

TWENTY-SEVENTH REPORT  
STANDING COMMITTEE ON  
URBAN DEVELOPMENT  
(2007-08)

(FOURTEENTH LOK SABHA)

MINISTRY OF HOUSING AND URBAN  
POVERTY ALLEVIATION

DEMANDS FOR GRANTS (2007-2008)

*[Action Taken by the Government on the Recommendations contained  
in the Twenty-First Report of the Standing Committee on  
Urban Development (Fourteenth Lok Sabha)]*

*Presented to Lok Sabha on 22.11.2007*

*Presented in Rajya Sabha on 22.11.2007*



LOK SABHA SECRETARIAT  
NEW DELHI

*November, 2007/Kartika, 1929 (Saka)*

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ON URBAN DEVELOPMENT  
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## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE .....	(iii)
INTRODUCTION.....	(v)
CHAPTER I Report.....	1
CHAPTER II Recommendations that have been accepted by the Government.....	12
CHAPTER III Recommendations which the Committee do not desire to pursue in view of the Government's reply.....	26
CHAPTER IV Recommendations in respect of which replies of the Government have not been accepted by the Committee....	32
CHAPTER V Recommendations in respect of which replies of the Government are still awaited.....	34

### APPENDICES

I. Minutes of the Fifth sitting of the Committee held on 20.11.2007.....	38
II. Analysis of the Action Taken by Government on the recommendations contained in the Twenty-First Report of the Committee (14th Lok Sabha).....	40

COMPOSITION OF THE STANDING COMMITTEE ON  
URBAN DEVELOPMENT (2007-2008)

Mohd. Salim — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Avtar Singh Bhadana
3. Smt. Botcha Jhansi Lakshmi
4. Shri Sharanjit Singh Dhillon
5. Shri Surendra Prakash Goyal
6. Shri Anant Gudhe
7. Shri Pushp Jain
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12. Shri A.K. Moorthy
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14. Shri L. Rajagopal
15. Shri Rajesh Ranjan *alias* Papu Yadav
16. Shri D. Vittal Rao
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18. Kunwar Sarv Raj Singh
19. Shri Jagdish Tytler
20. Kunwar Devendra Singh Yadav
21. Shri Suresh Ganpatrao Wagmare

*Rajya Sabha*

22. Shri Nandi Yellaiah
23. Smt. Syeda Anwara Taimur

(iv)

24. Shri B.K. Hariprasad
25. Shri Surendra Moti Lal Patel
26. Shri Krishan Lal Balmiki
27. Shri Brij Bhushan Tiwari
28. Shri Penumalli Madhu
29. Shri Mukul Roy
30. Shri Varinder Singh Bajwa
31. Shri Manohar Joshi

SECRETARIAT

- |                        |   |                             |
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| 1. Shri S.K. Sharma    | — | <i>Additional Secretary</i> |
| 2. Shri S. Bal Shekar  | — | <i>Joint Secretary</i>      |
| 3. Shri R.K. Saxena    | — | <i>Director</i>             |
| 4. Smt. Anita B. Panda | — | <i>Deputy Secretary</i>     |
| 5. Ms. Vietnam V.      | — | <i>Executive Assistant</i>  |

## INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2007-08) having been authorised by the Committee to submit the Report on their behalf, present the Twenty-Seventh Report on the action taken by the Government on the recommendations contained in the Twenty-first Report (Fourteenth Lok Sabha) of the Standing Committee on Urban Development on Demands for Grants (2007-08) of the Ministry of Housing and Urban Poverty Alleviation.

2. The Twenty-First Report was presented to Lok Sabha on 27th April, 2007. The replies of the Government to 22 recommendations contained in the Report were received on 25th July, 2007.

3. The replies of the Government were examined and the Report was considered adopted by the Committee at their sitting held on 20th November, 2007.

4. An analysis of the action taken by the Government on the recommendations contained in the Twentieth Report (Fourteenth Lok Sabha) of the Committee is given in Appendix-II.

NEW DELHI;  
21 November, 2007  

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30 Kartika, 1929 (Saka)

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

## CHAPTER I

### REPORT

This Report of the Standing Committee on Urban Development (2007-2008) deals with the action taken by the Government on the recommendations contained in their Twenty First Report on Demands for Grants (2007-2008) of the Ministry of Housing and Urban Poverty Alleviation which was presented to Lok Sabha on 27th April, 2007.

2. Out of 22 recommendations, action taken notes in respect of all the recommendations have been received from the Government which have been categorized as follows:-

- (i) Recommendations which have been accepted by the Government:  
Para Nos. 2.16, 2.17, 2.18, 2.19, 2.20, 3.29, 3.30, 3.31, 3.32, 3.47, 3.54, 3.76, 3.77, 4.22
- (ii) Recommendations which the Committee do not desire to pursue in view of Government's replies:  
Para Nos. 3.48, 3.49, 3.75.
- (iii) Recommendations in respect of which replies of Government have not been accepted by the Committee:  
Para No. 4.21
- (iv) Recommendations in respect of which final replies of Government are still awaited:  
Para Nos. 3.26, 3.27, 3.28, 4.23

3. The Committee desire that action taken notes on the recommendations contained in Chapter-I and final action taken notes in Chapter IV and Chapter V of the Report may be furnished to them within three months of the presentation of the Report.

4. The Committee will now deal with action taken by the Government on some of their recommendations in the succeeding paragraphs.



## **Viability/Feasibility of Urban Poverty Alleviation Schemes**

### **Recommendation (Para No. 2.20)**

5. The Committee had noted as below:—

“The overall trend, in the opinion of the Committee shows that over the years, schemes and programmes, devised from time to time to combat poverty, have not borne the desired results. Many of the urban poverty alleviation Schemes/Programmes implemented by the Ministry of Housing and Urban Poverty Alleviation have been named, renamed, restructured combined or merged with other Schemes leading to bureaucratic and administrative confusion and delay in their implementation. Though the schemes have been targeted at different target groups and redefined at the State level to suit to local needs and aspirations, the fact still remains that these schemes have failed to reduce the level of urban poverty to the desired extent. This, the Committee feel, is more so due to the lack of a broader, all inclusive national strategy to tackle urban poverty. The onus is on the Ministry of Housing and Urban Poverty Alleviation, being the nodal Ministry for eradication of Poverty in the urban areas, to check the rapid growth in the number of urban poor and also to provide basic services to them so as to bring a qualitative change in their lives. Keeping this in perspective, the Committee recommend the Ministry to shift their focus from mere outlay and take a hard look at outcomes so as to realize the desired impact of various schemes/programmes”.

6. In response, the Ministry has replied as under:—

“The considered views of the Hon’ble Committee have been noted. The Ministry of Housing and Urban Poverty Alleviation will strive hard to come upto expectations in removing urban poverty in the country and providing basic amenities to the urban poor living in slums. The launching of Basic Services to the Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) since

3rd December 2005 and also the proposed revamping of the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) are major steps in this direction.”

7. The Committee are not convinced by the stereotyped reply of the Ministry which merely mentions the launching of BSUP and IHSDP under JNNURM and revision of SJSRY, which has not been completed as yet. The Ministry obviously have not gone into the spirit of the Committee’s recommendations which emanates from the very fact that despite the presence of poverty alleviation schemes, there are just a handful of State Governments which have made it a priority to provide basic services, employment opportunities, housing etc. to suit the needs of the Urban poor. What is critical at this juncture is that the implementation agencies should adapt to the new challenges that the rapid urban growth presents today. As per Census 2001, the slum population was estimated to be around 61.8 million. In the Committee’s opinion, it is not difficult to assess the situation in the current year. Therefore, it is of utmost importance that the Schemes aimed at Urban poor are constantly monitored with the larger interest of providing outcomes and of achieving the physical targets. During their on-the-spot study visits also, the Committee have gathered the impression that the progress of the Schemes in certain States is not satisfactory. In these States and Union Territories, the benefits of the Schemes are yet to reach the targeted beneficiaries due to several factors, such as, lack of administrative will, apathy among ULBs and implementing agencies etc. The Committee would therefore like the Ministry of strive hard to tie all the loose ends and pursue with the defaulting State Governments, at the highest level, so as to bring a qualitative change in the lives of urban poor through the expeditious implementation of the JNNURM.

**Early Finalization of Modified Guidelines of Swarna Jayanti Shahari  
Rojgar Yojana**

**Recommendation (Para No. 3.26)**

8. The Committee had noted as below:—

“The Committee observe that there is a substantial delay in the adoption of the modified guidelines with regard to the

Swarna Jayanti Shahari Rozgar Yojana (SJSRY) scheme. The Committee in their 6th Report on Demands for Grants (2005-2006), 9th Report on Swarna Jayanti Shahari Rozgar Yojana (SJSRY) presented on 2.8.2005 and 15th Report on Demands for Grants (2006-2007) had recommended for early finalization of the revised guidelines of the scheme. However, the Ministry have informed the Committee that they are still in the process of modifying the guidelines of the scheme. The Committee take note of this and recommend that the Ministry should be ready with the modified guidelines well before the launching of the 11th Five Year Plan. The Committee also sincerely hope that in-built flexibility in these guidelines are ensured in SJSRY, as this is the only employment generation scheme for the urban poor. The Committee desire that the guidelines should enable the expansion of the scope and coverage of the scheme keeping in view the specific requirements of the States and Union Territories."

9. In response, the Ministry has replied as under:—

"The proposals for the modifications in the Guidelines of the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) are under active consideration in the Ministry and this will be placed before the competent authorities for appraisal/approval very shortly."

**10. The Committee are anguished to note that despite continuously urging the Ministry for early finalisation of the SJSRY Scheme in their 6th Report on Demands for Grants (2005-2006), 9th Report on Swarna Jayanti Shahari Rozgar Yojana, 15th Report on Demands for Grants (2006-2007) and 21st Report on Demands for Grants (2007-2008), the Ministry has not finalised the Scheme so far. The Ministry have merely indicated that the guidelines would be placed before the competent authorities for appraisal/approval 'very shortly'. The Committee find it very vague as even now no date has been specified for its finalisation. The Committee would like to know the specific reasons for the undue delay, particularly when the Ministry itself considers revamping of SJSRY as one of**

**the major steps to empower the urban poor. The Committee desire that a specific time frame should be fixed for the finalisation of the Scheme at least now.**

### **Unspent Balances Under the SJSRY Scheme**

#### **Recommendation (Para No. 3.29)**

11. The Committee had noted as below:—

“The Committee note that as on 19.3.2007, an amount of Rs. 25.21 crore are still lying with the Ministry for release. Similarly at the State level, Central funds amounting to Rs. 260.95 crore are lying with the States/UTs as unutilized. The Committee are not convinced with the explanation that this released amount included the funds released even during the current year as well as previous years, for which utilization certificates are not due and the actual accumulated unspent funds under the scheme are less than this. Nonetheless, the Committee can not but conclude that the implementation of the scheme in the States have been very sluggish and there is a laxity on the part of the States and the Implementing Agencies, as far as the implementation of the scheme is concerned. The Committee are of the strong view that the Ministry should strengthen the mechanism for tight monitoring of the scheme at both Central and State levels. The Ministry may also think of establishing a standing Monitoring Committee to oversee and monitor the effective implementation of the scheme.”

12. In response, the Ministry has replied as under:—

“In case of the unspent funds under the Schemes of Swarna Jayanti Shahari Rozgar Yojana (SJSRY), as explained earlier to the Hon’ble Committee, the unspent balances reflected in the Reports are calculated by deducting the expenditure reported by the States/UTs as on date, from the total funds released under the Schemes as on date. However, as this

released amount includes the funds released even during the previous year, for which UCs are not due, the actual *accumulated* unspent funds under the Scheme are quite less than reflected in the Statements. However the considered views of the Hon'ble Committee regarding strengthening the monitoring of the Schemes are noted and the Ministry has already started pursuing more vigorously with the States/UTs which are lagging behind in effective implementation of the Scheme.

Regarding standing Monitoring Committee, a High Level Monitoring Committee (HLMC), headed by the Secretary (Housing and Urban Poverty Alleviation) in the Ministry and comprising other stakeholders such as Ministry of Finance, Reserve Bank of India, and a few States/UT Governments, as Members already exists. The HLMC meets from time to time to take stock of the progress of the Scheme. The revamped Guidelines of the Scheme may also strengthen this mechanism, so as to monitor the Scheme more effectively."

**13. The Committee are satisfied to note that the Ministry has started pursuing more vigorously with the States/Union Territories which are lagging behind in the effective implementation of SJSRY. The Committee would like to be apprised about the details of any mid-term appraisal/review of the Scheme done at State levels. As regards monitoring of the Scheme, the Committee note that a High Level Monitoring Committee already exists. They are of the view that it should play a proactive role to make the administration of the Scheme more effective. The Committee have no indication as to whether the Monitoring Committee meets at regular intervals. The Committee, therefore, would urge the Ministry to follow the directives of the Fiscal Responsibility and Budget Management (FRBM) Act, which states that the expenditure is required to be monitored by the Ministry on a quarterly basis ensuring appropriate utilization of allotted funds. The Committee also desire that a clearer picture of the unspent balances under various Schemes of**

Swarna Jayanti Shahari Rozgar Yojana (SJSRY) *vis-a-vis* the funds released in a financial year needs to be given by the Ministry in their budgetary papers for the perusal of the Committee. Regarding the utilization of funds by the States/UTs for the projects under SJSRY, the Committee desire that the Ministry must take its role as facilitator and coordinator in all seriousness so as to encourage all the States/UTs to furnish their Utilization Certificates (UCs) within specified time so that the implementation process of the Scheme does not suffer from setbacks. The Committee reiterate that the matter be taken up with the Banking Division, Ministry of Finance so that the Banks cooperate in the implementation of SJSRY.

#### **Poor Performance under the Two Million–Housing Programme**

##### **Recommendation (Para No. 4.21)**

14. The Committee had noted as below:—

“The Committee hardly need to stress that shelter, being one of the basic human needs just next to food and clothing, is a major growing requirement in urban areas. Due to the rapid pace of urbanization, increased migration from rural to urban centres in search of livelihood, mismatch between demand and supply of sites and services and dwelling units at affordable cost and the inability of poor urban settlers to afford houses, a non-sustainable situation has emerged in our cities which needs urgent attention. The Committee have been given to understand that the aim of the Government is to ensure that the basic need of ‘Shelter-to-all’ is fulfilled through schemes like the Two Million Housing programme has not been satisfactory. To cite an instance, the number of Dwelling Units constructed under the scheme for the year 2006-2007 remained as low as 13,796 as against the annual target of 7,00,000. In this regard, they are not convinced with the justification forwarded by the Ministry that the achievement under this scheme is low because fulfilment of physical

targets under the scheme rests basically with the State Governments, while HUDCO and other agencies simply provide the loans and funds. The Committee are of the firm view that the Ministry of Housing and Urban Poverty Alleviation, being the nodal ministry in the housing sector, has the prime responsibility to ensure that the physical targets set for completion in a year are met by all the State Governments. It is only this way that the housing and shelter needs of the urban poor can be fulfilled and the housing shortage in the country can be brought down to the minimum.”

15. In response, the Ministry has replied as under:—

“To speed up construction and development activities, the Government of India has launched additional Two Million Housing Programme in 1998-99, which was designed specifically to meet the shelter needs of EWS and LIG categories. Under the programme, it was envisaged to construct 13 lakh houses in rural areas and 7 lakh houses in urban areas every year. Of this target, HUDCO was entrusted with the responsibility of extending loan assistance of construction of 6 lakh houses in rural areas and 4 lakh houses in urban areas every year.

Against the target of 36 lacs units upto the end of financial year 2006-2007. HUDCO has sanctioned 37.06 lacs units in urban areas and as against the target of 54 lacs unit, has sanctioned 69.27 lacs dwelling units in rural areas. However, after taking into consideration the withdrawals/revisions the cumulative dwelling units sanctioned is 26.39 lacs in urban areas and 51.56 lacs in rural areas. The reason for withdrawal in general is implementing State agencies not getting State Government guarantee.

Further, in urban areas so far 13.82 lacs dwelling units are reported to be completed and 3.40 lacs dwelling units are in

progress and the balance units are yet to be taken up. In rural areas, 35.23 lacs dwelling units are reported to be completed and 12.98 lacs dwelling units are in progress and the balance are yet to be taken up. With regard to the balance unit where the work has not started yet, HUDCO is pursuing with the state implementing agencies to complete the work at the earliest.

16. From the information furnished by the Ministry, the Committee are pained to note that the Two Million Housing Programme, launched in 1998-99, which aimed at facilitating construction of 20 lakh Dwelling Units (DUs) every year, has failed to achieve its targets so far. The Committee understand that as per this programme, around 1 crore 80 lakh DUs should have been constructed in Urban areas for EWS and LIG categories during the period from 1998-99 to 2006-07. However, as per the figures furnished, there are hardly 17.22 lakh DUs which have been completed/are in progress till date. According to the Annual Report of the Ministry, the success of the Scheme largely depends upon the cooperation of the agencies of the State Governments responsible for launching and implementation of various housing schemes, apart from HUDCO. However, the Committee have been given to understand that the implementing State agencies not getting State Govt. Guarantee is one major reason for their withdrawal. The Committee would like to be apprised of the reasons for the State Governments not giving guarantee for construction of DUs and urge upon the Government to ensure that the State Government guarantee is given to the implementing agencies for construction of houses in a time bound manner.

Further, as per the Annual Report of the Ministry, Housing Cooperative Societies and private sector will also be encouraged to participate in Housing activity in a big way, provided a facilitating environment is created by the State Governments. The Committee are of the view that housing for the poor sections of the society is by and large not seen as a very profitable venture by private players and cooperative societies and thus, the onus lies on the



**Government to encourage them with tax benefits and other incentives to make housing available to the economically poor at nominal rates. Besides, the Committee feel that Government bodies should seek support from NGOs etc. in planning such houses in terms of design and facilities so as to construct houses according to the needs of the poor. The Committee have not been apprised about efforts, if any, made by the Government to meet their annual target of 2 million houses for the poor every year. They would like to be apprised about the same.**

#### **Early Adoption of the National Urban Housing and Habitat Policy**

##### **Recommendation (Para No. 4.23)**

17. The Committee had noted as below:—

“The Committee express serious concern over the fact that there is considerable delay in the adoption of the draft National Urban Housing Policy. They have been made to understand that the draft policy has now been finalized for the approval of the Cabinet Committee on Economic Affairs, though comments from some Ministries are still awaited. The Committee desire that the Ministries concerned may be approached to send their comments without further delay so that the Housing and Habitat Policy can be adopted soon. Meanwhile, the Committee hope that all the relevant issues concerning major changes in housing and real estate sectors as well as habitat and human settlement issues will be taken care of in the draft policy. The Committee may be apprised about the progress in this regard within three months of presentation of this Report.”

18. In response, the Ministry has replied as under:—

“The draft of the National Housing and Habitat Policy, 2007 (NUHHP-2007) has been prepared incorporating inputs from various sectors and likely to be submitted for approval of Cabinet Committee on Economic Affairs shortly.”

19. From the reply submitted to them, the Committee note that the draft of the National Housing and Habitat Policy, 2007 (NUHHP-2007) is likely to be submitted for approval of Cabinet Committee on Economic Affairs shortly. The Committee hope that all the relevant issues, particularly, those concerning social housing for EWS/LIG categories as well as the role to be played by the public and private sectors have been clearly defined in the draft policy. They feel that since two years have already passed since the draft was circulated to the concerned Ministries/Departments, the matter may now be followed up further. They expect that the draft must have been submitted for approval of Cabinet Committee and desire that it should be vigorously pursued so that the National Housing and Habitat Policy, 2007 could be finalized for implementation by the Government.

## **CHAPTER II**

### **RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Budgetary Projection to be made more realistic**

##### **Recommendation (Para No. 2.16)**

The Committee observe from the details made available to them that there have been large variations with regard to BE, RE and Actual in the Budgetary provisions of the Ministry, particularly under the Plan Head. While the Budgetary Estimates have remained on the higher side except during 2003-2004, the allocation at the revised estimates stage and the actual expenditure of the Ministry has gone away. To cite an instance, through the BE under Plan Head in 2004-2005 was Rs. 830 crore as against Rs. 625 crore in 2003-2004, the RE was reduced to Rs. 650 crore in 2004-2005. However the actuals were Rs. 621.23 crore only in 2004-2005 as against Rs. 641.85 crore in 2003-2004. The Committee, thus, feel that the Ministry have not been able to make an accurate estimate of requirement of funds under the various heads. In this connection, the Committee gather an impression that their earlier recommendations have not yielded the desired results as huge budgetary variations continue to exist in the Budget Estimates of the Ministry. The Committee, therefore, recommend the Ministry to take due care to make the budgetary exercise more sincere. They desire that the budgetary estimation should be accurate and as close to reality as possible and variations should be avoided to the maximum possible extent at the BE stage itself.

##### **Reply of the Government**

The observations of the Honorable Committee have been noted for compliance.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

**Under-utilization of Funds****Recommendation (Para No. 2.17)**

From the Expenditure details as furnished by the Ministry, the Committee are dissatisfied to note there has been gross underutilization of funds from the year 2000-2001 to 2006-07, with a lone exception of the Financial Year 2003-2004. While there is continuous shortfall in the utilization of funds, the percentage ranging between 70 to 75%, the utilization of funds by the Ministry for the year 2006-2007 stood at mere 49%, *i.e.* Rs. 215.01 crore out of Rs. 421.67 crore. From this, the Committee are inclined to conclude that the delivery mechanism of the Ministry needs an urgent attention. What is more distressing to note is that while on the one hand the Ministry of Housing and Urban Poverty Alleviation has advocated the need for larger allocation of funds for successful implementation of various schemes, their performance shows that they have not been able to utilize, whatever amount was allocated to them completely. The Committee were made to understand that there had been some delay in sanction though the Ministry refrained from specifying reasons for the same. Therefore, the Committee, while taking a serious note of this gross underutilization of funds, urge the Ministry to make sincere efforts to optimally utilise the funds allocated to them. Proper homework, timely monitoring, timely action and initiatives need to be taken by the Government during the launching and implementation of any scheme.

**Reply of the Government**

The observations of the Hon'ble Committee have been noted for compliance. The Ministry has drawn up programmes in consultation with all the stakeholders to optimally utilize the funds allocated to the Ministry. Regular consultation with the State/UT Governments/Implementing Agencies and other stakeholders are organized through periodical meetings/conferences, workshops at Central/Regional levels.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

**Delay in furnishing Utilisation Certificates****Recommendation (Para No. 2.18)**

In this connection, the Committee deplore the attitude of various State Governments and the implementing agencies for not furnishing the Utilisation Certificates as the figure shows that a number of UCs involving an expenditure of Rs. 325.72 crore are still outstanding as on 31.12.2006 in respect of the grants released upto March, 2005. The Committee urge the Ministry to sensitize the State Governments on the implications of their lackadaisical approach on the overall efforts taken by both the States and Central Governments with regard to achieving targets set for alleviation of urban poverty.

**Reply of the Government**

The considered views of the Hon'ble Committee have been noted for compliance. The Ministry is consistently pursuing with the State/UT Governments for utilizing the unspent funds available with them and submit the Utilization Certificates as stipulated. Regular Meetings and Conferences/Workshops are organised by the Ministry at Central/Regional levels with all stakeholders to remove the bottlenecks in the effective implementation of the Schemes.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

**Surrender of Funds****Recommendation (Para No. 2.19)**

The Committee note that though there was surrender of funds to the tune of Rs.561.87 crore till the year 2005-2006, there has been no surrender of funds by the Ministry in the year 2006-2007. From the reason cited by the Ministry, they conclude that by and large the contributing reasons for the surrender of funds are non-start or low performance of various schemes like VAMBAY and ILCS. As the trend seems to have reversed this year, the Committee sincerely hope that it will continue in the coming years as well so as to avoid surrendering of funds. The

Committee, therefore, recommend the Ministry to make extra efforts for the timely materialization of proposals under the Schemes/Projects and meet the targets, which are set at the time of making budgetary provisions.

### **Reply of the Government**

The observations of the Hon'ble Committee has been noted. Concerted efforts are always made by the Ministry for timely completion of the schemes and to meet the targets set at the time of making budgetary provisions.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Viability/Feasibility of Urban Poverty Alleviation Schemes**

#### **Recommendation (Para No. 2.20)**

The overall trend, in the opinion of the Committee shows that over the years, schemes and programmes, devised from time to time to combat poverty, have not borne the desired results. Many of the urban poverty alleviation Schemes/Programmes implemented by the Ministry of Housing and Urban Poverty Alleviation have been named, renamed, restructured combined or merged with other Schemes leading to bureaucratic and administrative confusion and delay in their implementation. Though the schemes have been targeted at different target groups and redefined at the State level to suit to local needs and aspirations, the fact that still remains that these schemes have failed to reduce the level of urban poverty to the desired extent. This, the Committee feel, is more so due to the lack of a broader, all inclusive national strategy to tackle urban poverty. The onus is on the Ministry of Housing and Urban Poverty Alleviation, being the nodal Ministry for eradication of Poverty in the urban areas, to check the rapid growth in the number of urban poor and also to provide basic services to them so as to bring a qualitative change in their lives. Keeping this in perspective, the Committee recommend the Ministry to shift their focus from mere outlays and take a hard look at outcomes so as to realize the desired impact of various schemes/programmes.

### **Reply of the Government**

The considered views of the Hon'ble Committee have been noted. The Ministry of Housing and Urban Poverty Alleviation will strive hard to come upto expectations in removing urban poverty in the country and providing basic amenities to the urban poor living in slums. The launching of Basic Services to the Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) since 3rd December 2005 and also the proposed revamping of the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) are major steps in this direction.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Comments of the Committee**

(Please *see* Para No. 7 of Chapter-I of the Report)

### **Unspent Balances Under the SJSRY Scheme**

#### **Recommendation (Para No. 3.29)**

The Committee note that as on 19.3.2007, an amount of Rs. 25.21 crore are still lying with the Ministry for release. Similarly at the State level, Central funds amounting to Rs. 260.95 crore are lying with the States/UTs as unutilized. The Committee are not convinced with the explanation that this released amount included the funds released even during the current year as well as previous years, for which utilization certificates are not due and the actual accumulated unspent funds under the scheme are less than this. Nonetheless, the Committee can not but conclude that the implementation of the scheme in the States have been very sluggish and there is a laxity on the part of the States and the Implementing Agencies, as far as the implementation of the scheme is concerned. The Committee are of the strong view that the Ministry should strengthen the mechanism for tight monitoring of the scheme at both Central and State levels. The Ministry may also think of establishing a standing Monitoring Committee to oversee and monitor the effective implementation of the scheme.

### **Reply of the Government**

In case of the unspent funds under the Schemes of Swarna Jayanti Shahari Rozgar Yojana (SJSRY), as explained earlier to the Hon'ble Committee, the unspent balances reflected in the Reports are calculated by deducting the expenditure reported by the States/UTs as on date, from the total funds released under the Schemes as on date. However, as this released amount includes the funds released even during the previous year, for which UCs are not due, the actual *accumulated* unspent funds under the Scheme are quite less than reflected in the Statements. However the considered views of the Hon'ble Committee regarding strengthening the monitoring of the Schemes are noted and the Ministry has already started pursuing more vigorously with the States/UTs which are lagging behind in effective implementation of the Scheme.

Regarding standing Monitoring Committee, a High Level Monitoring Committee (HLMC), headed by the Secretary (Housing and Urban Poverty Alleviation) in the Ministry and comprising other stakeholders such as Ministry of Finance, Reserve Bank of India, and a few States/UT Governments, as Members already exists. The HLMC meets from time to time to take stock of the progress of the Scheme. The revamped Guidelines of the Scheme may also strengthen this mechanism, so as to monitor the Scheme more effectively.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Comments of the Committee**

(Please *see* Para No. 13 of Chapter-I of the Report)

### **Awareness amongst the Urban Poor about the Benefits of the Scheme**

#### **Recommendation (Para No. 3.30)**

The Committee note that one of the reasons for abysmal performance of the scheme in the urban are as is total lack of awareness amongst the urban poor about the benefits of the scheme. Therefore, the



Committee strongly recommend that the Ministry should give wide publicity to the schemes amongst the urban poor. At the State level also, adequate publicity should be given to the target groups in the vernacular language so as to reach large sections of the people. Awareness campaign should also be organized at Municipal/ward level through Urban Local Bodies from time to time so that there are more takers for the scheme.

### **Reply of the Government**

The considered views of Hon'ble Committee have been noted. A publicity campaign for the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was carried out for a short period during March–April, 2007 through Directorate of Audio-Visual Publicity (DAVP) in the audio-visual media and outdoor publicity through bus back panel, hoardings, wall paintings etc. However, as the scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is likely to be revamped shortly, it is proposed to launch a comprehensive campaign, once the revised guidelines of the Scheme come into force.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Recovery of Funds alongwith Interest from States/UTs and other Implementing Agencies**

#### **Recommendation (Para No. 3.31)**

On the issue of feasibility of imposing penal interest on the defaulting States/UTs and Implementing Agencies, the Committee note that there is no provision for imposing a penal interest on the defaulting States/UTs/Implementing Agencies for not utilizing the funds. However, as per the instructions of the Government, where there are pending UCs, the subsequent instalments of the grants would not be released unless UCs are furnished by them and as per the General Financial Rules (GFR-2005), the Implementing Agencies have to return the funds along with interest if they fail to utilize the funds in accordance with the

guidelines of the scheme. While the Committee agree with the Ministry's submission that the idea of imposing penal interest on States/UTs for not submitting the UCs in time may not be feasible, they are at the same time of the view that as per this GFR instruction, the Ministry should closely and actively monitor the flow of funds and instantly try to recover the unutilized amount alongwith interest due so as to ensure that the States and Implementing Agencies utilize the disbursed money. This will not only ensure a stringent monitoring mechanism but also help in implementation of the scheme in a better way. The Committee may be apprised of the progress in this regard within six months of submission of this report.

#### **Reply of the Government**

The Ministry of Housing & Urban Poverty Alleviation closely monitors the implementation of the Scheme by the States/UTs through Quarterly Progress reports as well as Review Meeting held time to time. The recovery of the released amount from the States/UTs alongwith interest have to be done only when the funds are utilised in violation of the Scheme Guidelines. No such instance has so far come to the notice of the Ministry, which require recovery of the released funds.

[Ministry of Housing and Urban Poverty Alleviation O.M. No.  
H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

#### **Needs for Exclusive, Dedicated and Committed Staff for Successful Implementation of SJSRY Scheme**

##### **Recommendation (Para No. 3.32)**

The Committee find that there is an urgent need to have an exclusive cadre of officers/staff engaged for implementation of the urban poverty alleviation schemes/programmes so that these schemes get proper attention of the State Government/UTs/Urban Local Bodies. In this connection, they have been given to understand that at present, most of the staff working in the State Urban Development Agencies and District

Urban Development Agencies are on deputation/contract/extension basis and hence there is a lack of commitment towards the implementation of scheme. The Committee are in full agreement with the submission of the Ministry and recommend that the matter of appointing dedicated manpower may be taken up and discussed at the ministerial level. The Committee feel that the feasibility of utilizing the services of unemployed youth from the deprived section of society could also be explored for this purpose. In the meantime, they desire that available staff may be efficiently utilized and their allocation of duty should be done in such a way that at least some section of existing staff are exclusively put in charge of overseeing the successful implementation of the SJSRY scheme.

#### **Reply of the Government**

The considered views of Hon'ble Committee have been noted. There is an urgent need to have an exclusive cadre of officers/staff engaged for implementation of the urban poverty alleviation schemes/programmes so that these schemes get proper attention of the State Governments/ Urban Local Bodies. As the Administrative and Other Expenses (A&OE) are limited to 5% of the allocation, which is a very meagre amount to meet the salary of staff, State Governments face difficulty in having dedicated manpower support for the scheme. Hence suitable provisions have to be made for meeting the A&OE expenditure of such separate cadre of officials dedicated for the implementation of urban poverty alleviation programmes including SJSRY. The proposed modification of the SJSRY Guidelines will consider this aspect also. However, there is a need to adopt a convergence approach for this and all urban poverty alleviation schemes/programmes should be implemented by a separate Urban Poverty Alleviation (UPA) Cell at the ULB level. The Administrative expenditure for this Cell may be met from the pool of A&OE funds from all the urban poverty alleviation schemes being implemented by the UPA Cell.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

**Needs for review of the integrated Low Cost Sanitation Scheme in the Light of its poor performance in many States**

**Recommendation (Para No. 3.47)**

The Committee note that in order to eliminate the abhorring practice of physically carrying night soil, the Centrally sponsored scheme for ILCS was initiated way back in 1987. The Committee further observe that the Employment of manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993 was enacted by the Parliament in the year 1994, which provides that no person shall engage in or be employed for manually carrying night soil nor maintain a dry latrine. However, the Committee are deeply pained to note that even after a lapse of more than a decade since the Act was passed, the most shameful, inhuman and degrading practice of manual handling of night soil is still prevalent in many parts of the country. The Committee have been informed that as on date, out of 28 States, only 13 States and 7 Union territories have declared themselves scavenger free while in the rest of the States, the practice still persists. Even the Secretary was candid enough to admit this fact during the evidence. In this scenario, the Committee regret to note that the scope and impact of the scheme has not been able so far to abolish this practice despite a twenty-year run. In many States, the Scheme has failed to evoke the requisite enthusiasm which calls for a need to identify the hurdles and bottlenecks in the implementation of the scheme. Although the Ministry, as per the modifications suggested in the ILCS Scheme, has stated that whole country is to be declared scavenger free by 31.3.2007, the Committee have genuine doubts about actual attainment of this goal. In the light of this, the Committee recommend that the Ministry should revise and implement the guidelines of the scheme urgently by examining the existing subsidy scheme in order to make it more feasible. They desire that the Ministry should set quarterly targets for State Governments to convert dry latrines into wet ones and monitor it closely. The information, education and communication component of the scheme should also be strengthened by undertaking more motivation campaigns through mass-media for cleaner sanitary practices among the general public.

### **Reply of the Government**

The Ministry is formulating revised guidelines of Integrated Low Cost Sanitation Scheme in which aspects of feasibility as well as information, education and communication have been taken care of and circulated to the concerned Ministries in February, 2007 for comments. According to the advice of the Planning Commission, an evaluation study and impact assessment of ILCS Scheme in urban areas has been entrusted to Agricultural Finance Corporation Ltd. The Corporation has deputed its Study Team to selected cities in various States and the report is likely to be submitted shortly. Secretary, HUPA has also convened a meeting of State Urban Development Secretaries to ensure proper implementation of the ILCS Scheme. The scheme shall be placed before the Cabinet for approval, shortly.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Launching of ISSHU in the 11th Five Year Plan**

#### **Recommendation (Para No. 3.54)**

The Committee are informed that a new scheme Interest Subsidy Scheme for Housing for the Urban Poor has been introduced from this financial year with an allocation of Rs. 30.00 crore in the 2007-2008 budget of the Ministry. Under the scheme, interest subsidy of 5% per annum for a period of five years only will be provided to the commercial lenders for lending to EWS and LIG segments of the people in the urban areas. The target groups under the scheme are EWS and LIG and interest subsidy is expected to leverage market funds to flow to housing the poor. The Committee feel that while the efforts of the Ministry for providing housing facility to urban poor through the interest subsidy is laudable, the actual impact of the scheme in meeting the housing need of the urban poor will be seen only after it is actually implemented. The Committee recommend that while every effort should be made to finalise the intricacies of the scheme at the earliest and implement it in an efficient manner, considerable caution is required to ensure that no advantage of

the scheme is taken by the landmafia and other vested interests and the actual benefits accrue to the intended sections of the society.

### **Reply of the Government**

The Ministry of Housing and Urban Poverty Alleviations is in the process to provide interest rate subsidy to Economically Weaker Sections/ Low Income Group category of the urban area. Various parameters have been worked out and the Draft Memorandum for the Expenditure Finance Committee is under finalization before its circulation to all Ministries/Departments concerned. View points of Housing and Urban Development Corporation has also been obtained. The scheme will have a well defined implementation mechanism which apart from ensuring timely implementation will also check its misuse by any quarter.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Increase in allocation under JNNURM**

#### **Recommendation (Para No. 3.76)**

The Committee are pained to note that influx of rural population to urban areas has led to a sharp rise in urban slums and unauthorized settlements with virtually no access to civic amenities and other utilities. To cope with the growing urban population and provide them with basic services, the Ministry needs a corresponding increase in the Plan allocation so that the delivery of civic amenities and provision of utilities for the urban poor could be ensured. Therefore, the Committee recommend that the allocation under this Head needs a re-look. They also are of the view that for smooth and speedy disbursement of funds under this scheme, the budgetary allocation for BSUP and IHSDP need to be shifted from the Department of Expenditure to the Ministry of HUPA.

### **Reply of the Government**

Follow up action for converting the BSUP and IHSDP programmes into a Centrally Sponsored Programme and for enhancement of allocation

would be taken by pursuing with Planning Commission, Ministry of Finance etc.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

**Even disbursement of funds throughout the year in order to avoid March rush and under utilization**

**Recommendation (Para No. 3.77)**

The Committee find that under the Integrated Housing and Slum Development Programme, a sum of Rs. 139.14 crore was released and that too in the month of February 2007. Though the Committee have time and again advised the Ministry for an even disbursement of funds under the JNNURM in order to avoid any March rush, the Committee find that under the IHSDP there was no release of fund from April, 2006 to January 2007 and suddenly in the month of February 2007, a total of Rs. 139.14 crore was released at one go. In this regard, the Committee recall that even the Ministry of Finance has formulated a stipulation advising the Ministries against March rush. They, therefore, feel that release of funds of IHSDP in February, 2007 is highly uncalled for. The Committee take a serious note of this undesirable trend and counsel the Ministry to avoid such a disproportionate release of fund, which adversely affects the overall performance of the Scheme.

**Reply of the Government**

The Ministry would keep in mind the observations of the Committee in the overall performance of the Scheme.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

**Public-private partnership in the Housing Sector**

**Recommendation (Para No. 4.22)**

The Committee note that as the need for safe, durable and affordable housing is acute in India, the housing industry has become

a vitally important economic engine for growth and development. The current housing shortage in the country is estimated to be around 24.07 million. The find requirement in the housing sector is very large, which cannot be met solely with the limited public resources, even if it is increased substantially. This requires an encouragement to the private sector to play an important role in the housing scenario. Therefore, the Committee desire that the Ministry should encourage public-private partnership in addressing the issue of housing shortage particularly for the poor and the deprived sections of the society.

### **Reply of the Government**

The New Urban Housing and Habitat Policy-2007 (NUHHP-2007) provides for encouragement of Public-Private Partnership (PPP) for various purposes like land assembling and development, provision of infrastructure, undertaking integrated Housing Projects with provision of at least 10-15% of the land and 20-25% of the houses for economically weaker sections and lower income groups, in the matter of slum rehabilitation, etc.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]



## **CHAPTER III**

### **RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES**

#### **Introduction of the Concept of Community Toilets**

##### **Recommendation (Para No. 3.48)**

The Committee note that community toilets are the best tools to promote better sanitation practices among the public residing in the slum areas and unauthorised clusters. Community toilets are especially important for slums where it is not possible to construct individual household toilets due to unavailability of space and other facilities. The Committee are happy to note that the Ministry are exploring the possibility of introducing community toilets under ILCS Scheme. The Committee desire that, in addition, the Ministry may also examine the concept of 'Eco-toilets' as introduced in Karnataka which reportedly has proved to be quite successful. The Committee recommend the Ministry to despatch an expert team to the State of Karnataka to see the actual working of this concept and explore the feasibility of extending the same to other areas.

##### **Reply of the Government**

HUDCO has launched a scheme for Implementation of Community Toilets and Sanitation (Sanjha Swachhata Abhiyan). The programme is for funding of construction of Community Toilets and Sanitation facilities for the benefit to floating population and the public in general was introduced by HUDCO in the month of November, 2004. Subsequently the guidelines was revised in 'July 2005' and 'December 2005' wherein

HUDCO loan component has been added to facilitate the agencies. The scheme is for construction of community toilets in Schools/ Institutes/Hospitals/busy market places/Bus stands/Railway Stations/slums etc.

HUDCO's grant assistance will be available to State Govt. nominated agencies, Corporate Sector agencies, NGOs, CBOs, Charitable Trusts/Institutions.

- The scheme envisages the ceiling cost of WC/Bath at Rs. 40,000/- each (excluding the cost of land). HUDCO would make available a maximum of Rs. 20,000/- (50%) as subsidy amount and the matching share Rs. 20,000/- would be borne by the implementing agency from its own sources, or from MPLAD/MLA funds etc. HUDCO's funds would be released only after agency invests its share of Rs. 20,000/- in the project.
- In case the gross cost per WC/Bath exceeds Rs. 40,000/-, then HUDCO can finance the balance project cost as loan to the agency depending upon financial viability of the project, and this loan would be extended under "Action Plan" schemes terms of financing and agency will be required to pay application fee and other applicable charges as per HUDCO's prevailing financing pattern.

So far 25 schemes proposal (including 2 in-principal proposals) have been sanctioned for HUDCO Grant for Rs. 916.00 lacs and loan in 6 schemes for Rs. 66.67 lacs for construction of 4744 WC/Bath. Till date release of Rs. 24.33 lacs of HUDCO loan and Rs. 147.60 lacs as HUDCO Grant have been released to the implementing agencies.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Need to Reduce the Disparity in the Fund Disbursement under the ILCS Scheme**

#### **Recommendation (Para No. 3.49)**

The Committee find that the implementation of Integrated Low Cost Sanitation (ILCS) scheme for eradication of manual scavenging has been painfully slow and not many States are keen to prepare viable plans to avail the benefits under the scheme. The Committee are quite perturbed to note that out of the budgetary allocation of Rs. 30 crore earmarked for 2006-2007, only one state *i.e.* Uttar Pradesh came up with projects under this scheme and almost the entire amount was disbursed to only that state. This a clear case of failure on the part of the Ministry to impress upon the other State Governments to avail the benefits under the scheme. The Committee also find that enough feedback is not forthcoming from the States in order to assess the magnitude and extent of the problem. The Committee, therefore recommend that the Ministry should motivate and guide the States to come up with more viable projects under the scheme. As the modification of the scheme is already underway, the Committee hope that it would be able to attract more proposals from those State Governments where the practices of manual scavenging still exists.

#### **Reply of the Government**

The Ministry has all along been impressing upon the States to send their proposals on the projects to be undertaken under the ILCS scheme in their States through demi-official references at Secretary's level as also through meetings with the State representatives. Since the proposals was received only from the State of Uttar Pradesh and they had sent 100% utilization certificates, therefore, funds were released to the State of U.P. The Ministry while formulating the revised guidelines of the ILCS Scheme have attempted to remove all the bottlenecks in the successful implementation of the scheme by incorporating the suggestion from the State Governments, Planning Commission and other stakeholders of the scheme to make it more attractive. The draft cabinet note on the revised

guidelines is under finalization. Once the revised guidelines of ILCS Scheme are approved by the Cabinet and are put into operation, the States having manual scavenging problem would certainly come forward to avail the central funds provided under the modified ILCS Scheme to make the country scavenger free.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Integrated Slum Development to be accorded top priority**

#### **Recommendation (Para No. 3.75)**

The Committee note that the availability of basic civic amenities/ service in the urban areas are grossly insufficient in view of the rapid urbanization in the country. Majority of the city population do not have access to basic services such as clean drinking water supply, sewerage, drainage network, garbage disposal facilities etc. Besides, in the absence of proper housing and human settlements, the urban poor are compelled to live in dilapidated and impoverished slums and unauthorized clusters. Therefore, it is high time that slum development is made a priority in the Government's agenda. In this context, the Committee would like to recall that the national Common Minimum Programme of the Government has also sought to give utmost importance to providing basic services to urban poor. The Committee further note that to have an integrated approach to ameliorate the conditions of the urban dwellers, the only flagship scheme of JNNURM was launched in December, 2005. However, the Committee are constrained to note that even through the scheme is in a mission mode, many States are yet to come up with viable projects under it. From the figures, they note that as many as 18 States are lagging behind, as they are not in a position to utilize the funds allocated under JNNURM. Even the Secretary, HUPA, has admitted during the oral evidence that many States are not sending any schemes under JNNURM and even those CDPs which have been submitted by certain States also are found to be non-viable. Keeping this in view, the Committee desire that regular capacity building programmes need to be

conducted vigorously at the State and Union Territory levels for preparation of City Development Plans and that integrated development of urban slums should be given topmost priority in preparation of CDPs. The ULBs as well as the nodal agencies at the State Level should be trained to prepare acceptable CDPs so that more States could avail of the benefits of the scheme during the remaining five years of its seven year duration. Further, the Committee feel that there is an urgent need to have a national perspective on the issues concerning slum development throughout the country, which can have a universal acceptance. This, the Committee believe, would be very helpful in giving the requisite thrust to the schemes/programmes like those under JNNURM for the benefit of urban poor.

#### **Reply of the Government**

1. Awareness workshops on BSUP have been organized at Kolkata, Bengaluru, Mumbai Ahmedabad, Jaipur and Guwahati (for all North Eastern States).
2. Hands-outs on-workshops on DPR preparation and appraisal for BSUP and IHSDP have been organized at Kolkata, Bengaluru, Jaipur, Pune, Raipur, Chennai, Chandigarh, Bhubaneshwar, Patna, Lucknow, Guwahati, Shillong (for all North Eastern States), Amritsar and Shimla. The last workshop was held on 18th-19th June-2007.
3. More such workshops are planned specifically to cover States that are lagging behind.
4. Simplified Guidelines for developing DPRs, Capacity Building Modules and conduct of training programmes have been issued.
5. "National Consultation on Affordable Housing for All" was organised on 1-2 June, 2007 in Mumbai.
6. Ongoing Advisory and Analytical Assistance instituted for project preparation by Urban Local Bodies through HUDCO and BMTPC.

7. The reforms to be undertaken and the projects to be implemented under the JNNURM are dependent upon the capacity of the ULBs. The Ministry has prepared an action plan for capacity building at the State and Urban Local Bodies level and for preparing City/State/Slum/Urban Poverty profile for which the State Governments are given financial assistance. The Ministry is also, separately, working on a Slum policy.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

## **CHAPTER IV**

### **RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE**

#### **Poor Performance under the Two Million-Housing Programme.**

##### **Recommendation (Para No. 4.21)**

The Committee hardly need to stress that shelter, being one of the basic human needs just next to food and clothing, is a major growing requirement in urban areas. Due to the rapid pace of urbanization, increased migration from rural to urban centres in search of livelihood, mismatch between demand and supply of sites and services and dwelling units at affordable cost and the inability of poor urban settlers to afford houses, a non-sustainable situation has emerged in our cities which needs urgent attention. The Committee have been given to understand that the aim of the Government is to ensure that the basic need of 'Shelter-to-all' is fulfilled through schemes like the Two Million Housing programme has not been satisfactory. To cite an instance, the number of Dwelling Units constructed under the scheme for the year 2006-2007 remained as low as 13,796 as against the annual target of 7,00,000. In this regard, they are not convinced with the justification forwarded by the Ministry that the achievement under this scheme is low because fulfillment of physical targets under the scheme rests basically with the State Governments, while HUDCO and other agencies simply provide the loans and funds. The Committee are of the firm view that the Ministry of Housing and Urban Poverty Alleviation, being the nodal Ministry in the housing sector, has the prime responsibility to ensure that the physical targets set for completion in a year are met by all the State Governments. It is only this way that the housing and shelter needs of the urban poor can be fulfilled and the housing shortage in the country can be brought down to the minimum.

### **Reply of the Government**

To speed up construction and development activities, the Government of India had launched additional Two Million Housing Programme in 1998-99, which was designed specifically to meet the shelter needs of EWS and LIG categories. Under the programme, it was envisaged to construct 13 lakh houses in rural areas and 7 lakh houses in urban areas every year. Of this target, HUDCO was entrusted with the responsibility of extending loan assistance of construction of 6 lakh houses in rural areas and 4 lakh houses in urban areas every year.

Against the target of 36 lacs units upto the end of financial year 2006-2007. HUDCO has sanctioned 37.06 lacs units in urban areas and as against the target of 54 lacs unit has sanctioned 69.27 lacs dwelling units in rural areas. However, after taking into consideration the withdrawals/revisions the cumulative dwelling units sanctioned is 26.39 lacs in urban areas and 51.56 lacs in rural areas. The reason for withdrawal in general is implementing state agencies not getting State Government guarantee.

Further, in urban areas so far 13.82 lacs dwelling units are reported to be completed and 3.40 lacs dwelling units are in progress and the balance units are yet to be taken up. In rural areas, 35.23 lacs dwelling units are reported to be completed and 12.98 lacs dwelling units are in progress and the balance are yet to be taken up. With regard to the balance unit where the work has not started yet, HUDCO is pursuing with the state implementing agencies to complete the work at the earliest.

[Ministry of Housing and Urban Poverty Alleviation O.M. No.  
H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Comments of the Committee**

(Please *see* Para No. 16 of Chapter-I of the Report)



## **CHAPTER V**

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES  
OF THE GOVERNMENT ARE STILL AWAITED

### **Early Finalization of Modified Guidelines of Swarna Jayanti Shahari Rozgar Yojana**

#### **Recommendation (Para No. 3.26)**

The Committee observe that there is a substantial delay in the adoption of the modified guidelines with regard to the Swarna Jayanti Shahari Rozgar Yojana (SJSRY) scheme. The Committee in their 6th Report on Demands for Grants (2005-2006), 9th Report on Swarna Jayanti Shahari Rozgar Yojana (SJSRY) presented on 2.8.2005 and 15th Report on Demands for Grants (2006-2007) had recommended for early finalization of the revised guidelines of the scheme. However, the Ministry have informed the Committee that they are still in the process of modifying the guidelines of the scheme. The Committee take note of this and recommend that the Ministry should be ready with the modified guidelines well before the launching of the 11th Five Year Plan. The Committee also sincerely hope that in-built flexibility in these guidelines are ensured in SJSRY, as this is the only employment generation scheme for the urban poor. The Committee desire that the guidelines should enable the expansion of the scope and coverage of the scheme keeping in view the specific requirements of the States and Union Territories."

#### **Reply of the Government**

The proposals for the modifications in the Guidelines of the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) are under active

consideration in the Ministry and this will be placed before the competent authorities for appraisal/approval very shortly.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Comments of the Committee**

(Please *see* Para No. 10 of Chapter-I of the Report)

### **Skill Upgradation for the urban poor**

#### **Recommendation (Para No. 3.27)**

The Committee further note that Micro-enterprises which constitute an important component of this programme need timely and adequate credit. However, inadequate flow of credit from Banks has been noticed as a major bottle-neck. The Committee are of the view that skill formation and up-gradation is important to convince the Banks about the credit worthiness on the loanes. Therefore, attention needs to be paid to skill development and selection of vocational training establishing backward and forward linkages.

#### **Reply of the Government**

In the proposed modifications of the Guidelines of the Scheme of Swarna Jayanti Shahri Rozgar Yojana (SJSRY), more focus is to be provided on skill formation among the urban poor, so as to improve their potential for the self-employment, as well as, salaried employment.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Wage Employment Component of the SJSRY**

#### **Recommendation (Para No. 3.28)**

The Committee have been informed that out of the two components of the SJSRY, the self-employment component is

comparatively performing better while the wage employment component is not very successful in the States. As such, the Ministry have made a tentative plan and identified certain elements in the scheme for a new revision and as a part of this revision exercise, the Ministry plans to do away with the wage employment component. The Committee desire the early finalisation of the plan scheme so that it can be implemented right from the very beginning of the Eleventh Five Year Plan.

### **Reply of the Government**

The proposals for the modifications in the Guidelines of the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) are under active consideration in the Ministry and this will be placed before the competent authorities for appraisal/approval very shortly.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

### **Early Adoption of the National Urban Housing and Habitat Policy**

#### **Recommendation (Para No. 4.23)**

The Committee express serious concern over the fact that there is considerable delay in the adoption of the draft National Urban Housing Policy. They have been made to understand that the draft policy has now been finalized for the approval of the Cabinet Committee on Economic Affairs, though comments from some Ministries are still awaited. The Committee desire that the Ministries concerned may be approached to send their comments without further delay so that the Housing and Habitat Policy can be adopted soon. Meanwhile, the Committee hope that all the relevant issues concerning major changes in housing and real estate sectors as well as habitat and human settlement issues will be taken care of in the draft policy. The Committee may be apprised about the progress in this regard within three months of presentation of this Report.

**Reply of the Government**

The draft of the National Housing and Habitat Policy, 2007 (NUHHP-2007) has been prepared incorporating inputs from various sectors and likely to be submitted for approval of Cabinet Committee on Economic Affairs shortly.

[Ministry of Housing and Urban Poverty Alleviation O.M. No. H-11013/2/2007-Bt.(HUPA) dated 11th July, 2007]

**Comments of the Committee**

(Please *see* Para No. 19 of Chapter-I of the Report)

NEW DELHI;  
21 November, 2007  

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30 Kartika, 1929 (*Saka*)

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

## APPENDIX I

STANDING COMMITTEE ON URBAN DEVELOPMENT (2007-08)  
MINUTES OF THE FIFTH SITTING OF THE COMMITTEE HELD ON  
TUESDAY, 20<sup>TH</sup> NOVEMBER, 2007

The Committee sat from 1500 hrs. to 1600 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

### PRESENT

Mohd. Salim — *Chairman*

### MEMBERS

#### *Lok Sabha*

2. Smt. Botcha Jhansi Lakshmi
3. Shri Shripad Yesso Naik
4. Shri L. Rajagopal
5. Shri Sudhangshu Seal
6. Kunwar Devendra Singh Yadav

#### *Rajya Sabha*

7. Smt. Syeda Anwara Taimur
8. Shri Surendra Moti Lal Patel
9. Shri Krishan Lal Balmiki
10. Shri Brij Bhushan Tiwari
11. Shri Manohar Joshi

### SECRETARIAT

- |                        |   |                            |
|------------------------|---|----------------------------|
| 1. Shri S. Bal Shekar  | — | <i>Joint Secretary</i>     |
| 2. Shri R.K. Saxena    | — | <i>Director</i>            |
| 3. Smt. Anita B. Panda | — | <i>Deputy Secretary</i>    |
| 4. Shri Harchain       | — | <i>Deputy Secretary-II</i> |

2. At the outset, the Hon'ble Chairman welcomed the Members to the sitting of the Committee. The Committee took up for consideration the draft report on Action Taken by the Government on the recommendations contained in the Twentieth Report (14th Lok Sabha) of the Committee on Demands for Grants (2007-2008) of the Ministry of Urban Development. The Committee adopted the draft action taken report with slight modifications.

3. The Committee then took up for consideration another draft report on Action Taken by the Government on the recommendations contained in the Twenty First Report (14th Lok Sabha) of the Committee on Demands for Grants (2007-2008) of the Ministry of Housing & Urban Poverty Alleviation. After some deliberations, the Committee adopted the draft action taken report with some modifications.

4. The Committee then authorised the Chairman to finalise both the Reports and present the same to Parliament.

*The Committee then adjourned.*

## APPENDIX II

(Vide Para 4 of the Introduction)

### ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE TWENTY-FIRST REPORT OF THE STANDING COMMITTEE ON URBAN DEVELOPMENT (FOURTEENTH LOK SABHA)

	Total
I. Total number of Recommendations	22
II. Recommendations which have been accepted by the Government : Para Nos. 2.16, 2.17, 2.18, 2.19, 2.20, 3.29, 3.30, 3.31, 3.32, 3.47, 3.54, 3.76, 3.77 and 4.22	14
Percentage of total recommendations	(63.64%)
III. Recommendations which the Committee do not desire to pursue in view of Government's replies : Para Nos. 3.48, 3.49, 3.75.	3
Percentage of total recommendations	(13.64%)
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee : Para No. 4.21.	1
Percentage of total recommendations	(4.6%)
V. Recommendations in respect of which final Replies of Government are still awaited : Para Nos. 3.26, 3.27, 3.28, 4.23.	4
Percentage of total recommendations	(18.18%)