

**6**

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

**FOURTEENTH LOK SABHA**

**MINISTRY OF URBAN EMPLOYMENT AND  
POVERTY ALLEVIATION**

**DEMANDS FOR GRANTS  
(2005-2006)**

**SIXTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

SIXTH REPORT  
STANDING COMMITTEE ON  
URBAN DEVELOPMENT  
(2004-2005)

(FOURTEENTH LOK SABHA)

MINISTRY OF URBAN EMPLOYMENT AND  
POVERTY ALLEVIATION

DEMANDS FOR GRANTS  
(2005-2006)

*Presented to Lok Sabha on 21.4.2005*

*Laid in Rajya Sabha on 21.4.2005*



LOK SABHA SECRETARIAT  
NEW DELHI

*April, 2005/Chaitra, 1927 (Saka)*

**C.U.D. No. 06**

*Price* : Rs. 33.00

© 2005 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eleventh Edition) and Printed by Jainco Art India, New Delhi-110 005.

## CONTENTS

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

### REPORT

CHAPTER I	Introductory .....	1
CHAPTER II	Analysis of Demands for Grants (2005-2006) ....	4
CHAPTER III	Urban Poverty Alleviation Programmes .....	10
	(A) Swarna Jayanti Shahari Rozgar Yojana (SJSRY) .....	10
	(B) Valmiki Ambedkar Awas Yajana (VAMBAY) ..	24
	(C) Integrated Low Cost Sanitation Scheme (ILCS) .....	28
	(D) National Slum Development Programme (NSDP) .....	32
	(E) Development of North-Eastern States including Sikkim .....	34
CHAPTER IV	Urban Housing .....	37
CHAPTER V	Hindustan Prefab Limited .....	42

### APPENDICES

I. Statement showing Brief Summary of Demands for the Last Five Year 2000-01—2001-02, 2001-02—2002-03, 2002-03—2003-04, 2003-04—2004-05 & 2004-05—2005-06 ...	44
II. Statement Showing the Plan Allocation and Expenditure .....	46
III. Number of beneficiaries under SJSRY .....	48
IV. Modification in VAMBAY guidelines – Suggestions received from State/Union Territory Government .....	51

	PAGE
V. Urban population/percentage of shelterless urban population .....	53
VI. Minutes of twelfth sitting of the Committee held on 23.3.2005.....	55
VII. Minutes of fourteenth sitting of the Committee held on 11.4.2005 .....	57
VIII. Statement of observations/recommendations® .....	61

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

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 P. Mohan
7. Shri Shripad Yesso Naik
8. Shri Amitava Nandy
9. Shri Mahendra Prasad Nishad
10. Shri Devidas Anandrao Pingale
11. Shri L. Rajgopal
12. Shri D. Vittal Rao
13. Shri Sajjan Kumar
14. Shri Sudhangshu Seal
15. Shri Navjot Singh Sidhu
16. Shri Sugrib Singh
17. Shri K. Subbarayan
18. Shri Ravi Prakash Verma
19. Shri Suresh Ganpatrao Wagmare
20. Shri Akhilesh Yadav
21. Shri Baleshwar Yadav

---

\*Nominated *w.e.f.* 27 October 2004.

(iv)

*Rajya Sabha*

22. Shri B.K. Hariprasad
- \*\*23. Shri Varinder Singh Bajwa
24. Smt. Syeda Anwara Taimur
25. Shri Nandi Yellaiah
26. Shri Jayantilal Barot
27. Shri Laxminarayan Sharma
28. Shri Prasanta Chatterjee
29. Shri Shahid Siddiqui
30. Shri Faqir Chand Mullana
31. Shri Urkhao Gwra Brahma

SECRETARIAT

1. Shri P.D.T. Achary — *Secretary*
2. Shri S.K. Sharma — *Additional Secretary*
3. Shri K. Chakraborty — *Director*
4. Shrimati Neera Singh — *Under Secretary*

---

\*\*Nominated *w.e.f.* 24 March, 2005.

## ABBREVIATIONS

A & N	Andaman and Nicobar
AIIMS	All India Institute of Medical Sciences
BMTPC	Building Material and Technology Promotion Council
CDSs	Community Development Societies
CGEWHO	Central Government Employees Welfare Housing Organisation
CISF	Central Industrial Security Force
DWCUA	Development of Women and Children in the Urban Areas
EPFO	Employees Provident Fund Organisation
EWS	Economically Weaker Sections
FY	Financial Year
GoI	Government of India
HIG	Higher Income Group
HPL	Hindustan Prefab Limited
HUDCO	Housing and Urban Development Corporation
IDBI	Industrial Development Bank of India
IDSMT	Integrated Development Small and Medium Towns
IEC	Information, Education and Communication
IFCI	Industrial Finance Corporation of India
ILCS	Integrated Low Cost Sanitation
LIG	Lower Income Group
MCD	Municipal Corporation Department
MIG	Medium Income Group
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
NBO	National Building Organisation
NCHF	National Cooperative Housing Federation
NCT Delhi	National Capital Territory of Delhi
NDMC	New Delhi Municipal Corporation



NGOs	Non-Government Organisations
NHB	National Housing Board
NRY	Nehru Rojgar Yojana
NSLRS	National Scheme of Liberation and Rehabilitation of Scavengers
NURM	National Urban Renewal Mission
O & M	Operation and Maintenance
PMI UPEP	Prime Ministers Integrated Urban Poverty Eradication Programme
SJSRY	Swarna Jayanti Shahari Rojgar Yojana
ToT	Training of Trainers
UBSP	Urban Basic Services for the Poor
ULBs	Urban Local Bodies
UNCHS	United Nations Centre for Human Settlements
UNDP	United Nations Development Programme
URIF	Urban Reforms Incentive Fund
USEP	Urban Self Employment Programme
UWEP	Urban Wage Employment Programme
UT	Urban Transport / Union Territory
VAMBAY	Valmiki Ambedkar Awas Yojana
VRS	Voluntary Retirement Scheme

## 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 sixth Report on Demands for Grants (2005-2006) of the Ministry of Urban Employment and Poverty Alleviation.

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 Employment and Poverty Alleviation on 23 March 2005.

4. The Committee considered and adopted the Report at their sitting held on 11 April 2005.

5. The Committee wish to express their thanks to the officials of the Ministry of Urban Employment and Poverty Alleviation 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 April, 2005  

---

29 Chaitra, 1927 (Saka)

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

## CHAPTER I

### INTRODUCTORY

1.1 The Ministry of Urban Employment and Poverty Alleviation deals with two major areas, namely, (1) Urban Employment and Poverty Alleviation; and (2) Housing and Human Settlements. The Business Allocated to the Ministry is as under:—

- (i) Formulation of housing policy and programme (except rural housing), which is assigned to the Department of Rural Development, review of the implementation of the Plan schemes, collection and dissemination of data on housing, building materials and techniques, general measures for reduction of building costs and nodal responsibility for National Housing Policy;
- (ii) Human Settlements including the United Nations Commission for Human Settlements and International Cooperation and Technical Assistance in the field of Housing and Human Settlements;
- (iii) Urban Development including Slum Clearance Schemes and the Jhuggi and Jhonpri Removal Schemes. International Cooperation and Technical Assistance in this field;
- (iv) All the issues relating to the National Cooperative Housing Federation;
- (v) Implementation of the specific programmes of Urban Employment and Poverty Alleviation including other programmes evolved from time to time; and
- (vi) All matters relating to the Housing and Urban Development Corporation (HUDCO) other than those relating to urban infrastructure.

1.2 The Ministry implements the above mandated work through formulation of appropriate policies, implementation of specific Plan programmes of housing, generation of employment in urban areas, and supporting autonomous bodies for undertaking relevant programmes and schemes. This Ministry also supervises/monitors the work of two Public Sector Undertakings, namely, Housing and Urban Development Corporation (HUDCO) and Hindustan Prefab Limited (HPL).

### 1.3 Plan Schemes

The Ministry of Urban Employment & Poverty Alleviation provides support to the following Centrally Sponsored and Central Schemes:—

#### Centrally Sponsored Schemes

- i. Swarna Jayanti Shahari Rozgar Yojana (SJSRY)
- ii. Valmiki Ambedkar Awas Yojana (VAMBAY)
- iii. Low Cost Sanitation Scheme (LCS)
- iv. National Scheme for Liberation and Rehabilitation of Scavengers and their dependents (NSLRS)\*
- v. Night Shelter Scheme\*

#### Central Schemes

- i. Building Materials and Technology Promotion Council (BMTPC)
- ii. National Cooperative Housing Federation (NCHF)
- iii. Central Government Employees Welfare Housing Organization (CGEWHO)
- iv. United Nations Centre for Human Settlements (UNCHS)
- v. National Building Organization (NBO)
- vi. Urban Indicators Programme

#### Additional Central Assistance

1.4 In addition to Centrally sponsored schemes and Central schemes, Ministry of Urban Employment & Poverty Alleviation is also administering an important scheme namely, Urban Reforms Incentive Fund (URIF) for which funds are released as Additional Central Assistance to Annual Plan of States by Ministry of Finance on the basis of recommendations made by this Ministry.

1.5 Apart from URIF Scheme, the Ministry of Urban Employment and Poverty Alleviation has earmarked an Additional Central Assistance (ACA) to the tune of Rs. 2000 crore for National Urban Renewal Sub-

---

\*NSLRS and Night Shelter Schemes stand transferred to the State Government from 2005-2006 onwards.

Mission for Slum Development scheme, which is yet to seek Cabinet's approval in 2005-2006. The provisions of this Rs. 2000 crore amount had been indicated in the Statement 16 of the Expenditure Budget volume I of the Government.

1.6 The Budget of the Ministry of Urban Employment and Poverty Alleviation comprises of one Demand for Grants, i.e. Demand No. 103—Ministry of Urban Employment and Poverty Alleviation and this has been discussed in the Report.

## CHAPTER II

### ANALYSIS OF DEMANDS FOR GRANTS (2005-2006)

**Demand No.: 103**

**Ministry of Urban Employment and Poverty Alleviation**

(Rs. in crore)

	Revenue	Capital	Total
Charged	-	-	-
Voted	506.42	5.61	512.03

2.2 The overall B.E. 2005-2006 is Rs. 512.03 crore (Gross), including both plan and Non-Plan. The respective provisions on the Revenue and Capital sides are Rs. 506.42 crore and Rs. 5.61 crore respectively. The break-up of Plan and Non-Plan provision is Rs. 500.00 crore and Rs. 12.03 crore, respectively.

2.3 Analysis of the Demands for Grants for the last five years including amount spent on Plan schemes for that period in respect of the Ministry of Urban Employment & Poverty Alleviation is given in Appendices – I and II.

#### 2.4 Comparative Budget Proposals

GROSS BASIS

(Rs. in crore)

Demand No. 103	BE 2004-05		RE 2004-05		BE 2005-06		% Variation over BE 2004-05		% Variation over RE 2004-05	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Revenue	523.00	7.13	468.00	7.13	500.00	6.42	-4.40%	-9.96%	6.84%	-9.96%
Capital	307.00	4.55	182.00	4.55	5.61	-100.00%	23.30%	-100.00%	23.30%	23.30%
TOTAL	830.00	11.68	650.00	11.68	500.00	12.03	-39.76%	3.00%	-23.08%	3.00%

2.5 On the overall budgetary allocation for the year 2005-2006, the Secretary of the Ministry of Urban Employment and Poverty Alleviation during the course of oral evidence stated as below:—

“Our Budgetary provision has been reduced. I would like to go into a bit of details of this. The Budget Estimates for the year 2005-2006 is at Rs. 512.03 crore—Rs. 500 crore in Plan and Rs. 12.03 in Non-Plan. This is against the Budget for the year 2004-2005, where the allocation was for Rs. 841.68 crore. I may mention here that in the RE for the year 2004-2005, the Ministry of Finance reduced our Budget to Rs. 650 crore primarily due to three reasons. Firstly, HUDCO was declared a Mini Ratna in August, 2004 and the equity investment that was supposed to be given to HUDCO was not given. According to instructions and guidelines once an organisation is declared a Mini Ratna, equity investment is not given. So, an amount of Rs. 225 crore was saved. There was a provision of Rs. 75 crore for Dharavi Slum Development. This was under discussion between the Planning Commission and the Government of Maharashtra. In between this process slowed down because of elections of the Maharashtra Assembly. The State Government was to furnish some views and do a presentation. That took quite sometime. Finally the Planning Commission by the time they were doing their mid-term review, there was a proposal to set up a National Urban Renewal Mission(NURM) which is not in the final stages. It is about to go to the Cabinet. The draft Cabinet note is being readied and will go to the Cabinet soon. It was decided that the entire slum development issue and the projects proposals will get subsumed under the National Urban Renewal Mission(NURM). That was the reason why a sum of Rs. 75 crore for Dharavi Slum Development was not released.

I would just very briefly like to mention about the on-going projects and about the concern you have expressed about under spending of the allocated money. There are two main reasons for this. I may mention here that in the year 2005-2006, under the National Urban Renewal Mission (i.e. the National Urban Renewal sub-mission for slum development scheme pertaining to the Ministry of Urban Employment and Poverty Alleviation) we have been given an amount of almost Rs. 2000 crore—Rs. 1500 crore is for the Mission and about Rs. 500 crore for Integrated Housing and Slum Development Project. Both these are in the stages of being finalised. The only difference is that these are going to be

provided under the Additional Central Assistance (ACA). So, they do not figure in our Plan. They figure in the Budget of the Finance Ministry.

As far as the on-going programmes are concerned, two schemes are, as a part of review undertaken by the Planning Commission, for transfer of Centrally-Sponsored Schemes to States. The two schemes, namely, the National Scheme of Liberation and Rehabilitation of Scavengers and the Night Shelter Scheme stands transferred to the State sector from this year and the amount also stands reduced in our Plan.

2.6 When asked whether decrease in BE (Plan allocation) 2005-2006 *vis-à-vis* BE (Plan allocation) 2004-2005, would affect the Urban Poverty Alleviation schemes of the Ministry, the Ministry in a written reply have stated that a sum of Rs. 1989.62 crore has been provided as Additional Central Assistance (ACA) for Urban Renewal Sub-Mission for Slum Development/Basic Services for Urban Poor during 2005-06. The decrease in Plan allocation from Rs. 830 crore in 2004-2005 to Rs. 500.00 crore in 2005-2006 would be offset with the Additional Central Assistance to the States. Certain schemes like Urban Renewal Mission, Urban Reforms Incentive Fund, Integrated Slum Development Programme may be subsumed in a mission mode project to be implemented through Additional Central Assistance to States. The details of the Sub-Mission are being finalized and would be submitted for approval of the Cabinet in due course. The new schemes/Projects in mission mode can be undertaken in consultation with the State Governments under this Sub-Mission.

2.7 When asked about the modalities worked out for the Urban Renewal Sub-Mission for Slum Development/Basic Services for the Poor, the Ministry in their written note has stated that the details in this regard are being worked out and its guidelines, etc. would be finalised shortly with the approval of the Cabinet. The new Scheme will be implemented in a Mission Mode and time bound manner. Under this, a targeted population will be catered in identified 60 cities for integrated development of slums (Seven Mega Cities, all Cities with a population of over one million and other cities for the left over cities there will be allocations provided in separate component).



2.8 When asked about details regarding funds surrendered/unspent by the Ministry of Urban Employment and Poverty Alleviation during the last three years, the Ministry submitted the following details:

(Rs. in crore)

Year	Details of Amount surrendered			Remarks
	Plan	Non-Plan	Total	
2001-02	75.86	15.39	91.25	Saving was primarily due to budgetary cut imposed by M/o Finance at RE Stage and less utilization of fund under Plan schemes.
2002-03	102.47	5.36	107.83	The saving was mainly due to non-approval of Ministry of Finance for re-appropriation from Nirmal Bharat Abhiyan and component of VAMBAY and also due to non-receipt of UCs from State Govts. and incomplete proposals received from North Eastern Region.
2003-04	31.31	8.94	40.25	Saving was due to non utilization of funds under the recently transferred scheme of National Scheme for Liberation and Rehabilitation of Scavengers from Ministry Social Justice and Empowerment and less utilization of funds for the benefit of North-Eastern Region under Plan Head. In the Non-Plan, due to savings under two million housing and establishment of National Buidling Organisation(NBO). demand under VAMBAY and Interest Subsidy on Housing Schemes.

2.9 The Committee note that the Ministry of Urban Employment and Poverty Alleviation for the years 2005-2006 have been allocated an overall Budget Estimates of Rs. 512.03 crore (Gross) which includes both Plan and Non-Plan allocations. The respective provisions on the Revenue and the Capital sides are Rs. 506.42 crore and Rs. 5.61 crore, respectively. The break-up of Plan and Non-Plan provision is Rs. 500 crore and Rs. 12.03 crore respectively.

2.10 As regards, the decrease in BE 2005-2006 vis-à-vis BE 2004-2005 the reasons attributed by the Ministry are that:—(i) the Scheme for development of 'Dharavi' could not take off due to non-approval by the Planning Commission; (ii) the Scheme of NSLRS and Night Shelter have been transferred under State Plan from 2005-2006; and (iii) Equity support to HUDCO is being discontinued in 2005-2006 as HUDCO has been declared a 'Mini Ratna' in 2004-2005.

2.11 The Committee express their concern over the fact that the unutilised amounts of Rs. 91.25 crore, Rs. 107.83 crore and Rs. 40.25 crore have been surrendered by the Ministry in 2001-2002, 2002-2003 and 2003-2004, respectively. Although the Ministry of Urban Employment and Poverty Alleviation has given their reasons for these unutilized amounts, the Committee feel that if the Ministry had made realistic assessment of the various ongoing projects/schemes, under-utilization of funds could have been avoided.

2.12 The Committee note a sum of Rs. 1989.62 crore has been provided as Additional Central Assistance (ACA) for Urban Renewal Sub-Mission for Slum Development/Basic Services for urban poor during 2005-2006. The details in this regard are being worked out and its guidelines etc. would be finalized shortly with the approval of Cabinet. The crucial question is where and how the Government would utilise the sum of Rs. 1989.62 crore during the year 2005-2006 itself, as the Scheme has not yet been approved by the Cabinet and its guidelines are still under finalization.

2.13 Though the Ministry admits that the budgetary provision has been reduced, but it is not clear from their statement whether the same trend would have any long-term adverse effect. The reduction of budgetary outlay and non-utilisation of allotted funds indicate a lack of initiative on the part of the Ministry to work out strategies for optimum utilisation of resources and getting more resources to finance schemes for employment and poverty alleviation. The Committee feel that the Ministry has not performed well in

utilising the available funds and consequently there has been a reduction in the budgetary allocations. Such a trend is unhealthy particularly when more and more employment opportunities are required to be created with the aim of eradicating poverty at a rapid pace.

## CHAPTER III

### URBAN POVERTY ALLEVIATION PROGRAMMES

3.1 As per the 10th Five Year Plan document of the Planning Commission, the number of urban unemployed in the country for 1999-2000 was 7.11 million, i.e. 7.65% of the labour force. The number of persons living below the poverty line in urban areas is estimated to be 67.1 million, i.e. 23.62% of the total urban population. As per the Poverty Estimates prepared by the Planning Commission, the National average per capita income defining the Poverty line for the urban areas, as in 1999-2000, is Rs. 454.11 per month. In order to combat poverty in the country, the 10th Five Year Plan has targeted a reduction of poverty ratio by 5 percentage points by 2017 and by 15 percentage points by 2012.

#### SCHEME-WISE ANALYSIS

##### **A. Swarna Jayanti Shahari Rozgar Yojana (SJSRY)**

3.2 With a view to provide gainful employment to the urban unemployed or underemployed through encouraging the setting up of self-employment ventures or provision of wage employment, a new urban poverty alleviation programme, namely, Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched on 01.12.1997 after subsuming the earlier three Urban Poverty Alleviation Schemes, namely Urban Basic Services for the Poor (UBSP), Nehru Rozgar Yojana (NRY) and Prime Minister's Integrated Urban Poverty Eradication Programme (PMI UPEP) for the benefit of urban poor.

Presently, this programme targets the urban poor who have read upto, 9th Standard and are living below poverty line, as defined from time to time. SJSRY is funded on a 75:25 basis between the Centre and the States.

#### COVERAGE

- (i) The programme is applicable to all urban towns in India.
- (ii) The programme is implemented on a whole town basis with special emphasis on urban poor clusters.

## TARGET GROUPS

This programme targets the urban poor, as those living below the urban poverty line, as defined from time to time by the Planning Commission.

## SALIENT FEATURES OF SJSRY

Swarna Jayanti Shahari Rojgar Yojana (SJSRY) consists of two major components, namely—

- (i) The Urban Self Employment Programme (USEP)
- (ii) The Urban Wage Employment Programme (UWEP)

## THE URBAN SELF EMPLOYMENT PROGRAMME (USEP)

The salient features of this component are:

- (i) Assistance to individual urban poor beneficiaries for setting up gainful self-employment ventures.
- (ii) Assistance to groups of urban poor women for setting up gainful self-employment ventures. This sub-scheme has been titled as "The Scheme for Development of Women and Children in the Urban Areas (DWCUA)".
- (iii) Training of beneficiaries, potential beneficiaries and other persons associated with the urban employment programme for upgradation and acquisition of vocational and entrepreneurial skills.
- (iv) Special attention is given to women, persons belonging to Scheduled Castes/Tribes, disabled persons and other such categories as may be indicated by the Government from time to time.
- (v) The percentage of women beneficiaries under this programme should not be less than 30%. All other conditions being equal, women beneficiaries belonging to women-headed household, viz., widows, divorcees, single women, or even households where women are the sole earners are ranked higher in priority. SCs and STs must be benefited at least to the extent of the proportion of their strength in local population. A provision of 3% should be reserved for the disabled.

(vi) There is no minimum educational qualification for beneficiaries under this programme. However, this scheme is not applicable to the persons educated beyond the IXth standard.

(vii) A house-to-house survey for identification of genuine beneficiaries is prescribed. Non-economic parameters are also applied to the urban poor in addition to the economic criteria for the purpose of prioritization within the BPL.

#### **A. Setting up Micro -Enterprises and Skill Development**

---

Maximum unit cost	=	Rs. 50,000/-
Subsidy	=	15% of the project cost subject to a maximum of Rs. 7500/-
Margin money to be contributed by the beneficiaries	=	5% of the project cost

---

#### **B. Training and Infrastructure Support**

---

Training cost per person	=	Rs. 2000/-
Training period	=	Two to Six months subject to a minimum of 300 hours
Tool Kit worth	=	Rs. 600/-

---

#### **(ix) Development of Women and Children in Urban Areas (DWCUA):**

Salient features under DWCUA:—

- DWCUA aims at helping groups of urban poor women in taking up self-employment ventures.
- The group may consist of at least 10 women.
- The ceiling of subsidy under the scheme is Rs. 1.25 lakh or 50% of the cost of the project whichever is less.
- Where the group sets itself up as Thrift & Credit Society, in addition to its self employment venture, it will be eligible for an additional grant of Rs. 25,000 as revolving fund at the rate of Rs. 1,000 maximum per member. The fund is meant for purposes like purchases of raw materials and

marketing, infrastructure support, one time expense on child care activity, expenses upto Rs. 500 on travel cost of group members to bank, payment of insurance premium for self/ spouse/child by maintaining savings for different periods by a member and any other expense allowed by the State in Group's interest. The revolving fund can be availed by a Group only after one year of its formation.

#### THE URBAN WAGE EMPLOYMENT PROGRAMME (UWEP):

Salient features of UWEP: -

- (i) This component seeks to provide wage employment to prospective beneficiaries living below the poverty line within the jurisdiction of urban local bodies by utilising their labour for construction of socially and economically useful public assets.
- (ii) Under this component, there are no restrictions on educational qualifications.
- (iii) This programme applies to the urban local bodies having population less than 5 lakhs as per the 1991 census.
- (iv) The material labour ratio for works under this component is to be maintained at 60:40.
- (v) The prevailing minimum wage rate as notified from time to time for each area, has to be paid to beneficiaries under this component.

#### INFORMATION, EDUCATION AND COMMUNICATION (IEC) AND COMMUNITY STRUCTURE COMPONENTS

Salient features under IEC & CS components:—

- (i) With a view to play an effective role in coordination and in organising training, monitoring, evaluation, dissemination of information etc. the component of IEC has been evolved under SJSRY. It seeks to provide a coordinated and uniform level of training across the country for training of trainers, elected representatives, functionaries of Urban Local Bodies and field functionaries like Project Officers, Community Organisers etc. through National Training Institutes and selected State Training/Field Training Institutes.

- (ii) All the State Governments to take action to set up community structures, create Community Development Societies (CDSs) and form Thrift & Credit Society etc., in all the urban towns under their charge, all over the country.

**Allocation of funds under Swarna Jayanti Shahari Rozgar Yojana (SJSRY)**

The funds amounting to Rs. 553.03 crore remaining unspent in respect of Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP) and the Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) with various States/UTs. as on 30.11.1997 were the opening balance for incurring expenditure under the new scheme. In addition, Central Funds of Rs. 791.03 crore as detailed below have been released to the States/UTs for the implementation of SJSRY from 1.12.1997 to 31.12.2004:—

Year	Rs. in Crore
1997-98	Rs. 98.63
1998-99	Rs. 158.47
1999-2000	Rs. 118.77
2000-2001	Rs. 85.13
2001-2002	Rs. 38.31
2002-2003	Rs. 100.91
2003-2004	Rs. 100.74
2004-2005 (upto 31.12.2004)	Rs. 90.07 (BE- Rs. 103 crore)
<b>Total</b>	<b>Rs. 791.03</b>

An allocation of Rs. 159.99 crore has been made for 2005-06.

3.3 When asked about the reasons for increase in allocation for the year 2005-06 *vis-à-vis* 2004-2005 under the SJSRY, the Ministry has stated that the funds allocated under SJSRY were fully utilised during past years. This Ministry is repeatedly requesting for the increase in the Plan allocation of the Scheme, as the funds allocated are too meagre to tackle the urban poverty scenario in the country. The demands from the better performing States/UTs. for additional funds during the past years could not be met due to lack of funds. This year Planning



Commission has agreed to enhance the allocation for SJSRY to Rs. 160.00 crore against the request of Rs. 500.00 crore by this Ministry.

3.4 When enquired about the amount of unspent balances left with States/UTs. as on 28.2.2005 under SJSRY Scheme, the Ministry informed that as per the Quarterly Progress Reports received from the States/UTs. upto 28.2.2005, States have unspent balance to the tune of Rs. 288.09 crore, which include both Central and State Share. Recently, a letter at the level of Secretary (UEPA) addressed to the Chief Secretaries of all States/UTs issued in November 2004 has indicated to the States/UTs to utilize the funds available with them and furnish UCs to this Ministry.

3.5 When asked as to whether States/UTs released their matching share on time under the Scheme, the Ministry in their written reply stated that most of the States/UTs had been releasing their matching State share in time except a few, who face difficulty in providing their share on time. Many of the States have requested for increasing the ratio of Central share. In the recently held meeting of High Level Monitoring Committee of SJSRY, on 25.2.2005, some States have demanded that the funding ratio between centre and share may be revised to 90:10 (Central : State) for the special category States, in the proposed modification of the guidelines of SJSRY.

3.6 On being asked about the States which have been assigned as "Special Category States" under the SJSRY scheme, the Ministry informed that in total 11 States (8 NEER States including Sikkim and 3 hilly States), have been categorised as "Special category States." These are : Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Tripura, Sikkim, Jammu & Kashmir, Himachal Pradesh and Uttaranchal.

3.7 When asked about the criteria of judgement of better performing and bad performing in respect of implementation of the SJSRY Scheme, the Ministry stated that the better performing States and bad performing States are judged on the basis of receipt of UCs, release of matching State shares, physical progress and sending of Quarterly Progress Reports in time. On this criteria, 5 better performing States and 5 bad performing States can be listed as follows:—

Better performing States/UTs	Bad performing States/UTs
1. Kerala	1. Jharkhand
2. Karnataka	2. Goa

3. Haryana	3. Manipur
4. Uttar Pradesh	4. Delhi
5. Andhra Pradesh	5. Daman & Diu

3.8 The Ministry furnished the State-wise details of achievement under SJSRY Scheme, which is given at Appendix III of the Report.

#### **Identification of BPL beneficiaries under SJSRY Scheme**

3.9 As regards, identification of the beneficiaries of SJSRY Scheme, the Ministry stated in their written note that identification of beneficiaries under the Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is made among the below poverty line urban population through house-to-house survey. In addition to the economic criteria of 'State Specific Urban Poverty Line', as defined by the Planning Commission, certain non-economic parameters, which are duly prescribed in the 'Guidelines of SJSRY', are also applied to give weightage/priority to the potential beneficiaries.

3.10 When enquired whether the house to house survey for identification of genuine beneficiaries has been conducted in all the towns, the Ministry stated that as per the Quarterly Progress Reports received from the States/UTs upto 28.2.2005, house to house survey had been conducted in 3533 towns out of total 3779 towns. Thus, 249 towns are still left where house to house survey is to be conducted. Though no time frame have been fixed for completing house to house survey in the towns, this Ministry keeps on reminding the States/UTs to finish this job at the earliest, as the identification of beneficiary is the basic requirement for the effective implementation of the Scheme.

3.11 When asked about the role of NGOs in the identification of beneficiaries under SJSRY Scheme, the Ministry stated that there is a provision for NGO's involvement in the areas of conduct of BPL surveys for identification of beneficiaries under the scheme, in the skill upgradation training as a training institute, as member of the Community Development Society to represent the needs of the communities, to identify specific training needs, to prepare community plans and proposals, to extend help to the banks in coordinating the functioning of the urban poverty eradication cell in for ensuring the repayment of loans by the beneficiaries and for creation of community assets and in effective monitoring and implementing of the programme.

### Physical progress under SJSRY

3.12 During the 9th Plan, no State-wise physical targets were prescribed under the SJSRY Scheme and this was left to be decided by the State/UTs as per their needs. However, in the 10th Plan, target of setting up of 4 lakh micro-enterprises and skill upgradation of 5 lakh below poverty line persons had been fixed.

3.13 When asked as to how the Ministry would be able to meet the target fixed in the 10th Plan, the Ministry stated that during the first two years of the Tenth Plan, total 2,28,783 micro-enterprises have been set up and 2,21,005 beneficiaries have been provided skill training under USEP. Thus, the annual achievement of targets is more than 100%. During the current year also, as per the reports received from the States/UTs upto 28.2.2005; 66,496 micro-enterprises have been set up and 1,01,902 beneficiaries have been provided skill training. Therefore, the targets for the Tenth Plan are certainly achievable.

3.14 The Ministry further stated that the annual target of assisting 80,000 urban poor for setting up of micro enterprises for self-employment and providing skill training/upgradation to 1,00,000 urban poor under SJSRY programme is for the 2005-2006.

3.15 The physical achievement under the components of SJSRY for the years 2003-2004, 2004-2005 and 2005-2006 are as under:—

Year	Urban Self Employment Programme				No. of Mandays of work generated under Urban Wage Employment Programme (in lakhs)
	Beneficiaries Assisted		Persons trained		
	Target*	Achievement	Target*	Achievement	
2003-2004	80,000	1,00,903	1,00,000	1,21,594	48.73
2004-2005	80,000	57,705*	1,00,000	77,389**	21.59 **
2005-2006	80,000	--	1,00,000	--	--

\* Based on the 10th Plan period targets calculated on annual basis.

\*\*Reported up to 31.1.2005

3.16 As regards, the ceiling cost of the projects set up/taken up by the Micro-Enterprises, the Ministry informed in their written note that there is a proposal to increase the project cost ceiling to 1.00 lakh for

individual Micro- Enterprises and under DWCUA there is a proposal to raise the subsidy amount to Rs. 2.00 lakh or 50% of the project cost, whichever is less.

3.17 When asked whether the adequate publicity is made so as to motivate more people in setting up units/projects under the SJSRY Scheme, the Ministry stated that the Ministry is planning to give publicity for setting up of units/projects under the scheme as also to document at the National/State level the best practices/ success stories of DWCUA Groups including those of Kudumbashree in State of Kerala from the next financial year.

3.18 In a subsequent written note, the Ministry submitted that States/UTs have been advised to prepare the guidelines/other literature for the Schemes in the vernaculars so that it is helpful to the beneficiaries. The four National Training Institutes under SJSRY also prepare and circulate the documents on best-practices in local languages, to the States/ULBs.

3.19 The Ministry further stated that documentation of best practices in the field of poverty alleviation is one of the most important activity under the IEC component. The Training Institutes identified under SJSRY are directed to document such achievements and propagate them in other areas also so that the Scheme gets more publicity. Audio-video films are also produced on such practices which are given due publicity in various workshops/seminars at National and International level.

3.20 During the course of oral evidence, the Secretary of Ministry of Urban Employment and Poverty Alleviation, herself admitted that one or two areas in which they have been weak and which needed to step was documentation and dissemination of information and dissemination of replicable projects under SJSRY.

3.21 On the question of regular capacity building exercise/training of project functionaries/ official involved in the implementation of the SJSRY Scheme, the Ministry in their written note has stated that under the IEC Component of SJSRY, upto 2% of the allocation at the State/ UT level is retained for the capacity building of the project functionaries and other IEC activities. At the Central level also, 2 to 3% of the total allocation is retained and kept separately for training, workshops, seminars and other IEC activities. Four National level Training Institutes, *viz.* Human Settlement Management Institute (HSMI), New Delhi, Regional Centre for Urban & Environment Studies (RCUES),

Mumbai, Regional Centre for Urban & Environment Studies (RCUES), Hyderabad, and Institute of Local Government and Urban Studies (ILGUS), Kolkata have been identified by this Ministry for carrying out training/capacity building of the project functionaries under SJSRY. The Ministry added that the project functionaries under SJSRY are trained by the Training Institutes to motivate the beneficiaries in running the micro-enterprise and also form DUCUA groups etc. It is expected that these officials will implement the Scheme effectively in their areas. Field visits to the better performing States/UTs are also planned and carried out.

#### **Micro Credit Facilities available to the beneficiaries under SJSRY Scheme**

3.22 In a written note, the Ministry has stated that Micro Credit Facilities are available to the eligible BPL beneficiaries who are desirous of setting up self-employment ventures under USEP component of SJSRY. 95% of the project cost is sanctioned as composite loan by the banks at the rates of interest applicable to such priority sector loans fixed by the Reserve Bank of India from time to time. Subsidy is @ 15% of the project cost. Each beneficiary is required to contribute 5% of the project cost as margin money in cash. The DWCUA group is entitled to a subsidy of Rs. 1,25,000 or 50% of the cost project whichever is less.

3.23 A Task Force under the Chairmanship of Secretary (UEPA) has been constituted with the objective to evolve formulations for a viable micro-credit mechanism for the urban poor/informal sector involving all stake holders including FIs, NGOs.

3.24 When asked about the role of Banks in extending loan facilities to the beneficiaries, the Ministry has stated that the Banks play an important role in the implementation of the self/group enterprise component of the SJSRY. Urban poor people require financial assistance to setup micro/group enterprises. Banks sanction and release 95% of the project cost as a composite loan to the beneficiaries. The subsidy portion of the Scheme is administered as back-end subsidy, *i.e.* the subsidy portion covered in the loan sanctioned being adjusted against the last few installments of the repayment of loan.

3.25 When asked about the reasons for bank reluctance in extending loans under SJSRY Scheme and as to how the Ministry helps a beneficiary in getting the loan facility from the Bank, the Ministry stated that the reasons for the banks' reluctance to extend

loans to the scheme beneficiaries includes non-viability of projects, no permanent address, low repaying capacity, credit history of the borrower, etc. The Ministry monitors the implementation at the State level only. Banks related issues that come up during the course of the implementation are being sorted out at the ULB with the concerned banks and at the State Level Bankers Committee Meeting. However, specific cases of non-cooperation by the banks brought to the notice of the Ministry are taken up with the RBI for corrective actions.

### **Monitoring/Evaluation of SJSRY**

3.26 The Scheme is being monitored through quarterly progress reports and periodical review meetings under the Chairmanship of Minister/Secretary/ Joint Secretary/ Director of the Ministry. To further improve the implementation of the Scheme, a proposal to modify the guidelines of the scheme is under consideration of this Ministry on the basis of the problems faced by the States/UTs.

3.27 Concurrent evaluation of SJSRY in seven States of Andhra Pradesh, Karnataka, Madhya Pradesh, West Bengal, Rajasthan, Maharashtra and Uttar Pradesh has been got conducted during 2001-2002, through Indian Institute of Public Administration (IIPA) and other renowned agencies. Further, an evaluation study on SJSRY on all India basis has been assigned to Human Settlement management Institute (HSMI), New Delhi during last year. The study is likely to be completed during 2005-2006.

3.28 On monitoring and concurrent evaluation of SJSRY Scheme, the Secretary Urban Employment and Poverty Alleviation during the course of oral evidence stated as below :—

“Another weak area is concurrent evaluation. This is another thing which we have done but it has been in a piecemeal form and we hope to take it up this year in a much more concentrated and focussed manner and we will be grateful for the suggestions of the Committee and further support in these two areas.

Then, we have defaulting in holding the Monitoring Committee under SJSRY. Recently, we have done that and we will take things forward after that.”

3.29 When asked about the current status of the revision/ modification of the guidelines of the SJSRY Scheme, the Ministry in a written reply stated that the modification of Guidelines of SJSRY is in

advanced stage of consideration. The proposal has been comprehensively reviewed and revised. It will be moved shortly to the Expenditure Finance Committee in Ministry of Finance for consideration and approval.

3.30 When asked about the steps taken by the Ministry to make the guidelines of SJSRY flexible, the Ministry has stated that the provision for innovative/special projects on the lines of Swarna Jayanti Gram Swarozgar Yojna (SGSY) of the Ministry of Rural Development is proposed in the modification of guidelines of SJSRY. It will provide rooms for innovation and involvement of other agencies/NGOs/MFIs in the field of urban poverty alleviation.

3.31 When asked whether the States are giving priority to SJSRY as being given by them to rural schemes, the Ministry has stated that it is true that the urban poverty alleviation scheme of SJSRY is given low priority as compared to other big budget rural development schemes. The main factor for this may be the low budget of the Scheme which is able to cater only a token segment of the urban poor and therefore States/UTs are not inclined for mere tokenism. However, this Ministry is trying hard to capture the attention of State Governments towards the ever-increasing problem of urban poverty. The Budget for the Scheme is also being gradually increased to deal with the problem of urban poverty more effectively.

**3.32 The Committee note that the budgetary allocations of funds for the SJSRY have not been enough to meet the demands of the growing unemployment and urban poverty in the Country. In the year 2005-2006, the Ministry of UEPA have been allocated an amount of Rs. 160 crore for the SJSRY scheme against the request of Rs. 500 crore, which is only a token increase of the allocations of Rs. 103 crore over the previous year 2004-2005. The Ministry has listed five 'Better Performing States' and five 'Bad Performing States' in respect of the implementation of the SJSRY scheme. The Committee find that even in the case of 'Better Performing States' during the past years their demands for additional funds could not be met due to lack of funds. The Committee feel that greater priority needs to be given to the urban poverty alleviation scheme of SJSRY by the Government/ Planning Commission as this is a well conceived scheme for eradication of unemployment among the urban poor.**

3.33 The Committee note that as per the Quarterly Progress Reports received from the States/UTs upto 28.2.2005, States have unspent balance to the tune of Rs. 288.09 crore, which include both

the Central and State's Share under SJSRY scheme. Such a huge amount remaining unspent is a cause for concern and has an adverse impact during allocation when a token increase is sanctioned. Truly, it is necessary to reduce the quantum of unspent amount. The studies made in terms of appraisal of the Scheme should focus on this aspect so that the cause for this malaise is rooted out. A cursory look and a routine procedure of urging the States to effectively utilise the funds has not borne any fruitful results so far. The Committee, therefore, urge the Ministry of UEPA to make more effective co-ordinative efforts in this direction to motivate the States/UTs and the implementing agencies for expeditiously utilizing these unspent funds and furnish their UCs to the Ministry. The Committee may be apprised about the steps taken in this regard.

3.34 The Committee note that house to house survey has been conducted in 3533 towns out of the total 3779 towns for the identification of genuine beneficiaries. However, 249 towns are still left, where house to house survey is yet to be conducted. Without proper identification of the beneficiaries, it would be difficult to assess the actual performance of the SJSRY Scheme. The Committee, therefore, recommend that house-to-house survey in the remaining 249 towns be conducted in a time bound manner and the services of NGOs should be utilized for this purpose.

3.35 The Committee are happy to note that during the first two years of the Tenth Plan, total 2,28,783 micro-enterprises were setup and 2,21,005 beneficiaries provided with skill training under USEP and the annual achievement of project is more than 100%. Also, during the current year upto 28.2.2005, 66,496 micro-enterprises have been set up and 1,01,902 beneficiaries have been provided skill training. For the year 2005-2006, the annual target is to assist 80,000 urban poor for setting up micro-enterprises and providing skill training/upgradation to 1,00,000 urban poor. The Committee trust that these targets set up for 2005-2006 are achieved by the Government.

3.36 The Committee note that a Task Force under the Chairmanship of Secretary (UEPA) has been constituted with the objective to evolve formulations for a viable micro-credit mechanism for the urban poor. The Committee would like to know more about the formulations evolved by the Task force and the results achieved. The Committee recommend that persuasive and suitable mechanism should be adopted so as to establish an effective micro-credit system for the benefit of the urban poor. The Committee hope that the



Task Force will be able to complete their work expeditiously so that further necessary action in pursuance thereof is taken at an early date.

3.37 The Committee observe from the Budget (2005-2006) papers that in order to develop 'Micro Finance', the Budget 2005-06 envisages to re-designate the 'Micro Finance Development Fund' to be as 'Micro Finance Development and Equity Fund' by giving it an increased corpus of funds of about Rs. 200 crore. The Committee desire that with the aim to increase 'Micro Finance', the beneficiaries of the SJSRY scheme in the urban areas should also be extended credit/loans for setting up micro units/projects.

3.38 Bankers non-cooperation is an oft-repeated complaint encountered during interaction with the beneficiaries and these complaints remain despite hearing that all efforts are being made to reach the beneficiaries positively. While appreciating the limitation encountered by the Banks, the plight of the beneficiaries cannot be taken lightly and the same need to be addressed with an open mind. The Committee, therefore, recommend that all issues related to non-cooperation of Banks regarding extending of loans to self/group enterprises under SJSRY should be sorted out in close coordination with the State Level Bankers Committees, Ministry of Finance, RBI and the Banks by holding periodical and timely meetings. A proper strategy need to be worked out well in advance to reach a solution. The Committee should be kept apprised about the steps taken in this direction.

3.39 During the course of oral-evidence before the Committee, the Secretary, Ministry of Urban Employment and Poverty Alleviation conceded that 'Concurrent Evaluation' of the SJSRY scheme by Government has been a weak area. Moreover, it has been done in a piecemeal manner. The Secretary of the Ministry also assured to take up this matter in a much more concentrated and focused manner. The Committee recommend that the Ministry should strengthen the monitoring of the Scheme at both the Central and State levels by conducting regular Monitoring Committee meetings. As the aspect of Concurrent Evaluation of the Scheme is assigned to Human Settlement Management Institute (HSMI), New Delhi, the Committee desire that the Ministry of UEPA should take necessary action expeditiously to have the Concurrent Evaluation studies completed at the earliest.

3.40 The Committee are informed that the modification of guidelines of the SJSRY Scheme are in an advanced stage of consideration by the Government and these revised guidelines will be placed before the Expenditure Finance Committee (EFC), shortly. The Committee desire that the revised guidelines of the Scheme be finalized at an early date. The Committee trust that all ambiguities and contradictions detected in earlier guidelines will be removed in the new guidelines and these would be made more flexible, accommodating and need-based for better implementation of the SJSRY scheme.

3.41 The Committee note that the documentation of the best practices in the field of poverty alleviation is one of the most important activity for achieving the real targets of the SJSRY scheme. In respect of documentation and dissemination of information, the Secretary, Ministry of UEPA has admitted that this area has been weak. The Secretary of the Ministry has also admitted that the dissemination of replicable projects under SJSRY needed to be stepped up. The Committee are of the firm view that it is essential to propagate about the units/projects set up under the USEP and UWEF components of SJSRY by DWCUA and other groups. The Ministry has informed the Committee that it is planning to give publicity for setting up of units/projects under the scheme as also to document at the National/State level the best practices/success stories of DWCUA Groups including those of ' Kudumbashree' in the State of Kerala. The Committee recommend that honest and sincere efforts be made by the Ministry in coordination with the State level functionaries so as to propagate such replicable projects of SJSRY scheme and motivate the urban poor to come forward and take the benefits of this scheme of self-employment.

#### **B. Valmiki Ambedkar Awas Yojana (VAMBAY)**

3.42 With a view to provide shelter or upgrade the existing shelter for people living below poverty line in urban slums in a march towards the goal of slumless cities with a healthy and enabling urban environment, a new Centrally Sponsored Scheme called Valmiki Ambedkar Awas Yojana (VAMBAY) was launched during the year 2001-2002 in accordance with the announcement made by the Hon'ble Prime Minister on 15th August, 2001. The target group under VAMBAY is all slum-dwellers in urban areas, who are below the poverty line including members of EWS, who do not possess adequate shelters. Nirmal Bharat Abhiyan is an integral component of VAMBAY for

construction of community toilets and sanitation. The funding pattern under VAMBAY would be 50:50 basis between the Central and State Governments.

#### Physical/Financial Progress

3.43 In the 10th Plan Rs. 2040 crore have been allocated for the scheme. The details of financial allocation during the last three years is as under:—

2002-2003	-	Rs. 256.85 crore
2003-2004	-	Rs. 238.50 crore
2004-2005	-	Rs. 280.58 crore
2005-2006	-	Rs. 280.58 crore (Proposed)
		Rs. 249.00 crore (Approved)

3.44 The VAMBAY was launched in the fag end of the 9th Five-year Plan as a token scheme with a savings of departmental budget of Rs. 73.56 crore for construction of 27271 dwelling units and 4605 toilet seats.

3.45 Out of total allocation of Rs. 256.85 crore for the year 2002-2003 under VAMBAY, central subsidy of Rs. 218.35 crore was released for construction of 110388 dwelling units (more than the target set *i.e.* 1,00,000) and 21,488 community toilets. However, 15% of the allocated amount could not be utilised due to non-receipt of proposals, complete in all respects, from the State Governments in some of the components of VAMBAY though in shelter component the demand was enough to utilise all the allotted amount. The request for re-appropriation of funds from other components of VAMBAY to the shelter component was taken up with Ministry of Finance. They however, did not agree to the request.

3.46 In the year 2003-2004, an amount of Rs. 238.50 crore was utilised under VAMBAY scheme and an amount of Rs. 95 lakh was surrendered under Rental Housing component for want of projects from the States, while additionally a sum of Rs. 1.00 crore was utilised under the scheme from the North Eastern Region(NER) lump sum fund. For the year 2004-2005, the internal target set by the Ministry is to construct/upgrade 1.12 lakh dwelling units. Upto 31st December 2004, a sum of Rs. 223.66 crore has been released for the construction/upgradation of 1.06 lakh dwelling units. In 2005-2006, the budget allocations for VAMBAY Scheme has been reduced to Rs. 249.00 crore.

3.47 When asked the reasons for decrease in the allocation for the year 2005-2006 *vis-à-vis* 2004-2005, the Ministry in their written reply has stated that to have an integrated approach in the development/upgradation of slums including both housing and infrastructure in 60 identified cities all-over India, the schemes of VAMBAY and NSDP are being combined under the proposed National Urban Renewal Mission (NURM) which has a budget of Rs. 1500 crore. In the remaining cities, a new Integrated Housing & Infrastructure Development Scheme (comprising VAMBAY and NSDP) for slum dwellers has been proposed outside the Mission at a budget of Rs. 500 crore. In addition, a budget allocation of Rs. 249 crore has been kept for VAMBAY for the year 2005-06 till the proposed Mission is put in place. Therefore, the scope of VAMBAY has been expanded to be undertaken both in terms of physical and financial coverage/outreach in the Mission Mode.

#### **Revision of the Ceiling cost of the VAMBAY dwelling units**

3.48 Under VAMBAY Central Subsidy is granted for construction of dwelling units @ Rs. 20,000/- for general cities, Rs. 25,000/- for metro cities and Rs. 30,000/- for mega cities and for construction of toilet seats @ Rs. 20,000/- per WC. The Committee had undertaken an on-the-spot study visit in November 2004 to Bangalore, Coimbatore, Udthagmandalam, Kochi, Kumarakom and Thiruvananthapuram. During their discussions, the officials of BMTPC, HUDCO and State Governments remarked about enhancement of the ceiling cost of construction of VAMBAY houses keeping in view in cost escalation in building materials, land etc.

3.49 The Committee then desired to know as to whether the Ministry is considering to enhance the existing cost of construction of a dwelling unit under VAMBAY the Ministry in their written reply has stated that based on the recommendations of the States and other Stakeholders, modifications in VAMBAY guidelines, including revision in ceiling limit, are under active consideration of the Ministry.

3.50 The Committee pointed to the representatives of the Ministry during oral evidence that the guidelines regarding share participation between Centre and States funds for VAMBAY have been suggested to be revised by certain States. They then asked about the position in this regard. To this, the representative of the Ministry stated that as far as revision of guidelines is concerned, this has been finalised. They are taking it up with the Expenditure Finance Committee (EFC). Regarding the funding pattern they have made a proposal for the

enhancement of the funding pattern on the basis of 75:25. It is under pipeline.

#### **Monitoring/Evaluation/Review of VAMBAY Scheme**

3.51 The VAMBAY Scheme is being monitored at the National Level through regular review meeting at Secretary/Joint Secretary levels with the State Governments' Secretaries/nodal officers. The Government of India has issued an order for the formation of a State Level Coordination Committee (SLCC) for monitoring the implementation of VAMBAY at the State Level. When asked about the difficulties faced by the States/UTs in implementing the VAMBAY Scheme, the Ministry has stated that suggestions received from some State/Union Territory Governments for modification in VAMBAY Guidelines. The details are given at *Appendix –IV* of the Report. The Ministry is in the process of modifying VAMBAY guidelines taking into consideration the inputs of the State Governments and other stakeholders.

3.52 As regards the review of the VAMBAY Scheme, the Ministry has stated in a written reply that no review/evaluation of VAMBAY has been done so far in view of the fact that the scheme was launched on 2.12, 2001 and funds were released since March, 2002.

3.53 The Committee note that VAMBAY was launched in 2001-2002 to provide shelter or upgrade the existing shelter for people living below the poverty line in urban slums. The Committee further note that to have an integrated approach in the development/upgradation of slums including both housing and infrastructure in 60 identified cities all over India, the scheme of VAMBAY and NSDP are being combined under the proposed National Urban Renewal Mission (NURM) which has a budget of Rs. 1500 crore. In the remaining cities, a new Integrated Housing and Infrastructure Development Scheme (Comprising VAMBAY and NSDP) for slum dwellers has been proposed outside the mission at a budget of Rs. 500 crore. In addition, a budget allocation of Rs. 249 crore has been kept for VAMBAY for the year 2005-2006 till the proposed Mission is put in place.

3.54 The Committee note that VAMBAY Scheme was launched in the recent past by the then Prime Minister with much fanfare and optimism and the same is proposed to be merged with another scheme. The Committee are not convinced why the above move is being undertaken by the Government so hurriedly when the scheme comparatively has taken off on a positive note of optimism. To merge

it with any other Scheme will deprive VAMBAY of its clear cut field of operation and there might be overlapping also. It is too early to comment on the performance of VAMBAY and any decision taken in haste to merge it may not come out with the desired results. The Committee would therefore, urge the Government to rethink with a wider perspective and indepth analysis before going further in the matter. It will be better if the guidelines of VAMBAY are modified in pursuance of the limitations noticed and input received from the States including cost of construction and size of a dwelling unit and the Scheme operates independently for another five years before taking a move for merger if found necessary, with any other wide and ambitious scheme.

3.55 Besides, the Committee feel that by announcing every year or two new schemes regarding slums improvement and upgradation will not solve the problems of slums. The Committee are of the view that sincere efforts on the part of the Government are required to upgrade slums to more habitable level and for this purpose, upgradation of living condition and livelihood of the urban poor has to be recognised as part of the national development process. The Committee further desire that in order to make the implementation of NURM successful, the task of various agencies involved in the implementation of NURM should be well defined and coordination made effective.

3.56 The Committee further recommend that till the proposed NURM is put in place, there should not be any slackness in the implementation of VAMBAY Scheme.

### C. Integrated Low Cost Sanitation Scheme (ILCS)

3.57 In order to eliminate the dehumanising practice of physically carrying night soil, the Centrally sponsored scheme for Urban Low Cost Sanitation was initiated in 1981 by the Ministry of Home Affairs and later implemented through the Ministry of Social Justice and Empowerment. From 1989-90, it was operated by the Ministry of Urban Development and Poverty Alleviation (It is being implemented by Ministry of Urban Employment and Poverty Alleviation since 2003-04). The scheme envisages conversion of dry latrines into low cost twin pit sanitary latrines and liberation of scavengers through total elimination of manual scavenging.

3.58 The scheme has been taken up on a 'whole town basis' and is being operated through the Housing and Urban Development

Corporation (HUDCO) by providing a mix of subsidy from the Central Government and loan from the HUDCO in a synchronised manner as per the following financing pattern.

Category	Subsidy	Loan	Beneficiary Contribution
EWS	45%	50%	5%
LIG	25%	60%	15%
MIG/HIG	Nil	75%	25%

3.59 In the 10th Plan, an amount of Rs. 200 crore has been allocated for the scheme. However, the amount released upto 31.12.2004, is Rs. 29.60 crore.

3.60 The details of amounts released year-wise during 10th Plan are given below:

Year-wise release:—

Tenth Plan	(Rs. in crore)
2002-2003	4.80
2003-2004	4.80
2004-2005	20.00 (as on 31.12.2004)

For the year 2005-06, an amount of Rs. 30 crore has been proposed.

An amount of Rs. 200 crore has been allocated for 10th Plan.

3.61 This is a demand driven scheme. Hence, no physical targets are fixed. Upto 31.3.2004, 17.30 lakh toilet units have been constructed towards new units/conversions of dry latrines.

3.62 When asked about the reasons for low utilisation of funds under the ILCS Scheme, the Ministry has stated in their written reply that some of the reasons for low level of utilization and low allocation are mentioned below:—

- Non submission of UCs by States in time.
- Delay in giving guarantee by the State Governments.

3.63 The Ministry has added that the main reason for the low utilisation of funds have been indicated by the States. Some of the difficulties faced by the States are in the implementation of the Integrated Low Cost Sanitation Scheme (ILCS Scheme) are:

- In the congested areas, due to non-availability of sufficient land, the individual latrines can not be constructed with twin pits.
- State Governments are reluctant to provide Govt. guarantee for securing HUDCO loan.
- In the year 2000, the Hon'ble Delhi High Court issued orders on submission of Utilisation Certificates (UCs) for the availed subsidy. With this in view, no new proposals were to be sanctioned to the States with pending UCs and no further release in the schemes with pending UC (for the same borrowing agency). This affected the States, more so those States which had only one nodal agency, as non-submission of U.C. for one scheme or town led to stopping of funds for the remaining.

3.64 The Committee enquired about the utilisation of suitable techniques of construction of toilets/latrines in the congested urban localities. The Ministry stated in their written note that the guidelines of the ILCS Scheme provides construction of shared latrines in slums, housing/chawls taking into account the lack of space for the provision of individual latrines.

3.65 During the course of oral evidence, the Committee pointed out to the representatives of the Ministry that the 'Nodal Agency' mostly implements more than three projects. However, if they submit the UCs in case of one project and the UCs for the remaining projects are pending, the funds for the project for which UC has been received are not released by Centre. The Committee then desired to know whether the Ministry would be considering release of Centre's funds to the projects where UCs have been received from the Nodal Agency even if the UCs for other projects are pending from the same 'Nodal Agency'. At this, the Secretary of the Ministry stated that "This issue has come up with the many States. We have taken it up with the Finance Ministry. But this year, particularly after the Fiscal Responsibility and Budget Management Act, 2003 (FRBM) guidelines were issued in pursuance of those guidelines the Financial Advisers of every Ministry is being held personally responsible for releasing the money."



3.66 She added that “after some personal negotiations we managed to get the Financial Advisor to agree to it. The point of the Financial Advisor is that we should get the UC from the State Governments. The State Governments give the work to different municipal bodies, may be in different districts. We have to get the UC complete from the States otherwise it is not possible for us. The agreement that we have now is that to the extent that UCs have been given, like if out of Rs. 10 crore, we have got UC for Rs. 8.5 crore, then up to 8.5 crore they will agree to release the money, but for the rest of the Rs. 1.5 crore whose UCs have not received will not be released rest we are releasing”.

3.67 The Committee have time and again expressed their displeasure over the low financial and physical progress of ILCS Scheme. Out of Rs. 200 crore allocated in the 10th Plan, only Rs. 29.60 crore has been released upto 31.12.2004 under the Scheme. Had the Government made sincere efforts to implement the ILCS, the Committee are sure that better sanitation facilities could have been provided in urban congested areas, thereby fully utilizing the allocated budgetary funds for this Scheme. The Committee feel that ILCS should be rightly seen as an important solution to the dehumanizing practice of carrying night-soil. Also, it is the appropriate solution where resources do not permit the provision of under ground sewerage. The Committee, therefore, strongly recommend that construction of suitable Toilets/ latrines be made in the congested urban areas by utilizing viable techniques of construction.

3.68 The Committee note that no new proposals are sanctioned to the States with pending Utilisation Certificates (UCs) and no further release in the Schemes with pending UCs are made to the ‘Nodal Agency’ implementing the Project. This affected the States more which had only one Nodal Agency as non-submission of UCs for one Scheme led to stopping of funds for the remaining schemes. The Committee desire that this system of release of funds under ILCS should be changed and streamlined so that due to non-submission of UC for one Scheme funds should not be stopped for the remaining Scheme. If found necessary, suitable amendments in the Governing rules and regulations may be made so that flow of funds is not affected and the Schemes do not suffer.

3.69 The Committee has observed several times that manual scavenging is a sin perpetrated on the scavengers. It is a scourge on

the society and speaks of evils in the Indian society. Notwithstanding the fact that Centrally Sponsored Scheme for doing away with manual scavenging was initiated in 1981, this evil practice has still not been eradicated from the country. It is a pity that despite more than two decades of experiments, manual scavenging still exists. This should make us do some introspection as to why we have not been successful in eradicating this inhuman practice. The Ministry has pointed out that there are several impediments in the implementation of the Scheme including land and finance. The Committee are not fully convinced by the impediments indicated by the Ministry which come in the way of successful implementation of the Scheme. Land is a State subject and much of the success depends on its availability. The financial aspect which is foremost can be better looked after by making the entire scheme 100% Centrally Sponsored. The beneficiaries who are too poor, cannot shoulder the financial burden, as a result of which proposals are not forthcoming. It should be the Union's responsibility to do away with manual scavenging and for that purpose it is necessary to initiate further steps with a target. The Committee would like to hear more from the Union Government in this regard in the near future with concrete proposals.

#### **D. National Slum Development Programme**

3.70 The National Slum Development Programme (NSDP) was launched in August, 1996. Under National Slum Development Programme, Additional Central Assistance (ACA) is being released to the States/UTs for the development of urban slums. The objective of this programme is upgradation of urban slums by providing physical amenities like water supply, storm water drains, community bath, widening and paving of existing lanes, sewers, community latrines, street lights etc. Besides, the funds under NSDP can be used for provision of community infrastructure and social amenities like pre-school education, non-formal education, adult education, maternity, child health and primary health care including immunization etc. The programme also has a component of shelter upgradation or construction of new houses.

3.71 Under the programme, funds in the form of Additional Central Assistance(ACA) are allocated by the Planning Commission annually on the basis of slum population of the State/UT. While the Ministry of Finance releases the funds to the States under this Programme, the Ministry of Home Affairs releases the funds to Union Territories. The States release the funds to the 'Implementing Agencies' as per their

requirements. The Ministry of Urban Employment and Poverty Alleviation has been nominated as the Nodal Ministry to monitor the progress of the programme in respect of States.

3.72 During the years 1996-97 to 2003-2004, a total amount of Rs. 2475.85 crore was released to the States and UTs under this programme as indicated below:—

Sl. No.	Year	Amount Released (Rs. in crore)
1.	1996-97	250.01
2.	1997-98	290.99
3.	1998-99	351.63
4.	1999-2000	384.96
5.	2000-2001	247.34
6.	2001-2002	282.40
7.	2002-2003	333.44
8.	2003-2004	335.08
Total		2475.85

For the year 2004-2005, an amount of Rs. 700.00 crore has been allocated by the Planning Commission, out of this an amount of Rs. 613.77 crore has been released to the States up to 14.3.2005.

3.73 As reported by the States/UTs, since the inception of the programme and upto 14.3.2005 out of the total funds of Rs. 3089.63 crore released by the Central Government, an amount of Rs. 2082.91 crore has been spent and about 4.12 crore of slum dwellers have benefited from this programme.

3.74 The Ministry is monitoring the scheme through Quarterly Progress Reports and the review of the position of Utilisation Certificates (UCs).

3.75 During the examination of Demands for Grants (2004-2005), the Ministry of UEPA had stated that the Draft National Slum Policy was under the consideration of the Ministry. Draft National Slum Policy, *inter alia*, envisages an inclusive approach for slum dwellers and

granting land tenure to them on 'tenable sites' either *insitu* or by relocation.

3.76 While examining the Demands for Grants (2005-2006), the Committee asked about the present status of Draft National Slum Policy. The Ministry in their written reply then stated that the 'Note on National Slum Policy' was prepared and submitted to the Cabinet Secretariat on 17.01.2004. It was listed for discussion on 20.01.2004, but was deferred. It is under consideration.

3.77 The Committee note that since the inception of the NSDP programme and upto 14.3.2005, out of the total funds of Rs. 3089.63 crore released by the Central Government, an amount of Rs. 2082.91 crore has been spent and about 4.12 crore of slum dwellers have benefited from the programme. The Committee feel the amount of Rs. 2082.91 crore which has been spent since the inception of NSDP on Slum dwellers is grossly inadequate in comparison to the massive and ever-growing slum population in the country. The Committee further feel that in order to facilitate the process of slum development and to ensure that the slum population are provided civic services, amenities and economic opportunities and to enable them to rise above the degraded condition in which they live, adequate funds are required to be released to the States/UTs under NSDP.

3.78 The Committee note that Draft National Slum Policy was prepared and submitted to the Cabinet Secretariat on 17.1.2004. It was listed for discussion 20.1.2004 but was deferred. The Committee are of the opinion that to strengthen the legal and policy framework and to facilitate the process of Slum development, there is an urgent need for a National Slum Development Policy. The Committee reiterate their earlier recommendation that the Ministry should place this concern of the Committee before the Cabinet and the Government should finalise and implement the draft National Slum Policy at the earliest.

#### **E. Development of North-Eastern States, including Sikkim**

3.79 The Ministry in a written note has stated that the provision of 10% of "Lumpsum Budget" for the projects in the North Eastern Regions (NER) started during 2001-2002. During the year 2001-02, there was a budget provision of Rs. 38 crore (Rs. 19 crore under Capital Head and Rs. 19 crore under Revenue Head). As the demand of funds for the NER projects was to be met mainly from the Capital Head only, at the RE stage, the Capital Head was increased by the Ministry

of Finance to Rs. 33 crore and entire amount of Rs. 33 crore was released during the year 2001-02. During the year 2002-2003, the total funds allocated for the benefits of the projects in Northern Eastern Regions and Sikkim, were Rs. 62.50 crore, out of which an amount of Rs. 44.17 crore was released. The balance funds of Rs. 18.33 crore were placed with the Non-lapsable pool maintained by the Department of Development of North Eastern Region (DoNER). The total allocated funds could not be utilized because of the non-receipt of project proposals, complete in all respect, from the North Eastern States and Sikkim. During the year 2003-2004, an amount of Rs. 62.50 crore was provided in the budget for the benefit of the projects in North Eastern Regions and Sikkim. (Rs.1.00 crore under Revenue Head and Rs. 61.50 crore under Capital Head). In the Second Batch of Supplementary Demands for Grants 2003-04, Rs. 10.50 crore was diverted from the Rs. 61.50 crore, to SJSRY for the utilization in NER States, so the total allocation at the RE stage, under Capital Head, became Rs. 51.00 crore only. The amount of Rs. 1 crore available under Revenue Head was utilised under VAMBAY Scheme for the North Eastern Region and Sikkim. Under Capital Head, total amount of Rs. 51.00 crore was released to NBCC. During the current financial year 2004-2005, an amount of Rs. 83.00 crore has been provided in the Budget, (Rs.1.00 crore under Revenue Head and Rs. 82.00 crore under Capital Head). The Rs. 1.00 crore under Revenue Head has been re-appropriated to the SJSRY to be used for the NER States. Out of Rs. 82.00 crore under Capital Head, so far Rs. 70.34 Crore have been utilised and the balance of Rs. 11.66 crore is also likely to be utilised as proposals are under consideration for approval. This Ministry has made several attempts to enlighten the States in NER about this Scheme and advised them to submit the appropriate project proposals for consideration in the Ministry under this Scheme.

3.80 When asked whether the Ministry received on time the comprehensive action plans from the respective NER States, the Ministry has stated that in the initial years of implementation, there was some laxity on the part of NER States to approach the Ministry with appropriate project proposals and because of this during 2002-2003, only Rs. 44.17 crore could be utilised against the Budget allocation of Rs. 62.50 crore. However, presently, the States have come forward with a lot of projects and proposals costing more than Rs. 300.00 crore, which were received from the State Governments in the NER in this Ministry during 2004-2005.

3.81 On the question of the performance of the NER States in implementation of the Centrally Sponsored Schemes of the budget allocation and full-utilisation, the Secretary of Ministry of Urban Employment and Poverty Alleviation stated during the oral evidence that:

“The experience of this Ministry and other Ministries also on the implementation of projects in the North-East has been rather dismal.”

3.82 In a subsequent written note, the Ministry has informed that in order to motivate the North Eastern States to come forward for effective implementation of the Schemes of the Ministry of Urban Employment and Poverty Alleviation, this Ministry proposes to form a Steering Group under this Ministry comprising of NER State Government representatives, NGOs/Financial Institutions active in NER, as members. Preliminary discussions in this regard are proposed to be held shortly. This Group will act as a catalyst to the NER States in submitting viable and complete proposals to this Ministry for implementation in the region.

**3.83 The Committee are happy to note that North Eastern States have come forward with a lot of projects and proposals costing more than Rs. 300 crore during 2004-2005. It is also understood that in order to motivate the North Eastern States to effectively implement the schemes, the Ministry of UEPA propose to form a Steering Group which will act as a catalyst to the NER States in submitting viable and complete proposals to the Ministry of UEPA for implementation in the region.**

**3.84 The Committee desire that for overall development of NER the above Steering Group should be formed at the earliest. So far, the composition of the Steering Group is concerned, the Committee also desire that the representatives of Urban Local Bodies and elected representatives should also form part of the Steering Group. The Union Government should lay special emphasis on improving implementation of ongoing projects/Schemes in NER with transparency and accountability through close monitoring and reviews in coordination with the North Eastern States and ensure better delivery of results.**

## CHAPTER IV

### URBAN HOUSING

4.1 Housing is a State subject. The National Housing and Habitat Policy, 1998 focuses on Housing for 'All' as a priority area, with particular stress on the needs of the Economically Weaker Section and Low Income Group category. This programme envisages to facilitate construction of 2 million additional units every year. Out of which 7 lakh would be taken up for construction in urban areas and 13 lakh houses would be taken up for construction in rural areas. HUDCO is to meet the target of 4 lakh units in urban areas and 6 lakh dwelling units in rural areas, annually. The target of 2 lakh dwelling units in urban areas to be met by Housing Finance Institutions (HFIs) recognized by National Housing Bank (NHB) & Public Sector Banks and the balance 1 lakh dwelling units in urban areas by the Cooperative Sector. Loans are disbursed by these agencies for construction of dwelling units.

4.2 The primary responsibility for fulfilment of the targets in physical terms rests with the State Governments, while HUDCO and other agencies make the funds available in the form of loans. Hence, the successful implementation of the scheme largely depends upon the cooperation of the agencies of the State Governments responsible for launching and implementation of various housing schemes. Housing Cooperative societies and private sector will also be encouraged to participate in the housing activity in a big way provided a facilitating environment is created by the State Governments in the form of legal, administrative and fiscal reforms.

4.3 A Conference of Housing Ministers/Housing Secretaries of States/UTs was organised on 29-30 November 2004. Major recommendations are as under:—

- (i) Revision of National Housing & Habitat Policy, 1998;
- (ii) Need to have a mission approach to take up urban renewal in a systematic manner;
- (iii) Revision of guidelines of Valmiki Ambedkar Avas Yojana and National Slum Development Programme for more effective implementation;

- (iv) Information, education and communication components should be used effectively for capacity building;
- (v) Building Centres should be established and strengthened across the country and should be used to disseminate cost effective technology;
- (vi) Suitable performance indicators should be developed for urban reforms;
- (vii) Fiscal incentives should be devised to encourage housing including rental housing as well as through FDI route; and
- (viii) Property tax system should be rationalized.

4.4 When asked about the percentage of shelterless urban population and the quantum of funds required to provide shelter to shelter less/urban poor, the Ministry in their written reply submitted the State-wise information as given at *Appendix-V*. The Ministry has also stated that in addition to this shelterless population, TCPO has estimated that a population of 61.8 million stays in urban slums where housing and infrastructure is inadequate. As per Tenth Plan document, the total requirement of houses for fresh construction/upgradation for all categories of urban residents (including EWS & LIG) during Tenth Plan period is 22.44 million and the investment required is Rs. 4,26,967.18 crore. This covers the requirement for urban shelterless.

4.5 On the steps taken by the Government to provide shelter to these shelterless urban poor, the Ministry has stated that the Government has prepared National Housing & Habitat Policy, 1998 to chalk-out the strategy in solving the housing problem. The Policy mainly provides for the following:—

- To create surpluses in housing stock and facilitate construction of additional 2 million dwelling units each year.
- To ensure that housing, along with supporting services, is treated as a priority sector at par with infrastructure.
- The Central theme of the policy is strong public private partnerships for tackling housing and infrastructure problems.
- The Government would provide fiscal concessions, carry out legal and regulatory reforms and create an enabling environment.



- The private sector, as the other partner, would come forward to undertake actual construction activities, invest and run infrastructure services.
- Creation of surpluses in housing stock either on rental or ownership basis.

Recently a Task Force has been set up under the Chairmanship of Secretary (UEPA) to review the National Housing & Habitat Policy.

### **Private Sector Participation in Land & Housing Development**

4.6 Till recently, the responsibility of urban development and providing developed sites, services and houses has been the prime responsibility of the Government through Public agencies, *viz.* Housing Boards, Development Authorities, and Improvement Trusts etc. But due to the inability of these public agencies in the above categories, the Government and the policy makers, of late, have rightly realized that the efforts of the public agencies must be supplemented by the Non-Governmental Organisations consisting of co-operative societies, voluntary organisations and private corporate sector. Out of these organizations, private sector has the maximum contribution towards the provisioning of housing.

4.7 The National Housing & Habitat Policy recognizes that the magnitude of the housing task calls for the involvement of several agencies including the Government at different levels, the cooperatives, the community and the private sector. It aims to create a 'housing revolution' through facilitating creation of public-private partnerships and providing necessary fiscal and financial incentives along with creating a conducive legislative framework to give a significant boost to the housing and construction sector. The role of Corporate, Private and Cooperative sector has been defined to be the leaders for land assembly, land development, construction of houses and allied infrastructure. They have been coaxed to form partnerships whenever required with other stakeholders.

4.8 Recent years have witnessed emergence of private initiatives in the form of Public-Private Partnerships in land and housing development in India. Though the 'Public-Private Partnerships (PPPs)' in land and housing development in India are not widely prevalent, there are quite a few cases of successful partnerships. Some of the successful cases of the public-private partnership models are: P-P-P for Land assembly and Land Development – Haryana Model,

Parswanath Township Development—Ahmedabad Model, Township Development Scheme—LDA Model, Public-Private-Partnership—CIDCO Model, Guided Urban Development—CMDA Model (1988), Joint Sector Model—Udayan by Bengal Ambuja and Public-Private-Partnership arrangement with NGOs like AVAS, SPMS, ASHA, SPARC, VASNA and SEWA.

4.9 The reasonable success of Public-Private-Partnerships in Parswanath Township and CIDCO model for EWS & LIG and Udayan Model for LIG housing reflects the fact that the partnership arrangement in economically weaker section and lower income housing can be a viable proposition. A private developer can deliver lower income shelter solutions with PPP and still make a reasonable return on investments. Changes in related legislation could make the proposition more attractive.

#### **Common Problems in PPP Models**

4.10 The evaluation of the P-P-P models shows certain common areas of difficulty that need to be solved for a wider application of the partnerships.

1. Difficult Political Environment at the State Level
2. Limited Capacity of Local Authority
3. Limited Access to Medium and Small Private Developers
4. Sophisticated Financial Arrangements: The financial arrangements involved in packaging a PPP models are quite sophisticated and difficult to put together.
5. Development of Land & Housing in inappropriate Locations which hinders demand.
6. Inability of public partner to speed of land acquisition, development and sanctioning procedure, resulting in unnecessary delays in time and cost.
7. Cost recovery is a problem area, especially in the case of EWS & LIG units where the task of marketing & cost recovery entrusted with the public partner.

4.11 With growing participation of the private builders and developers, Public-Private-Partnerships for land & housing will become more practical over the coming years. Given a conducive atmosphere, devoid of various impediments and by introducing some legislative

changes to enable private sector to actively participate, one can expect a major contribution by this important sector in land and housing development in urban areas.

4.12 The Committee note that the total percentage of shelterless urban population is 0.27% and an estimated population of 61.8 million live in urban slums, where housing and infrastructure is inadequate. As per the 10th Five Year Plan document the total requirement of houses in urban areas during the 10th Plan period is 22.44 million and the investment required is Rs. 4,26,967.18 crore. The Committee also note that the Government has prepared the National Housing and Habitat Policy, 1998, to chalk out the strategy in solving the housing problem and recently a Task Force has been set up under the Chairmanship of Secretary (UEPA) to review the National Housing & Habitat Policy. While the Committee appreciate the aims and objectives of the National Housing and Habitat Policy, they recommend that the Task Force under the Chairmanship of Secretary (UEPA) should review the National Housing and Habitat Policy and come out with a comprehensive solution to the urban housing shortages. The Committee also recommend that earnest efforts should be made so as to achieve the annual goal of construction of two million houses.

4.13 The Committee note the emergence of private initiative in the form of public-private partnership in land and housing development in India. The Committee also note the common problem in public-private partnership. The Committee are of the view that housing sector is an important source of growth and employment. The potential of this sector has been curtailed by a number of policy restrictions which need to be addressed as these restrictions are acting as impediments to private investment in the housing Sector.

4.14 The Committee desire that keeping in view the huge urban housing shortages and mammoth requirement of funds to meet these housing shortages, the Government should launch a comprehensive programme of urban housing with particular attention to the needs of urban slums. Housing for the weaker sections in urban areas should be expanded in a large scale and for this purpose, the Government should encourage private participation particularly in the slums. Also Public-Private-Partnership (PPP) in housing sector should be encouraged so as to bring the cost effectiveness of housing projects and utilization of economical methods of technologies and provide home to the lower income groups of Society.

## CHAPTER V

### HINDUSTAN PREFAB LIMITED

5.1 Hindustan Prefab Limited is a Public Sector Enterprise under the administrative control of Ministry of Urban Employment and Poverty Alleviation is incurring losses since last 10 years. To enable it to pay the wages and salaries to its employees, Ministry of Urban Employment and Poverty Alleviation is providing loan to HPL to pay these statutory dues.

5.2 Because of the poor performance of HPL, the case of HPL was referred to the Disinvestment Commission. The Disinvestment Commission, in its Report submitted in November 1997, had identified HPL as a non-core PSU. The Commission recommended the disinvestment of its shares to the extent of 74%. The Core Group of Secretaries at the meeting held on 06.03.2000, had reconsidered the recommendation of the Disinvestment Commission and recommended closure of the Company. It recommended that a Voluntary Retirement Scheme may be offered to the employees and the Ministry of Finance may sanction a suitable non-plan loan to the company to implement the scheme. The VRS scheme has been implemented in the company since 1999-2000.

5.3 The budget provision of Rs. 5.61 crore has been made in the budget estimate for the year 2005-06, which is meant for VRS & other purposes like payment of wages, salary and other statutory dues like PF, ESI, Sales Tax, Excise etc.

#### **Future of Company**

5.4 When asked about the decision taken by the Government regarding the future operations of HPL, the Ministry in their written reply has stated HPL is a loss incurring PSE. So far an amount of Rs. 37.68 crore has been granted in the form of interest bearing loan @ 15.5% p.a. to HPL for payment of wages, salaries and VRS etc. for the staff and the officers. The amount of interest due on the loan disbursed upto 2004-05 has worked out to Rs. 47.56 crore upto 31.12.2004.

5.5 A decision in principle has been taken by Ministry of Urban Employment and Poverty Alleviation for revival/restructuring of HPL and to approach Board for Reconstruction of PSEs with a comprehensive suitable revival package. The proposal is being worked out.

5.6 The Committee express their deep concern over the poor performance of Hindustan Prefab Ltd. in the past decade. In their earlier reports, the Committee had examined the issue of financial condition of Hindustan Prefab Limited and recommended that the Government should take an early decision about the future operations of HPL. The Committee are now informed that the Ministry has taken a decision in principle for revival/restructuring of HPL and to approach Board for Reconstruction of PSEs with a comprehensive suitable revival package and this proposal is being worked out. In this regard, the Committee recommend that concerted steps must be taken by Government for the revival of HPL by formulating a proper 'Revival Plan' at the earliest. The Committee may be apprised about the action taken in this regard.

NEW DELHI;  
19 April, 2005  

---

29 Chaitra, 1927 (Saka)

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

**APPENDIX I**

**STATEMENT SHOWING BRIEF SUMMARY OF DEMANDS FOR THE LAST FIVE YEAR  
2000-2001-01-2002, 2001-02-2002-2003, 2002-03-2003-2004, 2003-04-2004-2005 &  
2004-05-2005-2006—THE PERCENTAGE INCREASE/DECREASE**

**DEMAND NO. 103 MINISTRY OF URBAN EMPLOYMENT POVERTY ALLEVIATION**

REVENUE SECTION	Major Head	Plan + Non-Plan		% increase	Plan + Non-Plan		% increase	Plan + Non-Plan		% increase	Plan + Non-Plan		% increase	Plan + Non-Plan		% increase
		2000-2001	2001-2002		2001-2002	2002-2003		2002-2003	2003-2004		2003-2004	2004-2005		2004-2005	2005-06	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Secretariat	2052	1.50	1.50	0.00%	1.50	1.50	0.00%	1.50	1.55	3.33%	1.55	1.65	6.45%	1.65	3.87	134.55%
Water Supply & Sanitation	2215											50.00		50.00	30.00	
Housing	2216	20.91	19.37	-7.36%	19.37	275.84	0.00%	275.84	252.95	-8.30%	252.95	300.37	18.75%	300.37	263.35	-12.32%
Urban Development	2217	0.00	0.00		0.00	0.00		0.00	0.00		0.00	75.00		75.00	0.10	
Other General Economic Services Swarna Jayanti Shahari Rozgar Yojana	3475	6.29	6.29	0.00%	6.29	6.29	0.00%	6.29	6.29	0.00%	6.29	6.29	0.00%	6.29	6.29	0.00%
Grants in aid to State Government	3601	165.40	165.20	-0.12%	165.20	103.93	0.00%	103.93	91.40	-12.06%	91.40	93.91	2.75%	93.91	150.90	60.69%

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Grants-in-aid to Uts	3602	1.91	1.91	0.00%	1.91	1.91	0.00%	1.91	1.91	0.00%	1.91	1.91	0.00%	1.91	1.91	0.00%
North Eastern Areas	2552	38.00	19.00	-50.00%	19.00	31.25	0.00%	31.25	1.00	-96.80%	1.00	1.00	0.00%	1.00	50.00	4900.00%
Total		234.01	213.27	-8.86%	213.27	420.72	97.27%	420.72	355.10	-15.60%	355.10	530.13	49.29%	530.13	506.42	-4.47%
CAPITAL SECTION																
Capital Outlay on Housing	4216	155.00	155.00	0.00%	155.00	180.00	0.00%	180.00	215.60	19.78%	215.60	225.00	4.36%	225.00		-100.00%
North Eastern Areas	4552	0.00	19.00		19.00	31.25		31.25	61.50	96.80%	61.50	82.00	33.33%	82.00		-100.00%
Investment in PSUs	6216	10.00	10.00	0.00%	10.00	10.00	0.00%	10.00	9.79	-2.10%	9.79	4.55	-53.52%	4.55	5.61	23.30%
TOTAL		165.00	184.00	11.52%	184.00	221.25	20.24%	221.25	286.89	29.67%	286.89	311.55	8.60%	311.55	5.61	-98.20%
GRAND TOTAL		399.01	397.27	-0.44%	397.27	641.97	61.60%	641.97	641.99	0.00%	641.99	841.68	31.10%	841.68	512.03	-39.17%

**APPENDIX II**

**MINISTRY OF URBAN EMPLOYMENT & POVERTY ALLEVIATION**

2005-06

(Rs. in crore)

Allocation & Expenditure		Plan									
Sl. No.	Name of Schemes	2002-03			2003-04			2004-05			2005-06
		BE	RE	Actual Exp.	BE	RE	Actual Exp.	BE	RE	Actual Exp. (upto Dec. 2004)	BE
1	2	3	4	5	6	7	8	9	10	11	12
<b>A.</b>	<b>Urban Employment &amp; Poverty Alleviation</b>										
1.	Housing										
2.	SJSRY	105.00	105.00	103.42	94.50	94.50	102.66	103.00	122.00	90.86	159.99
3.	Equity to HUDCO	180.00	180.00	180.00	215.60	215.60	215.60	225.00	100.00	100.00	
4.	Housing Census Periodic Survey & MIS through NBO	0.30	0.30	0.14							
5.	S&T Grants to Institute & other Programme including Building Centres	3.00	3.00								
6.	Night Shelter Schemes	5.00	5.00	3.00	4.50	4.50	1.00	4.00	4.00		
7.	Resettlement of slums in Dharavi							75.00			



1	2	3	4	5	6	7	8	9	10	11	12
8	IYSH activities/ conferences										
9	Nehru Rojgar Yojana	Merged with SJSRY									
10	Urban Basic Services for Poor										
11	P.M.'s integrated Urban Poverty Eradication Programme										
12	Low Cost Sanitation for Liberation of Scavengers							30.00	30.00	20.00	30.00
13	National Scheme for Liberation & Rehabilitation of Scavengers					40.00	24.27	20.00	20.00	1.38	
14	BMTPC	4.00	4.00	4.40	3.00	4.00	4.00	5.00	5.77	2.50	4.52
15	Grants to NCHF	0.20	0.20	0.22	0.20	0.20	0.22	0.40	0.64	0.27	0.38
16	VAMBAY	256.85	256.85	218.35	238.50	238.50	238.55	280.58	280.58	223.66	249.00
17	Infrastructure facilities in D.P. Colonies in West Bengal	8.03	8.03	0.00	6.00	5.00	4.44	0.01			
18	UNDP Assistance for National Strategy for Urban Poor							4.00	4.00	4.00	5.00
19	HPL for VRS										
20	Urban Indicators Programme	0.12	0.12		0.20	0.20	0.11	0.01	0.01		
21	N.E. Areas	62.50	62.50	44.17	62.50	62.50	51.00	83.00	83.00	78.17	50.00
22	Computerization										1.00
23	Urban Development Projects in NE										0.10
24	Employment Assurance and Skill Formation in Urban Areas										0.01
	GRAND TOTAL	625.00	625.00	553.70	625.00	665.00	641.85	830.00	650.00	520.84	500.00

**APPENDIX III**

**NUMBER OF BENEFICIARIES UNDER SJSRY**

S. No.	Name of State/ UT	No. of persons assisted to set-up micro-enterprises			No. of persons trained			No. of mandays of work generated		
		2002-03	2003-04	2004-05 (As on 28.02.05)	2002-03	2003-04	2004-05 (As on 28.02.05)	2002-03	2003-04	2004-05 (As on 28.02.05)
1	2	3	4	5	6	7	8	9	10	11
1.	Andhra Pradesh	16996	33719	29413	8611	5635	4376	1.70	1.94	5.85
2.	Arunachal Pradesh	374	39	40	62	149	0	0.71	3.07	3.59
3.	Assam	84	3067	922	633	548	3812	0.65	1.23	0.94
4.	Bihar	0	0	0	0	0	0	0.00	0.00	0.00
5.	Chhattisgarh	5515	36	1029	2634	0	1976	0.00	3.73	0.00
6.	Goa	35	0	0	0	0	0	0.00	0.00	0.00
7.	Gujarat	7584	2014	5230	6679	4547	6228	1.06	7.94	0.16
8.	Haryana	1780	2965	1589	1827	3231	2737	0.10	0.36	0.17
9.	Himachal Pradesh	221	175	290	168	625	530	0.00	0.00	0.00

1	2	3	4	5	6	7	8	9	10	11
10.	Jammu & Kashmir	3150	681	474	3936	838	941	0.07	0.08	0.29
11.	Jharkhand	0	0	0	0	0	0	0.00	0.00	0.00
12.	Karnataka	5898	8386	3022	2658	19200	0	4.67	7.56	1.24
13.	Kerala	3784	2198	1873	1789	5112	3324	0.11	0.04	0.08
14.	Madhya Pradesh	17387	4799	1494	6249	8575	4410	1.81	0.74	0.74
15.	Maharashtra	13908	13605	7878	31737	39357	25708	5.93	3.19	0.53
16.	Manipur	0	0	0	0	0	2506	0.00	0.90	0.00
17.	Meghalaya	1297	0	0	406	939	0	1.00	0.58	0.00
18.	Mizoram	0	0	0	0	0	379	0.00	3.66	0.00
19.	Nagaland	1472	1132	0	510	100	0	0.13	0.32	0.00
20.	Orissa	2828	8225	649	2602	3439	2425	3.37	0.92	0.39
21.	Punjab	970	724	407	1605	1302	1458	0.03	0.45	0.19
22.	Rajasthan	7579	4008	4083	1408	1696	1957	3.82	1.69	0.26
23.	Sikkim	109	47	68	210	0	201	0.30	0.55	5.91

1	2	3	4	5	6	7	8	9	10	11
24.	Tamil Nadu	15628	3920	1378	1742	3033	2380	1.19	2.24	0.53
25.	Tripura	549	347	598	485	765	4783	0.14	0.42	0.00
26.	Uttaranchal	829	0	153	202	0	763	0.00	0.07	0.00
27.	Uttar Pradesh	11852	6868	4869	3993	14452	25729	3.12	3.63	1.76
28.	West Bengal	7000	2760	941	18606	5880	4749	0.91	2.42	1.54
29.	A&N Islands	2	1	0	0	0	0	0.29	1.58	0.25
30.	Chandigarh	53	45	28	205	242	432	0.00	0.00	0.00
31.	D&N Haveli	20	0	10	86	0	98	0.13	0.04	0.00
32.	Daman & Diu	0	0	0	0	0	0	0.00	0.00	0.00
33.	Delhi	324	72	58	325	155	0	0.00	0.00	0.00
34.	Pondicherry	652	1070	0	43	1774	0	0.02	0.39	0.29
TOTAL		127880	100903	66496	99411	121594	101902	31.26	49.74	24.71

#### APPENDIX IV

##### MODIFICATION IN VAMBAY GUIDELINES–SUGGESTIONS RECEIVED FROM SOME STATE/UNION TERRITORY GOVERNMENTS

S.No.	Suggestions
1	2
1.	APL population residing in the slums may also be considered for upgradation/ relocation without releasing any Central subsidy.
2.	Instead of a ceiling limit of 20% of the total allocation under Valmiki Ambedkar Awas Yojana (VAMBAY) at the State/ Union Territory level for Nirmal Bharat Abhiyan (NBA), this limit may be considered on the basis of overall allocation on all-India basis with delegation of powers to the Central Sanctioning Committee to relax this limit for deserving State/ Union Territory Governments up to 50%.
3.	Non-Government Organisations (NGOs), Clubs, Registered and Unregistered Societies, Private companies, Corporate Bodies including Sulabh International Limited may also be made eligible for Central Subsidy under Nirmal Bharat Abhiyan.
4.	Reimbursement of the amount up to State/ Union Territory entitlement for already constructed dwelling units for the slum dwellers as done by the DDA and similar proposals from other States/ Union Territories that may be received in future.
5.	To allow State/ Union Territory Government to specially designate suitable NGOs in motivating and organizing the community based organisations as also for identification of beneficiaries and publicity etc., by allowing State/ Union Territory Governments to earmark 2% of their allocated amount.
6.	To leave it to the discretion of the State/ Union Territory Governments to stipulate a cut-off year under the scheme but once the cut-off year is fixed the State Government should not alter it for at least 5 years.

---

1	2
7.	The title or patta of plot of land or a flat may also be allowed in the names of single male individual like bachelors/ widowers in case the authorities are considered that the individual resident is likely to continue to reside at the same site.
8.	To extend the coverage of the VAMBAY and the subsidy therein to such slum dwellers where the land is beyond the jurisdiction of Municipalities or Development Authorities and is owned by the private individuals.
9.	To relax the contribution of State/ Union Territory share in the case of Daman & Diu/ Dadra & Nagar Haveli and other Union Territories who have no legislature of their own by providing them 100% subsidy as in the case of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) by amending the guidelines.
10.	To allow Housing & Urban Development Corporation Ltd. (HUDCO) to undertake demonstration/ pilot projects with the help of NGOs by allowing reimbursement of 50% subsidy to the NGOs after completion of the project undertaken by them under NBA.
11.	Allowing replication of NDMC experiment on construction of toilets by private parties with Government funds through the user charges and advertisement revenues.

---

**APPENDIX V**

URBAN POPULATION/PERCENTAGE OF SHELTERLESS URBAN  
POPULATION (AS PER THE CENSUS 2001)

**Total Population: 1027015247**

**Total Urban Population : 285328006**

**Total shelterless population : 778329**

**Total percentage of shelterless urban population : 0.27%**

State	Total Urban Population	Total Shelterless	Percentage (%)
1	2	3	4
ANDAMAN & NICOBAR ISLANDS	116407	164	0.14
ANDHRA PRADESH	20503597	66837	0.33
ARUNACHAL PRADESH	222688	82	0.04
ASSAM	3389413	2366	0.07
BIHAR	8679200	12730	0.15
CHANDIGARH	808796	2681	0.33
CHHATTISGARH	4175329	6214	0.15
DELHI	12819761	23903	0.19
DADAR NAGAR HAVELI	50456	210	0.42
DAMAN & DIU	57319	412	0.72
GUJARAT	18899377	72095	0.38
GOA	668869	2289	0.34
HIMACHAL PRADESH	594881	1317	0.22
HARYANA	6114139	23976	0.39
JHARKHAND	5986697	3889	0.06
JAMMU & KASHMIR	2505309	2622	0.10
KARNATAKA	17919858	40328	0.23

1	2	3	4
KERALA	8267135	7437	0.09
MEGHALAYA	452612	183	0.04
MAHARASHTRA	41019734	104512	0.25
MANIPUR	570410	372	0.07
MADHYA PRADESH	16102590	61870	0.38
MIZORAM	441040	263	0.06
NAGALAND	352821	748	0.21
ORISSA	5496318	11832	0.22
PUNJAB	8245566	23409	0.28
PONDICHERRY	648233	1468	0.23
RAJASTHAN	13205444	55361	0.42
SIKKIM	60005	58	0.10
TAMIL NADU	27241553	57128	0.21
TRIPURA	543094	187	0.03
UTTAR PRADESH	34512629	96642	0.28
UTTARANCHAL	2170245	3935	0.18
WEST BENGAL	22486481	90809	0.40
<b>TOTAL</b>	<b>285328006</b>	<b>778329</b>	<b>0.27</b>

Note: The urban population/percentage of shelterless urban population does not include details regarding Lakshadweep as they are not available readily.



## APPENDIX VI

### COMMITTEE ON URBAN DEVELOPMENT (2004-2005)

#### MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, 23rd MARCH, 2005

The Committee sat from 1500 hrs. to 1715 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

#### PRESENT

Shri Mohd. Salim — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Shri Shripad Yesso Naik
3. Shri Amitava Nandy
4. Shri L.Rajgopal
5. Shri Sudhangshu Seal
6. Shri Sugrib Singh
7. Shri Ravi Prakash Verma
8. Shri Suresh Ganpatrao Wagmare
9. Shri Baleshwar Yadav

#### *Rajya Sabha*

10. Shri B.K. Hariprasad
11. Shri Nandi Yellaiah
12. Shri Jayantilal Barot
13. Shri Laxminarayan Sharma
14. Shri Prasanta Chatterjee

#### SECRETARIAT

1. Shri.S.K. Sharma — *Additional Secretary*
2. Shri K. Chakraborty — *Director*
3. Smt. Neera Singh — *Under Secretary*
4. Shri A.K. Srivastava — *Assistant Director*

LIST OF REPRESENTATIVES OF MINISTRY OF URBAN  
EMPLOYMENT AND POVERTY ALLEVIATION

1. Smt. Chitra Chopra, Secretary
2. Shri Pankaj Jain, Joint Secretary (HEPA)
3. Smt. Neena Garg, JS&FA
4. Shri U.S. Pant, CCA
5. Shri P.S. Rana, CMD,HUDCO
6. Shri Arup Roy Chaudhary, CMD,NBCC
7. Dr. M.L. Khurana, Managing Director, NCHF

2. At the outset, the Chairman welcomed the members and representatives of the Ministry of Urban Employment and Poverty Alleviation to the sitting of the Committee. The Chairman, thereafter, indicated in brief some of the major problems being faced in the implementation of various schemes and programmes of the Ministry. He requested the Ministry to indicate as to how effectively they could address these problems. The Chairman, then drew the attention of the representatives of the Ministry to the provisions of Direction 55(1) of the Direction by the Speaker.

3. The Secretary, Urban Employment and Poverty Alleviation briefly explained the overall position with regard to the allocation and expenditure of the Ministry for the year 2005-2006 with special emphasis on the newly launched scheme of the Ministry *viz.* 'Urban Renewal Sub-Mission for Slum Development'. The Committee then discussed in detail the various issues related to the examination of the 'Demands for Grants' of the Ministry. The representatives of the Ministry clarified to the queries raised by the members.

4. A verbatim record of the proceedings was kept.

*The Committee then adjourned.*

## APPENDIX VII

### COMMITTEE ON URBAN DEVELOPMENT (2004-2005)

#### MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE HELD ON MONDAY, 11 APRIL, 2005

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

#### PRESENT

Shri Mohd. Salim — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Shri Surendra Prakash Goyal
3. Shri Pushp Jain
4. Shri P. Mohan
5. Shri Shripad Yesso Naik
6. Shri Amitava Nandy
7. Shri L. Rajgopal
8. Shri Sajjan Kumar
9. Shri Sudhangshu Seal
10. Shri K. Subbarayan
11. Shri Suresh Ganpatrao Wagmare

#### *Rajya Sabha*

12. Shri B.K. Hariprasad
13. Smt. Syeda Anwara Taimur
14. Shri Nandi Yellaiah
15. Shri Jayantilal Barot
16. Shri Laxminarayan Sharma
17. Shri Prasanta Chatterjee

## SECRETARIAT

1. Shri P.D.T. Achary — *Secretary*
2. Shri S.K. Sharma — *Additional Secretary*
3. Shri K. Chakraborty — *Director*
4. Smt. Neera Singh — *Under Secretary*
5. Shri A.K. Srivastava — *Assistant Director*

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 (2005-2006) of the Ministry of Urban Employment and Poverty Alleviation. After some deliberations the Committee adopted the draft report with slight modifications (*vide Annexure*).

3. The Committee, then decided to postpone the sitting of the Committee scheduled to be held on 12.4.2005, to consider and adopt the draft Report on Demands for Grants (2005-2006) of the Ministry of Urban Development. They decided to meet again on 20.4.2005.

4. The Committee then authorized the Chairman to finalize 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.*

## ANNEXURE

(See para 2 of the Minutes 11.4.2005)

Sl. No.	Page No.	Para No.	Line No.	Modifications
1	2	3	4	5
1.	11	2.13	7	<i>Delete</i> 'As regards, the transfer of certain schemes to the States, the Committee's experience is that Central Government is better equipped in most cases to have the schemes implemented and supervised effectively than the States concerned. The Committee are yet to be convinced about the logic for the transfer of such schemes'.
2.	29	3.32	1	<i>Delete</i> 'planned' after budgetary
3.	29	3.32	3	<i>Delete</i> 'scenario' after poverty
4.	30	3.33	6	<i>Delete</i> 'meagre' before token
5.	32	3.36	8	<i>For</i> 'methods' <i>Substitute</i> 'Mechanism'
6.	43	3.55	11	<i>Add</i> after 'States' 'including cost of construction and size of a dwelling unit'
7.	44	3.56	1	<i>Add</i> after 'living condition' and livelihood'
8.	51	3.69	9	<i>Add</i> after 'practice' 'The Ministry has pointed out that'
9.	51	3.69	11	<i>Add</i> after 'finance' 'The Committee are not fully convinced by the impediments indicated by the Ministry which come in the way of successful implementation of the Scheme'

1	2	3	4	5
10.	57.	3.78	8	<i>Delete 'Secretariat' after 'Cabinet'</i>
11.	61	3.84	6 from bottom	<i>Add after earliest</i> <i>'So far, the composition of Steering Group is concerned the Committee also desire that the representatives of Urban Local Bodies and elected representatives should also form part of the Steering Group'.</i>

## APPENDIX VIII

### STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

Sl.No.	Para No.	Recommendations/observations
1	2	3
1.	2.9	The Committee note that the Ministry of Urban Employment and Poverty Alleviation for the years 2005-2006 have been allocated an overall Budget Estimates of Rs. 512.03 crore (Gross) which includes both Plan and Non-Plan allocations. The respective provisions on the Revenue and the Capital sides are Rs. 506.42 crore and Rs. 5.61 crore, respectively. The break-up of Plan and Non-Plan provision is Rs. 500 crore and Rs. 12.03 crore respectively.
2.	2.10	As regards, the decrease in BE 2005-2006 <i>vis-à-vis</i> BE 2004-2005 the reasons attributed by the Ministry are that:—(i) the Scheme for development of 'Dharavi' could not take off due to non-approval by the Planning Commission; (ii) the Scheme of NSLRS and Night Shelter have been transferred under State Plan from 2005-2006; and (iii) Equity support to HUDCO is being discontinued in 2005-2006 as HUDCO has been declared a 'Mini Ratna' in 2004-2005.
3.	2.11	The Committee express their concern over the fact that the unutilised amounts of Rs. 91.25 crore, Rs. 107.83 crore and Rs. 40.25 crore have been surrendered by the Ministry in 2001-2002, 2002-2003 and 2003-2004, respectively. Although the Ministry of Urban Employment and Poverty Alleviation has given their reasons for these unutilized amounts, the Committee feel that

1	2	3
		if the Ministry had made realistic assessment of the various ongoing projects/ Schemes, under-utilization of funds could have been avoided.
4.	2.12	The Committee note a sum of Rs. 1989.62 crore has been provided as Additional Central Assistance (ACA) for Urban Renewal Sub-Mission for Slum Development/Basic Services for Urban poor during 2005-2006. The details in this regard are being worked out and its guidelines etc. would be finalized shortly with the approval of Cabinet. The crucial question is where and how the Government would utilise the sum of Rs. 1989.62 crore during the year 2005-2006 itself, as the Scheme has not yet been approved by the Cabinet and its guidelines are still under finalization.
5.	2.13	Though the Ministry admits that the budgetary provision has been reduced, but it is not clear from their statement whether the same trend would have any long-term adverse effect. The reduction of budgetary outlay and non-utilisation of allotted funds indicate a lack of initiative on the part of the Ministry to work out strategies for optimum utilisation of resources and getting more resources to finance schemes for employment and poverty alleviation. The Committee feel that the Ministry has not performed well in utilising the available funds and consequently there has been a reduction in the budgetary allocations. Such a trend is unhealthy particularly when more and more employment opportunities are required to be created with the aim of eradicating poverty at a rapid pace.



1	2	3
6.	3.32	<p>The Committee note that the budgetary allocations of funds for the SJSRY have not been enough to meet the demands of the growing unemployment and urban poverty in the Country. In the year 2005-2006, the Ministry of UEPA have been allocated an amount of Rs 160 crore for the SJSRY scheme against the request of Rs. 500 crore, which is only a token increase of the allocations of Rs 103 crore over the previous year 2004-2005. The Ministry has listed five 'Better Performing States' and five 'Bad Performing States' in respect of the implementation of the SJSRY scheme. The Committee find that even in the case of 'Better Performing States' during the past years their demands for additional funds could not be met due to lack of funds. The Committee feel that greater priority needs to be given to the urban poverty alleviation scheme of SJSRY by the Government/ Planning Commission as this is a well conceived scheme for eradication of unemployment among the urban poor.</p>
7.	3.33	<p>The Committee note that as per the Quarterly Progress Reports received from the States/UTs upto 28.2.2005, States have unspent balance to the tune of Rs. 288.09 crore, which include both the Central and State's Share under SJSRY scheme. Such a huge amount remaining unspent is a cause for concern and has an adverse impact during allocation when a token increase is sanctioned. Truly, it is necessary to reduce the quantum of unspent amount. The studies made in terms of appraisal of the Scheme should focus on this aspect so that the cause for this malaise is rooted out. A cursory look and a routine procedure of</p>

1	2	3
		<p>urging the States to effectively utilise the funds has not borne any fruitful results so far. The Committee, therefore, urge the Ministry of UEPA to make more effective co-ordinative efforts in this direction to motivate the States/UTs and the implementing agencies for expeditiously utilizing these unspent funds and furnish their UCs to the Ministry. The Committee may be apprised about the steps taken in this regard.</p>
8.	3.34	<p>The Committee note that house to house survey has been conducted in 3533 towns out of the total 3779 towns for the identification of genuine beneficiaries. However, 249 towns are still left, where house to house survey is yet to be conducted. Without proper identification of the beneficiaries, it would be difficult to assess the actual performance of the SJSRY Scheme. The Committee, therefore, recommend that house-to-house survey in the remaining 249 towns be conducted in a time bound manner and the services of NGOs should be utilized for this purpose.</p>
9.	3.35	<p>The Committee are happy to note that during the first two years of the Tenth Plan, total 2,28,783 micro-enterprises were setup and 2,21,005 beneficiaries provided with skill training under USEP and the annual achievement of project is more than 100%. Also, during the current year upto 28.2.2005, 66,496 micro – enterprises have been set up and 1,01,902 beneficiaries have been provided skill training. For the year 2005-2006, the annual target is to assist 80,000 urban poor for setting up micro-enterprises and providing skill training/</p>

1	2	3
		upgradation to 1,00,000 urban poor. The Committee trust that these targets set up for 2005-2006 are achieved by the Government.
10.	3.36	The Committee note that a Task Force under the Chairmanship of Secretary (UEPA) has been constituted with the objective to evolve formulations for a viable micro-credit mechanism for the urban poor. The Committee would like to know more about the formulations evolved by the Task force and the results achieved. The Committee recommend that persuasive and suitable mechanism should be adopted so as to establish an effective micro-credit system for the benefit of the urban poor. The Committee hope that the Task Force will be able to complete their work expeditiously so that further necessary action in pursuance thereof is taken at an early date.
11.	3.37	The Committee observe from the Budget (2005-2006) papers that in order to develop 'Micro Finance', the Budget 2005-06 envisages to re-designate the 'Micro Finance Development Fund' to be as 'Micro Finance Development and Equity Fund' by giving it an increased corpus of funds of about Rs 200 crore. The Committee desire that with the aim to increase 'Micro Finance', the beneficiaries of the SJSRY scheme in the urban areas should also be extended credit/ loans for setting up micro units/projects.
12.	3.38	Bankers non-cooperation is an oft-repeated complaint encountered during interaction with the beneficiaries and these complaints remain despite hearing that all efforts are

1	2	3
		<p>being made to reach the beneficiaries positively. While appreciating the limitation encountered by the Banks, the plight of the beneficiaries cannot be taken lightly and the same need to be addressed with an open mind. The Committee, therefore, recommend that all issues related to non-cooperation of Banks regarding extending of loans to self/group enterprises under SJSRY should be sorted out in close coordination with the State Level Bankers Committees, Ministry of Finance, RBI and the Banks by holding periodical and timely meetings. A proper strategy need to be worked out well in advance to reach a solution. The Committee should be kept apprised about the steps taken in this direction.</p>
13.	3.39	<p>During the course of oral-evidence before the Committee, the Secretary, Ministry of Urban Employment and Poverty Alleviation conceded that 'Concurrent Evaluation' of the SJSRY scheme by Government has been a weak area. Moreover, it has been done in a piecemeal manner. The Secretary of the Ministry also assured to take up this matter in a much more concentrated and focused manner. The Committee recommend that the Ministry should strengthen the monitoring of the Scheme at both the Central and State levels by conducting regular Monitoring Committee meetings. As the aspect of Concurrent Evaluation of the Scheme is assigned to Human Settlement Management Institute (HSMI), New Delhi, the Committee desire that the Ministry of UEPA should take necessary action expeditiously to have the Concurrent Evaluation studies completed at the earliest.</p>

---

1	2	3
14.	3.40	<p>The Committee are informed that the modification of guidelines of the SJSRY Scheme are in an advanced stage of consideration by the Government and these revised guidelines will be placed before the Expenditure Finance Committee(EFC), shortly. The Committee desire that the revised guidelines of the Scheme be finalized at an early date. The Committee trust that all ambiguities and contradictions detected in earlier guidelines will be removed in the new guidelines and these would be made more flexible, accommodating and need-based for better implementation of the SJSRY scheme.</p>
15.	3.41	<p>The Committee note that the documentation of the best practices in the field of poverty alleviation is one of the most important activity for achieving the real targets of the SJSRY scheme. In respect of documentation and dissemination of information, the Secretary, Ministry of UEPA has admitted that this area has been weak. The Secretary of the Ministry has also admitted that the dissemination of replicable projects under SJSRY needed to be stepped up. The Committee are of the firm view that it is essential to propagate about the units/ projects set up under the USEP and UWEP components of SJSRY by DWCUA and other groups. The Ministry has informed the Committee that it is planning to give publicity for setting up of units/projects under the scheme as also to document at the National/State level the best practices/ success stories of DWCUA Groups including those of ' Kudumbashree' in the State of Kerala. The Committee recommend that honest and sincere efforts be made by</p>

---

1	2	3
		the Ministry in coordination with the State level functionaries so as to propagate such replicable projects of SJSRY scheme and motivate the urban poor to come forward and take the benefits of this scheme of self-employment.
16.	3.53	The Committee note that VAMBAY was launched in 2001-2002 to provide shelter or upgrade the existing shelter for people living below the poverty line in urban slums. The Committee further note that to have an integrated approach in the development/ upgradation of slums including both housing and infrastructure in 60 identified cities all over India, the scheme of VAMBAY and NSDP are being combined under the proposed National Urban Renewal Mission (NURM) which has a budget of Rs. 1500 crore. In the remaining cities, a new Integrated Housing and Infrastructure Development Scheme (Comprising VAMBAY and NSDP) for slum dwellers has been proposed outside the mission at a budget of Rs. 500 crore. In addition, a budget allocation of Rs. 249 crore has been kept for VAMBAY for the year 2005-2006 till the proposed Mission is put in place.
17.	3.54	The Committee note that VAMBAY Scheme was launched in the recent past by the then Prime Minister with much fanfare and optimism and the same is proposed to be merged with another scheme. The Committee are not convinced why the above move is being undertaken by the Government so hurriedly when the scheme comparatively has taken off on a positive note of optimism. To merge it with any

1	2	3
18.	3.55	<p>other Scheme will deprive VAMBAY of its clear cut field of operation and there might be overlapping also. It is too early to comment on the performance of VAMBAY and any decision taken in haste to merge it may not come out with the desired results. The Committee would therefore, urge the Government to rethink with a wider perspective and indepth analysis before going further in the matter. It will be better if the guidelines of VAMBAY are modified in pursuance of the limitations noticed and input received from the States including cost of construction and size of a dwelling unit and the Scheme operates independently for another five years before taking a move for merger if found necessary, with any other wide and ambitious scheme.</p> <p>Besides, the Committee feel that by announcing every year or two new schemes regarding slums improvement and upgradation will not solve the problems of slums. The Committee are of the view that sincere efforts on the part of the Government are required to upgrade slums to more habitable level and for this purpose, upgradation of living condition and livelihood of the urban poor has to be recognised as part of the national development process. The Committee further desire that in order to make the implementation of NURM successful, the task of various agencies involved in the implementation of NURM should be well defined and coordination made effective.</p>
19.	3.56	<p>The Committee further recommend that till the proposed NURM is put in place, there</p>

1	2	3
		should not be any slackness in the implementation of VAMBAY Scheme.
20.	3.67	The Committee have time and again expressed their displeasure over the low financial and physical progress of ILCS Scheme. Out of Rs. 200 crore allocated in the 10th Plan, only Rs. 29.60 crore has been released upto 31.12.2004 under the Scheme. Had the Government made sincere efforts to implement the ILCS, the Committee are sure that better sanitation facilities could have been provided in urban congested areas, thereby fully utilizing the allocated budgetary funds for this Scheme. The Committee feel that ILCS should be rightly seen as an important solution to the dehumanizing practice of carrying night-soil. Also, it is the appropriate solution where resources do not permit the provision of underground sewerage. The Committee, therefore, strongly recommend that construction of suitable toilets/ latrines be made in the congested urban areas by utilizing viable techniques of construction.
21.	3.68	The Committee note that no new proposals are sanctioned to the States with pending Utilisation Certificates (UCs) and no further release in the Schemes with pending UCs are made to the 'Nodal Agency' implementing the Project. This affected the States more which had only one Nodal Agency as non-submission of UCs for one Scheme led to stopping of funds for the remaining schemes. The Committee desire that this system of release of funds under ILCS should be changed and streamlined so that due to non-submission of UC for one Scheme funds should not be stopped



---

1	2	3
22.	3.69	<p>for the remaining Scheme. If found necessary, suitable amendments in the Governing rules and regulations may be made so that flow of funds is not affected and the Schemes do not suffer.</p> <p>The Committee has observed several times that manual scavenging is a sin perpetrated on the scavengers. It is a scourge on the society and speaks of evils in the Indian society. Notwithstanding the fact that Centrally Sponsored Scheme for doing away with manual scavenging was initiated in 1981, this evil practice has still not been eradicated from the country. It is a pity that despite more than two decades of experiments, manual scavenging still exists. This should make us do some introspection as to why we have not been successful in eradicating this inhuman practice. The Ministry has pointed out that there are several impediments in the implementation of the Scheme including land and finance. The Committee are not fully convinced by the impediments indicated by the Ministry which come in the way of successful implementation of the Scheme. Land is a State subject and much of the success depends on its availability. The financial aspect which is foremost can be better looked after by making the entire scheme 100% Centrally Sponsored. The beneficiaries who are too poor, cannot shoulder the financial burden, as a result of which proposals are not forthcoming. It should be the Union's responsibility to do away with manual scavenging and for that purpose it is necessary to initiate further steps with a target. The Committee would like to hear more from the Union Government in this</p>

---

1	2	3
23.	3.77	<p>regard in the near future with concrete proposals.</p> <p>The Committee note that since the inception of the NSDP programme and upto 14.3.2005, out of the total funds of Rs. 3089.63 crore released by the Central Government, an amount of Rs. 2082.91 crore has been spent and about 4.12 crore of slum dwellers have benefited from the programme. The Committee feel the amount of Rs. 2082.91 crore which has been spent since the inception of NSDP on Slum dwellers is grossly inadequate in comparison to the massive and ever-growing slum population in the country. The Committee further feel that in order to facilitate the process of slum development and to ensure that the slum population are provided civic services, amenities and economic opportunities and to enable them to rise above the degraded condition in which they live, adequate funds are required to be released to the States/UTs under NSDP.</p>
24.	3.78	<p>The Committee note that Draft National Slum Policy was prepared and submitted to the Cabinet Secretariat on 17.1.2004. It was listed for discussion 20.1.2004 but was deferred. The Committee are of the opinion that to strengthen the legal and policy frame work and to facilitate the process of Slum development, there is an urgent need for a National Slum Development Policy. The Committee reiterate their earlier recommendation that the Ministry should place this concern of the Committee before the Cabinet and the Government should finalise and implement the draft National Slum Policy at the earliest.</p>

1	2	3
25.	3.83	The Committee are happy to note that North Eastern States have come forward with a lot of projects and proposals costing more than Rs. 300 crore during 2004-2005. It is also understood that in order to motivate the North Eastern States to effectively implement the schemes, the Ministry of UEPA propose to form a Steering Group which will act as a catalyst to the NER States in submitting viable and complete proposals to the Ministry of UEPA for implementation in the region.
26.	3.84	The Committee desire that for overall development of NER the above Steering Group should be formed at the earliest. So far, the composition of the Steering Group is concerned, the Committee also desire that the representatives of Urban Local Bodies and elected representatives should also form part of the Steering Group. The Union Government should lay special emphasis on improving implementation of ongoing projects/Schemes in NER with transparency and accountability through close monitoring and reviews in coordination with the North Eastern States and ensure better delivery of results.
27.	4.12	The Committee note that the total percentage of shelterless urban population is 0.27% and an estimated population of 61.8 million live in urban slums, where housing and infrastructure is inadequate. As per the 10th Five Year Plan document the total requirement of houses in urban areas during the 10th Plan period is 22.44 million and the investment required is Rs. 4,26,967.18 crore. The Committee also note that the Government has prepared the

1	2	3
28.	4.13.	<p>National Housing and Habitat Policy, 1998, to chalk out the strategy in solving the housing problem and recently a Task Force has been set up under the Chairmanship of Secretary (UEPA) to review the National Housing &amp; Habitat Policy. While the Committee appreciate the aims and objectives of the National Housing and Habitat Policy, they recommend that the Task Force under the Chairmanship of Secretary (UEPA) should review the National Housing and Habitat Policy and come out with a comprehensive solution to the urban housing shortages. The Committee also recommend that earnest efforts should be made so as to achieve the annual goal of construction of two million houses.</p>
29.	4.14	<p>The Committee note the emergence of private initiative in the form of public-private partnership in land and housing development in India. The Committee also note the common problem in public-private partnership. The Committee are of the view that housing sector is an important source of growth and employment. The potential of this sector has been curtailed by a number of policy restrictions which need to be addressed as these restrictions are acting as impediments to private investment in the housing Sector.</p> <p>The Committee desire that keeping in view the huge urban housing shortages and mammoth requirement of funds to meet these housing shortages, the Government should launch a comprehensive programme of urban housing with particular attention to the needs of urban slums. Housing for</p>

1	2	3
		<p>the weaker sections in urban areas should be expanded in a large scale and for this purpose, the Government should encourage private participation particularly in the slums. Also Public-Private-Partnership (PPP) in housing sector should be encouraged so as to bring the cost effectiveness of housing projects and utilization of economical methods of technologies and provide home to the lower income groups of Society.</p>
30.	5.6	<p>The Committee express their deep concern over the poor performance of Hindustan Prefab Ltd. in the past decade. In their earlier reports, the Committee had examined the issue of financial condition of Hindustan Prefab Limited and recommended that the Government should take an early decision about the future operations of HPL. The Committee are now informed that the Ministry has taken a decision in principle for revival/ restructuring of HPL and to approach Board for Reconstruction of PSEs with a comprehensive suitable revival package and this proposal is being worked out. In this regard, the Committee recommend that concerted steps must be taken by Government for the revival of HPL by formulating a proper 'Revival Plan' at the earliest. The Committee may be apprised about the action taken in this regard.</p>