

2

**STANDING COMMITTEE ON
URBAN DEVELOPMENT
(2004-2005)**

FOURTEENTH LOK SABHA

MINISTRY OF URBAN DEVELOPMENT

**DEMANDS FOR GRANTS
(2004-2005)**

SECOND REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

SECOND REPORT
STANDING COMMITTEE ON
URBAN DEVELOPMENT
(2004-2005)
(FOURTEENTH LOK SABHA)
MINISTRY OF URBAN DEVELOPMENT
DEMANDS FOR GRANTS
(2004-2005)

Presented to Lok Sabha on 23.8.2004

Laid in Rajya Sabha on 23.8.2004



LOK SABHA SECRETARIAT
NEW DELHI

August, 2004/Sravana, 1926 (Saka)

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
ABBREVIATIONS	(vii)

REPORT

CHAPTER I	Introductory	1
CHAPTER II	Overall assessment of Demands for Grants of the Ministry of Urban Development for the year 2004-2005	3
CHAPTER III	Demand-wise analysis of Demands for Grants 2004-2005	33
CHAPTER IV	Scheme-wise analysis of Demands for Grants 2004-2005	47

APPENDICES

I.	Cumulative release of Central Assistance, State share, Fls Loan and expenditure reported under IDSMT to Towns covered since 1979-80 to 2003-04.....	63
II.	Statement showing State-wise unspent balances under IDSMT during 1998-99 upto 2002-03 (as on January 31, 2004)	65
III.	Major findings of the evaluation study of IDSMT in UP, MP, Bihar, Orissa, Maharashtra, Gujarat, Goa, Andhra Pradesh, Tamil Nadu, Karnataka & Kerala by Regional Centres for Urban and Environmental Studies, Lucknow, Mumbai and Hyderabad and the actions taken thereof.	67
IV.	Towns covered, Central assistance released and Expenditure reported under IDSMT Scheme since 1979-80 upto March 2004.	71
V.	Minutes of the first sitting of the Committee held on 10 August 2004.	73
VI.	Minutes of the fourth sitting of the Committee held on 18 August 2004.	75
VII.	Statement of observations/recommendations.	77

COMPOSITION OF STANDING COMMITTEE ON
URBAN DEVELOPMENT (2004-2005)

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Avtar Singh Bhadana
4. Shri Surendra Prakash Goyal
5. Shri Pushp Jain
6. Shri Shripad Yesso Naik
7. Shri Amitava Nandy
8. Shri Mahendra Prasad Nishad
9. Shri Devidas Anandrao Pingale
10. Shri L. Rajgopal
11. Shri D. Vittal Rao
12. Shri Sajjan Kumar
13. Shri Sudhangshu Seal
14. Shri Navjot Singh Sidhu
15. Shri Rakesh Singh*
16. Shri Sugrib Singh
17. Shri K. Subbarayan
18. Shri Ravi Prakash Verma
19. Shri Suresh Ganpat Wagmare
20. Shri Akhilesh Yadav
21. Shri Baleshwar Yadav

Rajya Sabha

22. Shri B.K. Hariprasad
23. Smt. Syeda Anwara Taimur

*Ceased to be a member of the Committee w.e.f. 16.08.2004 consequent upon his nomination to the Committee on Science and Technology, Environment and Forests.

24. Shri Nandi Yellaiah
25. Shri Jayantilal Barot
26. Shri Laxminarayan Sharma
27. Shri Prasanta Chatterjee
28. Shri Shahid Siddiqui
29. Shri Faqir Chand Mullana
30. Shri Vidya Nivas Misra
31. Shri Urkhao Gwra Brahma

SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------|
| 1. Shri P.D.T. Achary | — | <i>Additional Secretary</i> |
| 2. Shri V.K. Sharma | — | <i>Joint Secretary</i> |
| 3. Shri K. Chakraborty | — | <i>Director</i> |
| 4. Shrimati Sudesh Luthra | — | <i>Deputy Secretary</i> |
| 5. Shrimati Neera Singh | — | <i>Under Secretary</i> |
| 6. Shri A.K. Srivastava | — | <i>Committee Officer</i> |

ABBREVIATIONS

AUWSP	—	Accelerated Urban Water Supply Programme
BE	—	Budget Estimates
CPHEEO	—	Central Public Health and Environmental Engineering Organization
CGWB	—	Central Ground Water Board
CMA	—	Counter Magnet Areas
CPWD	—	Central Public Works Department
DDA	—	Delhi Development Authority
DIZ Area	—	Delhi Imperial Zone Area
DMRC	—	Delhi Metro Rail Corporation Ltd.
DPR	—	Detailed Project Report
DUAC	—	Delhi Urban Arts Commission
EFG	—	Expenditure Finance Committee
GDP	—	Gross Domestic Product
GNCTD	—	Government of National Capital Territory of Delhi
GPRA	—	General Pool Residential Accommodation
GPNRA	—	General Pool Non-Residential
HUDCO	—	Housing and Urban Development Corporation
IDSMT	—	Integrated Development of Small and Medium Towns
IEBR	—	Internal Extra Budget Resources
IRBPT	—	Integrated Rail & Bus Transport Project
JBIC	—	Japanese Bank for International Cooperation
LIG	—	Lower Income Group
L&DO	—	Land and Development Office
LPU	—	Letter Press Unit
MIG	—	Middle Income Group
MRTS	—	Metro Rail Transport System
NA	—	Not Available
NBCC	—	National Building Construction Corporation

NCR	—	National Capital Region
NCRPB	—	National Capital Region Planning Board
NEERI	—	National Environmental Engineering Research Institute
NIUD	—	National Institute of Urban Development
NRSA	—	National Remote Sensing Agency
NUDI	—	National Urban Data Bank and Indicators
NUIS	—	National Urban Information System
NSSO	—	National Sample Survey Organisation
PLB	—	Photo Litho Unit
PSUs	—	Public Sector Undertakings
RE	—	Revised Estimate
UTES	—	Rail India Technical and Economic Services
SLSCs	—	State Level Sanctioning Committees
SFS	—	Self Financing Scheme
TA	—	Travelling Allowance
TAG	—	Technology Advisory Group
TCPO	—	Town and Country Planning Organization
ULB	—	Urban Local Bodies
USIS	—	Urban Spatial Information System
UTs	—	Union Territories

INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2004-2005) having been authorised by the Committee to submit the Report on their behalf, present the Second Report on Demands for Grants (2004-2005) of the Ministry of Urban Development.

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 Development on 10th August 2004.

4. The Report was considered and adopted by the Committee at their sitting held on 18 August 2004.

5. The Committee wish to express their thanks to the officials of the Ministry of Urban Development for placing before them the requisite material and their considered views in connection with the examination of the subject.

6. They would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
19 August, 2004

28 Sravana, 1926 (Saka)

MOHD. SALIM,
Chairman,
Standing Committee on Urban Development.

REPORT

CHAPTER I

INTRODUCTORY

1.1 The Ministry of Urban Development is entrusted with the responsibility of broad policy formulation and monitoring of programmes in the areas of urban development, urban water supply and sanitation. Although, these matters are essentially State subject but the Government of India plays a primary role of co-ordinating and monitoring and it supports these programmes through Centrally Sponsored Schemes. In addition to this, the Ministry is also entrusted with the responsibility of planning and co-ordination of urban transport matters.

1.2 The other set of responsibilities of Ministry of Urban Development pertains to construction and maintenance of Central Government buildings, including residential accommodation, with the exception of those under the Ministry of Defence, Atomic Energy, Railways and Communication. It is also responsible for management of Central Government land/property, most of which is confined to Delhi and some of the metropolitan cities. These functions are discharged through the Central Public Works Department (CPWD) and Land and Development Office (L&DO). Printing & Stationery requirements of all the Central Government Ministries/Departments and stocking and selling of Government publications is also looked after by this Ministry.

1.3 Under its administrative control, the Ministry of Urban Development has four Attached and three Subordinate Offices, two Public Sector Undertaking and five Statutory/Autonomous Bodies.

I. Attached Office

- (i) Central Public Works Department;
- (ii) Directorate of Printing;
- (iii) Directorate of Estates; and
- (iv) Land Development Office.

II. Subordinate Offices

- (i) Town and Country Planning Organization (TCPO);
- (ii) Government of India Stationery Office; and
- (iii) Department of Publication.

III. Public Sector Undertakings

- (i) National Building Construction Corporation (NBCC); and
- (ii) Delhi Metro Rail Corporation (DMRC). The DMRC is partly funded by the Government of India (Ministry of Urban Development) and the Government of National Capital Territory of Delhi.

IV. Statutory/Autonomous bodies

- (i) The Delhi Development Authority (DDA);
- (ii) The Delhi Urban Arts Commission (DUAC);
- (iii) The National Capital Regional Planning Board;
- (iv) The National Institute of Urban Affairs; and
- (v) The Rajghat Samadhi Committee.

1.4 The overall Demands for Grants of the said Ministry for 2004-2005 are Rs. 2899.47 crore (gross) for both plan and non-plan.

1.5 The detailed Demands for Grants 2004-2005 of the Ministry were laid in Parliament on 20 July 2004.

In the present Report, the Committee have restricted their examination to only the major issues concerning programmes relating to (i) Urban Development-IDSMT, Mega City Scheme, Urban mapping Scheme, Planning and Coordination of urban transport matters; (ii) Water Supply and Sanitation-AUWSP, (iii) Public Works-General Pool Residential and non-residential (office) accommodation; (iv) Directorate of Printing; (v) Subordinate offices like Directorate of Estates; and (vi) Public Sector Units (PSUs), statutory and autonomous bodies like Delhi Metro Rail Corporation (DMRC), National Capital Region Planning Board (NCRPB), Delhi Development Authority (DDA) in the context of overall budgetary allocation in Demands for Grants for the year 2004-2005.

CHAPTER II

OVERALL POSITION OF THE TARGETS DURING 10TH PLAN, THE ALLOCATION MADE AND THE CHALLENGES BEFORE THE MINISTRY OF URBAN DEVELOPMENT

2.1 As per the United Nation's Report, the percentage of urban population in India was 17.3 percent in 1930, which rose to 27.7 percent by 2000 and it will reach the level of 40.9 percent by 2030. The Ministry has set great projections with regard to drinking water, sanitation and infrastructure facilities in small and big cities. The Tenth Plan envisages drinking water supply for the entire population by the end of March 2007. Similarly, with regard to sanitation the target is to provide coverage of 75 percent of the urban population by the end of March 2007.

2.2 As per the information furnished by the Ministry 0.5 per cent of GDP is the gross allocation of the Ministry of Urban Development. Tenth Plan allocation of the Ministry is of Rs. 6,800 crore only whereas the estimates to cover 100 percent population with only drinking water supply is Rs. 28,240 crore. BE 2003-04 of the Department was Rs. 1,595 crore. The proposed allocation during 2004-05 was for Rs. 3564.69 crore, out of which Rs. 1,420 crore has been allocated by the Planning Commission/Ministry of Finance.

2.3 The Committee note from the position as indicated above that the existing rural urban scenario in the country is bound to change entirely in the coming years if the migration of population from rural to small cities and small cities to big cities is not arrested. The Committee feel that it is high time to plan and formulate policies with the thrust on the one hand on developing small cities with provision of adequate employment opportunities and on the other hand, handling the various issues viz. infrastructure, water sanitation and other issues in the cities.

2.4 From the trends of allocation made to the Ministry of Urban Development it seems that adequate allocation under various Schemes is not being made to supplement the efforts made by the State Governments to tackle the various issues like water, sanitation and infrastructure. The various Schemes/Programmes of the Ministry have been dealt in detail in the subsequent chapters of the Report.

The Committee here would like to highlight that the allocation made during 10th Plan is too meagre keeping in view the big challenges of tackling the various problems being faced by the small and big cities. Not only that the Committee note that allocation made during 2004-05 is just a little less than one half of the projected outlay of the Ministry. More disturbing is the fact that the allocation during 2004-05 is Rs. 1,420 crore which is Rs. 175 crore lesser as compared to previous year. The Committee feel that much more attention has to be paid to urban development by the Government. The Committee also find that some new Schemes have been proposed but could not be finalised due to reasons best known to the Ministry. The detailed analysis in this regard is made in the subsequent chapters of the Report. In this scenario the Committee would like to recommend to the Government that the allocation of the Ministry should be adequately stepped up so that the targets set during 10th Plan can be achieved.

2.5 Overall assessment of the Demands for Grants of the Ministry of Urban Development for the year 2004-2005:

Demands Number : 100, 101 and 102

(a) Outlay of Ministry of Urban Development

(Rs. in crore)

Demand No. 100	BE 2003-04		RE 2003-04		BE 2004-05		%Variation over BE		%Variation over RE	
	Plan	Non- Plan	Plan	Non- Plan	Plan	Non- Plan	Plan	Non- Plan	Plan	Non- Plan
1	2	3	4	5	6	7	8	9	10	11
Revenue	380.15	339.94	389.61	340.78	646.15	330.26	69.97	-2.85	65.85	-3.09
Capital	1212.40	87.75	1890.39	74.22	759.45	85.43	-37.36	-2.64	-59.83	15.10
Total	1592.55	427.69	2280.00	415.00	1405.60	415.69	-11.74	-2.81	-38.35	0.17
Demand No. 101										
Revenue	5.75	457.00	5.75	448.86	5.00	459.40	-13.04	0.53	-13.04	2.35
Capital	139.77	140.00	114.25	126.14	101.44	139.60	-27.42	-0.29	-11.21	10.67
Total	145.52	597.00	120.00	575.00	106.44	599.00	-26.86	0.34	-11.30	4.17

1	2	3	4	5	6	7	8	9	10	11
Demand No. 102										
Revenue	0.00	76.84	0.00	52.80	0.00	52.80	—	-31.29	—	0.00
Capital	0.00	0.20	0.00	0.20	0.00	0.20	—	0.00	—	0.00
Total	0.00	77.04	0.00	53.00	0.00	53.00	—	-31.29	—	0.00

2.6 When asked about the reasons behind the decrease in outlay in respect of all the three Demands, the Ministry in their reply have submitted Demand-wise position detailed in succeeding paragraphs:

(i) Demand No. 100—Plan (Rs. in crore)

		B.E. 2003-04	B.E. 2004-05
(a)	Pass Through Assistance (PTA)— DMRC	680.00	280.00
(b)	Equity—DMRC	190.00	200.00
Total		870.00	480.00

2.7 The Ministry clarified that (from above table that) during 2004-05 DMRC has been allocated Rs. 480 crore as PTA and Equity as compared to Rs. 870 crore during 2003-04. Shortfall was of Rs. 390 crore.

(ii) Demand No. 100—Non-Plan

2.8 As regards, the Demands No. 100, the Ministry has stated that keeping in view the trend of expenditure under MH-4216 & MH-2216 during 2003-04 at the time of pre-budget discussions, the Ministry of Finance fixed the ceiling for Non-Plan as Rs. 415.69 crore for B.E. 2004-05 as compared to Rs. 427.69 crore for 2003-04.

(iii) Demand No. 101—Plan & Non-Plan

2.9 Regarding, the Demand No. 101, the Ministry has stated that under Grant No. 101, there is considerable decrease under capital section as indicated below:

(a) Capital Section	(Rs. in crore)	
	2003-2004	2004-2005
BE	280.22	241.49

2.10 The Ministry submitted the reasons for reduction in budget as follows:

- (i) In the Demand for Grants of 2003-04 an amount of Rs. 24.80 crore had been provided by Department of Arts and Culture, whereas in the Demands for Grants for the year 2004-05, the said Department has withdrawn their budget and decided to provide in their own grant.
- (ii) Under the Demand for the works of Ministry of Health and Family Welfare there was provision of Rs. 35.10 crore during the year 2003-04 whereas during 2004-05 there is a provision of Rs. 24.20 crore. Thus there is a decrease in provision amounting to Rs. 10.90 crore.

(b) The details of revenue section of the budget are as follows:

	(Rs. in crore)	
Detailed Head	Year 2003-04	Year 2004-05
Maintenance & Repairs	409.20	391.06
Direction & Administration	263.75	298.34

2.11 The brief reasons for variations were that:

- (i) Under maintenance and repairs, the reduction in allocation is due to conversion of OTA rates of work-charged establishment from industrial to regular establishment and non-filling of vacant posts of work-charged staff.
- (ii) The increase in direction and administration is due to yearly increase in pay and allowances, dearness allowance enhancements and house rent allowance, CCA with effect from 1.4.2004.

The Ministry in their written reply has also stated as under:

“Ministry of Urban Development is the Nodal Ministry for construction of Govt. buildings and CPWD is the Civil engineering Department of Govt. of India. All civil construction works of Govt. of India excluding Railways Defence, and Post are entrusted to a central construction department viz CPWD. Since the budget of CPWDF is included in the Demands of Grants of Ministry of UD, the BE of other Ministries pertaining to the capital outlay on

construction is included in the Demands for Grants of UD. By this arrangement the budget for the construction is readily available to CPWD.”

(iv) Demand No. 102—Non-Plan

2.12 On Demand No. 102, the Ministry has stated that allocation for procurement of stationery items for Government of India Stationery Office (Major Head-2058-Stationery and Printing) under Material and Supplies has been reduced from Rs. 15.00 crore in 2003-2004 to Rs. 5.00 crore in 2004-2005 by the Ministry of Finance. Upward variation in respect of Government of India Forms Store (Major Head-2058) from Rs. 0.73 crore in 2003-2004 to Rs. 3.73 crore in 2004-2005 is because the Forms Store Unit was proposed for closure in the year 2003, but the decision is at present under review of the Government. Accordingly, adequate provision has been made towards salary and other expenses.

2.13 In respect of the upward variation of Government of India Text Book Presses (Major Head-2202) from Rs. 1.01 crore in 2003-2004 to Rs. 6.48 crore in 2004-2005, the Ministry has stated that it is because the three Government of India Text Book Presses were proposed for closure in the year 2003, but this decision is presently under review of the Government. Accordingly, adequate provision has been made towards salary and other expenses.

2.14 Under the Sub-Head-Renewal and Replacement of Machinery and Equipment (Major Head-2058), procurement of machinery and equipment in the previous year (2003-2004) could not fully materialize due to technical/procedural requirements. As a result actual provision of Rs. 21.93 crore could not be utilized fully in the year 2003-2004. Rs. 5.24 crore has been kept in 2004-2005. Any augmentation of funds under this sub-head would be made at the R.E. 2004-2005 stage.

Recoveries

2.15 The total recoveries during 2004-2005 are Rs. 319.74 crore. The break-up of these recoveries is as follows :

	(Rs. in crore)
Demands No. 100	0.04
Demands No. 101	225.45
Demands No. 102	94.25
Total	319.74

2.16 When asked about the specific reason for recoveries, the Ministry in their replies submitted that the break-up of recoveries to the tune of Rs. 319.74 crore under each developmental scheme during 2004-05 is as under:

(Rs. in crore)				
Demand No.	Major Head	Name of Scheme	Amount	Reasons
100	4216-Capital outlay on Housing	Sale proceeds of Government Estates	0.04	Sale proceeds
101	2059-Public Works	New Supplies & Repair	10.00	
		Stock	100.00	Issue of Stock
		Misc. Work Advs.	5.00	
		Estt. Charges	110.00	Departmental Charges
	4059-Capital outlay on Public Works	Sale proceeds of Government Estates	0.45	Sale Proceeds
102	2058-Stationery & Printing	Controller of Stationery	6.00	Recovery from clients
		Printing Presses	81.99	Recovery of printing charges
		Government Publications	0.01	Sale proceeds
	2202-General Education	Govt. of India Text Book Presses	6.25	Printing charges recovery
Total			319.74	

2.17 So far as Demand No. 102-Stationery and Printing is concerned, it is stated that the projection of recoveries for the year 2004-05 has been made on the basis of actuals of the first five months of 2003-2004.

B.E. 2003-2004	B.E. 2004-2005
86.01 crore	94.25 crore

There is no developmental Scheme under Demand No. 102-Stationery and Printing.

2.18 The Committee took the oral evidence of the representatives of the Ministry at their sitting held on 10 August 2004 on the matter. During the course of evidence, while giving an overview of the functioning of the Ministry and the Demands Nos. 100, 101 and 102, the Secretary of the Ministry stated that:

“I would like to submit that our Budget of all the three Grants of the Ministry of Urban Development for the year 2004-05 is of the order of Rs. 2579.73 crore which is available in the material supplied. This is excluding the recoveries of Rs. 319.74 crore which is meant for the various activities and Schemes operated by the Ministry. The total demand, which is without excluding the recoveries, works out to Rs. 2899.47 crore. Last year our allocation was Rs. 2507.80 crore. I am happy to report that the expenditure was 99.7 percent of the total allocation. We could utilize the funds available. This year so far our Budget utilization is of the order of 43 percent although a substantial junk has gone to the DMRC which has asked for assistance. But other Schemes have also shown their progress.”

2.19 The following observations are made when BE 2004-2005 is compared to RE of the previous year i.e. 2003-04:

- (i) Under Demand No. 100, the Plan head total outlay (Revenue+Capital) of the Ministry during 2004-05 has been reduced substantially if compared to RE of the previous year. However, under the non-Plan head there is slight hike of Rs. 0.69 crore as compared to previous year. The percentage variation in BE 2004-05 (Revenue+ Capital for both Plan and non-Plan) is-38.35 percent.
- (ii) Under Demand No. 101 BE 2004-05 under Plan head (Revenue+Capital) is Rs. 13.56 crore lesser as compared to RE of the previous year i.e. 2003-04. Under the non-Plan head there is hike of Rs. 24 crore in the BE of 2004-05 as compared to the RE of previous year. The percentage variation in BE 2004-05 (Revenue + Capital for both Plan and non-Plan) is-11.30 percent.
- (iii) Under the Demand No. 102, there is ‘nil’ allocation under the Plan head, however, under non-Plan head *status-quo* has been maintained in BE 2004-05 as compared to RE of previous year.

The Scheme-wise analysis under the aforesaid Demands has been made in the subsequent chapters of the Report. Here the Committee would like to highlight that there is substantial reduction under Plan heads in Demand No. 100 and Demand No. 101. The Committee would like the Department to furnish the specific reasons for reduction in Plan outlay under the aforesaid Demands. They would also like to recommend to the Government to provide adequate allocation under the respective Schemes of the Ministry so that the targets set for different Schemes be achieved.

2.20 Under Demand No. 101, the Committee note that Department of Art and Culture has withdrawn their budget from Demand of the Ministry for carrying out works at their own. The Committee note that Ministry of Urban Development is the nodal Ministry for construction of Government buildings and CPWD is the civil engineering Department of Government of India hence all the work pertaining to construction work of the Government should be entrusted to CPWD. The Committee cannot interfere in the functioning of Department of Art and Culture, but they would like to know the reasons of withdrawal by Department of Art and Culture all of sudden. The Committee have their apprehension that delay in completion of projects in a stipulated time may be one of the factors of withdrawal. They, therefore, recommend that CPWD should be able to complete their target within stipulated time so that other Departments do not follow the path adopted by Department of Culture which may ultimately erode the credibility of CPWD.

2.21 As regards Demand No. 102, the Committee note that percentage variation of BE 2004-2005 over RE 2003-2004 is nil. The Committee note while on the one hand allocation in respect of procurement of stationery item for Government of India offices has been reduced, on other hand, the allocation has been increased in respect of Government of India, 'Forms Store' thus, *status-quo* has been maintained in respect of total allocation under the demand. They would, therefore, recommend that adequate financial allocation under Demand No. 102 be provided in order to assist in the modernization of the presses and various offices attached to stationery/printing and publication of the Ministry. The Committee believe that printing is also an important work transacted by the Ministry. The Committee, therefore, recommend that cost effective printing methods be utilized and the existing facilities of printing must be strengthened by (i) utilization of modern techniques; (ii) providing adequate staff; and (iii) proper training of staff/dealing personnel in printing works.

Investment in Public Enterprises

2.22 The budget allocation in respect of the investments in public enterprises depicts that:

(Rs. in crore)

	BE 2003-04			RE 2003-04			BE 2004-05		
	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
NCR Planning Board	—	435.00	435.00	—	57.00	57.00	—	222.00	222.00
DMRC	880	462.32	1342.32	1567.00	545.72	2112.72	480	535.71	1013.71

2.23 When asked about the reason of lesser IEBR at RE stage for the year 2003-04 in respect of NCR Planning Board, the Government in their reply have stated as under:

“Following IEBR figures were submitted by NCRPB to the Ministry of Urban Development for the Financial Year 2003-04.

(Rs. in crore)

IEBR	2003-04	
	BE	RE
Retained profit	90	27
Bonds/Market Borrowings	215	—
Grant for GNCT Delhi	130	30
Total	435	57

2.24 As shown above, IEBR of NCR Planning Board has three components:

Grant from GNCT Delhi.

Bonds/market borrowings.

Retained profits.

2.25 The Ministry stated that an amount of Rs. 130 crore was envisaged in BE-2003-04 as contribution from GNCT Delhi to NCR Planning Board. Delhi Government, however approved only Rs. 30 crore as its contribution, the IEBR, therefore, was revised accordingly at the RE stage. Secondly, the retained profit of the Board was also

revised downward at the RE stage due to the fact that NCR Planning Board was exempted from payment of tax under Section 10(20)A of the Income Tax Act. However, this exemption has been withdrawn by the Government and the Board is now liable to pay tax on its income. Therefore, the retained profit was reduced at the RE stage to make provision for payment of income tax. The retained profit was also reduced at RE stage due to anticipating low interest income on account of the low off-take of loan from State Government/implementing agencies. Thirdly, the IEBR proposal at BE stage (2003-04) is based on the fund requirement projected by the participating States and the implementing agencies at the beginning of the Five Year/Annual Plan. If subsequently, the actual requirements of funds by the State Governments and implementing agencies do not warrant raising of funds from the market, market borrowings are not resorted to. The Board therefore reduced its IEBR for 2003-04 from Rs. 435 crore to Rs. 57 crore as there was low off-take of funds by the participating States/implementing agencies. The low off-take was due to the problems being faced by State Governments/implementing agencies in furnishing of State Governments/bank guarantees against the loan. Subsequently, alternate securities were accepted in lieu of State Governments/bank guarantees. Reduction in the rates of interest also acted as an incentive. As a result, the Board was able to release loan of Rs. 274.07 crore during the year 2003-04.”

2.26 On a question about the overall scenario of the development of urban infrastructure, the Secretary of Ministry of Urban Development stated during the course of evidence as follows:

“I cannot take urban infrastructure development well due to paucity of resources. Due to paucity of resources, I cannot take high investment programmes like power supply, transport, etc...We want to incentives public, private partnerships in some of the service that could be forthcoming and capacity building of the urban local bodies because it is not enough just to give money for urban infrastructure. In so far as public-private participation is concerned, we are going to incentivise and allow these agencies to take up equity participation. We are going to suggest this we want in for the public-private participation experiments in Delhi, there would be many such experiments.”

2.27 The Committee note that the Internal Extra Budgetary Resources (IEBR) in BE of 2003-2004 were to the tune of Rs. 435 crore but got substantially reduced to Rs. 57 crore at the Revised

Estimates (RE) stage. The Ministry in the BE of 2004-2005 have again shown an estimate of Rs. 222 crore for IEBR. The Committee note that the reduction of allocation at RE stage is attributed to the fact that: (i) exemption from payment of tax under Section 10(20) of Income Tax Act to NCRPB had been withdrawn by Government; thus Board had to pay tax on its income; and (ii) retained projects had been reduced at RE stage due to low interest on income and low off-take of loan from State Governments.

2.28 The Committee note that Government conceptualize to intensify public-private participation and take up equity participation for the development of urban infrastructure. The Committee are given to understand that the urban infrastructural facilities remain slack on account of paucity of funds. The Committee, therefore, recommend that the Ministry should explore other viable ways of fund raising and take immediate steps to invite public-private equity for onward channelization of funds for development in urban areas of the country.

New Schemes

2.29 As per Performance Budget following new schemes are under active consideration of the Ministry:

- (i) National Urban Information System (NUIS)**
- (ii) Pooled Finance Development Fund (PFDF)**
- (iii) City Challenge Fund (CCF)**

(i) National Urban Information System (NUIS)

2.30 In order to enhance efficiency in both planning and management of urban settlements, a proposal to set up a new centrally sponsored schemes namely National Urban Information System (NUIS) is under consideration by the Government.

2.31 The National Urban Information System (NUIS) comprises broadly two major components with independent but related objective, strategies and budget under a single umbrella *i.e.*

- (i) Urban Spatial Information System Scheme (USIS)**
- (ii) National Urban Data Bank and Indicators (NUDBI)**

2.32 The National Urban Databank and Indicators component will further comprise the following sub-components (1) Housing and household Statistics, and (2) National Urban Observatory/Local Urban Observatories addressing the indicators aspect. The Scheme would be launched after approval by the Government.

(ii) Pooled Finance Development Scheme

2.33 In order to enable the Urban Local Bodies (ULBs)/ municipalities to look for alternative sources of funding for their bankable projects/schemes, Pooled Finance Development Scheme is proposed to be set up. The scheme is meant to provide credit enhancement to access market borrowings on a creditworthy basis.

2.34 The main objectives of State Level Pooled Finance Mechanism are as follows:

- (i) Facilitate any/group of ULBs to access capital market for investment in essential municipal infrastructure.
- (ii) Facilitate development of bankable urban infrastructure projects.
- (iii) Reduce the cost of borrowing with appropriate credit enhancement measures.
- (iv) Facilitate development of Municipal Bond market.

(iii) City Challenge Fund (CCF)

2.35 In the backdrop of the growing realization that national growth rates and national poverty alleviation efforts are increasingly being determined by the efficiency of cities, it is proposed to enable cities to have the capability to finance, in a sustainable way, the infrastructure gap that exists at the municipal level. It is also being recognized that the sustainability of infrastructure development and poverty reduction programmes are ultimately determined by the overall management and creditworthiness of cities under the leadership of elected local officials. To do this, systematic institutional, fiscal and financial reforms of cities will be necessary for creating accountable and creditworthy cities.

2.36 City-wise reforms and restructuring will, however, result in significant transaction costs. These may include the cost of preparing reform plans, setting up of regulatory bodies, financing gradual phasing of tariff rebalancing, financing safety nets for the poor, financing

potential labour adjustment, financing shares for workers communities in municipal bodies and other costs. Leaving cities to finance these costs by themselves will delay and make it difficult to implement city reforms.

2.37 It is, therefore, proposed to set up a City Challenge Fund for catalyzing city level economic reform programmes. This was announced by the Hon'ble Finance Minister in Budget Speech 2002-03. Rs. 500 crore has been allocated for this new Centrally sponsored scheme in the 10th Five Year Plan. A provision of Rs. 50 lakh was provided in the annual plan budget of this Ministry during 2003-04. A provision of Rs. 10 crore has been made in BE 2004-05 for this project.

2.38 It has been indicated by the Ministry that the gross Budgetary Support (GBS) for Urban Information System during 10th Plan was Rs. 546 crore. However, a meagre amount of Rs. 20 crore was actually allocated. Further, it has been mentioned in the Action Taken Replies furnished by the Ministry in pursuant to the recommendations made in 55th Report that Planning Commission has recently accorded 'in principle' approval for NUIS, subject to certain conditions. In respect of Pooled Finance Development Fund (PFDF), it has been mentioned that 'in principle' approval of Planning Commission was obtained to the proposed scheme on 11th June, 2003. The plan allocation and expenditure depicts that:

New Schemes	Rs. in crore
Urban Information System	5.00
Pooled Finance Development Fund	10.00
City Challenge Fund	10.00

2.39 When asked about the reasons for delay in finalisation of the aforesaid three schemes and allocating a meagre sum of Rs. 20 crore against proposed allocations of Rs. 546 crore, the Ministry in their reply stated that as regards City Challenge Fund, 'in principle' approval of Planning Commission was received on 11.6.03 subject to certain conditions, such as Urban Reforms Incentive Fund (URIF) being dealt by Ministry of Urban Employment & Poverty Alleviation to be taken over by Ministry of Urban Development for implementation. URIF is now retained by Ministry of Urban Employment & Poverty Alleviation. The final draft Memorandum for Expenditure Finance was circulated to concerned Ministries/Departments on 29th October, 2003 for comments. Subsequently, the appraisal note and comments of Planning

Commission, are to be placed before the EFC for consideration. A meeting was convened under the Chairmanship of Secretary, Planning Commission on 11.3.04 for detailed presentation on the scheme and clarification of issues. Several D.O. reminders were sent. Last D.O. reminder was sent from Secretary (UD) to Secretary, Planning Commission on 20 July, 2004 but the matter is still pending. The scheme can be finalized only after it is approved by the EFC and Cabinet Committee on Economic Affairs.

2.40 As regards, the National Urban Information System, the Ministry stated that they prepared a concept paper on new Centrally sponsored scheme of National Urban Information System (NUIS) for seeking in-principle approval of the Planning Commission. The Planning Commission *vide* O.M. dated 31.3.2004, accorded in-principle approval to the concept paper subject to the following conditions:

- i. The Ministry may approach the Planning Commission for the formal approval for reclassification of Central Sector Schemes *viz.*, Urban Mapping and Development of Urban Indicators into Centrally Sponsored Scheme of NUIS;
- ii. The coverage of towns may be reworked-out as per the availability of fund;
- iii. As the State Governments are required to meet 30% of the cost, therefore, the Ministry must obtain prior commitment of State Governments for funding their share;
- iv. The indicators/parameters on which data is to be collected/compiled need to be clearly identified and standardized. Care should be taken not to complicate the process of methodology of data collection.
- v. The mechanism for involvement/participation of ULBs in implementation of the Scheme may be worked out.
- vi. The Ministry may work out strategy to integrate/link NUIS with new scheme of Mission Mode on e-governance in municipalities based on IT application which also focuses on strengthening database and e-governance.

2.41 After receipt of in-principle approval of the Planning Commission, Survey of India, Dehradun informed that they were prepared to take up the proposed project of developing information system in urban sectors under NUIS. Survey of India also proposed to share 50% of the estimated cost on NUIS. The Ministry is examining the matter and response to the Planning Commission would be sent soon.

2.42 The Ministry informed that Pooled Finance Development Scheme was appraised by Expenditure Finance Committee at its meeting held on 25 August, 2003. The Committee, *inter-alia*, desired consultation with Banks/financial institutions regarding feasibility and viability of the scheme, particularly the concept of Debt Service Recovery Fund. The Committee also desired consultations with States/Union Territories about availability of State share under the scheme. The process of consultation has since been completed and revised draft guidelines prepared. Planning Commission *vide* O.M. dated nil (received in the Ministry on 08.7.2004) desired consultation over the proposed revised draft guidelines. The Ministry has since sent the said guidelines to the Planning Commission *vide* O.M. dated 16.7.2004 for comments. The draft revised guidelines would be appraised by Expenditure Finance Committee in the light of comments of Planning Commission.

2.43 The Committee while examining Demands for Grants 2003-2004 were appraised that the Ministry had during the year 2002-2003 proposed three new Schemes namely, (i) Urban Information System; (ii) Pooled Finance Development Scheme; and (iii) City Challenge Fund for which a token allocation amounting to Rs. 50 lakh for each of the Schemes was made. No expenditure was incurred during 2002-03 and again in 2003-04. Besides, another Scheme 'National Urban Information System' was proposed for the year 2003-04 for which Rs. 10 crore were provided. The Committee while examining Demands for Grants 2004-05 note that following is the position with regard to 10th Plan outlay, actuals 2002-03 and BE 2003-04 under the aforesaid Schemes:

National Urban Information System	(Rs. in crore)
10th Plan Outlay	20
Actual 2002-03	0.40
BE 2003-04	5
BE 2004-05	5
Pooled Finance Development Fund	(Rs. in crore)
10th Plan Outlay	400
Actual 2002-03	Nil
BE 2003-04	0.50
BE 2004-05	10

City Challenge Fund	(Rs. in crore)
10th Plan Outlay	500
Actual 2002-03	Nil
BE 2003-04	0.50
BE 2004-05	10

2.44 The Committee further find that a new Scheme viz. Urban Reforms Incentive Fund (URIF), to provide reform linking assistance to States at present under the jurisdiction of the Ministry of Urban Employment and Poverty Alleviation, is to be taken over by the Ministry of Urban Development. The Committee have been given to understand that all the aforesaid Schemes in 2002-03 and 2003-04 are yet to be finalised. The Committee conclude from what has been stated above that without doing the proper homework the Schemes are being announced, then transferred from one Ministry to another. Not only that huge allocation has been proposed during 10th Plan. Almost half of the duration of 10th Plan has elapsed and still the Schemes are yet to see the light of the day. The Committee express their concern on the way the planning is being made by the Government. They would like that before allocating outlay for a new Scheme proper planning should be made in consultation with State Governments, local bodies and all other concerned. Not only that the guidelines should be framed and finalised before allocating outlay so that the other Schemes are not deprived of adequate allocation in the resources starved economy of the country.

Enhanced role of Urban Local Bodies in monitoring of Schemes

2.45 As per Constitutional provisions, the State Finance Commissions are required to be set up by the State Governments under Article 243-I of Part IX of the Constitution. All States except Nagaland, Meghalaya and Manipur have set up State Finance Commissions. For proper check of end-use of funds by municipal bodies, it has been submitted by the Ministry that they do not allocate funds for use by municipal bodies and the concerned State Governments are required to maintain suitable checks and balances for the proper use of funds by their municipal bodies. However, to have a proper check on the financial management of ULBs, the 11th Central Finance Commission have devolved upon the Comptroller & Auditor General of India the responsibility for exercising control and supervision over the proper maintenance of accounts and the audit of all ULBs.

2.46 The Ministry have informed that a Task Force was set up by the Comptroller & Auditor General of India, which has prescribed the Budget and Accounts Formats for ULBs with appropriate codification and classification of budget and accounts heads. The report of the Task Force has already been circulated to all States for taking necessary action. The Ministry is also in the process of formulating Model Accounting Manual and Training Modules for the States and ULBs to implement the accounting reforms on priority basis.

2.47 Further, as per 10th Five Year Plan Document (Vol. II) Tax Free Bonds Scheme was introduced in February, 2001. Since then two ULBs viz. Ahmedabad Municipal Corporation and Hyderabad Municipal Corporation have got approval to raise Rs. 100 crore and Rs. 82.5 crore respectively.

2.48 The Committee were further informed that in 2001-02, Ahmedabad Municipal Corporation issued Tax Free Municipal Bonds for Rs. 100.00 crore for under mentioned urban infrastructure projects:

		(Rs. in crore)
		Estimated cost of project
(i)	Water expansion project	150
(ii)	Sewerage project	150
Total		300

2.49 Also, in 2001-02, Hyderabad Municipal Corporation issued Tax Free Municipal Bonds for Rs. 82.50 crore for the following projects:

		(Rs. in crore)
		Estimated cost of project
(i)	Sewerage & Sanitation	20.00
(ii)	Drainage	31.07
(iii)	Water Supply & Sanitation in slums	51.57
(iv)	Traffic & Transportation works	97.30
(v)	Modern Street Lighting	24.03
(vi)	Slum Development (Sewerage & water supply in slums)	23.54
Total		247.51

2.50 The Committee were also apprised that Nasik Municipal Corporation, Visakhapatnam Municipal Corporation and Chennai Metropolitan Water Supply and Sewerage Board have also been permitted to raise funds by issue of tax free municipal bonds.

2.51 During the course of evidence, the representatives of the Ministry placed before the Committee that the structural reforms programme of the urban local bodies need to be finalized quickly. The municipal bodies need a lot of capacity building; their staff training etc. whoever takes it up, we should be able to do it through grant.

2.52 The representatives added that a project worth Rs. 2,000 crore has been projected to the Planning Commission which would need to be pursued. Urban Sanitation Mission is one scheme for urban infrastructure development, one scheme is for governance, third scheme is for reforms and fourth scheme is for accessing market capital where a corpus would be available, which would give incentive to urban local bodies to come forward.

2.53 During the course of evidence, the Committee discussed the issue of constitution of District Planning Committees (DPCs) and State Finance Commission with the representatives of Ministries of Urban Development and asked about the cause of the fact that some of the States have not constituted DPCs so far. The Committee enquired about the constitution of State Finance Commissions. To this, the Secretary, Ministry of Urban Development informed the Committee that barring Aurnachal Pradesh, Assam, Bihar, Gujarat, Jammu and Kashmir, Meghalaya, Mizoram, Nagaland, Punjab, Tripura, Uttaranchal, Chandigarh, Pondicherry and Lakshawdeep, all other States have set up District Planning Committees. It was further stated by him that out of aforesaid States, 74th Amendment is not applicable in some States. He assured the Committee that Centre would impress upon all the States to constitute DPCs in their States and he would call their Secretaries to discuss this crucial issue. As regards the State Finance Commissions, the witness stated that all the States except those which were exempted like Meghalaya, Mizoram, Nagaland, Jammu and Kashmir have set up Finance Commission and Part IX A.

2.54 The Committee find that as acknowledged by the Ministry, capacity building of municipal bodies is the key area of concern. For devolution of functions to urban local bodies, as given in 12th Schedule of the Constitution, financial and functional capacity building is the pre-requisite. Further, proper stress need to be given on training of functionaries and elected representatives of urban local

bodies. The Committee find from the information provided to them that a project worth Rs. 2,000 crore has been projected to the Planning Commission to give incentives to urban local bodies to come forward in this regard. Under this project the following Schemes have been proposed (i) Urban Sanitation Mission for urban infrastructure; (ii) the Scheme for e-governance; (iii) the schemes for reforms; and (iv) for accessing market capital where a corpus would be available.

2.55 The Committee are deeply distressed to note that a large number of States have not constituted District Planning Committees even after more than eleven years of passing of 74th Constitution Amendment Act. The Centre cannot shrug off its responsibility just by taking the plea that implementation of 74th Amendment Act is the responsibility of States. The Committee further feel that in case of Union Territories, the responsibility of Union Government is much more as UTs fall under the purview of Union Government. They, therefore, recommend that Centre should play a more vital role to impress upon the States to adhere to the Constitutional provisions. In this regard, it is also imperative that Centre should find out the difficulties faced by State Governments and try to solve impediments in fulfilling the Constitutional provision of setting up DPCs in all the States particularly in Union Territories. They feel that DPCs are pivotal institutions for planning and execution of all the schemes of urban development. Hence any delay in this regard would hamper the development process.

Significance of E-Governance in functioning of schemes/programmes

2.56 As per Tenth Plan Document (Vol. I) Electronic Governance is fast emerging as an important tool for achieving good governance especially with regard to improving efficiency, transparency and making interface with Government user-friendly. Further, it has been mentioned that E-governance denotes the application of IT to the process of government functioning in order to bring about better governance which has been termed as SMART (Simple, Moral, Accountable, Responsive and Transparent).

2.57 On being asked how the Ministry was using information-technology for better governance especially with regard to collection of information from State Governments in respect of physical and

financial progress of various Centrally Sponsored Schemes, the Ministry in their reply have stated as under:

“Urban Development Division proposes to open a ‘window’ on the official website of the Ministry for collection of information from State Govt./nodal agencies/implementing agencies. For the purpose, National Informatics Centre has been requested to prepare and execute requisite programme.”

2.58 Regarding specific allocation made for computerization and e-governance, the Ministry has submitted that Ministry of Urban Development is in the process of formulating a Mission Mode Project on e-Governance in Municipalities. Since this project is in its initial stages, a token provision of Rs. 5.00 crore has been made under the IT Head in the BE 2004-2005.

2.59 Below is the Statement showing fund allocation and expenditure for Computerization and E-governance in the Ministry during the last three years viz. 2001-02, 2002-03 & 2003-04.

(Rupees in crore)

Name of Office	2001-02			2002-03			2003-04		
	BE	RE	Actual Exp.	BE	RE	Actual Exp.	BE	RE	Actual Exp.
Ministry of UD & PA	1.00	1.00	1.21	3.00	3.00	2.98	0	0	0
C.P.W.D.	2.00	2.00	1.74	3.00	3.00	2.87	3.00	3.00	2.52

2.60 The Committee note that Urban Development Division of the Ministry proposes to open a window on the official website of the Ministry for collection of information from State Governments/nodal agencies/implementing agencies. For this purpose National Informatic Centre has been entrusted the responsibility to prepare and execute requisite programme. The Committee are perturbed to note that in this era of e-governance, the Ministry is yet to take advantage of the latest technology. Only the proposals are being made till date. Even while it has been admitted in 10th Plan document that e-governance is fast emerging as an important tool for achieving good governance especially with regard to improving efficiency, transparency and making interface with Government user-friendly, the Ministry is yet to take concrete action in this regard.

Further disturbing is the fact that although during 2001-2002 and 2002-03 Rs. 1 and Rs. 3 crore were allocated respectively, no allocation during the year 2004-05 has been made. The Committee would like the Ministry to explain the reasons for making no allocation during 2004-05 and also how the proposed Scheme for computerization as stated above would be translated into reality in the absence of any allocation.

Overall scenario with regard to the drinking water in urban areas

2.61 The Committee while examining Demands for Grants 2003-2004 (para 4.40, 49th Report-Thirteenth Lok Sabha), had expressed their concern over inadequate efforts made by the Government in tackling various issues with regard to the accessibility, availability, sustainability and quality of water by the Ministry. The Committee also desired that the Ministry should have some data with regard to the actual ground situation in respect of drinking water in the country and for that State Governments may be asked to have evaluation by some independent agencies.

2.62 While analyzing the Demands for Grants of 2004-2005, the Committee desired to know about the efforts made by the Government to collect the data with regard to accessibility, availability, sustainability and quality of drinking water in different States/UTs. To this, the Ministry in their reply have stated as under:

“Ministry of Urban Development has sponsored the following studies in order to collect the data with regard to status of water supply and sanitation in different States out of the funds available in the Ministry’ Budget for Central schemes of Management Information System (MIS), Research and Development and PHE Training Programme:

	Name of the Study	Agency	Year
(i)	Status of Water Supply, Sanitation and Solid Waste Management in Urban India.	NIUA	1998-99
(ii)	Impact of on-site Sanitation on the quality of Ground and Surface water sources.	NEERI Nagpur	2001-02
(iii)	Surveillance of Drinking Water Quality in 36 selected cities/towns in India.	NEERI, Nagpur	2000-01

2.63 In order to evaluate the performance of accelerated Urban Water Supply Programme (AUWSP), the Ministry in November 2003 has awarded the Evaluation study to the following Institutes:

- (a) National Environmental Engineering Research Institute, Nagpur,
- (b) Central for Environmental Studies, Anna University, Chennai,
- (c) National Institute of Urban Affairs, New Delhi,
- (d) Indian Institute of Public Administration, New Delhi.

2.64 Ministry of Urban Development has also requested all the States and Union Territories *vide* Letter No. H-11016/1/98-CPHEEO (Vol. III) dated 27 April 2004 and Letter No. G-20011/1/2004-PHE-I dated 2 June 2004 to undertake evaluation so as to assess the ground realities in regard to provision of water supply and sanitation facilities in urban areas in terms of both quality and quantity and furnish data thereon. In response States such as Arunachal Pradesh, Kerala, Mizoram, Punjab, Uttar Pradesh, Bangalore, Pondicherry etc. have informed that in order to undertake such an evaluation, they may need some time and also financial assistance both from Central and State Governments.

2.65 The Committee in their 49th Report (13th Lok Sabha) had also recommended that some sort of Centrally sponsored scheme should be started to supplement the effort made by the State Governments in tackling the various issues of drinking water which should cover all the cities and towns irrespective of the number of population. On being asked about the action taken in pursuance of the above recommendation, the Ministry had replied as under:

“The Ministry of Urban Development (UD) is contemplating to modify guidelines of Accelerated Urban Water Supply Programme by enlarging the scope of the Scheme to include towns having population upto 10 lakh as per 2001 Census. The concern of the Hon’ble Standing Committee will be effectively addressed after revision of the scope of AUWSP to cover towns and cities upto population of 10 lakh. Similarly, Ministry of Finance is contemplating initiation of new Accelerated Drinking Water programme for Metro and Mega cities (10 lakh and above) in order to meet the scarcity of drinking water in these towns. Ministry of Finance has already constituted a Core Group under the Chairmanship of Addl. Secretary (EA) and Joint Secretary (UD)

is representing Ministry of Urban Development in the said Group. The Core Group conducted three meetings on 8.4.04, 27.5.04 and 15.7.04. The report of the Core Group is under preparation.”

2.66 With regard to initiative taken by the Ministry to control the problem of leakage and wastage of drinking water in urban areas, the Ministry in their Action Taken Replies on 55th Report (13th Lok Sabha) has stated as under:

“The Expert Committee has since finalised the draft of the manual on operation and maintenance of water supply systems and have also discussed the same with the representatives of the State Governments. It is expected that the Manual will be ready for circulations to State Governments by the end of August 2004.”

2.67 As regards, the issue of utilization of the method of ‘Rain Water Harvesting’ in urban areas for water supply, the Ministry have stated that they have forwarded *vide* Letter No. Q-11021/3/2000-PHE dated 29.9.2000, the guidelines for rainwater harvesting, prepared by Central Ground Water Board, Ministry of Water Resources to all the States including CPWD requesting them to promote rain water harvesting for all the Government buildings.

2.68 On the question of incentives given to builders/building owners to edify storage and use of rain water, the Ministry in their reply have stated as under:

“Since rain water harvesting is made to replenish the ground water and being a function of the Urban Local Bodies and State Governments, concerned States and ULBs may have to take appropriate policy decisions in order to provide incentives to the owners of the buildings to promote rain water harvesting.”

Water Audit and Leakage Control

2.69 As per written reply furnished by the Ministry, audit of a water supply scheme can be defined as the assessment of the capacity of total water produced by the Water Supply Authority and the actual quantity of water distributed throughout the area of service of the Authority, thus leading to an estimation of the losses. Further, the following problems are being faced in water audit:

- Proper network details in the shape of maps are not available. If at all some maps are available, these are not updated with proper indication of appurtenances.

- Normally much attention is not paid by the water authorities to the water audit of the water supply schemes.
- Barring a few major cities, separate water audit units are not available with the Authority. Wherever these units are available the water audit staff is not motivated enough to carry out the work.
- By and large, water authorities are not equipped with the necessary equipment.
- Proper budgetary provision is not available for carrying out continuous and effective water audit.
- Lack of co-ordination between the water audit unit and operational and maintenance staff.
- No emphasis is given on Information Education and Communication (IEC) activities for conservation of water.

2.70 On being asked whether Government has formulated any policy to cope with the problems faced in water audit as enumerated above, the Ministry in a written reply have stated as under:

“Chapter-15 on Water Audit and Leakage Control of the Manual on Operation and Maintenance of Water Supply Systems being published by this Ministry deals elaborately with various aspects concerning water audit, monitoring of production, distribution systems, leak detection control, water losses, prevention of unaccounted for water, leakage repair techniques etc. The printed Manual will be circulated to all the State Governments and State Implementing Agencies in charge of urban water supply sector with a request to follow the guidelines indicated in the said Manual so as to adopt and implement steps required in water audit and leakage control. Efforts will be made by this Ministry to deal with the problem faced in water audit whenever specific instances are brought to the notice of this Ministry.”

2.71 As regards to leakage of water in Government colonies, the Committee were further informed that directions are being issued to field units of CPWD to take immediate action for stopping overflow of water and repair of leakage expeditiously.

2.72 As regards the financial requirement for supply of drinking water for 100 percent of urban population, the Committee were informed that the Tenth Plan Working Group has assessed the

requirement of Rs. 28240 crore for providing water supply for 100% of the urban population including 107.87 million population of 35 metropolitan cities (as per 2001 census) by the end of March, 2007.

2.73 The Committee are informed that the Ministry of Urban Development propose to modify guidelines of accelerated Urban Water Supply Programme (AUWSP) by enlarging the scope of the Scheme to include towns having population upto 10 lakh as per 2001 Census. Ministry of Finance also proposes to initiate steps for creation of a new Accelerated Drinking Water Programme for Metro and Mega cities (10 lakh and above) in order to meet the scarcity of drinking water in such towns. The Committee are apprised that the Ministry of Finance has already constituted a Core Group under the Chairmanship of Additional Secretary (EA) and Joint Secretary (UD) representing Ministry of Urban Development in the said Group. While the Committee are satisfied to learn that the Government proposes to address the problem of scarcity of urban water supply and the derisory effect of the present AUWSP in resolving the water supply crisis, they also propose to modify existing guidelines and formulate a new AUWSP scheme. The Committee also desire that instead of resorting to adhoc or stop gap arrangements, long term measures must be taken so as to augment of the water supply in urban areas/town/cities. The Committee also recommend that the modified guidelines of this programme be finalized in a specific time frame and the new AUWSP launched in a systematic manner.

2.74 The Committee note that Rs. 28,240 crore is required for providing drinking water supply for 100 percent of the urban population and it emerges as a stupendous task. Hence they also consider that the present finance allocations available with the Government will be insufficient to fulfil the target. The Committee, therefore, recommend that amplified utilization of institutional finance should be resorted to and urban local bodies should be empowered to face the challenges so as to fulfil the target of coverage of 100 percent population as set by the Tenth Plan by March 2007.

2.75 The Committee note that while determined efforts are being made to cover all the towns and cities under AUWSP, the scheme for supply of safe drinking water has nowhere been mentioned. The Committee feel that problem of supply of contaminated water is as grim as shortage of water. They, therefore, recommend that while allocating funds for water supply, adequate fund for ensuring supply

of potable water be ensured through scientific and technological methods.

2.76 As far as the use of rain water storage/harvesting is concerned, the Committee note that the status of rainwater harvesting in most of the States has not been received by the Ministry. The Committee believe that substantial efforts need to be made so as to motivate the ULBs and State Governments to expand usage of rainwater harvesting and proper technical know-how be provided to individuals, urban local bodies, CPWD, DDA and other housing agencies. The Committee, therefore, recommend that mandatory provisions be included in the governing rules/guidelines of the Government as issued to the States from time to time to ensure water management by rainwater harvesting and, if necessary, a legislation may be brought in this regard.

2.77 The Committee note that various problems are being faced by the State Governments on the issue of water audit and leakage management. To address this problem, the Committee find that a manual on operation and maintenance of water supply system has been circulated to the State Governments and State Implementing agencies in charge of urban water supply sector with a request to follow the guidelines indicated in the manual. While appreciating the fact that water management is a State subject, the Committee feel that merely circulation of the manual would not be sufficient. Further pursuance by holding meetings/seminars at the political as well as bureaucratic level is necessary to impress upon the State Governments, the need for water management as scarcity of water is going to be the most crucial issue during the coming years.

2.78 The Committee further note that to evaluate the performance of AUWSP, in November, 1993, the Ministry has awarded an evaluation study. The Committee would like to be apprised of the results of the said study.

2.79 On the issue of accessibility and availability of drinking water in urban areas, the Committee note that several studies have been awarded to NIUA and NEERI in 1998-99, 2001-2002 and 2002-2003. The Committee would like to be apprised of the findings of the said studies.

2.80 The Committee further find that the Government has assessed the requirement of Rs. 28,240 crore for providing water supply for coverage of 100 per cent of urban population. The

Committee would like to be apprised about the details of the basis on which the said projections have been made.

2.81 The Committee note that CPWD, the agency responsible for maintenance and upkeep of Government quarters is under the administrative control of Ministry of Urban Development. They also note that instructions have been issued to the officers of CPWD to take immediate action for stopping over flow of water and repair of leakage expeditiously. The Committee feel that some sort of accountability should be fixed so as to ensure that the complaints regarding overflow or leakage of water are attended to immediately. The Committee further feel that CPWD should be made more accountable in ensuring immediate action in this regard not only because it is under administrative control of Union Ministry but also to set an example for other agencies under the administrative control of State Governments to emulate and excel.

Land Records in Delhi

2.82 The position of Delhi is peculiar. Delhi has various types of land viz. (i) DDA Land (ii) L&DO Land (iii) NDMC Land (iv) MCD Land (v) Cantonment Board Land (vi) Delhi Government's Land etc. On being asked regarding the coordination among different agencies for maintenance, upkeep, construction and disposal of land etc. in Delhi, the Ministry in their reply have stated that the maintenance, upkeep and disposal of land is the responsibility of respective land owning agency. However, in cases of construction, where issues involving interaction with other agencies are involved, the same are sorted out by taking up the matter with the concerned agency. In some cases inter-departmental committees are also set up to resolve contentious issues. The Committee were further informed that there is no single agency for keeping property records in respect of all properties/land (rural/urban). The matter regarding setting up of a single agency for keeping property/land records of Delhi (except Cantonment Board Land/Property) is under examination in consultation with GNCTD.

2.83 The Committee during oral evidence on Demands for Grants (2004-05) had discussed in details the problem of encroachment in public land in Delhi. At this, Secretary, of Ministry of Urban Development submitted as under:

“Essentially it is the responsibility of the land owning authority to maintain its land. That goes without saying. There are many land

owning agencies, whether it is DDA or LDO or CPWD or other Departments, which have the land. They must ensure its safe custody and protection. I suppose administrative action is required to be taken to prevent this. The machinery has to be vigilant to see that they do not allow this to take place. This is where I think we need to tighten our belt from the administration side. ... we must protect our land”

2.84 The Committee find from the reply furnished by the Department that they acknowledge the need to ensure safe custody and protection of Government’s land. However, due to multiplicity of authorities, there is an endless problem of encroachment and unauthorized occupation on urban lands. The Committee also find that the matter regarding setting up of a single agency for up keeping of property/land records of Delhi (except Cantonment Land Property is under examination in consultation with Government of National Capital Territory of Delhi (GNCTD). The Committee hope that the issue will be finalised expeditiously and they would like to be kept apprised about the follow up action in this regard.

Rejuvenation of cultural cities

2.85 The Ministry in the Preliminary Material has stated that Rs. 300 crore was allocated in 9th Plan against GBS of Rs. 1,000 crore for rejuvenations of cultural cities. The Study Group-II of the Committee on Urban and Rural Development during their visit to Varanasi in June-July, 2003 had desired to formulate a development plan for Varanasi which is a cultural city.

2.86 The Committee at their sitting held on 10 August 2004 had also discussed this issue and desired that Dharmshalas should be constructed in cultural cities like Varanasi and overall development of ancient and cultural cities should be carried out for the propagation of tourism.

2.87 On being asked about the fate of a Scheme namely *viz.* rejuvenation of cultural cities for which there is a mention in 10th Plan, but no allocation has been made since then, the Secretary Urban Development replied that the Scheme is yet to be finalised.

2.88 The Committee are perturbed to note that even after two years of implementation of 10th Plan, no allocation has been made for the Rejuvenation of cultural cities due to non-finalisation of the Scheme in spite of approval of Planning Commission for giving

budgetary support. The Ministry has also not indicated any reason for the delay in the finalization of the Scheme. The Committee would, therefore, urge that the Ministry should finalise the Scheme in a time bound manner and ensure its implementation within a specific time frame. The Committee would like to be apprised about the steps taken in this regard.

Delhi Development Authority

2.89 Although budgetary allocations from Union Budget are not earmarked to DDA as urban development falls within the jurisdiction of the Ministry of Urban Development, the Committee discussed this matter with the representatives in their sitting held on 10 August 2004. During evidence, the Committee desired to know about the housing facilities constructed by DDA for EWS people.

2.90 The Vice Chairman, DDA informed the Committee that in terms of percentage, EWS and LIG houses have increased. It was further added that they are doing a lot on Janta Housing which is a single room housing Scheme and that people are reluctant to take those houses mainly due to affordability.

2.91 The Committee feel that there is an urgent need to step up the activities of DDA so as to benefit persons below poverty line and economically weaker sections of the society and provide affordable range of dwelling units in Delhi. The Committee therefore, recommend that DDA should make adequate efforts to launch long term Schemes for lower income groups and other economically weaker people. The Committee are of the opinion that such measures would also save the lands from encroachment.

Special Scheme for solid waste management

2.92 There is mention of special scheme for solid waste management in the Preliminary Material for which an allocation of Rs. 99.35 has been made under Tenth Plan, but no allocation has been made in the first two years for the same.

2.93 The Scheme was supposed to be started by the Ministry during Ninth Five Year Plan and for that purpose Rs. 1.00 crore was allocated during the year 2000-2001 but the scheme could not start since then. The Committee in their 10th Report (13th Lok Sabha) had also expressed their displeasure over the non-implementation of scheme and hoped that the Government would give due importance to the

new scheme and urgently commence the operation of these schemes during the year 2000-2001.

2.94 On being asked whether the Ministry has any data indicating the percentage of population living in smaller and big cities and towns who resort to open defecation the Ministry in their reply stated that they have no data including the percentage of population living in smaller and big cities and towns who resort to open defecation.

2.95 The Committee were informed as per 2001 Census Report Series-1 Tables on Houses, Household Amenities and Asset it has been assessed that out of 53.69 million households, 24.76 million households (46%) have water closet *i.e.* flush latrines within the house.

2.96 The Committee during their sitting held on 10th August, 2004 had discussed the problem of sewage and sanitation in detail. The Committee were apprised that the Ministry is going to have a scheme for urban infrastructure development irrespective of the size of the population.

2.97 The Committee regret to find that Ministry has no data about the number of persons resorting to open defecation in the cities. They further note that as per Census Report Series-1 in 2001, it has been assessed that 63 per cent urban population has got sewerage and sanitation facilities and out of this, only 47 per cent has sewerage facilities while 52 per cent has low cost sanitation facilities. The Committee are appalled to note that only 46 per cent household have flush latrines within the house. So far as the issue of supplementing State Governments efforts on the issue of sanitation is concerned, the Committee note that the Government's policy is not clear. while examining Demands for Grants of the previous year the Committee were informed that a scheme 'Solid Waste Management' was being planned for which Rs. 99.35 crore was allocated. However, the scheme has not been finalised so far. The Secretary, during the course of oral evidence stated that they are going to start a scheme for urban infrastructure irrespective of the size of population. The Committee would like to be apprised of the clear position in this regard as well as the fate of 'Solid Waste Management Programme' for which substantial allocation has been made.

CHAPTER III

DEMAND-WISE ANALYSIS OF THE DEMANDS FOR GRANTS (2004-2005)

3.1 The Demands for Grants 2004-2005 of the Department have been presented to Parliament under the following Demand numbers:

Demand No. 100	—	Department of Urban Development,
Demand No. 101	—	Public Works, and
Demand No. 102	—	Stationery and Printing

3.2 A broad sectoral analysis of these demands is given in the following paragraphs:

(i) Demand number 100 (Department of Urban Development)

(a) BE, RE and Actual Expenditure.

Year	BE	RE	Actual
Plan			
2002-03	883.79	2118.00	2111.64
2003-04	1592.55	2280.00	2516.74
2004-05 (upto June 2004)	1405.60	—	594.89
Non-Plan			
2002-03	427.27	427.27	389.24
2003-04	427.73	415.04	388.83
2004-05 (upto June 2004)	415.73	—	71.63

(b) Statement showing BE 2003-04 and BE 2004-05 indicating percentage hike:

Demand No. 100	RE 2003-04		BE 2004-05		%variation over RE 2003-04 Excess(+) Saving(-)	
	Plan	Non- Plan	Plan	Non- Plan	Plan	Non- Plan
Revenue	389.61	340.78	646.15	330.26	65.85%	-3.09%
Capital	1890.39	74.22	759.45	85.43	-59.83%	15.10%
Total	2280.00	415.00	1405.60	415.69	-59.83%	0.17%

(c) Revenue and Capital Expenditure

Demand No. 100	BE 2003-2004			BE-2004-2005		
	Revenue	Capital	Total	Revenue	Capital	Total
	720.09	1300.19	2020.28	976.41	844.92	1821.33

3.3 On the question of variation of total allocation, the Ministry in their reply has stated as under:

“There is no reduction in the allocation of IDSMT Scheme. The allocation under IDSMT Scheme is increased to Rs. 200.00 crore in 2004-2005 from the previous year’s allocation of Rs. 100.00 crore.”

3.4 The Ministry also informed that there has been no reduction in the BE 2004-2005 in respect of schemes relating to Research in Urban and Regional Planning (Plan), National Institute of Urban Affairs and Regional Centres for Urban and Environmental Studies (Non-Plan). BE 2003-04 and BE-2004-2005 as under:

(Rs. in crore)

Plan Schemes	BE 2003-04	BE 2004-2005
1. Research in Urban & Regional Planning	1.00	1.00
Non-Plan Schemes		
1. National Institute of Urban Affairs	1.72	1.80
2. Regional centres for Urban & Environmental Studies	2.77	2.90

3.5 Regarding the reduction in capital outlay, the Committee were informed that against the allocation of Rs. 870 crore during 2003-2004 for Pass Through Assistance (PTA) and equity for DMRC, an allocation of Rs. 480 crore only had been made during the year 2004-2005 as such there was shortfall to the extent of Rs. 390 crore.

3.6 The Secretary, Urban Development during the course of oral evidence has explained that:—

“For the Delhi Metro Rail Corporation, the budget provision for the current year is Rs. 484 crore as against the allocation of Rs. 882 crore last year and expenditure of Rs. 1,819.32 crore last year. So, there is a substantial reduction and I would request the Hon’ble Committee to help me in this regard because we are going to face a little bit of a crisis here since the work is going on at a very fast pace and we cannot afford to let it slip by. So, we would be coming to you for seeking your help in not now at least at the Supplementary or the Revised Estimates stage.”

He added that:—

“Rs. 280 crore has been allocated for the year 2004-05 instead of Rs. 1800 crore which is required by Delhi Metro Rail Corporation.”

3.7 The Ministry in their written reply has also stated that there is no such proposal to link two lines of Metro Rail viz. (i) Barwala to Shahdara and (ii) Dwarka to Connaught Place at Karma Pura as there is no such proposal.

During the course of oral evidence, the Committee desired to know about the scope of extension of Metro Rail network till the areas of Najafgarh, Bawana, etc. At this, the Director DMRC informed the Committee that a study would be conducted to take into account the feasibility of the extension of the project.

(d) Grants in aid

3.8 Grants-in-aid to State Government has been increased from Rs. 218 crore to Rs. 418 as compared to last year thus an increase of Rs. 200 crore has been made for the current year.

3.9 On being asked as how the increase of Rs. 200 crore would assist State Governments in carrying out Centrally sponsored

programmes, the Ministry in their reply as stated as under:

“Under IDSMT Scheme during the current financial year 2004-2005, Rs. 200.00 crore has been allocated as against Rs. 100.00 crore during 2003-2004. The allocation is enhanced due to the proposed revision in the IDSMT Guidelines which envisage enhancement of the project cost and coverage of towns upto population of 10 lakh.”

3.10 The Ministry stated that the Budget provision of Rs. 40 crore has been provided for the new Centrally sponsored scheme of Solid Waste Management & Drainage in the 10 selected IAF airfield towns, namely, Gwalior, Ambala, Sirsa, Hindon, Bareilly, Jodhpur, Tezpur, Adampur, Pune and Dundigal during 2004-05. Rs. 5 crore was provided for the scheme during 2003-04. The increased provision has been made keeping in view the financial phasing & requirement of the scheme, which was approved by the Ministry, Ministry of Finance and Planning Commission. Enhanced funding implies more projects with the State Government to achieve desired goal of development and availability of benefits to larger population. A provision of Rs. 220 crore has been made for the Centrally Sponsored Scheme for Infrastructure Development in Mega Cities in BE 2004-05 against the provision of Rs. 120 crore made in BE 2003-04. There has, thus, been enhanced allocation to the extent of Rs. 100 crore for the scheme. The enhanced allocation would enable State Government designated nodal agencies to take up additional projects/schemes for infrastructural development of mega cities. Against the BE of Rs. 0.50 crore in BE 2003-04, a provision of Rs. 10.00 crore has been made for the Pooled Finance Development Scheme. The scheme is awaiting approval of the Government. In case the Scheme is finally approved & operationalised during 2004-05, it would be possible to contribute to Debt Service Reserve Fund, third tier of security, created by the States for their financially viable projects in urban infrastructure, particularly water & sanitation.

3.11 On the issue of adequate allocation to DMRC, the Secretary during the course of oral evidence stated as below:

“for the Delhi Metro Rail Corporation, the budget provision for the current year is Rs. 484 crore as against the allocation of Rs. 882 crore last year and expenditure of Rs. 1,819.32 crore last year. So, there is a substantial reduction and I would request the Hon’ble Committee to help me in this regard because we are going to face a little bit of a crisis here since the work is going on at a very fast pace and we cannot afford to let it slip by. So, we would be coming to you for seeking your help if not now at least at the Supplementary or the Revised Estimates stage.”

3.12 The Committee find that whereas there is some increase in outlay of schemes like (i) IDSMT; (ii) Solid Waste Management & Drainage in 10 selected Air Field Towns; and (iii) Infrastructure Development for Mega Cities, in case of DMRC, the allocation has been reduced. The Committee note that a laudable work has been done by DMRC in Delhi. They also note that in Delhi, there is great influx of population from other cities. The Committee note that as stated by the Secretary during oral evidence, the implementation of DMRC project may face a crisis if adequate financial support is not provided to the project. In view of the aforesaid position, the Committee would like to strongly recommend to the Government to provide adequate and timely allocation to DMRC so as to ensure implementation of the project in time. The Committee further note that DDA has agreed to meet the estimated cost of Rs. 320 crore for extension of Barakhamba Road to Dwarka Metro corridor in Dwarka sub-city. The Committee feel that similar initiatives are desired to connect the other areas like connecting Dwarka to Najafgarh and connecting Rohini to Rithala, etc. The Committee would like that the Ministry in consultation with DMRC and DDA should chalk out some strategy so that the main metro corridor up to Dwarka and Rohini could further be extended to the nearby areas by the initiatives of the Ministry of Urban Development and DDA. Similar initiatives are also required in other areas too.

3.13 Demand No. 101 (Public Works)

(1) BE, RE and Actual Expenditure Plan

Year	BE	RE	Actual Expenditure
Plan			
2002-03	170.22	140.00	112.89
2003-04	145.52	120.00	102.83
2004-05 (Upto June 2004)	106.44	—	12.52
Non-Plan			
2002-03	794.65	794.65	749.29
2003-04	807.65	790.45	759.76
2004-05 (Upto June 2004)	824.45	—	185.08

Statement showing RE 2003-2004 and BE 2004-05 indicating percentage hike

Demand No. 101	RE 2003-04		BE 2004-05		%Variation over RE	RE
	Plan	Non-Plan	Plan	Non-Plan		
Revenue	5.75	448.86	5.00	459.40	-13.04%	2.35%
Capital	114.25	126.14	101.44	139.60	-11.21%	10.67%
Total	120.00	575.00	106.44	599.00	-11.30%	4.17%

Revenue and Capital Expenditure

	BE 2003-2004			BE-2004-2005		
	Revenue	Capital	Total	Revenue	Capital	Total
Demand No. 101	672.95	280.22	953.17	689.40	241.49	930.89

3.14 On being asked regarding the reduction of total allocation as compared to last year the Ministry in their reply has stated as under:

“The table below indicates the BE for 2003-04 and the budget demand projected by the Ministry and the allotment for 2004-05.

Demand No.	BE 2003-04			Demand 2004-05			BE for 2004-05		
	P	N.P.	Total	P	N.P.	Total	P	N.P.	Total
100	112.30	82.04	457.86	128.44	87.86	518.00	100.35	78.47	246.36
101	139.77	140.45	280.22	129.24	172.98	302.22	101.44	140.05	241.49

3.15 The Committee note that though higher projections were made by the Ministry, the actual allocation made by Ministry of Finance has been low under Demand number 101 (Public Works). The Committee are of the opinion that low financial achievement in the past could be the reasons of lesser financial allocations given to the Ministry of Urban Development. They, therefore, desire that suitable steps be taken to improve the physical as well as financial performance of the items under Demand number 101 in the coming years.

The Central Public Works Department (CPWD)

3.16 Physical and Financial Progress

(i) General Pool Non-Residential Accommodation

Year	Financial (Rs. in cr.)		Physical (Units)	
	Allocation	Expenditure	Target	Achievement
2000-2001	20.00	17.52	13110m ²	5125
2001-2002	20.00	19.36	8600 sqm.	—
2002-2003	24.00	22.48	28835 sqm.	35083 m ²
2003-2004	21.00	28.73*	18060 m ²	608.24
Current Year	20.00 (Projected)			

*RE 2003-04 = Rs. 36 crore

3.17 On being asked regarding the reasons of such a dismal performance, the Ministry in their reply has stated as under:

The work-wise breakup of target of 18060 Square metre is given as under:

(i) GPOA at Vidyadhar Nagar, Jaipur	—	608 Sqm.
(ii) GPOA at Thrikkara, Cochin	—	2000 Sqm.
(iii) GPOA at Navi Mumbai	—	15452 Sqm.
Total		18060 Sqm.

3.18 Out of these works, the works of GPOA at Cochin and GPOA at Navi Mumbai could not be completed in the year 2003-2004 due to sudden rise in steel & cement prices during last year. The GPOA at Navi Mumbai has been completed now and is ready for occupation. The GPOA at Cochin is expected to be completed by Nov.'04. The target for current year has been kept as 38740 sqm. which include these two works also.

(ii) General Pool Residential Accommodation

Year	Financial (Rs. in cr.)		Physical (Units)	
	Allocation	Expenditure	Target	Achievement
2000-2001	75.00	72.90	1086	996
2001-2002	80.00	83.00	417	452
2002-2003	89.00	86.51	1714	1788
2003-2004	93.00	91.19	1836	1481
Current Year	89.75 (Projected)			

3.19 On being asked as to why only 1481 units could have been completed out of target of 1836 units during the year 2003-04, the Ministry in their reply has stated as under:

“The breakup of target of completion of 1836 units in respect of General Pool Residential Accommodation during the year 2003-2004 is given as under:

Srinagar	226 units
Agra	113 units
Bikaner	21 units
Udaipur	15 units
Delhi	
(a) Dev Nagar	60 units
(b) R.K. Puram	118 units
(c) Hudco Place	514 units
Kolkata	64 units
Agartala	64 units
Navi Mumbai	190 units
Nagpur	142 units
Chennai	5 units
Port Blair	219 units
Bangalore	1 unit
Trivandrum	84 units
Total	1836 units

3.20 Out of the shortfall of 375 units, major short fall is of 208 units in Srinagar where 18 units against 226 units could be completed due to law and order problems. Residential units at Nagpur could not be completed due to sudden rise in the prices in cement & steel last year. Residential units of Srinagar are expected to be completed by March 2005. Residential units at Nagpur are likely to be completed by Sept. 04.

Shortage of Residential Accommodation

3.21 As per Preliminary Material, there is shortage of 38,135 units of residential accommodation in Delhi only while overall shortage of residential accommodation in the country is 54,463 units.

3.22 On being asked as how CPWD propose to fill the gap of Demand and Supply in the coming years, the Ministry in their reply has stated as under:

“The shortfall in residential accommodation keeps on changing from time-to-time. As on 31.03.2004 there was shortage of 14,083 units of residential accommodation in Delhi, while overall shortage of residential accommodation in the country was 28,998.

To overcome the shortage of General Pool Residential Accommodation in the country, huge funds are required. However, during the Tenth Plan only Rs. 400 crore were allocated for construction of residential accommodation. The number of residential units, to be constructed in a particular Plan period is targeted on the basis of funds allocated.”

3.23 The Committee note that during the year 2003-2004, only 608.24 sq. metre of built up area of General Pool Non-Residential Accommodation could be completed as against the target of 18,060 sq. metre. From the reply furnished by the Ministry, it is noted that General Pool Office Accommodation (GPOA) at Cochin and Navi Mumbai could not be completed due to sudden rise of steel and cement prices. The Committee, therefore, are of the firm view that Ministry should also provide for escalation cost in their budget at the time of allocation to meet such eventualities. However, Government should also try to complete the work within the stipulated time to avoid unforeseen escalation.

3.24 The Committee note that overall shortage of the General Pool residential accommodation in the country is 54,465 units and

huge funds are required to overcome this shortage. The Committee also note that during 10th Plan, Rs. 400 crore have been allocated for construction of residential accommodation. The Committee, therefore, recommend that CPWD be provided higher allocation from Union Budget for carrying out its construction activity so as to provide residential accommodation to all the Government servants as per their entitlement. The Committee recommend that the Ministry should institute proper monitoring system so as to ensure that there is no misuse of allocated funds by CPWD. The Committee would like to be apprised about the steps taken in this regard within three months of presentation of this report to the House.

Maintenance and upkeep of Government colonies maintained by CPWD

(i) General maintenance

3.25 As per detailed Demands for Grants 2004-05, BE 2003-04 in respect of Minor Head 60.053 (Maintenance and Repair) was Rs. 47.80 crore which had become Rs. 42.80 crore in Revised Estimate. BE 2004-05 has been earmarked to Rs. 40.00 crore.

3.26 The Committee on Urban and Rural Development (2003), while examining CPWD had received many memoranda from public at large complaining about poor upkeep and maintenance of Government flats.

3.27 The Committee (2003) during their study tour to Chennai, Madurai, Kodaikanal and Coimbatore from 20 to 26 June 2004 were apprised that satisfaction level of occupants of General Pool quarters (excluding the Departmental Pool) was as low as 48.78% and 50.84%, as on 18 June 2003.

3.28 On being asked about the reason behind the fact that the allocation for Maintenance and Repairs has been reduced for the current year when maintenance and repair work need to be emphasized, the Committee were informed that a demand of Rs. 65.10 crore had been projected by the Ministry of Urban Development.

3.29 As per detailed Demands for Grants (2004-05) BE 2003-2004 allocation in respect of minor head 60.053 (maintenance and repairs) was Rs. 47.80 crore which had become Rs. 42.80 crore in Revised Estimates. BE 2004-05 has been earmarked Rs. 40.00 crore.

3.30 When asked about the reason of decreasing the BE 2004-05 as compared to last year in respect of maintenance and repair, the Ministry

in their written reply have stated that they had projected a demand of Rs. 65.10 crore.

(ii) Water Supply

3.31 It may be pointed out that the Committee on Urban and Rural Development (2003) while examining CPWD had received memoranda from public at large regarding leakage and wastage of water by CPWD due to malfunctioning of overhead tank/loft tank/valve, leakage in pipeline. In some Government colonies of Delhi complaints of shortage of water has been reported due to some technical failure in water pump stations. Water pump stations has neither complaint register nor telephone. Formal complaint can only be made during normal office hours of enquiry.

(iii) Liaisoning with civic bodies

3.32 In Government colonies some work do not fall under the purview of CPWD and these work are carried out by civic bodies. As in Delhi, sanitation work, road repairing work, work from MPLADs are carried out by NDMC/MCD.

3.33 The Committee on Urban and Rural Development (2003) while examining CPWD had received memoranda from public at large regarding pitiable sanitation condition in Government colonies as NDMC/MCD workers do not sweep daily in Government colonies and garbage and malba are not collected by them regularly sometimes dispute arises about the kind of wastage viz. (i) Malba (ii) Horticultural waste (iii) Household garbage, etc. In such case the responsibility is passed out either to CPWD or other wings of NDMC/MCD.

3.34 On being asked as to how CPWD coordination with NDMC/MCD in Delhi, the Committee were informed as under:

“In case of maintenance, complaint generally pertains to individual disciplines. In case of any coordination with NDMC/MCD for complaints regarding water supply and electricity, officers of CPWD at various levels coordinate with them through phone calls, correspondence and personal contacts. However, steps are being taken separately to institutionalize periodic coordination.”

3.35 The Committee note that Government Quarters maintained by CPWD are in very bad shape. The Committee feel that there is no proper coordination among different wings of CPWD as a result

of which residential flats in Government Colonies are languishing. In Delhi CPWD has to coordinate with NDMC/MCD and Delhi Jal Board etc., but the Committee find that coordination with aforesaid bodies is not result oriented. As regards leakage and shortage of water, the Committee recommend that CPWD should strengthen its Water supply system and emphasis be made on its conservation as per the policy of Government. For this purpose, CPWD should make proper arrangements to ensure that leakage of water during morning and evening hours is minimized.

(iii) Demand No. 102 (Stationery & Printing)

3.36 (1) BE, RE and Actual Expenditure

Non-Plan

(a) BE, RE and Actual Expenditure

Year	BE	RE	Actual Expenditure
2002-03	179.16	169.01	161.69
2003-04	163.05	142.75	141.89
2004-05 (upto June)	147.25	—	34.68

(b) Statement showing RE 2003-04 and BE 2004-05 as indicating percentage hike

Demand No. 102	RE 2003-04		BE 2004-05		% Variation 2003-04
	Plan	Non-Plan	Plan	Non-Plan	
Revenue	0.00	52.80	0.00	52.80	0.00
Capital	0.00	0.20	0.00	0.20	0.00
Total	0.00	53.00	0.00	53.00	0.00

(c) Revenue and Capital Expenditure

Demand No.102	BE 2003-2004			BE 2004-2005		
	Revenue	Capital	Total	Revenue	Capital	Total
	162.85	0.20	163.05	147.05	0.20	147.25

3.37 On being asked regarding the reduction in allocation as compared to last, the Ministry in their reply has stated as under:

“Revenue (Non-Plan) : Allocation for procurement of stationery items for Government of India Stationery Office (Major Head-2058-Stationery and Printing) under Material and Supplies has been reduced from Rs. 15.00 crore in 2003-2004 to Rs. 5.00 crore in 2004-2005 by the Ministry of Finance.

Upward variation in respect of Government of India Forms Store (Major Head-2058) from Rs. 0.73 crore in 2003-2004 to Rs. 3.73 crore in 2004-2005 is because the Forms Store Unit was proposed for closure in the year 2003 but the decision is at present under review of the Government. Accordingly, adequate provision has been made towards salary and other expenses.

Upward variation in respect of Government of India Text Book Presses (Major Head-2202) from Rs. 1.01 crore in 2003-2004 to Rs. 6.48 crore in 2004-2005 is because the three Government of India Text Book Presses were proposed for closure in the year 2003, but this decision is presently under review of the Government. Accordingly, adequate provision has been made towards salary and other expenses.

Under the sub-Head-Renewal and Replacement of machinery and Equipment (Major Head-2058), procurement of machinery and equipment in the previous year (2003-2004) could not fully materialize due to technical/procedural requirements. As a result actual provision of Rs. 21.93 crore could not be utilized fully in the year 2003-2004. Rs. 5.24 crore has been kept in 2004-2005. Any augmentation of funds under this sub-head would be made at the R.E. 2004-2005 stage.

Capital (Non-Plan) : As the expenditure for modernization of Govt. of India Presses are to be met from the Depreciation Reserve Fund available with the Presses, small amount of Rs. 0.20 crore has been provided under capital Outlay (Non-Plan) for purchase of tools & equipment and replacement of condemned motor vehicles.”

Modernization of Government of India Presses

3.38 It has been mentioned in the written reply furnished by the Ministry that modernization of Government of India Press will be met

from the depreciation reserve fund available with the Presses. On being asked about the reserve fund available with the Press, the Ministry in their reply has stated as under :

“It has been mentioned that the expenditure on modernization of Government of India Press will be met from the Depreciation Reserve Fund available with the Presses. The Ministry have further informed that the Depreciation Reserve Fund available with the Presses in Rs. 28.98 crore.”

3.39 Regarding status of Modernization of Printing Presses the Ministry in their written reply have submitted as under:

- (i) Merger of 10 Presses into 5 Presses has already been completed.
- (ii) Revised Recruitment Rules for Group ‘C’ and ‘D’ (industrial and non-industrial) staff have been notified.
- (iii) Civil and Electrical works in 9 Presses under modernization are in progress. Works in remaining 2 Presses *i.e.* Government of India Press, Santragachi, Howrah and Government of India Press, Temple Street, Kolkata will be undertaken by CPWD after passing of the General Budget.
- (iv) Supply orders worth Rs. 5.75 crore for procurement of new machines have been placed.

3.40 The Committee note that the Depreciation Reserve Fund available with the Government Presses is Rs. 28.98 crore and out of that, supply orders worth Rs. 5.75 crore for procurement of new machines have been placed. Thus, out of remaining Rs. 23.23 crore, the modernization of Government Printing Presses would be taken up in addition to procurement of new machines. The Committee are of the opinion that adequate stress should be given on modernization of Government Printing Presses and the Ministry should ensure that adequate outlay is made available for the purpose. At the same time, the Committee emphasize that the existing facilities of printing must be strengthened by (i) utilization of modern techniques; (ii) providing adequate staff; and (iii) proper training of staff/dealing personnel in printing works.

CHAPTER IV

SCHEME-WISE ANALYSIS OF DEMANDS FOR GRANTS 2003-04

Integrated Development of Small and Medium Towns (IDSMT)

4.1 The Centrally Sponsored Scheme of Integrated Development of Small and Medium Towns (IDSMT) is in operation in all States since 1979-80. It aims at the development of selected regional growth centres with infrastructure and service facilities so as to enable such towns to emerge as regional centres of economic growth and employment opportunities and arrest migration to large and metropolitan cities. The guidelines for implementing the IDSMT Scheme were last revised in August 1995. The salient features of the existing Scheme are:

- (i) The Scheme will be implemented only in towns with elected local bodies.
- (ii) Scheme has been extended to towns having population upto 5 lakh (earlier limit was 3 lakh).
- (iii) Increase in the ceiling limits and change in the nature of budgetary support from soft loan to a grant.
- (iv) Reduction in the quantum of institutional finance loan component from 40-70% to 20-40% of the project cost.
- (v) The components for assistance will include works as per Civil/Town Development/Masters Plans which may have city wide significance. Some of the components are strengthening/upgradation of Master Plans roads (including street lighting) and drains, sites and services, markets and development of bus/truck terminals and shopping complexes, tourist amenities, parks, playgrounds, etc.

The financing pattern is as follows :

(Rs. in lakh)

Category of town and population	Project Cost	Central Assistance	State Share	HUDCO/FI Loan/other
1	2	3	4	5
A. Less than 20,000	100	48	32	20 (20%)
B. 20,000 to 50,000	200	90	60	50 (25%)

1	2	3	4	5
C. 50,000 to 1,00,000	350	150	100	100 (29%)
D. 1 to 3 lakh	550	210	140	200 (36%)
E. 3 to 5 lakh	750	270	180	300 (40%)

(vi) At the Central level, monitoring and evaluation of IDSMT projects is carried out by the Town and Country Planning Organization (TCPO).

Revolving Fund

4.2 The Central and State grants will flow to a special Revolving Fund at the municipal level. However, depending on the nature of projects, only 25% of the Central and State shares could be accounted for the outright grants for the fund in the case of non-remunerative projects. The remaining 75% of the grants is treated as a corpus to be returned to the Revolving Fund for self-sustaining development of infrastructure.

4.3 The flow back of money to the fund in the case of Category A and B towns (population less than 20,000 and 20,000 to 50,000 respectively) is within a period of 10 years. In case of other categories of towns, it would be 7 years. Cost recovery is required to be built into the projects. As far as projects are concerned, resources must be recovered through suitable mechanisms such as rents, premium/deposits, sale proceeds, user charges, betterment of levies, charges/fees for additional city level facilities and services, development charges, property tax hike, etc. and part of these recoveries is credited to the Revolving Fund.

4.4 The erstwhile Committee on Urban and Rural Development (2003) were informed that new guidelines of IDSMT which also include water supply and sanitation are under consideration of the Government. On being asked whether new guidelines have been finalised, the Ministry in their reply has stated as under :

“Ministry of Urban Development is in the process of revising IDSMT Scheme to include water supply and sanitation. The Ministry has formulated the revised guidelines, which will be treated as finalized after approval of Cabinet Committee on Economic Affairs (C.C.E.A).”

4.5 The Committee were further informed that IDSMT guidelines do not provide for water supply and sanitation except for storm water drainage. However, in the proposed guidelines, it is envisaged that at least 40% of the funds is utilized for water supply and sanitation. For any local body, water supply and sanitation constitutes the major portion of urban services. It is expected that the urban local bodies and State Governments will take full advantage of the proposed change in guidelines.

Coverage of Towns

4.6 As per the data indicated in Performance Budget 2004-05, there are 5092 towns having population between 20,000 to 5,00,000 out of that 1555 towns could be covered so far. During 10th Plan the Government plans to cover 925 towns out of that during the first two years of 10th Plan, 524 towns have been covered.

4.7 The Committee in their earlier Reports had recommended for starting some infrastructure Scheme for cities having population between 5 lakh and 40 lakh. When asked about the launching of any Scheme for the integrated development of small cities as well as the cities which are not covered by any of the scheme viz. IDSMT or Mega City Scheme, the Ministry in their reply have stated that in the proposed guidelines it has been envisaged to increase the scope of Scheme to cover towns upto population of 10 lakh as per 2001 Census under IDSMT.

4.8 On being asked how the Government propose to cover total 5092 towns as per 2001 Census, the Ministry in their reply stated as under:

“There will be addition of 42 towns between 5-10 lakh population as per 2001 Census due to proposed revision in guidelines of IDSMT. As on March 2004, 1277 towns below 1 lakh population and 278 towns between 1-5 lakh population have been covered under the IDSMT Scheme. The remaining 3419 towns below 1 lakh population, 118 towns between 1-5 lakh population and 42 towns between 5-10 lakh population are to be covered as per 2001 Census. With the existing allocation and average no. of towns covered in a year, it will take more than 40 years to cover all the towns as per 2001 Census. However, with substantial increase in allocation and proposed revision of the Guidelines coming into operation, the above towns may be covered in 25 years on the basis of annual allocation of Rs. 500.00 crore per annum.”

4.9 The Committee cannot but express their distress on the reply of Ministry that it would take more than forty years to cover all the towns under IDSMT as per 2001 Census. Apparently, there are 5092 towns having a population between twenty thousand to five lakh but even out of 5092 towns only 1555 towns have been covered under IDSMT so far. Moreover, in Tenth Plan period it is envisaged to cover 925 towns and in the first two years of the 10th Plan period but only 524 towns have been covered under IDSMT. The Committee also express their anxiety about the fate of the towns having population between five lakhs to forty lakhs as the given statistics is silent about such towns. The Committee note that the Ministry have informed that with the substantial increase in allocation and proposed revision of the guidelines coming into operation, the coverage of all towns would be done in 25 years on the basis of annual allocation of Rs. 500 crore per annum. While finance is the constraint, the Committee are of view that 25 years is a very long period for realization of the Scheme. While appreciating that there is a need to go in for more finance, the methodology required for the purpose needs thorough improvement with revision of the guidelines which may bear quick results. The possibility of getting more finance should be explored. The Committee recommend the Ministry to imbibe a more logical method so as to cover maximum number of towns in IDSMT scheme.

4.10 The Committee note that the erstwhile Standing Committee on Urban and Rural Development in their earlier Reports on Demands for Grants had recommended for launching some Centrally Sponsored Scheme for infrastructure for towns/cities having population between 5 lakh and 40 lakh which are not at present covered by existing Schemes of infrastructure viz. IDSMT and Mega City Scheme. They note from the position indicated by the Ministry that in the revised guidelines of IDSMT, the Government propose to cover towns having population upto 10 lakh. The Committee feel that even if the proposed guidelines are accepted, cities/towns having population between 10 lakh and 40 lakh would be having no scheme for infrastructure. The Committee feel that there should not be classification of schemes on the basis of population so far as the basic issue of providing infrastructure is concerned. In view of this the Committee recommend to the Government that some sort of infrastructure Scheme should be available to all the cities/towns irrespective of the size of population.

Financial requirement and allocation

4.11 Regarding financial requirement, the Committee were informed that as per the financing pattern of the proposed IDSMT Guidelines (2004), the fund requirement by the Centre (Central Share) will be to the tune of Rs. 11,500.00 crore to cover all the small and medium towns as per 2001 census.

4.12 As per Preliminary material of the Ministry, the proposed allocation during 10th Plan is Rs. 15000 crore. Out of that the allocation agreed to under IDSMT is Rs. 800 crore. During the first three years of 10th Plan Rs. 408.50 crore has been allocated.

4.13 On being asked how the Ministry would allocate nearly half of the outlay during the remaining two years of the 10th Plan, the Ministry in their written reply stated as under :

“The Ministry proposed to the Planning Commission the below mentioned annual allocation for the remaining period of the 10th Plan assuming the projected demand of Rs. 1500.00 crore is allocated by the Planning Commission (against the existing outlay of Rs. 1304.65 crore) :

2004-05	Rs. 350.00 crore (already projected to Planning Commission)
2005-06	Rs. 477.53 crore
2006-07	Rs. 477.54 crore

These proposals are subject to the approval of revised guidelines of IDSMT Scheme.”

4.14 In case the current year's allocation remains at Rs. 200.00 crore, then the Ministry may revise the proposals upwards to Rs. 552.53 crore each for 2005-06 and 2006-07.

4.15 State-wise Central Assistance released and expenditure reported under IDSMT during the last three years have been given in Appendix-I.

4.16 A statement showing State-wise unspent balance under IDSMT during 1996-98 to 2002-2003 is indicated at Appendix-II.

Institutional Finance

4.17 A statement indicating the cumulative State share released as well as loan availed from Financial Institutions is given at Appendix-III.

4.18 As per the guidelines of IDSMT, institutional finance varies from 20 percent to 40 per cent of the total projected cost according to population criteria the Committee were informed that State Government have reported availing of Rs. 1,394.10 lakh from financing institutions during 2003-2004 by implementing agencies. The Committee were further informed that as a part of regular monitoring, this Ministry has been insisting State Governments through regular correspondence to ensure availing of loan from financial institutions by the implementing agencies. Besides in the review meeting held on 29.1.2004, the Secretary (UD) brought to the notice the laxity in mobilization of institutional loan and directed all the State Secretaries in charge of IDSMT Scheme to expedite availing loan from financial institutions or contribution from the internal resources of the urban local bodies.

4.19 The following points were enumerated by the Ministry in respect of obtaining the institutional finance under the Scheme, as reported to them by State Governments :

- (a) The cost of sourcing the capital is high (interest rates)
- (b) Banks and financial institutions insists on credit worthiness of local bodies
- (c) State guarantee is insisted upon by the lending agencies. Many States do not come forward to give State guarantee.
- (d) Procedural and documentation problems for which most of the small local bodies are unable to comply with.

4.20 As per Tenth Plan document (Vol. II) Programmes for urban infrastructure support in the Central Government such as IDSMT should have adequate provisions for meeting the infrastructural deficiencies of settlements of the urban poor.

4.21 On being asked about the findings of Planning Commission, the Ministry in their reply have stated as under :

“This Ministry fully agrees with the findings of the Planning Commission. As far as the IDSMT Scheme is concerned, one of

the eligible components of the existing guidelines is to create social amenities especially for poorer sections of society. In the proposed revision of the guidelines, 5% weightage in allocation of funds will be given to urban poverty in all the three categories of towns.”

4.22 The Committee note with concern that the State Governments are facing certain problems in mobilisation of Institutional finance. The Committee, therefore, recommend that institutional finance be mobilized and to this purpose the problems faced by State Governments be solved in consultation with Banks and financial Institutions. In this regard, the Committee desire that appropriate measures be taken to increase the viability and the credit worthiness of ULBs in coordination with the State Governments.

State-wise Performance of IDSMT in respective States/UTs

4.23 A statement indicating towns covered, Central Assistance released and expenditure reported under IDSMT Scheme since 1979-80 upto March 2004 is given at Appendix-IV.

4.24 It is evident from Appendix-IV that barring some States/UTs the performance of IDSMT in other States are satisfactory. Under performing States are Arunachal Pradesh, Goa, Uttaranchal, Dadra and Nagar Haveli, Daman and Diu, Lakshadweep and Pondicherry.

4.25 The Committee note that seven States did not perform satisfactorily under the IDSMT Scheme. The Committee would like to know reasons for under-spending in respect of each of the States and hope that Union Government would assist in solving their specific problems, if any, so as to bring such under-performing States at par with other States. The Committee also recommend that the Ministry should take up certain Pilot Projects so as to motivate and support the purpose of the IDSMT scheme.

Revised guidelines

4.26 As per the written reply furnished by the Ministry, the salient features of proposed guidelines of IDSMT are as under :

- (i) Increasing coverage of towns upto 10 lakh population as per 2001 Census as against 5 lakh population as per 1991 Census.
- (ii) The maximum total grant from the Central Government is fixed and the scheme will be funded in the ratio of 60 : 40 between Central and State Governments.

(iii) Financing Pattern

(Rs. in lakh)

Category	Project Cost	Maximum Admissible Grant	
		Central Asst.	State Share**
A (5 to 10 lakh)	1500	900	600
B (1 to 5 lakh)	1000	600	400
C (Upto 1 lakh)	500	300	200

- (iv) Minimum 40% of the project cost has to be compulsorily used for water supply and sanitation, contrary to non-applicability of the scheme for water supply component in the existing guidelines of IDSMT Scheme.
- (v) The Central share will be released in 2 instalments.
- (vi) Upto 2.5% of the total project cost may be spent on preparation of the detailed project reports, supervision and implementation of the project, training and capacity building by the State Governments.

4.27 The Committee appreciate the salient features of Revised guidelines and hope that the same would be finalised, expeditiously. The Committee also appreciate that minimum 40% of the project cost has to be compulsorily used for water supply and sanitation. Without water and sanitation, there cannot be any integrated development. The Committee stress that funds earmarked for this purpose should be fully utilized and there should not be any diversion or non-utilisation. The Committee further recommend that earnest steps should be taken so as to obviate diversion of funds and verify the enduse of funds. The Committee desire that it should be ensured by the implementing agencies that the actual benefits of the IDSMT scheme reach the eligible beneficiaries.

Mega City Scheme

4.28 The Mega City Scheme is in operation in 5 Mega Cities (Kolkata, Mumbai, Chennai, Hyderabad and Bangalore) since 1993-94. It is applicable to cities with population of above 40 lakhs as per 1991 census. The financing pattern of the Scheme is as below :

Central Share (Grant)	25%
State Share (Grant)	25%
Institutional Finance/Capital Market (Loan)	50%

The projects to be included under the Scheme are of three categories: (a) Remunerative Projects; (b) User charge based Projects; and (c) basic Service Projects. The Schemes relating to water supply, sewerage, drainage, sanitation, city transport, network, land development, slum improvement, solid waste management etc. are eligible for funding under the Scheme.

4.29 The Ministry of Urban Development has the responsibility of broad policy formulation and monitoring of the Scheme. At the State/ Mega City level, State Level Project Sanctioning Committee and the representatives of HUDCO monitor the Mega City Scheme. The Mega City Scheme has been proposed to be enlarged to cover all cities with million plus population (34 cities as per 2001 population) except Delhi. Planning Commission has allocated Rs. 1,050 crore as Central share for the Scheme in the 10th Five Year Plan (2002-2007).

4.30 The main features of the existing Scheme are as follows :

- (i) The funds under the Scheme are channelised through a specialized institution/nodal agency at the State level.
- (ii) The projects under the Scheme consisted of a suitable mix of (a) remunerative, (b) user charge-based and (c) basic services projects.
- (iii) The nodal agencies would be required to provide project related finance for urban infrastructure including water supply, sewerage, drainage, sanitation, city transport networks, land development, slum improvement, solid waste management, etc.

Physical targets

4.31 As per Preliminary Material no specific physical targets are fixed under Mega City Scheme as the scheme covers a wide range of components like water supply and sanitation, roads and bridges, city transport, solid waste management, land development, drainage etc. It has further been stated that those projects have varying gestation period and are to be completed within the time frame indicated by State level Project Sanctioning Committee.

4.32 On being asked whether the Ministry is aware of delay in completion of various projects under the Scheme, it has been submitted by the Ministry in their written reply that there has been delay in completion of some projects under the Mega City Scheme and data in this regard is being collected from nodal agencies.

4.33 The Committee note that no physical targets can be fixed under Mega City Scheme annually as the Scheme covers a wide range of components having certain gestation period, but the expected date of completion of various projects can be indicated in respect of each of the projects. As admitted by the Ministry, there has been a delay in completion of some projects under the Mega City Scheme. The Committee would like to know the reasons for delay in completion of projects in a stipulated time. They, therefore, desire that projects under Mega City Scheme do not suffer due to inadequate allocation.

4.34 Financial status

(Rs. in crore)

Name of Mega City	Central share released	State share released	Institutional finance mobilies	Revolving fund
Mumbai	238.2	235.8275	236.42	86.92
Kolkata	228.08	293.65	186.49	28.19
Chennai	190.62	165.71	547.81	238.07
Hyderabad	198.32	198.2656	119.34	00.00
Bangalore	176.09	182.53	161.83	92.37
Total	1031.32	1076.0831	1251.89	445.55

4.35 On being asked why revolving fund is not 75 percent total of Central and States' share, the Ministry in their written replies have stated as under :

“The nodal agencies have been requested to maintain revolving fund to the extent of 75% of the total of Central & State share. But, there have been difficulties in maintaining revolving fund to the extent of 75% of Central and State share largely due to difficulties experienced in recovery of loan from implementing agencies.”

4.36 In respect of Zero revolving fund for Hyderabad, the Committee were informed that State Government of Andhra Pradesh and Andhra Pradesh Urban Finance and Infrastructure Development Corporation, Hyderabad, nodal agency for Hyderabad Mega City, has specifically been requested *vide* this Ministry's letter dated 25.2.2004 to create revolving fund by ensuring recovery of loan and interest from implementing agencies. Information in this regard is awaited from the nodal agency.

4.37 BE 2004-2005 under Mega City Scheme is Rs. 220 crore. When asked whether the allocation of Rs. 220 crore made during 2004-2005 will be sufficient, the Secretary during the course of oral evidence stated :

“We hope that we will be able to not only complete the ongoing projects, but take others.”

4.38 When asked about the provision for cost escalation to different programmes under Mega City Scheme, the Secretary during the course of oral evidence stated as under :

“I will not be able to give you off hand details. But I suppose that the cost escalation is in the region of five to six percent per annum.”

4.39 Further when asked whether there is any paucity of providing funds for escalation, the representatives of the Ministry stated as under :

“During the currency of the project, if in case there is time overrun, the project implementing agency can always come back to the State level.”

4.40 The Committee are distressed to note that nodal agencies of all the five Mega Cities did not maintain revolving fund to the extent of 75 per cent of total of Central and State share. It is very shocking that Andhra Pradesh Urban Finance and Infrastructure Development Corporation, Hyderabad could not maintain even a single paise under revolving fund. The Committee understand that difficulties experienced in recovery of loan from implementing agencies is a stumbling block in maintaining State’s share, but this cannot be a reasonable ground for poor maintenance of revolving fund. They, therefore, recommend that Government should plug the loopholes in recovery process and play facilitator’s role in solving the problem of State nodal agencies in this regard.

4.41 The Committee note that during 2004-2005, Rs. 220 crore has been allocated. They also find that as stated by the Secretary during the course of oral evidence, the said allocation will be sufficient to complete the ongoing projects, but take other projects too. The Committee would like the Ministry to ensure that adequate allocation to five cities covered under the Mega City Scheme for undertaking projects as well as for completion of the ongoing projects is provided.

4.42 As per 10th Plan document (Volume-II) programmes for urban infrastructure by the Central Government such as Mega City Scheme should have adequate provisions for meeting the infrastructural deficiencies of settlements of the urban poor.

4.43 When asked to comment over the above findings of Planning Commission, the Ministry in their written reply stated as under :

“There has been a proposal to extend the scope of Centrally Sponsored Scheme for Infrastructural Development in mega Cities to all cities, excepting Delhi, with million plus population as per 2001 Census. In the context of points raised by Chief Executives of nodal agencies of mega cities at the review meeting held on 22.7.2004 under the chairmanship of Secretary (UD) that the scope of the scheme should not be extended unless there is corresponding enhanced allocation, it has been decided to further examine whether the proposal for extension of scope of the scheme should be pursued or there should be a new scheme for infrastructural development of cities with million plus population.”

Revised guidelines

4.44 Regarding proposed new guidelines of Mega City Scheme, the Committee were informed as under :

“The proposal to extend the scope of Mega City Scheme to cover cities, excepting Delhi, with million plus population was awaiting appraisal by the Expenditure Finance Committee. At the review meeting taken by Secretary (UD) on 22.7.04, Chief Executives of nodal agencies of mega cities *inter-alia* stated that the scope of the scheme should not be extended to cover cities with million plus population unless there is corresponding enhanced allocation for the scheme. It was felt that it required examination whether the scope of the scheme should be extended or there should be a new scheme to cover million plus cities. It was also felt that the requirement of cities with million plus population may be entirely different from the mega cities. As such, the proposal is being withdrawn from Expenditure Finance Committee for further examination.”

4.45 The Committee note that requirement of cities with million plus population may be entirely different from the mega cities and there is no corresponding enhanced allocation for the Scheme so as to cover such cities whose population is between one million to

four million. They, therefore, recommend that either a new Scheme specifically for the cities having population in the aforesaid range be chalked out or parameters, guidelines and allocations under the Scheme be revised suitably so as to cover those cities which do not fall under the category of mega cities. The Committee hope that Expenditure Finance Committee would expedite the matter and a positive approach for the integrated development of cities with population of one million plus cities would be taken at the earliest. They would, therefore, like to be apprised in this regard.

Accelerated Urban Water Supply Programme (AUWSP)

4.46 The Accelerated Urban Water Supply Programme was launched in 1993-94 for the towns/cities having a population of less than 20,000 (as per 1991 census) in 25 States. Through the programme, the Government aims to provide safe drinking water supply @70 lpcd where sewerage does not exist and 135 lpcd where sewerage exists. The funding pattern of the Scheme is shared on a 50 : 50 basis between the Centre and the States. The projects under the AUWSP are scrutinised by the Central Public Health and Environmental Engineering Organisation (CPHEEO) and the funds are released to the State Governments. The Department of Urban Development monitors the financial and physical progress of AUWSP on quarterly basis.

4.47 In the Budget speech of Finance Minister, it has been mentioned that 2151 towns qualify for consideration under AUWSP and a provision of Rs. 151.25 crore has been made for the purpose.

4.48 Besides above, it has been mentioned in the Preliminary Material that Rs. 5 crore has been earmarked for equity for Urban Development and Urban Water Supply Financing Corporation.

4.49 On being asked about the purpose of allocation of Rs. 5 crore for equity for Urban Development and Water Supply Corporation, the Ministry in their reply stated as under :

“Budgetary allocations of Rs. 5 crore for water supply schemes and Rs. 5 crore for urban development schemes for the year 2004-2005 have been made for contribution to the equity of HUDCO which is raising funds from the market and other sources to provide financial assistance in the form of loans for water supply and infrastructure projects of State Governments and urban local bodies. The resources available in the form of Budgetary grants at

the Central and State levels are too meagre to support the projects adequately and the State Governments are in need of additional funds to execute the infrastructure and water supply projects planned by them. The equity is given to HUDCO to facilitate raising funds from the market.”

4.50 The Committee were also informed that the State implementing agencies have reported to have released 80 percent of the Centre Share released. The Ministry also informed that as per the prevailing guidelines of AUWSP, there are 2151 small towns as per 1991 Census which qualify for financial assistance under the Programme. The Ministry has already accorded technical approval to 1038 towns. On the basis of past experience of approving the scheme under AUWSP, it has been assessed that an amount of Rs. 2226 crore would be required in order to cover the remaining 1113 towns. The required amount of Rs. 2226 crore has to be shared equally by the Centre and the State Governments. As such, coverage of all the towns can be ensured if the required amount is made available for the Programme by the Central and State Governments.

4.51 The Committee note that as per the funding pattern of the Scheme, the Centre-State share is in the ratio of 50:50, but it has been noticed that matching share is not provided by some of the States. Further, the resources available in the form of budgetary grant at the Central and State levels are too meagre to support the projects adequately but the State Governments are unable to raise additional funds from market and other sources. The Committee note that the Ministry has already accorded technical approval to 1038 towns. On the basis of past experience of approving the schemes under AUWSP, it has been assessed that an amount of Rs. 2226 crore would be required in order to cover the remaining 1113 towns. The required amount of Rs. 2226 crore has to be shared equally by the Centre and the State Governments. The Committee express their distress over the poor performance of the AUWSP scheme. The Committee are led to believe that this is due to the vicious circle caused by less funds being raised from market *vis-a-vis* low financial support to the Scheme. The Committee, therefore, recommend that corrective action be taken by giving proper insight into the day-to-day functioning of the implementing agencies of the programme in consultation with the district level administration to make the AUWSP scheme, attractive.

Problems faced in AUWSP Projects

4.52 As per Planning Commission Document, the following obstacles to successful implementation of the Projects have been reported :

- (i) Changing priority list by the State Governments;
- (ii) Non-submission or delay in submission of Detailed Project Reports (DPRs);
- (iii) DPRs not conforming to guidelines;
- (iv) Delays at the State level in according administrative approval and in release of State share;
- (v) Delay in land acquisition;
- (vi) Reluctance of local bodies for not taking over the Schemes due to lack of expertise, financial constraints;
- (vii) Absence of manpower required for the maintenance of such capital intensive Projects; and
- (viii) Malfunctioning of dis-infection units.

4.53 On being asked about the steps being contemplated by the Government to solve the aforesaid problem so as to make the programme successful, the Ministry in their written reply has stated as under :

“The various constraints envisaged and enlisted in the 10th Plan Document have been discussed during the periodical review meetings undertaken by the Ministry and the State Secretaries/representatives and have been requested to take appropriate action to resolve the issues for speedy implementation of the water supply schemes approved under AUWSP. Moreover, letters have been written by the Ministry to the concerned State Governments requesting for submission of DPRs in time, to accord Administrative Approval in time, to ensure timely release of State share, to take advance action for land acquisition, etc. for speedy implementation of the approved schemes.”

4.54 The Committee note that local bodies are reluctant to take over the Scheme due to lack of expertise, financial constraints; and absence of manpower required for maintenance of such capital intensive projects among other things. In so far as other issues

enumerated above are concerned, State Governments may be impressed upon to solve the problem on priority basis. As regards, reluctance of local bodies due to lack of expertise, the problem can be tackled by the Ministry by imparting training to Municipal Officers and unemployed youths of towns in technical institutions like CPHEEO, NIUA, etc. so as to develop human resources to adopt and run AUWSP willingly. The Committee are of the view that Centre should launch such a Scheme which would not only reduce unemployment but generate a skilled force of officials and workers for the overall success of the Scheme.

NEW DELHI;
19 August, 2004

28 Sravana, 1926 (Saka)

MOHD. SALIM,
Chairman,
Standing Committee on Urban Development.

APPENDIX I

CUMULATIVE RELEASE OF CENTRAL ASSISTANCE, STATE SHARE, FIS LOAN AND EXPENDITURE REPORTED UNDER IDSMT TO TOWNS COVERED SINCE 1979-80 TO 2003-04

(Rs. in lakh)

Sl. No.	State	Towns Covered	CA Released	SS Released	FI Aailed	Expenditure Reported
1	2	3	4	5	6	7
1.	Andhra Pradesh	114	6917.54	4091.19	2815.77	10565.30
2.	Arunachal Pradesh	16	406.00	211.73	0.00	267.69
3.	Assam	35	1265.77	657.13	0.00	1283.40
4.	Bihar	44	1464.38	1002.18	0.00	1141.11
5.	Chhattisgarh	29	1461.49	910.76	178.24	1643.68
6.	Goa	9	204.00	28.20	0.00	131.00
7.	Gujarat	100	4686.82	2834.22	1316.40	6903.45
8.	Haryana	29	1886.04	1206.40	0.00	2487.80
9.	Himachal Pradesh	22	839.06	685.73	10.00	1140.50
10.	Jammu & Kashmir	17	895.22	468.59	0.00	800.35
11.	Jharkhand	13	418.76	490.97	0.00	439.58
12.	Karnataka	141	6152.24	3384.49	0.00	5303.17
13.	Kerala	50	2684.06	1919.87	164.76	4196.84
14.	Madhya Pradesh	121	4436.98	2910.36	86.95	3880.34
15.	Maharashtra	144	8428.25	5020.38	3408.51	15812.87
16.	Manipur	22	632.60	380.83	0.00	631.52

1	2	3	4	5	6	7
17.	Meghalaya	8	411.50	308.18	0.00	554.10
18.	Mizoram	10	479.40	472.63	0.00	982.09
19.	Nagaland	10	513.99	399.54	0.00	809.44
20.	Orissa	63	2307.63	1251.76	10.25	2647.82
21.	Punjab	37	1813.02	1255.30	110.78	3253.83
22.	Rajasthan	62	3377.02	1902.98	94.01	5807.23
23.	Sikkim	10	250.89	381.32	0.00	384.33
24.	Tamil Nadu	150	5915.02	4388.36	1287.63	8361.64
25.	Tripura	14	618.93	519.34	0.00	905.22
26.	Uttaranchal	12	520.00	363.32	0.00	292.63
27.	Uttar Pradesh	161	6119.81	4229.34	321.00	7475.39
28.	West Bengal	99	5213.38	3183.88	182.44	6429.28
29.	Andaman & N. Islands	1	92.00	0.00	0.00	124.00
30.	Dadra & N. Haveli	2	112.22	60.00	0.00	49.12
31.	Daman & Diu	1	23.00	0.00	0.00	0.00
32.	Lakshadweep	1	25.00	0.00	0.00	0.00
33.	Pondicherry	8	276.75	62.18	0.00	159.55
Grand Total		1555	70848.76	44981.16	9986.74	94864.27

APPENDIX II

STATEMENT SHOWING STATE-WISE UNSPENT BALANCES UNDER IDSMT DURING 1998-99 UPTO 2002-03 (AS ON JANUARY 31, 2004)

(Rs. in lakh)

Sl.No.	State	CA Released	Unspent Balance
1	2	3	4
1.	Andhra Pradesh	2980.82	862.03
2.	Arunachal Pradesh	124.00	23.83
3.	Assam	552.41	408.00
4.	Bihar	340.49	295.35
5.	Chhattisgarh	747.20	313.47
6.	Goa	37.50	25.22
7.	Gujarat	1873.48	512.02
8.	Haryana	1081.54	100.17
9.	Himachal Pradesh	664.58	218.09
10.	Jammu & Kashmir	372.64	160.23
11.	Jharkhand	75.00	75.00
12.	Karnataka	2849.12	1242.09
13.	Kerala	1001.17	405.88
14.	Madhya Pradesh	1988.09	1165.58
15.	Maharashtra	3677.33	873.31
16.	Manipur	297.50	255.01

1	2	3	4
17.	Meghalaya	185.40	82.53
18.	Mizoram	280.40	0.00
19.	Nagaland	128.00	0.00
20.	Orissa	998.86	588.47
21.	Punjab	666.23	200.05
22.	Rajasthan	1141.60	386.63
23.	Sikkim	122.00	61.17
24.	Tamil Nadu	2056.12	474.97
25.	Tripura	277.66	28.45
26.	Uttaranchal	240.00	240.00
27.	Uttar Pradesh	2567.45	1598.33
28.	West Bengal	2205.31	669.91
29.	Andaman & N. Islands	0.00	0.00
30.	Dadra & N. Haveli	12.00	0.00
31.	Daman & Diu	8.00	8.00
32.	Lakshadweep	0.00	0.00
33.	Pondicherry	30.00	30.00
Grand Total		29581.90	11303.79

APPENDIX III

MAJOR FINDINGS OF THE EVALUATION STUDY OF IDSMT IN
U.P., M.P., BIHAR, ORISSA, MAHARASHTRA, GUJARAT, GOA,
ANDHRA PRADESH, TAMIL NADU, KARNATAKA & KERALA
BY REGIONAL CENTRES FOR URBAN AND ENVIRONMENTAL
STUDIES, LUCKNOW, MUMBAI AND HYDERABAD AND
THE ACTIONS TAKEN THEREOF

S.No.	Findings	Action Taken
1	2	3
1.	Three-fourths of the beneficiaries feel benefited by the projects carried out under the IDSMT Scheme.	Since, it is an outcome of the implementation of the scheme, no further action is required.
2.	In many towns physical achievement in comparison to original target has been less, but the amount spent is found equal or sometimes more than the estimated outlay.	Due to delay in implementation, cost overrun may have taken place. States to expedite execution, timely, to avoid cost overruns. The States have been, time and again, directed to completion of the schemes as per schedule.
3.	The Census data revealed the continuous and steady concentration of population in Class-I towns and it is attributed to two factors, i.e. natural growth and in-migration. The migration to big urban centres is not exclusively from rural areas, but from small urban centres as well.	Migration from rural and small urban centres is a result of several socio-economic factors and IDSMT alone cannot stop the process. As such, the objective of reduction in migration is deleted in the proposed revised guidelines.
4.	Many State Govts. are not sincere in making State share	The State Planning Board and State Finance Commissions are

1

2

3

available on regular basis and this becomes a major constraint. The help of State Planning Board and State Finance Commission may be sought.

again in the State domain. However, release of further instalment of central assistance is considered only after release of matching State share by the concerned States. This will be followed in the revised guidelines too.

5. Time lag between formulation of projects, appraisal and sanctioning needs to be reduced. The Sanctioning Committee should meet quarterly.

Necessary provisions are already incorporated in the proposed revision of IDSMT Guidelines to convene the SLSC meeting quarterly and State Nodal Agencies/designated agencies are being empowered to appraise the projects.

6. The elected representatives, Community Development Groups etc. should be associated at the stage of formulation of schemes.

The existing guidelines as well as the proposed provide for consultation with elected representatives of the ULBs in formulation of schemes. The Municipal Council resolution in selection of the schemes is mandatory.

7. Implementing agencies have not sought institutional financing. Instead of institutional financing public-private partnership should be facilitated and community at large be brought into network.

In view of the limited response to the institutional finance component, it is proposed in the revised guidelines to do away with availing loan from institutional financing agencies and in its place ULBs share (nominal) is included, besides, public-private partnership.

8. Periodical workshops and training programmes should be reorganized for re-orienting the officials in

The existing as well as proposed guidelines provided for periodical workshops and training programmes. Training

1	2	3
	implementation of the IDSMT Scheme.	programmes are organised at different locations across the country. Organising such programmes will continue in future also.
9.	Programme coverage, both in terms of components and cities, was wider and markets and mandies, shopping centres provide stimulus to the town and a source of revenue to the municipality.	This is an outcome of the scheme and no further action is required.
10.	Spatial pattern of urbanization in India dominated by big cities has not changed significantly despite the effort of Government to promote the growth of small and medium towns through IDSMT. The programmes have certainly helped to provide some revenue to local bodies.	This is an outcome of the scheme and no further action is required.
11.	To check flow of unemployed from rural to big cities, development of small and medium towns all over the country and strengthening their linkages with contiguous rural areas deserve special attention.	Both the existing as well as the proposed revision in the guidelines emphasize linkages with the contiguous rural areas and the project reports are sought to be prepared taking into account the needs of the hinterland of the town/region. No further action may be required.
12.	To overcome the problem of lopsidedness it would be desirable to pursue the policy	In view of its importance, the scheme is continued in the 10th Plan with enhanced budgetary

1	2	3
of integrated development of small and medium towns as an important part of state and national urbanization policy.	support, both from the Centre and States.	
13. Schemes covered under IDSMT are being monitored and executed properly. State Governments have constituted SLSCs and local level monitoring Committees for proper quicker implementation of projects and these committees have been doing excellent work.	No further action is required.	
14. All the 8 cases study towns in Maharashtra and Gujarat are growing urban centres and planned growth of these towns will help relieving the pressure on big cities.	This is an outcome of the implementation of the schemes.	
15. The successful implementation of schemes in the case study towns have helped in improving the status of these towns as growth centres and generated sizeable employment and has reduced the gap in infrastructure needs. It has helped in achieving the objectives of the scheme.	This is an outcome of the implementation of the schemes.	

APPENDIX IV

TOWNS COVERED, CENTRAL ASSISTANCE RELEASED AND
EXPENDITURE REPORTED UNDER IDSMT SCHEME
SINCE 1979-80 UPTO MARCH, 2004

(Rs. in lakh)

Sl. No.	State	Towns Covered	C.A. Released	Expenditure Reported
1	2	3	4	5
1.	Andhra Pradesh	114	6917.54	10565.30
2.	Arunachal Pradesh	16	406.00	267.69
3.	Assam	35	1265.77	1283.40
4.	Bihar	44	1464.38	1141.11
5.	Chhattisgarh	29	1461.49	1643.68
6.	Goa	9	204.00	131.00
7.	Gujarat	100	4686.82	6903.45
8.	Haryana	29	1886.04	2487.80
9.	Himachal Pradesh	22	839.06	1140.50
10.	Jammu & Kashmir	17	895.22	800.35
11.	Jharkhand	13	418.76	439.58
12.	Karnataka	141	6152.24	5303.17
13.	Kerala	50	2684.06	4196.84
14.	Madhya Pradesh	121	4436.98	3880.34
15.	Maharashtra	144	8428.25	15812.87
16.	Manipur	22	632.60	631.52

1	2	3	4	5
17.	Meghalaya	8	411.50	554.10
18.	Mizoram	10	479.40	982.09
19.	Nagaland	10	513.99	809.44
20.	Orissa	63	2307.63	2647.82
21.	Punjab	37	1813.02	3253.83
22.	Rajasthan	62	3377.02	5807.23
23.	Sikkim	10	250.89	384.33
24.	Tamil Nadu	150	5915.02	8361.64
25.	Tripura	14	618.93	905.22
26.	Uttaranchal	12	520.00	292.63
27.	Uttar Pradesh	161	6119.81	7475.39
28.	West Bengal	99	5213.38	6429.28
29.	Andaman & N. Islands	1	92.00	124.00
30.	Dadra & N. Haveli	2	112.22	49.12
31.	Daman & Diu	1	23.00	0.00
32.	Lakshadweep	1	25.00	0.00
33.	Pondicherry	8	276.75	159.55
Grand Total		1555	70848.76	94864.27
		Say	708.49 crore	948.64 crore

APPENDIX V

MINUTES OF THE FIRST SITTING OF THE COMMITTEE HELD ON TUESDAY, THE 10TH AUGUST, 2004

The Committee sat from 1100 hrs. to 1330 hrs. in Room No. 62,
Parliament House, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Avtar Singh Bhadana
4. Shri Surendra Prakash Goyal
5. Shri Shripad Yesso Naik
6. Shri Mahendra Prasad Nishad
7. Shri Devidas Anandrao Pingale
8. Shri D. Vittal Rao
9. Shri Sajjan Kumar
10. Shri Sudhangshu Seal
11. Shri Rakesh Singh
12. Shri Sugrib Singh
13. Shri Ravi Prakash Verma
14. Shri Suresh Ganpat Wagmare

Rajya Sabha

15. Shri B.K.Hariprasad
16. Shri Nandi Yellaiah
17. Shri Jayantilal Barot
18. Shri Laxminarayan Sharma
19. Shri Prasanta Chatterjee
20. Shri Shahid Siddiqui
21. Shri Faqir Chand Mullana
22. Shri Vidya Nivas Misra

SECRETARIAT

- | | | |
|---------------------------|---|-------------------------|
| 1. Shri V.K. Sharma | — | <i>Joint Secretary</i> |
| 2. Shri K. Chakraborty | — | <i>Director</i> |
| 3. Shrimati Sudesh Luthra | — | <i>Deputy Secretary</i> |
| 4. Shrimati Neera Singh | — | <i>Under Secretary</i> |

Representatives of the Ministry of Urban Development

1. Shri Anil Baijal, Secretary
2. Shri Ajeer Vidya, Joint Secretary & FA
3. Shri P.K. Pradhan, Joint Secretary (D&L)
4. Shri M. Rajamani, Joint Secretary
5. Shri K.N. Agarwal, Director General (W), CPWD
6. Shri B.K. Sunder Ray, Secretary, NCRPB
7. Dr. P.S. Rana, Chairman and Managing Director, HUDCO
8. Shri A.R. Chaudhary, Chairman and Managing Director, NBCC
9. Shri Madhukar Gupta, Vice-Chairman, DDA
10. Smt. Sindhushri Khullar, Chairperson, NDMC
11. Shri Rakesh Mehta, Commissioner, MCD
12. Shri R.N. Joshi, Director (Finance) DMRC

2. At the outset, Chairman welcomed the representatives of the Ministry of Urban Development to the sitting and then drew their attention to the provision of Direction 55 (1) of the Directions by the Speaker. The Secretary, Urban Development then in brief explained to the Committee the overall position with regard to the allocation and expenditure of the Ministry as well as the projection of the Ministry during 10th Plan period. He also explained about the features and problems being faced with regard to the implementation of various schemes/programmes of the Ministry. The Committee then discussed in detail the various issues related to the examination of the Demands for Grants (2004-2005) of the Ministry with special attention to major Centrally Sponsored Schemes viz. Integrated Development of Small and Medium Towns (IDSMT), Accelerated Urban Water Supply Programme(AUWSP), Mega City Scheme etc. of the Ministry. The representatives of the Ministry clarified to the queries of the members.

3. A verbatim record of the proceedings was kept.

The Committee then adjourned.

APPENDIX VI

MINUTES OF THE FOURTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 18TH AUGUST, 2004

The Committee sat from 1500 hrs. to 1700 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Surendra Prakash Goyal
4. Shri Shripad Yesso Naik
5. Shri Amitava Nandy
6. Shri Devidas Anandrao Pingale
7. Shri L. Rajgopal
8. Shri D. Vittal Rao
9. Shri Sudhangshu Seal
10. Shri Sugrib Singh
11. Shri Ravi Prakash Verma
12. Shri Suresh Ganpat Wagmare
13. Shri Baleshwar Yadav

Rajya Sabha

14. Shri B.K. Hariprasad
15. Smt. Syeda Anwara Taimur
16. Shri Jayantilal Barot
17. Shri Laxminarayan Sharma
18. Shri Prasanta Chatterjee
19. Shri Urkhao Gwra Brahma

SECRETARIAT

1. Shri K. Chakraborty — *Director*
2. Shrimati Sudesh Luthra — *Deputy Secretary*
3. Shrimati Neera Singh — *Under Secretary*

2. At the outset, the Chairman welcomed the members to the sitting of the Committee. The Committee then took up for consideration the draft report on Demands for Grants (2004-2005) of the Ministry of Urban Development. After deliberation, the Committee adopted the draft report with some modifications.

3. The Committee then authorised the Chairman to finalise the Report on the basis of factual verification from the concerned Ministry and present the same to both the Houses of Parliament.

The Committee then adjourned.

APPENDIX VII

STATEMENT OF OBSERVATIONS/RECOMMENDATIONS

S.No.	Para	Recommendations/Observations
1	2	3
1.	2.3	<p>The Committee note from the position as indicated above that the existing rural urban scenario in the country is bound to change entirely in the coming years if the migration of population from rural to small cities and small cities to big cities is not arrested. The Committee feel that it is high time to plan and formulate policies with the thrust on the one hand on developing small cities with provision of adequate employment opportunities and on the other hand, handling the various issues viz. infrastructure, water sanitation and other issues in the cities.</p>
2.	2.4	<p>From the trends of allocation made to the Ministry of Urban Development it seems that adequate allocation under various Schemes is not being made to supplement the efforts made by the State Governments to tackle the various issues like water, sanitation and infrastructure. The various Schemes/Programmes of the Ministry have been dealt in detail in the subsequent chapters of the Report. The Committee here would like to highlight that the allocation made during 10th Plan is too meagre keeping in view the big challenges of tackling the various problems being faced by the small and big cities. Not only that the Committee note that allocation made during 2004-05 is just a little less than one half of the projected outlay of the Ministry.</p>

1

2

3

More disturbing is the fact that the allocation during 2004-05 is Rs. 1,420 crore which is Rs. 175 crore lesser as compared to previous year. The Committee feel that much more attention has to be paid to urban development by the Government. The Committee also find that some new Schemes have been proposed but could not be finalised due to reasons best known to the Ministry. The detailed analysis in this regard is made in the subsequent chapters of the Report. In this scenario the Committee would like to recommend to the Government that the allocation of the Ministry should be adequately stepped up so that the targets set during 10th Plan can be achieved.

3.

2.19

The following observations are made when BE 2004-2005 is compared to RE of the previous year *i.e.* 2003-04:

- (i) Under Demand No. 100, the Plan head total outlay (Revenue+Capital) of the Ministry during 2004-05 has been reduced substantially if compared to RE of the previous year. However, under the non-Plan head there is slight hike of Rs. 0.69 crore as compared to previous year. The percentage variation in BE 2004-05 (Revenue+ Capital for both Plan and non-Plan) is 38.35 percent.
 - (ii) Under Demand No. 101 BE 2004-05 under Plan head (Revenue+Capital) is Rs. 13.56 crore lesser as compared to RE of the previous year *i.e.* 2003-04. Under the non-Plan head there is hike of Rs. 24 crore in the BE of 2004-05 as compared to the RE of
-

1

2

3

previous year. The percentage variation in BE 2004-05 (Revenue + Capital for both Plan and non-Plan) is 11.30 percent.

- (iii) Under the Demand No. 102, there is 'nil' allocation under the Plan head, however, under non-Plan head *status quo* has been maintained in BE 2004-05 as compared to RE of previous year.

The Scheme-wise analysis under the aforesaid Demands has been made in the subsequent chapters of the Report. Here the Committee would like to highlight that there is substantial reduction under Plan heads in Demand No. 100 and Demand No. 101. The Committee would like the Department to furnish the specific reasons for reduction in Plan outlay under the aforesaid Demands. They would also like to recommend to the Government to provide adequate allocation under the respective Schemes of the Ministry so that the targets set for different Schemes be achieved.

4.

2.20

Under Demand No. 101, the Committee note that Department of Art and Culture has withdrawn their budget from Demand of the Ministry for carrying out works at their own. The Committee note that Ministry of Urban Development is the nodal Ministry for construction of Government buildings and CPWD is the civil engineering Department of Government of India hence all the work pertaining to construction work of the Government should be entrusted to CPWD. The Committee cannot interfere in the

1

2

3

functioning of Department of Art and Culture, but they would like to know the reasons of withdrawal by Department of Art and Culture all of sudden. The Committee have their apprehension that delay in completion of projects in a stipulated time may be one of the factors of withdrawal. They, therefore, recommend that CPWD should be able to complete their target within stipulated time so that other Departments do not follow the path adopted by Department of Culture which may ultimately erode the credibility of CPWD.

5.

2.21

As regards Demand No. 102, the Committee note that percentage variation of BE 2004-2005 over RE 2003-2004 is nil. The Committee note while on the one hand allocation in respect of procurement of stationery item for Government of India offices has been reduced, on other hand, the allocation has been increased in respect of Government of India, 'Forms Store' thus, *status-quo* has been maintained in respect of total allocation under the demand. They would, therefore, recommend that adequate financial allocation under Demand No. 102 be provided in order to assist in the modernization of the presses and various offices attached to stationery/printing and publication of the Ministry. The Committee believe that printing is also an important work transacted by the Ministry. The Committee, therefore, recommend that cost effective printing methods be utilized and the existing facilities of printing must be strengthened by (i) utilization of modern techniques; (ii) providing adequate staff; and (iii) proper training of staff/dealing personnel in printing works.

1	2	3
6.	2.27	<p>The Committee note that the Internal Extra Budgetary Resources (IEBR) in BE of 2003-2004 were to the tune of Rs. 435 crore but got substantially reduced to Rs. 57 crore at the Revised Estimates (RE) stage. The Ministry in the BE of 2004-2005 have again shown an estimate of Rs. 222 crore for IEBR. The Committee note that the reduction of allocation at RE stage is attributed to the fact that: (i) exemption from payment of tax under Section 10(20) of Income Tax Act to NCRPB had been withdrawn by Government; thus Board had to pay tax on its income; and (ii) retained projects had been reduced at RE stage due to low interest on income and low off-take of loan from State Governments.</p>
7.	2.28	<p>The Committee note that Government conceptualize to intensify public-private participation and take up equity participation for the development of urban infrastructure. The Committee are given to understand that the urban infrastructural facilities remain slack on account of paucity of funds. The Committee, therefore, recommend that the Ministry should explore other viable ways of fund raising and take immediate steps to invite public-private equity for onward channelization of funds for development in urban areas of the country.</p>
8.	2.43	<p>The Committee while examining Demands for Grants 2003-2004 were apprised that the Ministry had during the year 2002-2003 proposed three new Schemes namely, (i) Urban Information System; (ii) Pooled Finance Development Scheme; and (iii) City Challenge Fund for which a token allocation</p>

1

2

3

amounting to Rs. 50 lakh for each of the Schemes was made. No expenditure was incurred during 2002-03 and again in 2003-04. Besides, another Scheme 'National Urban Information System' was proposed for the year 2003-04 for which Rs. 10 crore were provided. The Committee while examining Demands for Grants 2004-05 note that following is the position with regard to 10th Plan outlay, actuals 2002-03 and BE 2003-04 under the aforesaid Schemes:

National Urban Information System	
	(Rs. in crore)
10th Plan Outlay	20
Actual 2002-03	0.40
BE 2003-04	5
BE 2004-05	5
Pooled Finance Development Fund	
	(Rs. in crore)
10th Plan Outlay	400
Actual 2002-03	Nil
BE 2003-04	0.50
BE 2004-05	10
City Challenge Fund	
	(Rs. in crore)
10th Plan Outlay	500
Actual 2002-03	Nil
BE 2003-04	0.50
BE 2004-05	10

1	2	3
9.	2.44	<p>The Committee further find that a new Scheme <i>viz.</i> Urban Reforms Incentive Fund (URIF), to provide reform linking assistance to States at present under the jurisdiction of the Ministry of Urban Employment and Poverty Alleviation, is to be taken over by the Ministry of Urban Development. The Committee have been given to understand that all the aforesaid Schemes in 2002-03 and 2003-04 are yet to be finalised. The Committee conclude from what has been stated above that without doing the proper homework the Schemes are being announced, then transferred from one Ministry to another. Not only that huge allocation has been proposed during 10th Plan. Almost half of the duration of 10th Plan has elapsed and still the Schemes are yet to see the light of the day. The Committee express their concern on the way the planning is being made by the Government. They would like that before allocating outlay for a new Scheme proper planning should be made in consultation with State Governments, local bodies and all other concerned. Not only that the guidelines should be framed and finalised before allocating outlay so that the other Schemes are not deprived of adequate allocation in the resources starved economy of the country.</p>
10.	2.54	<p>The Committee find that as acknowledged by the Ministry, capacity building of municipal bodies is the key area of concern. For devolution of functions to urban local bodies, as given in 12th Schedule of the Constitution, financial and functional capacity building is the pre-requisite. Further, proper stress need to be given on</p>

1

2

3

training of functionaries and elected representatives of urban local bodies. The Committee find from the information provided to them that a project worth Rs. 2,000 crore has been projected to the Planning Commission to give incentives to urban local bodies to come forward in this regard. Under this project the following Schemes have been proposed (i) Urban Sanitation Mission for urban infrastructure; (ii) the Scheme for e-governance; (iii) the schemes for reforms; and (iv) for accessing market capital where a corpus would be available.

11.

2.55

The Committee are deeply distressed to note that a large number of States have not constituted District Planning Committees even after more than eleven years of passing of 74th Constitution Amendment Act. The Centre cannot shrug off its responsibility just by taking the plea that implementation of 74th Amendment Act is the responsibility of States. The Committee further feel that in case of Union Territories, the responsibility of Union Government is much more as UTs fall under the purview of Union Government. They, therefore, recommend that Centre should play a more vital role to impress upon the States to adhere to the Constitutional provisions. In this regard, it is also imperative that Centre should find out the difficulties faced by State Governments and try to solve impediments in fulfilling the Constitutional provision of setting up DPCs in all the States particularly in Union Territories. They feel that DPCs are pivotal institutions for planning and execution of all the schemes

1	2	3
12.	2.60	<p>of urban development. Hence any delay in this regard would hamper the development process.</p>
13.	2.73	<p>The Committee note that Urban Development Division of the Ministry proposes to open a window on the official website of the Ministry for collection of information from State Governments/nodal agencies/implementing agencies. For this purpose National Informatic Centre has been entrusted the responsibility to prepare and execute requisite programme. The Committee are perturbed to note that in this era of e-governance, the Ministry is yet to take advantage of the latest technology. Only the proposals are being made till date. Even while it has been admitted in 10th Plan document that e-governance is fast emerging as an important tool for achieving good governance especially with regard to improving efficiency, transparency and making interface with Government user-friendly, the Ministry is yet to take concrete action in this regard. Further disturbing is the fact that although during 2001-2002 and 2002-03 Rs. 1 and Rs. 3 crore were allocated respectively, no allocation during the year 2004-05 has been made. The Committee would like the Ministry to explain the reasons for making no allocation during 2004-05 and also how the proposed Scheme for computerization as stated above would be translated into reality in the absence of any allocation.</p> <p>The Committee are informed that the Ministry of Urban Development propose to modify guidelines of accelerated Urban</p>

1

2

3

Water Supply Programme (AUWSP) by enlarging the scope of the Scheme to include towns having population upto 10 lakh as per 2001 Census. Ministry of Finance also proposes to initiate steps for creation of a new Accelerated Drinking Water Programme for Metro and Mega cities (10 lakh and above) in order to meet the scarcity of drinking water in such towns. The Committee are apprised that the Ministry of Finance has already constituted a Core Group under the Chairmanship of Additional Secretary (EA) and Joint Secretary (UD) representing Ministry of Urban Development in the said Group. While the Committee are satisfied to learn that the Government proposes to address the problem of scarcity of urban water supply and the derisory effect of the present AUWSP in resolving the water supply crisis, they also propose to modify existing guidelines and formulate a new AUWSP scheme. The Committee also desire that instead of resorting to *ad hoc* or stop gap arrangements, long term measures must be taken so as to augment of the water supply in urban areas/town/cities. The Committee also recommend that the modified guidelines of this programme be finalized in a specific time frame and the new AUWSP launched in a systematic manner.

14.

2.74

The Committee note that Rs. 28,240 crore is required for providing drinking water supply for 100 percent of the urban population and it emerges as a stupendous task. Hence they also consider that the present finance allocations available with the Government will be insufficient to fulfil

1

2

3

the target. The Committee, therefore, recommend that amplified utilization of institutional finance should be resorted to and urban local bodies should be empowered to face the challenges so as to fulfil the target of coverage of 100 percent population as set by the Tenth Plan by March 2007.

15.

2.75

The Committee note that while determined efforts are being made to cover all the towns and cities under AUWSP, the scheme for supply of safe drinking water has nowhere been mentioned. The Committee feel that problem of supply of contaminated water is as grim as shortage of water. They, therefore, recommend that while allocating funds for water supply, adequate fund for ensuring supply of potable water be ensured through scientific and technological methods.

16.

2.76

As far as the use of rain water storage/ harvesting is concerned, the Committee note that the status of rainwater harvesting in most of the States has not been received by the Ministry. The Committee believe that substantial efforts need to be made so as to motivate the ULBs and State Governments to expand usage of rainwater harvesting and proper technical know-how be provided to individuals, urban local bodies, CPWD, DDA and other housing agencies. The Committee, therefore, recommend that mandatory provisions be included in the governing rules/guidelines of the Government as issued to the States from time-to-time to ensure water management by rainwater harvesting and, if necessary, a legislation may be brought in this regard.

1	2	3
17.	2.77	<p>The Committee note that various problems are being faced by the State Governments on the issue of water audit and leakage management. To address this problem, the Committee find that a manual on operation and maintenance of water supply system has been circulated to the State Governments and State Implementing agencies in charge of urban water supply sector with a request to follow the guidelines indicated in the manual. While appreciating the fact that water management is a State subject, the Committee feel that merely circulation of the manual would not be sufficient. Further pursuance by holding meetings/seminars at the political as well as bureaucratic level is necessary to impress upon the State Governments, the need for water management as scarcity of water is going to be the most crucial issue during the coming years.</p>
18.	2.78	<p>The Committee further note that to evaluate the performance of AUWSP, in November, 1993, the Ministry has awarded an evaluation study. The Committee would like to be apprised of the results of the said study.</p>
19.	2.79	<p>On the issue of accessibility and availability of drinking water in urban areas, the Committee note that several studies have been awarded to NIUA and NEERI in 1998-99, 2001-2002 and 2002-2003. The Committee would like to be apprised of the findings of the said studies.</p>
20.	2.80	<p>The Committee further find that the Government has assessed the requirement</p>

1

2

3

of Rs. 28,240 crore for providing water supply for coverage of 100 percent of urban population. The Committee would like to be apprised about the details of the basis on which the said projections have been made.

21.

2.81

The Committee note that CPWD, the agency responsible for maintenance and upkeep of Government quarters is under the administrative control of Ministry of Urban Development. They also note that instructions have been issued to the officers of CPWD to take immediate action for stopping over flow of water and repair of leakage expeditiously. The Committee feel that some sort of accountability should be fixed so as to ensure that the complaints regarding overflow or leakage of water are attended to immediately. The Committee further feel that CPWD should be made more accountable in ensuring immediate action in this regard not only because it is under administrative control of Union Ministry but also to set an example for other agencies under the administrative control of State Governments to emulate and excel.

22.

2.84

The Committee find from the reply furnished by the Department that they acknowledge the need to ensure safe custody and protection of Government's land. However, due to multiplicity of authorities, there is an endless problem of encroachment and unauthorized occupation on urban lands. The Committee also find that the matter regarding setting up of a single agency for up keeping of property/land records of Delhi (except Cantonment

1	2	3
		<p>Land Property is under examination in consultation with Government of National Capital Territory of Delhi (GNCTD). The Committee hope that the issue will be finalised expeditiously and they would like to be kept apprised about the follow up action in this regard.</p>
23.	2.88	<p>The Committee are perturbed to note that even after two years of implementation of 9th Plan, no allocation has been made for the Rejuvenation of cultural cities due to non-finalisation of the Scheme inspite of approval of Planning Commission for giving budgetary support. The Ministry has also not indicated any reason for the delay in the finalization of the Scheme. The Committee would, therefore, urge that the Ministry should finalise the Scheme in a time bound manner and ensure its implementation within a specific time frame. The Committee would like to the apprised about the steps taken in this regard.</p>
24.	2.91	<p>The Committee feel that there is an urgent need to step up the activities of DDA so as to benefit persons below poverty line and economically weaker sections of the society and provide affordable range of dwelling units in Delhi. The Committee therefore, recommend that DDA should make adequate efforts to launch long term Schemes for lower income groups and other economically weaker people. The Committee are of the opinion that such measures would also save the lands from encroachment.</p>
25.	2.97	<p>The Committee regret to find that Ministry has no data about the number of persons</p>

1

2

3

resorting to open defecation in the cities. They further note that as per Census Report Series 1 in 2001, it has been assessed that 63 percent urban population has got sewerage and sanitation facilities and out of this, only 47 percent has sewerage facilities while 52 percent has low cost sanitation facilities. The Committee are appalled to note that only 46 percent household have flush latrines within the house. So far as the issue of supplementing State Governments efforts on the issue of sanitation is concerned, the Committee note that the Governments' policy is not clear. while examining Demands for Grants of the previous year the Committee were informed that a scheme 'Solid Waste Management' was being planned for which Rs. 99.35 crore was allocated. However, the scheme has not been finalised so far. The Secretary, during the course of oral evidence stated that they are going to start a scheme for urban infrastructure irrespective of the size of population. The Committee would like to be apprised of the clear position in this regard as well as the fate of 'Solid Waste Management Programme' for which substantial allocation has been made.

26.

3.12

The Committee find that whereas there is some increase in outlay of schemes like (i) IDSMT; (ii) Solid Waste Management & Drainage in 10 selected Air Field Towns; and (iii) Infrastructure Development for Mega Cities, in case of DMRC, the allocation has been reduced. The Committee note that a laudable work has been done by DMRC in Delhi. They also note that in Delhi, there is great influx of population from other cities. The Committee note that

1

2

3

as stated by the Secretary during oral evidence, the implementation of DMRC project may face a crisis if adequate financial support is not provided to the project. In view of the aforesaid position, the Committee would like to strongly recommend to the Government to provide adequate and timely allocation to DMRC so as to ensure implementation of the project in time. The Committee further note that DDA has agreed to meet the estimated cost of Rs. 320 crore for extension of Barakhamba Road to Dwarka Metro corridor in Dwarka sub-city. The Committee feel that similar initiatives are desired to connect the other areas like connecting Dwarka to Najafgarh and connecting Rohini to Rithala, etc. The Committee would like that the Ministry in consultation with DMRC and DDA should chalk out some strategy so that the main metro corridor up to Dwarka and Rohini could further be extended to the nearby areas by the initiatives of the Ministry of Urban Development and DDA. Similar initiatives are also required in other areas too.

27.

3.15

The Committee note that though higher projections were made by the Ministry, the actual allocation made by Ministry of Finance has been low under Demand number 101 (Public Works). The Committee are of the opinion that low financial achievement in the past could be the reasons of lesser financial allocations given to the Ministry of Urban Development. They, therefore, desire that suitable steps be taken to improve the physical as well as financial performance of the items under Demand number 101 in the coming years.

1	2	3
28.	3.23	<p>The Committee note that during the year 2003-2004, only 608.24 sq. metre of built up area of General Pool Non-Residential Accommodation could be completed as against the target of 18,060 sq. metre. From the reply furnished by the Ministry, it is noted that General Pool Office Accommodation (GPOA) at Cochin and Navi Mumbai could not be completed due to sudden rise of steel and cement prices. The Committee, therefore, are of the firm view that Ministry should also provide for escalation cost in their budget at the time of allocation to meet such eventualities. However, Government should also try to complete the work within the stipulated time to avoid unforeseen escalation.</p>
29.	3.24	<p>The Committee note that overall shortage of the General Pool residential accommodation in the country is 54,465 units and huge funds are required to overcome this shortage. The Committee also note that during 10th Plan, Rs. 400 crore have been allocated for construction of residential accommodation. The Committee, therefore, recommend that CPWD be provided higher allocation from Union Budget for carrying out its construction activity so as to provide residential accommodation to all the Government servants as per their entitlement. The Committee recommend that the Ministry should institute proper monitoring system so as to ensure that there is no misuse of allocated funds by CPWD. The Committee would like to be apprised about the steps taken in this regard within three months of presentation of this report to the House.</p>

1	2	3
30.	3.35	<p>The Committee note that Government Quarters maintained by CPWD are in vary bad shape. The Committee feel that there is no proper coordination among different wings of CPWD as a result of which residential flats in Government Colonies are languishing. In Delhi CPWD has to coordinate with NDMC/MCD and Delhi Jal Board etc., but the Committee find that coordination with aforesaid bodies is not result oriented. As regards leakage and shortage of water, the Committee recommend that CPWD should strengthen its Water supply system and emphasis be made on its conservation as per the policy of Government. For this purpose, CPWD should make proper arrangements to ensure that leakage of water during morning and evening hours is minimized.</p>
31.	3.40	<p>The Committee note that the Depreciation Reserve Fund available with the Government Presses is Rs. 28.98 crore and out of that, supply orders worth Rs. 5.75 crore for procurement of new machines have been placed. Thus, out of remaining Rs. 23.23 crore, the modernization of Government printing presses would be taken up in addition to procurement of new machines. The Committee are of the opinion that adequate stress should be given on modernization of Government Printing Presses and the Ministry should ensure that adequate outlay is made available for the purpose. At the same time, the Committee emphasize that the existing facilities of printing must be strengthened by (i) utilization of modern techniques; (ii) providing adequate staff; and (iii) proper training of staff/dealing personnel in printing works.</p>

1	2	3
32.	4.9	<p>The Committee cannot but express their distress on the reply of Ministry that it would take more than forty years to cover all the towns under IDSMT as per 2001 census. Apparently, there are 5092 towns having a population between twenty thousand to five lakh but even out of 5092 towns only 1555 towns have been covered under IDSMT so far. Moreover, in Tenth Plan period it is envisaged to cover 925 towns and in the first two years of the 10th Plan period but only 524 towns have been covered under IDSMT. The Committee also express their anxiety about the fate of the towns having population between five lakhs to forty lakhs as the given statistics is silent about such towns. The Committee note that the Ministry have informed that with the substantial increase in allocation and proposed revision of the guidelines coming into operation, the coverage of all towns would be done in 25 years on the basis of annual allocation of Rs. 500 crore per annum. While finance is the constraint, the Committee are of view that 25 years is a very long period for realization of the Scheme. While appreciating that there is a need to go in for more finance, the methodology required for the purpose needs thorough improvement with revision of the guidelines which may bear quick results. The possibility of getting more finance should be explored. The committee recommend the Ministry to imbibe a more logical method so as to cover maximum number of towns in IDSMT scheme.</p>
33.	4.10	<p>The Committee note that the erstwhile Standing Committee on Urban and Rural Development in their earlier Reports on</p>

1

2

3

Demands for Grants had recommended for launching some Centrally sponsored Scheme for infrastructure for towns/cities having population between 5 lakh and 40 lakh which are not at present covered by existing Schemes of infrastructure viz. IDSMT and Mega City Scheme. They note from the position indicated by the Ministry that in the revised guidelines of IDSMT, the Government propose to cover towns having population upto 10 lakh. The Committee feel that even if the proposed guidelines are accepted, cities/towns having population between 10 lakh and 40 lakh would be having no scheme for infrastructure. The Committee feel that there should not be classification of schemes on the basis of populations far as the basic issue of providing infrastructure is concerned. In view of this the Committee recommend to the Government that some sort of infrastructure Scheme should be available to all the cities/towns irrespective of the size of population.

34.

4.22

The Committee note with concern that the State Governments are facing certain problems in mobilisation of Institutional finance. The Committee, therefore, recommend that institutional finance be mobilized and to this purpose the problems faced by State Governments be solved in consultation with Banks and financial Institutions. In this regard, the Committee desire that appropriate measures be taken to increase the viability and the credit worthiness of ULBs in coordination with the State Governments.

35.

4.25

The Committee note that seven States did not perform satisfactorily under the IDSMT

1

2

3

Scheme. The Committee would like to know reasons for under-spending in respect of each of the States and hope that Union Government would assist in solving their specific problems, if any, so as to bring such under-performing States at par with other States. The Committee also recommend that the Ministry should take up certain Pilot Projects so as to motivate and support the purpose of the IDSMT scheme.

36.

4.27

The Committee appreciate the salient features of Revised guidelines and hope that the same would be finalised, expeditiously. The Committee also appreciate that minimum 40% of the project cost has to be compulsorily used for water supply and sanitation. Without water and sanitation, there cannot be any integrated development. The Committee stress that funds earmarked for this purpose should be fully utilized and there should not be any diversion or non-utilisation. The Committee further recommend that earnest steps should be taken so as to obviate diversion of funds and verify the enduse of funds. The Committee desire that it should be ensured by the implementing agencies that the actual benefits of the IDSMT scheme reach the eligible beneficiaries.

37.

4.33

The Committee note that no physical targets can be fixed under Mega City Scheme annually as the Scheme covers a wide range of components having certain gestation period, but the expected date of completion of various projects can be indicated in respect of each of the projects. As admitted by the Ministry, there has been a delay in

1

2

3

completion of some projects under the Mega City Scheme. The Committee would like to know the reasons for delay in completion of projects in a stipulated time. They, therefore, desire that projects under Mega City Scheme do not suffer due to inadequate allocation.

38.

4.40

The Committee are distressed to note that nodal agencies of all the five Mega Cities did not maintain revolving fund to the extent of 75 per cent of total of Central and State share. It is very shocking that Andhra Pradesh Urban Finance and Infrastructure Development Corporation, Hyderabad could not maintain even a single paisa under revolving fund. The Committee understand that difficulties experienced in recovery of loan from implementing agencies is a stumbling block in maintaining State's share, but this cannot be a reasonable ground for poor maintenance of revolving fund. They, therefore, recommend that Government should plug the loopholes in recovery process and play facilitator's role in solving the problem of State nodal agencies in this regard.

39.

4.41

The Committee note that during 2004-2005, Rs. 220 crore has been allocated. They also find that as stated by the Secretary during the course of oral evidence, the said allocation will be sufficient to complete the ongoing projects, but take other projects too. The Committee would like the Ministry to ensure that adequate allocation to five cities covered under the Mega City Scheme for undertaking projects as well as for completion of the ongoing projects is provided.

1	2	3
40.	4.45	<p>The Committee note that requirement of cities with million plus population may be entirely different from the mega cities and there is no corresponding enhanced allocation for the Scheme so as to cover such cities whose population is between one million to four million. They, therefore, recommend that either a new Scheme specifically for the cities having population in the aforesaid range be chalked out or parameters, guidelines and allocations under the Scheme be revised suitably so as to cover those cities which do not fall under the category of mega cities. The Committee hope that Expenditure Finance Committee would expedite the matter and a positive approach for the integrated development of cities with population of one million plus cities would be taken at the earliest. They would, therefore, like to be apprised in this regard.</p>
41.	4.51	<p>The Committee note that as per the funding pattern of the Scheme, the centre-State share is in the ratio of 50 : 50, but it has been noticed that matching share is not provided by some of the States. Further, the resources available in the form of budgetary grant at the Central and State levels are too meagre to support the projects adequately but the State Governments are unable to raise additional funds from market and other sources. The Committee note that the Ministry has already accorded technical approval to 1038 towns. On the basis of past experience of approving the schemes under AUWSP, it has been assessed that an amount of Rs. 2226 crore would be required in order to cover the remaining 1113 towns. The required amount of Rs.</p>

1

2

3

2226 crore has to be shared equally by the Centre and the State Governments. The Committee express their distress over the poor performance of the AUWSP scheme. The Committee are led to believe that this is due to the vicious circle caused by less funds being raised from market *vis-a-vis* low financial support to the Scheme. The Committee, therefore, recommend that corrective action be taken by giving proper insight into the day-to-day functioning of the implementing agencies of the programme in consultation with the district level administration to make the AUWSP scheme, attractive.

42.

4.54

The Committee note that local bodies are reluctant to take over the Scheme due to lack of expertise, financial constraints; and absence of manpower required for maintenance of such capital intensive projects among other things. In so far as other issues enumerated above are concerned, State Governments may be impressed upon to solve the problem on priority basis. As regards, reluctance of local bodies due to lack of expertise, the problem can be tackled by the Ministry by imparting training to Municipal Officers and unemployed youths of towns in technical institutions like CPHEEO, NIUA, etc. so as to develop human resources to adopt and run AUWSP willingly. The Committee are of the view that Centre should launch such a Scheme which would not only reduce unemployment but generate a skilled force of officials and workers for the overall success of the Scheme.
