendix-II*.

2.14 The SJSRY is funded in the ratio of 75:25 between the Central and State Government, Rs. 1009 crore have been allocated for the Yojana against a proposal of Rs. 4869 crore for the Ninth Plan.

2.15 A sum of Rs. 102.89 crores was provided for the Yojana during 1997-98. The allocation in BE 1998-99 was Rs. 188.50 crore which was reduced to Rs. 162.28 crore at the RE stage. The outlay proposed for the Yojana during 1999-2000 is Rs. 180.65 crore against the Ministry's proposal of Rs. 215 crore. The State-wise details of the amounts released during 1997-98 and State shares required and provided during 1998-99 are given in *Appendix-III*.

2.16 When asked as to how the reduced outlay would affect the implementation of different components of SJSRY, the Ministry in written note stated as under:-

**"Since the unspent amount of earlier Urban Poverty Alleviation Programme are available with the State, the reduced outlay for**

1998-99 may not adversely affect implementation of Swarana Jayanti Shahari Rozgar Yojana (SJSRY) in 1999-2000."

2.17 When asked further as to how the Yojana will be implemented with the reduced outlay, the representative of the Ministry stated during oral evidence as follows:-

"I will not say that the problem will be overcome but for this particular year perhaps it will be little less because in the previous three schemes, there were certain unspent balance amount. Perhaps this year and even next year, we may not have that much of a problem. But in future we will require your support and help to get higher allocations. So, we will require your indulgence and support."

The State-wise details of previous balances of funds available with the State Governments under SJSRY are given in *Appendix IIIA*.

2.18 The Committee note that for the SJSRY against a proposal of Rs. 4869 crore for the Ninth Plan (1997-2002) a sum of Rs. 1009 crore have been allocated by the Planning Commission at an average of about Rs. 200 crore for each year of the plan. So far during the plan, a sum of Rs. 557 crore for the years 1997-98, 1998-99 and 1999-2000 have been allocated. This implies that Rs. 452 crore will have to be provided for in the Department's budget for the remaining two years of the Plan.

The Committee fear that the trends of outlay for the Yojana at the BE stage and further reduction by the Ministry of Finance at RE stage may adversely affect the performances under the Yojana. This is further accentuated when viewed in the context of the Ministry's admission and apprehension that perhaps in the current year there may not be much of a problem and that in future the Committee's help and indulgence is required for getting higher allocations in future. The Committee cannot but conclude that performance under the Yojana may be adversely affected owing to resource crunch as the implementation of the Yojana gets momentum. They, therefore, recommend that yearly allocations be stepped up to attain the levels of approved/sanctioned outlays for the Yojana during the Plan period.

2.19 The representative of the Ministry stated during evidence that Commercial Banks are involved in the implementation of the Yojana

by way of advancing loans to the beneficiaries directly. The rate of interest varies from scheme to scheme in the Yojana. While SC/ST people are charged 4% for others it is between 11 to 12 per cent. The recovery of loans is to the extent of 30%.

2.20 The representative of the Ministry informed the Committee during evidence that certain problems have been encountered with regard to the performance of Banks under the Yojana in respect of timely disbursement of loans, insistence on giving security for loans upto Rs. 50000 while the banks are not to ask for the same and that Banks are trying to fulfil the physical targets by advancing loans of small amounts of Rs. 3 to 4 thousand. These problems have been brought to the notice of the RBI and the Department of Banking by them.

2.21 Asked further if the Department had received any complaints in this regard and the steps the Ministry have taken to redress these complaints, the representative of the Ministry stated during evidence that they have received complaints regarding non-cooperative attitude of the Banks. To find a solution to this problem, the Department held a meeting with RBI officials who assured to take action in this regard. The RBI asked the Department to provide details of the concerned Bank and the Branch. They are in the process of collecting the said information on receipt of which the same would be sent to RBI and the Department of Banking since they are not in a position to initiate any action on the Banks as they do not come under their purview.

2.22 The Committee observe that under SJSRY the Commercial Banks have a role similar to that under the Scheme of Urban Micro Enterprises (SUME) component of Nehru Rozgar Yojana (NRY) implemented earlier - by way of advancing loans, selection of beneficiaries etc. Here again, the Committee observe that as in the earlier version, the role of Commercial Banks under SJSRY is being looked at with suspicion, since the Banks are not performing in the desired manner. There have been instances of complaints against the Banks' non-cooperative attitude and harassment of the beneficiaries.

The Committee are distressed to find that the same problems which were being faced under SUME of NRY are again cropping up and that again the same set of arguments and defences of their

action and their helplessness to take some remedial action to discipline the Banks are being advanced by the Ministry. The Committee, therefore, are of the considered view that the Ministry should take urgent steps to check this malady in the nascent stage of the implementation of the Yojana. They recommend that the Ministry should take steps to ensure that the beneficiaries under the Yojana are not subjected to harassment at the hands of the Banks who are supposed to help in implementation of the Yojana rather than being an impediment to it. The Committee recommend that single window system for selection of beneficiaries, advancing of loans etc. be evolved for at the level of the Neighbourhood Committee or the Community Development Societies under the Yojana at the earliest to overcome the apathetic and non-cooperative attitude of banks. They would like to be apprised of the steps taken by the Ministry in this regard.

#### *Physical Progress Under SJSRY*

2.23 No physical targets have been fixed and this matter has been left to be decided by State Governments in conformity with the guidelines on the scheme and result of beneficiary survey. This has been done to ensure adequate flexibility of operation of the Yojana.

2.24 As per information furnished by the representative of the Ministry during evidence, 194.74 lakh urban poor have been identified under the Yojana since inception.

The State/UTI-wise data in respect of urban poor identified under the Yojana (upto 31.12.1998) is given at *Appendix IV*.

2.25 During evidence the Committee were apprised of the progress achieved under different components of the Yojana (upto March, 1999) which is as under:

#### **Community Structure**

No. of house to house Survey conducted in towns	2875 towns
No. of Community Development Societies formed	2821
No. of Community Organisation	1730

No. of Community Organisers appointed	1730
---------------------------------------	------

No. of different level of functionaries trained	56274
---	-------

**Urban Self Employment Programme (USEP) and Development of Women and Children in Urban Areas (DWCUA)**

No. of beneficiaries assisted to set up micro enterprises	51031
---	-------

No. of DWCUA groups formed	2799
----------------------------	------

No. of women beneficiaries under DWCUA groups to set up Community Self Employment Ventures	401
--	-----

No. of persons trained for skill upgradation	47464
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No. of Thrift & Credit societies formed	6474
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***Urban Wage Employment Programme (IWEP)***

No. of mandays of work generated	70 lakhs
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The State/UT-wise details of the above data of the physical progress made under the Yojana (upto 31.12.1998) is given at Appendices V to VIII respectively.

2.26 On the question of monitoring the progress made under the Yojana, the representatives of the Ministry stated during evidence that for 2-3 States a Director of the Department has been nominated to check the progress by undertaking tours. During the year, four reviews have been made at the level of Secretary. Two reviews have been made on 24th February and 10th March, 1999. One by a high level Committee and the other by Secretaries of all States. In these reviews the problems faced during the implementation of the Yojana have been analysed completely.

2.27 The Committee note that though funding is in the ratio of 75:25 under SJSRY, the Ministry is not fixing any physical targets which have been left to be decided by the State Governments in order to lend adequate flexibility of operation. The Committee observe that since inception of the Yojana, 194.74 lakh urban poor have been identified, 70 lakh mandays of work was generated under UWEP, house to house surveys in 2875 towns conducted, 2821 CDs were formed, 56274 field level functionaries were trained under the community structure and 51031 beneficiaries assisted to set-up micro enterprises, 2799 DWCUA groups formed, 47464 persons trained for skill upgradation under USEP/DWCUA components of the SJSRY. However the Committee regret to note that the performance in some States is of very high order while there is no or negligible achievement in some other States.

They would therefore, urge the Government to interact with those States where the Scheme is yet to take off to identify the reasons and to take necessary corrective steps.

The Committee feel that since the Yojana is just getting momentum as also that huge amount of funds are being pumped into this, they desire that the still born monitoring system be strengthened by conducting quarterly reviews, devising MIS proforma for obtaining information relating to progress under different components of the Yojana, conducting evaluatory studies and instituting independent evaluations of the Yojana may be considered earnestly by the Ministry. They would like to be informed of the steps taken in this direction.

### *C. National Slum Development Programme*

2.28 National Slum Development Programme (NSDP) was launched in August, 1996 to provide an additionality to the normal central assistance to the States/UTs for slum development.

2.29 The objective of this programme is to provide adequate and satisfactory water supply sanitation, primary education facilities, health care, pre-primary, adult literacy and non formal education facilities etc. The focus is on community infrastructure, provision of shelter, empowerment of urban poor women, training skill upgradation and advocacy and involvement of NGOs, CBOs, private institutions and other bodies.

2.30 The Scheme is applicable to all the States and Union Territories. The total slum population as per 1991 census stands at 46.3 million.

Funds are allocated to States on the basis of urban slums by the Planning Commission at the beginning of each financial year. *Inter se* allocation between States is made directly by the Department of Expenditure. The outlay for the programme is provided for in the Grant of Department of Expenditure.

2.31 Monitoring of NSDP is being done by the Ministry of Urban Affairs & Employment on quarterly basis by seeking information in the Management Information System (MIS) proforma circulated by the Ministry to all States/UTs. It is also proposed to monitor the progress by field visits and by calling review meetings with the officers of State Governments.

2.32 The Planning Commission issued guide-lines at the time of launching of the Programme in August, 1996. These guidelines have been revised in December, 1997.

2.33 During the years 1996-97, 1997-98 and 1998-99 Rs. 250 crore, Rs. 330 crore and Rs. 350 crore have been allocated to States/UTs under NSDP respectively. Rs. 241.13 crore has been released during 1998-99 by Department of Expenditure upto 31.12.1998. A provision of Rs. 365.18 crore has been made for the year 1999-2000 for the programme.

2.34 When asked to comment on this complex arrangement of allocation of Grants and monitoring of the programme in the hands of different Deptts./Ministries, the Secretary, of the Ministry stated during evidence that this is a very peculiar scheme in that though this Department has been made the nodal, Ministry to monitor the progress of the programme they do not have any powers to allocate funds etc. which is being done by the Planning Commission and the Ministry of Finance. This has landed this Department in a very awkward situation.

2.35 Asked further as to what are the Ministry's suggestions to overcome this problem, the Secretary further stated that the funds should be placed at their disposal with full responsibility so that they would be fully accountable for all the aspects of the programme.



2.36 The Committee observe that the Government launched National Slum Development Programme (NSDP) in August, 1996 to provide additionality to the central assistance given to States/UTs for Slum Development. The Committee, however, are unhappy to observe the peculiar nature of the Programme as different aspects of funding, implementation and monitoring the progress are with different Ministries/Deptts. of the Government. They will like to draw the attention of the Government to the observations made by them in their 3rd Report (12th Lok Sabha) on Demands for Grants (1998-99) in this regard.

Further, the Committee cannot but agree with the submission of the representative of the Ministry that for better and co-ordinated implementation and monitoring of the Programme all the aspects of funding and monitoring should be placed in the hands of a single Ministry which in their view is an essential pre-requisite for successes of any programme. They may be apprised of the steps taken in this direction.

## **CHAPTER III**

### **HOUSING**

After a thorough review, the new Housing & Habitat Policy has been formulated to address the issues of sustainable development, infrastructure and for strong public private partnership for shelter delivery. The policy laid before Parliament on 29.7.1998. The objectives of the policy are to create surpluses in housing stock and facilitate construction of 2 million dwelling units each year in pursuance of the National Agenda for Governance. It also seeks to ensure that housing, alongwith supporting services, is treated as priority sector at par with infrastructure.

3.2 The central theme of the policy is strong public-private partnership for tackling housing and infrastructure problems. The Government would provide fiscal concession, carry out legal and regulatory reforms and create an enabling environment. The private sector, as the other partner, would come forward to undertake actual construction activities and invest and run infrastructure services.

3.3 The National Agenda for Governance has identified Housing for all as a priority area, with particular emphasis on the needs of the vulnerable groups, as per the programme, it is proposed to facilitate construction of 20 lakh additional units every year, with emphasis on the poor and the deprived. Out of the 20 lakh additional houses, 7 lakh houses would need to be constructed in urban areas and 13 lakh in rural areas. All the 7 lakh units will be EWS and LIG. State-wise targets have been fixed for this purpose for HUDCO, NHB and NCHF.

3.4 When asked as to the number of houses the Government propose to construct under public sector and private sector respectively, the Ministry stated in a written note:

“The Government’s role is that of a facilitator than a provider. The construction activity will be undertaken by State Government agencies, housing cooperatives and other private sector agencies.

Under the additional 2 million housing programme the targets set for construction through HUDCO loan is 4 lakh units, through National Housing Bank (Housing Finance Institutions and Banks) 1.5 lakh units, through Apex Cooperatives and others 1 lakh and 50,000 units through other sources."

3.5 On the requirement of funds to meet the required target under housing and the steps the Government propose to take to meet the gap between the requirement and availability of funds, the Ministry in a written note stated as under:

"To construct 7 lakh additional units in the urban areas every year, it requires an investment of the order of Rs. 4000 crore every year. Out of this, 70% funds are expected from institutional sector, 1/3rd of which are expected to come from HUDCO and the rest from other housing finance companies. The State Governments, Co-operative sector, NGOs and informal sector would fund the balance 30% requirement. In view of the magnitude of funds requirements, Government is also considering Foreign Direct Investment in Housing and Urban Development Sector."

3.6 Asked in what way an enabling environment will be created for the construction of 2 million additional housing units, the representative of the Ministry stated during evidence that an enabling environment is sought to be created in three ways by providing financial, legal incentives and by appropriate technology. This will help the individual housing activity or the rental housing. Secondly, corporate housing is facilitated by way of incentives in Income Tax, excise and tax holidays given to companies towards appropriate, cost effective and technologies based on waste material etc.

3.7 The Ministry in a written note stated that in order to encourage the private sector to invest in housing and infrastructure sectors, the Government has provided fiscal incentives under the Income Tax Act and in custom and excise duties. The fiscal concession provided in the 1998-99 budget and those announced in the 1999-2000 budget are as follows:-

***Concessions given in 1998-99 Budget***

1. Amendment to sections 2(e) (a) of Wealth Tax Act Exemption from Wealth Tax on Urban Vacant Land held as stock-in-trade for period of 7 years.

2. Rental properties Exempted from Wealth Tax provided they are rented out for at least 300 days.
3. 25% of Rental Income allowed to be deducted under Section 24 of IT Act.
4. Deductions for interest on Borrowed capital in case of self occupied properties increased from Rs. 15,000/— to Rs. 30,000/— [Section 5 (VI)] IT Act.
5. Carry forward of losses from 'House Property' against future income under the same head allowed for 8 years (Section 71 of IT Act).
6. Section 80GG in respect of deduction of rents paid reintroduced.
7. Tax holiday for approved housing projects 100% deduction from profits for first five years and 30% deduction for subsequent five years (Section 80-1A of IT Act).

***Concessions Announced in the 1999-2000 Budget.***

1. Interest on loan for self-occupied property upto a ceiling of Rs. 75,000/- exempted from tax (Section 24 IT Act).
2. The benefit available under Section 43 (D) of IT Act to be extended to Housing Finance Company also.  
  
Income of Housing Finance Company will be taxable on actual basis rather than on accrual basis.
3. The Reserve Bank of India (RBI) will advise the schedule commercial banks to lend upto 3% of their incremental deposit for housing sector as compared to the existing 1.5%.
4. The foreclosure laws in the housing sector will be suitably simplified under the National Housing Bank.
5. It is proposed to increase depreciation rate from 20% to 40% on new dwelling units purchased by business organisations.
6. NHB will start a housing scheme for small towns and it will provide for reduced interest rate for small borrowers.
7. Tax-free municipal bonds to a limit amount will be permitted.

Further, Government has repealed the Urban Land Ceiling Regulation Act, 1976. This is expected to make available additional land for the housing sector.

3.8 The Committee observe that housing for all has been recognised by Government as a minimal requirement and in pursuance thereof a National Housing & Habitat Policy has been evolved and laid before Parliament in July, 1998. The Policy aims to create surpluses in housing stock and address the issue of sustainable development and aims at creating strong public private partnership for tackling housing and infrastructure problems. The Committee note further that the National Agenda for Governance also aims at creation of a facilitating environment for construction of 2 million additional dwelling units in rural and urban areas. HUDCO is the major contractor for enabling the construction of 1/3<sup>rd</sup> target of the 7 lakh additional DUs primarily for EWS/LIG categories of beneficiaries.

The Committee also note that in order to create an enabling environment for the increased public private partnership in the field of housing activities, the Government has accorded industry status to the construction activities, extended tax holiday for housing projects, given income tax and wealth tax benefits, simplification of foreclosure laws, increased depreciation rate from 20% to 40% for DUs purchased by business houses and excise benefits to companies investing and promoting cost effective technologies in the housing sector. The Committee hope that these steps will go a long way in promoting housing activities thereby reducing the shortage in housing stock to a large extent.

3.9 It may be seen from the detailed Demands for Grants under the head-capital outlay on Housing that Government investment towards equity to HUDCO for Housing loans increased from Rs. 110 crore in BE 1998-99 to Rs. 150 crore in BE 1999-2000 an increase of 36.36% over BE 1998-99 on the plan side. While on the non plan side, there is more than 100% increase in BE 1999-2000 at Rs. 19.32 crore over BE 1998-99 figure of Rs. 9.32 crore. The increase is on account of additional provision of Rs. 5 crore each for interest subsidy to HUDCO for construction of 2 million houses and loan to HUDCO.

3.10 On the question of parameters that have been taken into account while allocating targets/sanctioning schemes, the representative of the Ministry stated during evidence that the four basic factor for

fixing targets etc. were (a) the area of a particular State (b) the population of the State-EWS/LIG categories below poverty line (c) the income criteria; and (d) the shortage of housing for the EWS/LIG categories.

3.11 When asked as to who will construct the 2 million houses and the procedure for allotment to beneficiaries etc., the representative of the Ministry stated during evidence that about 90% of the HUDCO loans are for EWS/LIG categories. The State Government, State Housing Boards and Urban Development Authorities will be involved in the construction and allotment of the additional houses. The capital cost for EWS/LIG houses in Rs. 35000 and Rs. 1 lakh which the Government recommended to be raised to Rs. 50000/- and Rs. 1.5 lakh respectively providing for a dwelling unit of 200 to 250 sq.ft.

3.12 Asked the manner in which the target of 4 lakh houses divided between HUDCO and others, the representatives of the Ministry stated during evidence as follows:

“A conference was taken by the hon. Minister and the Secretary with all the State Secretaries as to what shall be the target to distribute four lakh houses based on area, population and housing requirements of each State. Based on that, as has been said, some States have not taken the targets allotted to them and then, the other States had to take that. Therefore, we have a larger programme. We have achieved more than 4.3 lakh, but the distribution is in 13 States - not in all the States - and few Union Territories.”

3.13 Adding further to it, the representative of the Ministry stated that the targets have been allocated to the States *viz.* Gujarat 27,184, Andhra Pradesh 29,388, MP 31,697, Maharashtra 44,240, UP 40,995, West Bengal 24,210, Kerala 12,090, 23,923 houses to Karnataka, though Bihar was allocated 22535 there were proposals for just 383 units as they were interested in 100% subsidised housing scheme with no recovery.

3.14 The scrutiny of Demands for Grants in respect of Housing outlay on the Plan and Non-Plan side shows that a total of

Rs. 50 crore has been increased in BE 1999-2000 over BE 1998-99 allocation of Rs. 119.32 crore. These increases are meant for HUDCO to meet its liabilities towards interest subsidies and loans for the construction of additional 2 million houses for EWS/LIG categories in rural and Urban areas. However, the Committee feel that the cost ceilings at Rs. 50,000 and Rs. 1.5 lakh for EWS/LIG houses for a house of 200 to 250 sq. ft. are on the bare minimum side when viewed in the context of lack of basic civic amenities in the areas where such EWS/LIG houses are constructed in the Urban areas. The Committee, therefore, desire that a holistic approach towards housing for EWS/LIG section of beneficiaries may be taken to provide for all around development of the urban areas as also for enabling better utilisation of the available resources. They will also like to draw the Government's attention to the recommendations made by them in their 3<sup>rd</sup> Report (12<sup>th</sup> Lok Sabha) on Demands for Grants (1998-99) of this Department in this regard. The steps taken in pursuance of the above may be informed to them.

3.15 When asked whether the Ministry has ever got any of these major housing schemes evaluated by any independent agency at any point of time, the representative of the Ministry stated during evidence as follows:

"The Ministry has not done it, we have got, what we call, plans prepared State-wise from independent agencies, but the housing programme which is funded through HUDCO has not been evaluated."

3.16 Asked further as to the reasons for which independent evaluations on the lines of IRDP programmes of the Government have not been done, the representative of the Ministry added further as follows:

"We have done it in the case of other programmes, but in respect of housing programmes, we have not done it. Under poverty alleviation, we have done five studies. The results are collated and readily available. We have sent them to the States. Similarly, this year, we have started a concurrent evaluation. We have entrusted this concurrent evaluation to the Indian Institute of Public Administration."

3.17 It is disconcerting to observe that so far, the Ministry has never got any of the major housing schemes evaluated by any independent agency on the specious plea that the plans for Housing schemes, are prepared State-wise by independent agencies and those funded through HUDCO have not been evaluated. Further, it is also distressing to observe that the Ministry has not spared a thought to get the housing Schemes evaluated by independent agencies on the lines of concurrent evaluation being done in the case of rural employment programmes. The Committee, therefore, recommend that concurrent evaluation of both the housing and urban poverty alleviation programmes may be done without any further delay. The results of studies conducted in this regard may be informed to them.

3.18 When asked whether it is a fact that the EWS/LIG house constructed earlier are in dilapidated condition, that due to lack of infrastructure facilities, transport and their location in far flung and isolated areas to the cities/towns possession of 80% of these houses has not been take even after the lapse of over 10 years and the steps that have been taken on are proposed to be taken in this regard, the Secretary of the Ministry stated during evidence that there are many completed house lying vacant and possession has not been taken in 4-5 States viz. Rajasthan, Punjab, Haryana and Chandigarh etc. and no one is ready to take possession thereof due to reasons cited above. To solve this problem they propose to dispose off these houses by giving discounts and other incentives etc. in order to lessen the interest burden etc. on the funds invested in such housing projects.

3.19 The Committee regret to note that thousands of Houses constructed for EWS/LIG category of beneficiaries have not been taken possession by the beneficiaries even after a lapse of more than 10 years as is the case in the city of Alwar where there are about 8000 EWS/LIG vacant houses whose possession has not been taken by the beneficiaries. It was admitted by the Secretary during evidence that there are many such houses in the States of Rajasthan, Punjab, Haryana and Chandigarh to cite a few instances. These EWS/LIG category of houses were not taken



possession of by the beneficiaries even after a lapse of more than 10 years. The main reasons for non-acceptance of these houses by the beneficiaries could be attributed mainly to lack of infrastructural facilities viz. water, transport, electricity, security and other basic civic amenities etc. This sorry state of affairs in the Committee's view apart from the above is due to lack of demand assessment by the concerned State Governments or other agencies involved in the construction of these Houses.

3.20 The Committee, therefore, recommend that to obviate such a situation arising again in future, Government should first assess as to whether there will be demand for houses in a particular locality of the town, the availability of infrastructural facilities and other basic civic amenities before sanctioning housing projects in the absence of which, steps should be taken to provide for such basic civic amenities and other infrastructural facilities alongwith the construction of houses for EWS/LIG categories of beneficiaries. This in their view would go a long way in better and proper utilisation of scarce resources both monetary and building materials etc. The Committee, recommend that in future no housing project should be sanctioned for implementation which does not provide for basic facilities for a decent living which is the ultimate goal of the housing policies of the Government.

#### *New Schemes proposed in the Ninth Plan*

3.21 The Ministry proposed to introduce the following three new Schemes for implementation in the Ninth Five Year Plan:

- (a) Saving linked Housing Schemes for the urban and rural poor;
- (b) Prime Minister' Awaas Yojana; and
- (c) Development of Urban Indicators Programme.

3.22 The salient features/objectives of the above new schemes is given below:

- (a) **Saving linked housing Scheme for the urban poor :** The schemes is to be implemented through HUDCO. The objectives of the schemes is to provide savings-linked loan assistance at a subsidised rate of interest for new dwelling units or upgradation and to provide 2,00,000 dwelling units every year.

The scheme prescribes an initial savings by a beneficiary @ Rs. 12 per day, Rs. 300 per month (25 days) and Rs. 3500 per year.

The ceiling cost per unit is prescribed to be Rs. 35,000/- and loan assistance to an extent of Rs. 35,000/- will be provided @ 9.5% per annum. Repayment period proposed is 15 years. The equated monthly instalment will be Rs. 325.00 (for 25 days @Rs. 13). Adequate funds for this scheme will be raised through issue of Tax Free Bonds @ Rs. 10.5% per annum. During 1998-99 to 2003-2004, funds @ Rs. 700 crore per annum will be raised. Central Government will provide interest subsidy to cover the difference between borrowing & lending rates. The outlay proposed for the Ninth Plan was Rs. 430 crore.

State Governments, State agencies, Housing Cooperative Societies, Housing Board, Selected NGOs and CBOs will be the implementing agencies.

- (b) **Prime Minister's Awaas Yojana:** The objective is to provide 100% grant assistance towards the reconstruction of houses of the poor, damaged through earthquakes, landslide, cyclones, floods and fires.

Beneficiaries of the scheme will be those urban households belonging to people below the poverty line. The damaged house should have been situated in an approved colony. The Ninth Plan outlay proposed for the Yojana was Rs. 187.50 crore.

- (c) **Development of Urban Indicators: Programme:** A set of key indicators relating to housing and urban services was prescribed by the United Nations Centre for Human

Settlements (UNCHS) for assessing the current conditions in housing and urban infrastructure as well as the progress in some other social sectors. These well - tested set of indicators are an essential component of the planning, implementation and management process. The indicators are basically statistics, relating to specific programmes and policy concerns and are used as pointers to the desirable choices from among policy options. The indicators are a useful tool for policy formulation and in managing the housing and urban infrastructure development policies and programmes of the Central, State and City Governments. An extensive training agenda is to be developed and training undertaken at decentralised levels. As a first step action has to be initiated for capacity building in the local and city Government agencies for developing and making use of the indicators.

It is proposed to extend financial support to the local bodies in the State as well as some NGOs for initial capacity building exercise. The State Government may provide suitable provisions in their 5 year plan proposals for providing financial assistance to those organisations who will be made responsible for actual data collection and processing for this programme. The National Building Organisation being the technical arm of the Department shall play the key role in coordinating the activities in this regard. The Ninth Plan outlay proposed for the Programme was Rs. 10 crore.

3.23 These plan schemes were posed to the Planning Commission. The Planning Commission is yet to approve these schemes. These schemes will be launched as soon as the Planning Commission approves them. In this connection, it is pertinent to mention here that in the 9th Plan Outlay (1997-2002), since received, a provision of Rs. 5 crore has been made only for saving linked housing scheme.

3.24 The representative of the Ministry stated during evidence that these three schemes have a token provision of Rs. 1 lakh each and that these schemes are not operational as yet as the Planning Commission has not yet considered these new schemes for implementation.

3.25 The Committee note that the Ministry propose to introduce three new schemes of (a) Saving linked Housing Scheme for the urban and rural poor; (b) Prime Minister' Awaas Yojana; and (c) Development of Urban Indicators programme for implementation in the Ninth Five Year Plan period. However, they regret to observe that though the Ninth Plan (1997-2002) has entered its 3rd year of operation, the Planning Commission is yet to approve these three schemes for implementation. The Committee are surprised to note that a token amount of Rs. 1 lakh each has been provided for these 3 schemes in the Demands for Grants for 1999-2000 of the Department though the Planning Commission is yet to approve these schemes. The Committee are at a loss to understand the rationale and purpose behind the meagre provision of Rs. 5 crore for the PM's Awaas Yojana by the Planning Commission and the token provision of Rs. 1 lakh each by the Department for each of these schemes.

The Committee, therefore, desire that the Ministry desist itself from such adhocism which in their opinion will not attain any tangible benefits. They also desire that the adequate groundwork may be done before these new schemes are launched for implementation.

NEW DELHI;  
12 April, 1999  
22 Chaitra, 1921 (Saka)

KISHAN SINGH SANGWAN,  
Chairman,  
Standing Committee on  
Urban & Rural Development.

# APPENDIX I

## FINANCIAL PROVISION

### Department of Urban Employment and Poverty Alleviation

#### (A) Programme/Activity Classifications

Sl.No.	Programme/Activity	(Rs. in thousands)									
		Budget Estimates 1998-99			Revised Estimates 1998-99			Budget Estimates 1999-2000			Total
		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	1,80,000	53,00	2,33,00	1,80,00	53,00	2,33,00	80,00	53,00	1,33,00	
2.	N.B.O. including Research & Survey Schemes	4,00,00	73,00	4,73,00	3,49,00	74,00	4,23,00	3,52,00	84,00	4,36,00	
3.	UNCHS International Co. operation Activities (IYSH)	60,00	35,00	95,00	60,00	35,00	95,00	60,00	35,00	95,00	
4.	Grants in Aid NCHF	20,00	—	20,00	20,00	—	20,00	20,00	—	20,00	

1	2	3	4	5	6	7	8	9	10	11
5.	Displaced Persons Colonies in West Bengal	18,00,00	—	18,00,00	5,00,00	—	5,00,00	5,00,00	—	5,00,00
6.	Financing Housing Schemes for Central Govt. Employees through Housing Agencies	—	5,00,00	5,00,00	—	5,00,00	5,00,00	—	10,00,00	10,00,00
7.	Swarna Jayanti Shahari Rozgar Yojana	186,70,00	—	186,70,00	160,48,00	—	160,48,00	179,85,00	—	179,85,00
8.	Finance to Public Sector Companies—Equity—Housing	110,00,00	—	110,00,00	110,00,00	—	110,00,000	—	150,00,00	—
9.	Night Shelter Scheme	1,00,00	—	1,00,00	1,00,00	—	1,00,00	1,00,00	—	1,00,00
10.	Building Material and Technology Promotion Council	4,40,00	—	4,40,00	4,40,00	—	4,40,00	4,00,00	—	4,00,00
11.	Central Govt. Employees Welfare Housing Orgn.	—	10,00	10,00	—	10,00	10,00	—	10,00	10,00
12.	Saving Linked Housing Scheme	50,00	—	50,00	1,00	—	1,00	1,00	—	1,00

1	2	3	4	5	6	7	8	9	10	11
13.	PM's Awaas Yojana for Urban Poors affected by Natural Calamities	50,00	—	50,00	1,00	—	1,00	1,00	—	1,00
14.	Development of Indicators Programme	30,00	—	30,00	1,00	—	1,00	1,00	—	1,00
15.	Interest subsidy for areas affected by Natural Calamities	—	2,50,00	2,50,00	—	2,50,00	2,50,00	—	2,50,00	2,50,00
16.	Interest Subsidy for Construction of 2 Million Houses	—	—	—	—	—	—	—	5,00,00	5,00,00
Total :		328,0000	9,21,00	337,21,00	287,00,00	9,22,00	296,22,00	345,00,00	19,32,00	364,32,00

**Object Head-wise Classification**

01.	Salaries	47,00	1,04,19	1,51,19	47,00	1,09,89	1,56,89	45,00	1,13,69	1,58,69
02.	Wages	40	50	90	40	50	90	40	50	90
93	Overtime Allowance	1,50	1,30	2,80	1,50	80	2,30	1,50	80	2,30
11.	Domestic Travel Expenses	10,00	3,00	13,00	10,00	3,00	13,00	12,00	3,50	15,50

1	2	3	4	5	6	7	8	9	10	11
12.	Foreign Travel Expenses	—	2,00	2,00	—	2,00	2,00	—	2,00	2,00
13.	Office Expenses	1,14,00	5,00	1,19,00	1,14,00	5,00	1,19,00	14,00	5,50	19,50
16.	Publications	1,00	2,70	3,70	1,00	2,20	3,20	1,00	3,70	4,70
28.	Professional Services	2,00	—	2,00	2,00	—	2,00	2,00	—	2,00
31.	Grant-in-aids	214,10,00	10,05	214,20,05	174,10,000	10,05	174,20,05	193,07,00	10,05	193,17,05
32.	Contributions	1,60,00	35,00	1,95,00	1,09,00	35,00	1,44,00	1,12,00	35,00	1,47,00
33.	Subsidies	50,00	2,50,00	3,00,00	1,00	2,50,00	2,51,00	2,51,00	1,00	7,50,00
50.	Other Charges	4,10	7,26	11,36	4,10	3,56	7,66	4,10	7,26	11,36
54	Investments	110,00,00	—	110,00,00	110,00,00	—	110,00,00	150,00,00	—	150,00,00
55.	Loan and Advances	—	5,00,00	5,00,00	—	5,00,00	5,00,00	—	10,00,00	10,00,00
Grand Total		328,00,00	9,21,00	337,21,00	287,00,00	9,22,00	296,22,00	345,00,00	19,32,00	364,32,00





## APPENDIX II

### NHCs & CDSs SET UP UNDER SJSRY STATE-WISE (Position upto 31.12.1998)

Sl. No.	Name of the State/U.T.	No. of NHCs Constituted	No. of CD Societies Formed
1	2	3	4
1.	Andhra Pradesh	3077	67
2.	Arunachal Pradesh	0000	00
3.	Assam	60	1
4.	Bihar	313	24
5.	Goa	000	00
6.	Gujarat	734	74
7.	Haryana	190	5
8.	Himachal Pradesh	000	0
9.	Jammu & Kashmir	15	00
10.	Karnataka		
11.	Kerala	580	58
12.	Madhya Pradesh	1248	183
13.	Maharashtra	5473	101

1	2	3	4
14.	Manipur	0000	000
15.	Meghalaya	0000	000
16.	Mizoram	12	3
17.	Nagaland	0000	000
18.	Orissa	1017	000
19.	Punjab	269	30
20.	Rajasthan	137	105
21.	Sikkim	...	
22.	Tamil Nadu	2882	282
23.	Tripura	143	13
24.	Uttar Pradesh	9440	1227
25.	West Bengal	1686	160
26.	A&N Islands		
27.	Chandigarh	7	000
28.	D & N Haveli		
29.	Daman & Diu		
30.	Delhi	173	29
31.	Pondicherry	181	2
Total		27637	2364

NHCs are more formal association of women formed from the NHGs and as such the no. of NHGs set up are not monitored separately.

### APPENDIX III

#### SWARANA JAYANTI SHAHARI ROZGAR YOJANA

##### Position of State share (upto 31.12.1998)

(Rs. in lakhs)

Sl. No.	State	Released during 1997-98	State share required	State share provided during 1998-99
1	2	3	4	5
1.	Andhra Pradesh	839.66	279.89	279.89
2.	Arunachal Pradesh	50.99	17.00	-
3.	Assam	540.38	180.13	-
4.	Bihar	506.09	168.70	152.62
5.	Goa	20.94	6.98	1.00
6.	Gujarat	521.86	173.95	-
7.	Haryana	86.87	28.96	23.57
8.	Himachal Pradesh	50.54	16.85	14.94
9.	Jammu & Kashmir	63.54	21.18	-
10.	Karnataka	736.46	245.49	2652.22

1	2	3	4	5
11.	Kerala	202.99	67.66	189.43
12.	Madhya Pradesh	927.18	309.06	278.35
13.	Maharashtra	1402.22	467.41	467.40
14.	Manipur	122.95	40.98	—
15.	Meghalaya	73.24	24.41	—
16.	Mizoram	69.63	23.21	47.91
17.	Nagaland	53.33	17.78	—
18.	Orissa	223.11	74.37	166.00
19.	Punjab	68.33	22.78	500.00
20.	Rajasthan	329.91	109.97	1000.00
21.	Sikkim	20.51	6.84	—
22.	Tamil Nadu	919.56	306.52	306.50
23.	Tripura	93.98	31.33	32.50
24.	Uttar Pradesh	1181.03	393.68	1387.00
25.	West Bengal	518.63	172.88	333.12
26.	A & N Islands	72.66	NA	—

1	2	3	4	5
27.	Chandigarh	48.42	NA	—
28.	D & N Haveli	12.50	NA	—
29.	Daman & Diu	50.05	NA	—
30.	Delhi	32.70	10.90	—
31.	Pondicherry	22.66	7.55	21.00
Total		9862.92	3226.46	7853.45

### APPENDIX IIIA

STATE-WISE DETAILS OF UNSPENT BALANCE UNDER OLD  
SCHEMES OF URBAN POVERTY ALLEVIATION  
NAMELY, NRY, UBSP AND PMIUPEP  
(AS ON 30.11.1997)

(Provisional)

Sl.No.	Name of State	(Rs. in lakhs)
1.	Andhra Pradesh	4005.23
2.	Arunachal Pradesh	360.36
3.	Assam	517.21
4.	Bihar	416.01
5.	Goa	213.51
6.	Gujarat	1009.54
7.	Haryana	438.89
8.	Himachal Pradesh	424.86
9.	Jammu & Kashmir	434.16
10.	Karnataka	2196.03
11.	Kerala	1026.12
12.	Madhya Pradesh	3168.67
13.	Maharashtra	4806.12
14.	Manipur	47.80

Sl.No.	Name of State	(Rs. in lakhs)
15.	Meghalaya	310.03
16.	Mizoram	94.90
17.	Nagaland	369.27
18.	Orissa	1043.88
19.	Punjab	1542.00
20.	Rajasthan	3422.94
21.	Sikkim	117.07
22.	Tamil Nadu	7531.77
23.	Tripura	-
24.	Uttar Pradesh	6695.83
25.	West Bengal	2588.73
26.	A & N Islands	120.36
27.	Chandigarh	30.39
28.	D & N Haveli	69.19
29.	Daman & Diu	74.11
30.	Delhi	19.74
31.	Pondicherry	278.18
<b>Total</b>		<b>43372.90</b>



#### APPENDIX IV

##### URBAN POOR BENEFICIARIES IDENTIFIED STATE-WISE UNDER SJSRY (upto 31.12.1998)

Sl.No.	Name of the State/U.T.	No. of beneficiaries covered (In lakhs)
1	2	3
1.	Andhra Pradesh	
2.	Arunachal Pradesh	
3.	Assam	
4.	Bihar	1.56
5.	Goa	
6.	Gujarat	8.89
7.	Haryana	
8.	Himachal Pradesh	
9.	Jammu & Kashmir	0.07
10.	Karnataka	
11.	Kerala	10.26
12.	Madhya Pradesh	4.49
13.	Maharashtra	20.81

1	2	3
14.	Manipur	
15.	Meghalaya	
16.	Mizoram	0.40
17.	Nagaland	
18.	Orissa	8.25
19.	Punjab	4.00
20.	Rajasthan	6.34
21.	Sikkim	
22.	Tamil Nadu	8.54
23.	Tripura	0.19
24.	Uttar Pradesh	56.23
25.	West Bengal	19.00
26.	A & N Islands	
27.	Chandigarh	0.00
28.	D & N Haveli	
29.	Daman & Diu	0.05
30.	Delhi	4.96
31.	Pondicherry	2.00
Total		156.04

## APPENDIX V

### COMMUNITY STRUCTURE

**Details of CDSs set up, Cos appointed and house-to-house survey conducted under SJSRY State-wise (upto 31.12.1998)**

Sl. No.	Name of the State/U.T.	No. of CD Societies Formed	No. of Cos appointed	No. of towns whose house-to-house survey conducted
1	2	3	4	5
1.	Andhra Pradesh	67	36	
2.	Arunachal Pradesh	00	00	
3.	Assam	1	9	
4.	Bihar	11	14	
5.	Goa			
6.	Gujarat	74	125	87
7.	Haryana	5	2	82
8.	Himachal Pradesh			
9.	Jammu & Kashmir		25	45
10.	Karnataka		298	134

1	2	3	4	5
11.	Kerala	58	115	58
12.	Madhya Pradesh	183	101	410
13.	Maharashtra	101	148	..
14.	Manipur			
15.	Meghalaya			
16.	Mizoram	3	12	3
17.	Nagaland			
18.	Orissa	00	70	102
19.	Punjab	30	55	131
20.	Rajasthan	105	68	181
21.	Sikkim			
22.	Tamil Nadu	282	263	744
23.	Tripura	13	14	13
24.	Uttar Pradesh	1227	29	684
25.	West Bengal	160	138	91
26.	A & N Islands		2	

1	2	3	4	5
27.	Chandigarh			..
28.	D & N Haveli			
29.	Daman & Diu	..		2
30.	Delhi	29	33	
31.	Pondicherry	2	7	
Total		2364	1561	2767

## COMMUNITY STRUCTURE

### Details of field-functionaries trained under SISRY—State-wise

(Position upto 31.12.1998)

[illegible]

1	2	3	4	5	6	7	8	9	10
6.	Gujarat	002	025	152	009	026	0520	0285	1019
7.	Haryana	012	002	002	025	046	0000	0037	0124
8.	Himachal Pradesh								0000
9.	Jammu & Kashmir		...						0000
10.	Karnataka	170	255	000	015	000	0000	0000	0440
11.	Kerala	058	093	000	058	000	0000	0058	0267
12.	Madhya Pradesh	045	000	003	428	000	0012	0196	0684
13.	Maharashtra	000	000	000	243	000	0000	0030	0273
14.	Manipur								0000
15.	Meghalaya								0000

1	2	3	4	5	6	7	8	9	10
16.	Mizoram	000	008	000	000	000	0052	0052	0112
17.	Nagaland								0000
18.	Orissa	034	100	035	102	000	2561	0648	3480
19.	Punjab	047	030	000	004	000	0000	0017	0098
20.	Rajasthan	015	000	000	180	000	0000	0000	0195
21.	Sikkim	000	000	000	000	000	0000	0000	0000
22.	Tamil Nadu	001	036	024	008	013	1631	1766	3479
23.	Tripura	000	014	000	000	000	0000	0039	0053
24.	Uttar Pradesh	083	009	060	011	006	7340	1432	8941
25.	West Bengal	019	060	000	594	196	3900	0240	4813





## APPENDIX VII

### SWARNA JAYANTI SHAHARI ROZGAR YOJANA (USEP & DWCUA)

(Position upto 31.12.1998)

Sl. No.	States/UTs	No. of beneficiaries assisted to set up micro enterprises	No. of DWCUA groups formed	No. of Women beneficiaries assisted under DWCUA groups to set up Community Self Employment Ventures	No. of persons trained for skill upgradation	No. of thrift & credit Societies formed
1	2	3	4	5	6	7
1.	Andhra Pradesh	-	1685	-	-	2324
2.	Arunachal Pradesh	-	-	-	-	-
3.	Assam	-	-	-	-	-
4.	Bihar	102	-	-	396	232
5.	Goa	-	-	-	-	-
6.	Gujarat	2432	27	-	240	-
7.	Haryana	-	-	-	137	-
8.	Himachal Pradesh	-	-	-	-	-
9.	Jammu & Kashmir	82	-	-	-	-
10.	Karnataka	-	-	-	-	-
11.	Kerala	-	-	-	-	-
12.	Madhya Pradesh	10366	179	296	10012	371
13.	Maharashtra	1147	-	-	1160	99

1	2	3	4	5	6	7
14.	Manipur	-	-	-	-	-
15.	Meghalaya	-	-	-	-	-
16.	Mizoram	-	-	-	-	-
17.	Nagaland	-	-	-	-	-
18.	Orissa	253	55	-	222	92
19.	Punjab	10	-	-	98	-
20.	Rajasthan	4485	-	-	2827	-
21.	Sikkim	-	-	-	-	-
22.	Tamil Nadu	413	10	-	613	43
23.	Tripura		-	-	-	-
24.	Uttar Pradesh	4106	155	105	1759	174
25.	West Bengal	141	34	-	3898	166
26.	A & N Islands	-	-	-	-	-
27.	Chandigarh	-	-	-	-	-
28.	D & N Haveli	19	1	-	15	-
29.	Daman & Diu	-	-	-	-	-
30.	Delhi	-	-	-	-	-
31.	Pondicherry	13	8	-	22	8
Total		23569	2154	401	21399	3509

## APPENDIX VIII

### SWARNA JAYANTI SHAHARI ROJGAR YOJANA (SJSRY) URBAN WAGE EMPLOYMENT PROGRAMME (UWEP)

(Position upto 31.12.1998)

Sl. No.	Name of State/UTs	No. of mandays of work generated from completed/ ongoing works (figures in lakhs)
1	2	3
1.	Andhra Pradesh	Nil
2.	Arunachal Pradesh	Nil
3.	Assam	Nil
4.	Bihar	0.10
5.	Goa	*
6.	Gujarat	0.31
7.	Haryana	0.07
8.	Himachal Pradesh	*
9.	Jammu & Kashmir	*
10.	Karnataka	Nil
11.	Kerala	Nil
12.	Madhya Pradesh	5.61

1	2	3
13.	Maharashtra	0.38
14.	Manipur	*
15.	Meghalaya	*
16.	Mizoram	Nil
17.	Nagaland	*
18.	Orissa	2.8
19.	Punjab	0.30
20.	Rajasthan	1.86
21.	Sikkim	0.02
22.	Tamil Nadu	28.24
23.	Tripura	*
24.	Uttar Pradesh	10.85
25.	West Bengal	5.42
26.	A & N Islands	Nil
27.	D & N Haveli	0.32
28.	Daman & Diu	Nil
29.	Pondicherry	Nil
Total		56.28

\*Not reported by the States/UTs

## **APPENDIX IX**

### **COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)**

#### **MINUTES OF THE FORTY-FIRST SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 31ST MARCH, 1999 IN COMMITTEE ROOM 'E', PARLIAMENT HOUSE ANNEXE, NEW DELHI.**

The Committee sat from 1430 hrs. to 1635 hrs.

#### **PRESENT**

**Shri Kishan Singh Sangwan - *Chairman***

#### **MEMBERS**

*Lok Sabha*

2. Shri Tariq Anwar
3. Dr. Shafiqur Rahman Barq
4. Shri Sriram Chauhan
5. Shrimati Malti Devi
6. Shri Ramkrushna Suryabhan Gavai
7. Shri Mitha Lal Jain
8. Shri Bir Singh Mahato
9. Shri Subrata Mukherjee
10. Shrimati Ranee Narah
11. Shri Rameshwar Patidar
12. Shrimati Jayanti Patnaik
13. Shri Gaddam Ganga Reddy

14. Shri I.M. Jayaram Shetty
15. Shri Vithal Baburao Tupe
16. Dr. Ram Vilas Vedanti

*Rajya Sabha*

17. Shrimati Shabana Azmi
18. Shri Nilotpal Basu
19. Shri Jhumuklal Bhendia
20. Shri N.R. Dasari
21. Shri Onkar Singh Lakhawat
22. Prof. A. Lakshmisagar
23. Shri Jagdambi Mandal

SECRETARIAT

1. Shri S.C. Rastogi - *Director*
2. Shri P.V.L.N. Murthy - *Assistant Director*

REPRESENTATIVES OF THE MINISTRY OF URBAN AFFAIRS  
AND EMPLOYMENT (DEPTT. OF URBAN EMPLOYMENT  
& POVERTY ALLEVIATION)

1. Shri Ashok Pahwa - *Secretary (UA&E)*
2. Shri G.C. Bhandari - *Addl. Secretary & FA*
3. Shri J.P. Murthy - *Jt. Secretary*
4. Shri V. Suresh - *CMD, HUDCO*

2. At the outset, the Chairman welcomed the representatives of the Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) and drew their attention to the provisions of Direction 55(1) of the Directions by the Speaker.

3. Thereafter, a brief slide presentation on various schemes/ programme and the related budget provisions thereof of the Department of Urban Employment and Poverty Alleviation was made by the Ministry.

4. The Committee then took up for consideration the Demands for Grants (1999-2000) of the Department of Urban Employment and Poverty Alleviation and took the evidence of the representatives of the Department on the Demands for Grants.

5. A verbatim record of the proceedings of the sitting was kept.

*The Committee then adjourned.*



## APPENDIX X

### COMMITTEE ON URBAN & RURAL DEVELOPMENT (1998-99)

#### MINUTES OF THE FORTY-FOURTH SITTING OF THE COMMITTEE ON URBAN & RURAL DEVELOPMENT HELD ON WEDNESDAY 7TH APRIL, 1999

The Committee sat from 1100 hrs. to 1200 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Kishan Singh Sangwan — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Shri D.S. Ahire
3. Shri Tariq Anwar
4. Dr. Shafiqur Rahman Barq
5. Shri Sriram Chauhan
6. Shri Ramkrushna Suryabhan Gavai
7. Shri Vinod Khanna
8. Shri Subhash Maharia
9. Shri Bir Singh Mahato
10. Shri Rameshwar Patidar
11. Shri Nikhilananda Sar
12. Dr. Ram Vilas Vedanti

*Rajya Sabha*

13. Shrimati Shabana Azmi
14. Shri N. R. Dasari
15. Shri C. Apok Jamir
16. Prof. A. Lakshmisagar
17. Shri Jagdambi Mandal

## SECRETARIAT

1. Shri S.C. Rastogi - *Director*
2. Shri P.V.L.N. Murthy - *Assistant Director*

2. The Committee took up for consideration the draft Report on Demands for Grants (1999-2000) of the Department of Urban Employment and Poverty Alleviation.

3. After some discussion, the Committee adopted the report on Demands for Grants (1999-2000) of the Department of Urban Employment & Poverty Alleviation.

4. The Committee then authorised the Chairman to finalise the report after getting it factually verified from the concerned Department/ Ministry and present the same to the Houses of Parliament.

*The Committee then adjourned.*

## APPENDIX XI

### STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

Sl. No.	Para No.	Observations/Recommendations
1	2	3
1.	1.14	<p>The Committee note that the budgetary provision for 1999-2000 show that as compared to a total allocation of Rs. 337.21 crore for 1998-99, the outlay at Rs. 364.32 crore for 1999-2000 registered an increase of only 5.18% over BE 1998-99, while in the previous year (1998-99) the outlay increased by 29.64% over the earlier year (1997-98). However, there is 105% increase in the non-plan outlay at Rs. 19.32 crore for 1999-2000 over the BE 1998-99 of Rs. 9.21 crore.</p> <p>The Committee observe that the allocations envisaged for the major scheme of SJSRY in the Revenue Section at Rs. 180.65 crore for 1999-2000 showed a reduction of Rs. 7.85 crore over the BE 1998-99 outlay of Rs. 188.50 crore. It is also observed that there has been a reduction of outlay to the extent of Rs. 26.22 crore at RE 1998-99 stage in respect of this Yojana. Further, in the capital section, the contribution towards equity capital to HUDCO for</p>

1	2	3
		<p>Housing has increased by about 36% at Rs. 150 crore for 1999-2000 over BE 1998-99 outlay of Rs. 110 crore.</p>
2.	1.15	<p>According to the Ministry the reduction of outlay at RE stage was at the behest of the Ministry of Finance and also that the reduced outlay in 1999-2000 would not adversely affect the performance under SJSRY as there are previous balances with the State Governments and that the achievements will be in proportion to the allocations made.</p> <p>The Committee are at a loss to understand the rationale for reducing the outlays in respect of SJSRY at the RE stage in 1998-99 and in BE 1999-2000 on the ground that previous balances with States would take care of the reduced allocation. The Committee apprehend that the achievements may be adversely affected since the Ministry has admitted that results will be in proportion to the allocation made. The Committee, therefore, desire that allocations for the schemes should at least be kept at the levels originally decided at the beginning of the year to avoid possible shortfalls in the achievements under any Yojana/ Programme.</p>
3.	2.6	<p>The Committee observe that urban poverty alleviation has been a major challenge to the nation at large as the number of persons living below poverty line in urban areas constitute 32.36% of</p>

1	2	3
		<p>urban population. While the ratio of poverty is 1:3 for urban and rural areas, the funding for urban poverty alleviation programmes <i>vis-a-vis</i> the rural poverty alleviation programmes presently is in the ratio of 1:50 leading to an imbalanced and unplanned growth in urban population and resultant stress and strain on the available civic infrastructure in urban areas. The Committee, therefore, recommend that allocations for urban poverty programmes be stepped up substantially not only to reduce the urban-rural imbalances but also to provide for a better quality of life to the urban poor.</p>
4.	2.18	<p>The Committee note that for the SJSRY against a proposal of Rs. 4869 crore for the Ninth Plan (1997-2002) a sum of Rs. 1009 crore have been allocated by the Planning Commission at an average of about Rs. 200 crore for each year of the Plan. So far during the Plan, a sum of Rs. 557 crore for the year 1997-98, 1998-99 and 1999-2000 have been allocated. This implies that Rs. 452 crore will have to be provided for in the Department's budget for the remaining two years of the Plan.</p> <p>The Committee fear that the trends of outlay for the Yojana at the BE stage and further reduction by the Ministry of Finance at RE stage may adversely affect the performances under the Yojana. This is further accentuated when</p>

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viewed in the context of the Ministry's admission and apprehension that perhaps in the current year there may not be much of a problem and that in future the Committee's help and indulgence is required for getting higher allocations in future. The Committee cannot but conclude that performance under the Yojana may be adversely affected owing to resource crunch as the implementation of the Yojana gets momentum. They therefore, recommend that yearly allocations be stepped up to attain the levels of approved/sanctioned outlays for the Yojana during the Plan period.

5.

2.22

The Committee observe that under SJSRY the Commercial Banks have a role similar to that under the Scheme of Urban Micro Enterprises (SUME) component of Nehru Rozgar Yojana (NRY) implemented earlier - by way of advancing loans, selection of beneficiaries etc. Here again, the Committee observe that as in the earlier version, the role of commercial Banks under SJSRY is being looked at with suspicion, since the Banks are not performing in the desired manner. There have been instances of complaints against the Banks' non-cooperative attitude and harassment of the beneficiaries.

The Committee are distressed to find that the same problems which were being faced under SUME of NRY are

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again cropping up and that again the same set of arguments and defences of their action and their helplessness to take some remedial action to discipline the Banks are being advanced by the Ministry. The Committee, therefore, are of the considered view that the Ministry should take urgent steps to check this malady in the nascent stage of the implementation of the Yojana. They recommend that the Ministry should take steps to ensure that the beneficiaries under the Yojana are not subjected to harassment at the hands of the Banks who are supposed to help in implementation of the Yojana rather than being an impediment to it. The Committee recommend that single window system for selection of beneficiaries, advancing of loans etc. be evolved for at the level of the Neighbourhood Committee or the Community Development Societies under the Yojana at the earliest to overcome the apathetic and non-cooperative attitude of banks. They would like to be apprised of the steps taken by the Ministry in this regard.

6.

2.27

The Committee note that though funding is in the ratio of 75:25 under SJSRY, the Ministry is not fixing any physical targets which have been left to be decided by the State Governments in order to lend adequate flexibility of operation. The Committee observe that since inception of the Yojana, 194.74 lakh

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urban poor have been identified, 70 lakh mandays of work was generated under UWER, house to house surveys in 2875 towns conducted, 2821 CDs were formed, 56274 field level functionaries were trained under the community structure and 51031 beneficiaries assisted to set-up micro enterprises, 2799 DWCUA groups formed, 47464 persons trained for skill upgradation under USEP/DWCUA components of the SJSRY. However the Committee regret to note that the performance in some States is of very high order while there is no or negligible achievement in some other States.

They would therefore, urge the Government to interact with those States where the Scheme is yet to take off to identify the reasons and to take necessary corrective steps.

The Committee feel that since the Yojana is just getting momentum as also that huge amount of funds are being pumped into this, they desire that the still born monitoring system be strengthened by conducting quarterly reviews, devising MIS proforma for obtaining information relating to progress under different components of the Yojana, conducting evaluatory studies and instituting independent evaluations of the Yojana may be considered earnestly by the Ministry. They would like to be informed of the steps taken in this direction.



1	2	3
7.	2.36	<p>The Committee observe that the Government launched National Slum Development Programme (NSDP) in August, 1996 to provide additionality to the Central assistance given to States/UTs for Slum Development. The Committee, however, are unhappy to observe the peculiar nature of the Programme as different aspects of funding, implementation and monitoring the progress are with different Ministries/Depts. of the Government. They will like to draw the attention of the Government to the observations made by them in their 3rd Report (12th Lok Sabha) on Demands for Grants (1998-99) in this regard.</p> <p>Further, the Committee cannot but agree with the submission of the representative of the Ministry that for better/and co-ordinated implementation and monitoring of the Programme all the aspects of funding and monitoring should be placed in the hands of a single Ministry which in their view is an essential pre-requisite for success of any programme. They may be apprised of the steps taken in this direction.</p>
8.	3.8	<p>The Committee observe that housing for all has been recognised by Government as a minimal requirement and in pursuance thereof a National Housing &amp; Habitat Policy has been evolved and laid before Parliament in July, 1998. The Policy aims to create surpluses in housing stock and</p>

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address the issue of sustainable development and aims at creating strong public-private partnership for tackling housing and infrastructure problems. The Committee note further that the National Agenda for Governance also aims at creation of a facilitating environment for construction of 2 million additional dwelling units in rural and urban areas. HUDCO is the major contractor for enabling the construction of 1/3rd target of the 7 lakh additional DUs primarily for EWS/LIG categories of beneficiaries.

The Committee also note that in order to create an enabling environment for the increased public-private partnership in the field of housing activities, the Government has accorded industry status to the construction activities, extended tax holiday for housing projects, given income tax and wealth tax benefits, simplification of foreclosure laws, increased depreciation rate from 20% to 40% for DUs purchased by business houses and excise benefits to companies investing and promoting cost effective technologies in the housing sector. The Committee hope that these steps will go a long way in promoting housing activities thereby reducing the shortage in housing stock to a large extent.

9.

3.14

The scrutiny of Demands for Grants in respect of Housing outlay on the Plan

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and Non-Plan side shows that a total of Rs. 50 crore has been increased in BE 1999-2000 over BE 1998-99 allocation of Rs. 119.32 crore. These increases are meant for HUDCO to meet its liabilities towards interest subsidies and loans for the construction of additional 2 million houses for EWS/LIG categories in rural and Urban areas. However, the Committee feel that the cost ceilings at Rs. 50,000 and Rs. 1.5 lakh for EWS/LIG houses for a house of 200 to 250 sq. ft. are on the bare minimum side when viewed in the context of lack of basic civic amenities in the areas where such EWS/LIG houses are constructed in the Urban areas. The Committee, therefore, desire that a holistic approach towards housing for EWS/LIG section of beneficiaries may be taken to provide for all around development of the urban areas as also for enabling better utilisation of the available resources. They will also like to draw the Government's attention to the recommendations made by them in their 3rd Report (12th Lok Sabha) on Demands for Grants (1998-99) of this Department in this regard. The steps taken in pursuance of the above may be informed to them.

10.

3.17

It is disconcerting to observe that so far, the Ministry has never got any of the major housing schemes evaluated by

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any independent agency on the specious plea that the plans for Housing schemes, are prepared State-wise by independent agencies and those funded through HUDCO have not been evaluated. Further, it is also distressing to observe that the Ministry has not spared a thought to get the housing Schemes evaluated by independent agencies on the lines of concurrent evaluation being done in the case of rural employment programmes. The Committee, therefore, recommend that concurrent evaluation of both the housing and urban poverty alleviation programmes may be done without any further delay. The results of studies conducted in this regard may be informed to them.

11.            3.19            The Committee regret to note that thousands of Houses constructed for EWS/LIG category of beneficiaries have not been taken possession by the beneficiaries even after a lapse of more than 10 years as it is the case in the city of Alwar where there are about 8000 EWS/LIG vacant houses whose possession has not been taken by the beneficiaries. It was admitted by the Secretary during evidence that there are many such houses in the States of Rajasthan, Punjab, Haryana and Chandigarh to cite a few instances. These EWS/LIG category of houses were not taken possession of by the beneficiaries even after a lapse of more than 10 years. The main reasons for non-acceptance of these houses by the
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beneficiaries could be attributed mainly to lack of infrastructural facilities *viz.* water, transport, electricity, security and other basic civic amenities etc. This sorry state of affairs in the Committee's view apart from the above is due to lack of demand assessment by the concerned State Governments or other agencies involved in the construction of these Houses.

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The Committee, therefore, recommend that to obviate such a situation arising again in future, Government should first assess as to whether there will be demand for houses in a particular locality of the town, the availability of infrastructural facilities and other basic civic amenities before sanctioning housing projects in the absence of which, steps should be taken to provide for such basic civic amenities and other infrastructural facilities alongwith the construction of houses for EWS/LIG categories of beneficiaries. This in their view would go a long way in better and proper utilisation of scarce resources both monetary and building materials etc. The Committee, recommend that in future no housing project should be sanctioned for implementation which does not provide for basic facilities for a decent living which is the ultimate goal of the housing policies of the Government.

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The Committee note that the Ministry propose to introduce three new schemes

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of (a) Saving linked Housing Scheme for the urban and rural poor; (b) Prime Minister' Awaas Yojana; and (c) Development of Urban Indicators programme for implementation in the Ninth Five Year Plan period. However, they regret to observe that though the Ninth Plan (1997-2002) has entered its 3<sup>rd</sup> year of operation, the Planning Commission is yet to approve these three schemes for implementation. The Committee are surprised to note that a token amount of Rs. 1 lakh each has been provided for these 3 schemes in the Demands for Grants for 1999-2000 of the Department though the Planning Commission is yet to approve these schemes. The Committee are at a loss to understand the rationale and purpose behind the meagre provision of Rs. 5 crore for the PM's Awaas Yojana by the Planning Commission and the token provision of Rs. 1 lakh each by the Department for each of these schemes. The Committee, therefore, desire that the Ministry desist itself from such adhocism which in their opinion will not attain any tangible benefits. They also desire that the adequate groundwork may be done before these new schemes are launched for implementation.