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

FOURTEENTH LOK SABHA

**MINISTRY OF URBAN EMPLOYMENT
AND POVERTY ALLEVIATION**

**SWARNA JAYANTI SHAHARI
ROZGAR YOJANA**

NINTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

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POVERTY ALLEVIATION

SWARNA JAYANTI SHAHARI
ROZGAR YOJANA

Presented to Lok Sabha on 2.8.2005

Laid in Rajya Sabha on 2.8.2005



LOK SABHA SECRETARIAT
NEW DELHI

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

Mohd. Salim — *Chairman*

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

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

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 Ninth Report on the subject 'Swarna Jayanti Shahari Rozgar Yojana' (SJSRY)

2. The Standing Committee on Urban Development (2004-2005) has selected the subject 'Swarna Jayanti Shahari Rozgar Yojana' (SJSRY) for examination and Report to Parliament. The representatives of the Ministry of Urban Employment and Poverty Alleviation briefed the Committee on the subject on 17 February, 2005. On 3rd May, 2005, the Committee took the oral evidence of the representatives of the Ministry of Finance (Financial Sector) and the Ministry of Urban Employment and Poverty Alleviation.

3. The Committee also invited memoranda from the public in general and experts/professionals/associations interested in the subject in particular. The Committee received near about one hundred memoranda from the interested parties.

4. The Committee considered and adopted the Report at their sitting held on 28th July, 2005.

5. The Committee wish to express their thanks to the officials of the Ministry of Urban Employment and Poverty Alleviation and the Ministry of Finance (Financial Sector) for placing before them the requisite material and their considered views in connection with the examination of the subject. The Committee express their profuse thanks to the individuals/experts/professionals/association who furnished memoranda to the Committee.

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

NEW DELHI;
28 July, 2005

6 Sravana, 1927 (Saka)

MOHD. SALIM
Chairman,
Standing Committee on Urban Development

REPORT

CHAPTER I

INTRODUCTORY

SWARNA JAYANTI SHAHARI ROZGAR YOJANA (SJSRY)

1.1 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 Rojgar 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 Rojgar Yojana (NRY) and Prime Ministers Integrated Urban Poverty Eradication Programme (PMI UPEP). The SJSRY programme is funded on a 75:25 basis between the Centre and the States. The programme is applicable to all urban towns in India and is implemented on a whole town basis with special emphasis on urban poor clusters. This programme targets the urban poor, as those living below the urban poverty line, as defined from time to time by the Planning Commission. 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)

Salient Features of SJSRY

1.2 The SJSRY rests on a foundation of community empowerment. Rather than relying on the traditional method of top down implementation, this programme focusses on establishing and promoting community organizations and structures to provide supporting and facilitating mechanism for local development. Towards this end. Community organizations like Neighbourhood Groups (NHGs), Neighbourhood Committees (NHCs) and Community Development Societies (CDSs) are set up in the target areas. The CDSs are the focal point for the purpose of identification of beneficiaries; preparation of applications, monitoring of recovery and generally providing whatever other support that is necessary to the programme. The CDSs are to identify viable projects suitable for that particular area depending upon the local conditions of a given area.

1.3 These CDSs also set up themselves as Thrift and Credit Societies to encourage community savings as also other group activities. However, Thrift and Credit Societies can be set up separate from the CDSs as well. These bodies try to link local resource generation efforts with wider institutional finance. These bodies are expected to be registered under Societies Registration Act or other appropriate Acts to provide them direct access to funds under various schemes as also a wider finance and credit base. A maximum expenditure at the rate of Rs.100 per member for the first year and Rs. 75 per member for each subsequent year is allowed for activities concerned with the CDSs. The CDSs, being a federation of different community based organizations, are the nodal agency for this programme. It is expected that these lay emphasis in providing entire gamut of social sector inputs to their areas including, but not limited to, health, welfare, education etc. through establishing convergence between schemes being implemented by different lines of departments within their jurisdiction.

1.4 Under SJSRY, the funds are allocated on a 75:25 basis between the Centre and the States. Upto 3% of the total SJSRY funds are retained by the Ministry as administrative expenses as well as under Information, Education and Communication (IEC) and Research and Study component for capacity building of the project functionaries/officers and for undertaking concurrent evaluation studies of the scheme. The balance funds are distributed to the States/UTs in accordance with their incidence of urban poor population below the poverty line. The funds under various components of SJSRY are released to the States/UTs in the following manner :—

USEP	65%
UWEP	20%
Community Structure	15%

1.5 The funds under USEP component are further distributed under its various subcomponents as per the following:—

USEP (subsidy) and DWCUA (subsidy)	30%
USEP (training)	40%
Thrift & Credit Societies	25%
Infrastructure Support	5%

CHAPTER II

FUNDING, UTILIZATION OF FUNDS AND PERFORMANCE OF SJSRY

2.1 During the 9th Five Year Plan and 10th Five Year Plan (first three years) the total outlay for the SJSRY scheme is Rs. 1009 crore and Rs. 541 crore, respectively. Year-wise outlay details are as under:

Year	Amount
9th Five Year Plan (Total outlay Rs. 1009 crore)	
1997-98	Rs. 102.54 crore
1998-99	Rs. 162.28 crore
1999-2000	Rs. 126.35 crore
2000-2001	Rs. 95.03 crore
2001-2002	Rs. 45.50 crore
10th Five Year Plan (Total outlay Rs. 541 crore)	
2002-2003	Rs. 105.00 crore
2003-2004	Rs.105.00 crore
2004-2005	Rs.103.00 crore

2.2 The Ministry of Urban Employment & Poverty Alleviation in a written note submitted that the allocations made by the Planning Commission are grossly inadequate keeping in view the number of Urban poor (6.71 crore as estimated in 1999-2000) in the country. The actual demand made by the Ministry for the Tenth Plan for the Scheme was Rs. 2000 crore for the entire Tenth Plan period (2002-2007), however, Rs. 541 crore had been allocated by Planning Commission

Utilization of funds

2.3 Under SJSRY, Central funds are allocated/distributed to the States/UTs in proportion to the incidence of urban poverty in that State/UT. The tentative allocation to every State/UT is made at the beginning of the year on that basis. However, the actual release of funds is made only after receipt of UCs for the earlier releases and

also the release of matching State share for the earlier releases, as per the prescribed criteria.

2.4 As intimated by the Ministry of Urban Employment and Poverty Alleviation upto 31.3.2005 the total unspent funds available with the States/UTs was Rs. 300.53 crore, which includes both Central and State shares under SJSRY. This includes the amount of Rs. 122.01 crore released to the States/UTs during the year 2004-2005.

2.5 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 states may be revised to 90:10 (Central : State) for the special category States, in the proposed modification of the guidelines of SJSRY.

2.6 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 NER 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.

Performance of the SJSRY

2.7 The Committee have been informed by the Ministry of Urban Employment and Poverty Alleviation that the following problems are experienced during the implementation of the SJSRY Scheme.

- Low budget provisions under the Scheme.
- Identification of genuine BPL beneficiaries.
- Non-flexibility in the Scheme guidelines.
- No scope for taking innovative projects.
- Non-release of State Share.
- Low priority given by the States to SJSRY Scheme in comparison to the rural programme.

2.8 On the question of low priority given by the States/Union Territories to SJSRY in comparison to the 'Rural Employment' programmes, the Ministry have stated in their written note that the main factor for this may be the low budget of the Scheme, which is able to cater to only a token segment of the urban poor. 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. During the year 2004-2005, a provision of Rs. 160.00 crore has been made for the Scheme as against Rs. 103.00 crore for the year 2004-2005.

2.9 However on the question of advancing the benefits to the targeted BPL families, it may be pointed out that the Comptroller and Auditor General of India in its Report (Civil) of 2001 in Chapter III regarding the Ministry of Urban Employment and Poverty Alleviation categorically observed that the Ministry had not been able to address satisfactorily the issue of targeting the urban families below poverty line for providing employment. Beneficiaries had been neither registered nor issued family cards. Employment had, therefore, been provided to unregistered workers and in most cases they either did not have family cards or where these were available, the employment details were not noted in them. Thus, there was no certainty whether the intended population, which was to be provided employment under the schemes was actually targeted in a comprehensive manner nor whether the persons provided employment has actually fulfilled the criteria for grant of wage employment. The Ministry's role was confined only to framing and circulating the guidelines to the State Governments, without ensuring compliance of the instructions so that benefits could flow to the targeted group, and funds properly utilized.

2.10 The Committee note that Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is the only urban poverty alleviation programme of the Ministry of Urban Employment and Poverty Alleviation directly providing employment opportunities to the urban unemployed or under employed living below the poverty line, which is estimated at 6.71 crore. The Committee further note that Rs. 541 crore were allocated to SJSRY during the 10th Five Year Plan as against the demand of Rs. 2000 crore made by the Ministry which, in the opinion of the Committee, is not adequate to meet the demands of the growing unemployment in the urban areas. The Committee recommend that priority should be given to SJSRY Scheme by the Government and adequate financial allocations should be made for this scheme so as to tackle the massive problem of growing unemployment in an effective manner.

2.11 The Committee note that upto 31.3.2005, States/UTs have total unspent funds to the tune of Rs. 300.53 crore, which includes both Central and State shares under SJSRY. The Committee fail to understand why such a huge amount remained unspent when there is also a move to augment the budgetary allocation due to financial crunch felt in the implementation of the programme. An indepth study is necessary to find out as to why the funds could not be utilized within the time limit. Non utilization of funds means that actual benefits do not reach the poor. This is a cause for concern. The Committee are of the view that such a huge amount of unspent balance is a serious matter and has an adverse effect on the overall performance of the Scheme. The Committee, therefore, urge the Ministry of Urban Employment and Poverty Alleviation to make strenuous efforts to motivate and direct the States/UTs for utilizing these unspent funds and furnish their utilisation certificates to the Ministry.

2.12 The Committee desire that the Ministry should ascertain the reasons as to why a few States find difficulty in providing their matching share on time under SJSRY and if their difficulties are genuine, the Ministry should resolve them by revising the guidelines of the Scheme.

2.13 The Committee are not satisfied to learn that the Ministry of Urban Employment and Poverty Alleviation have not fruitfully and effectively addressed the issue of targeting the urban families below poverty line for providing employment. This fact has also been highlighted by C&AG in its Report (Civil) of 2001, Chapter III that the Ministry has not been able to address satisfactorily the issue of targeting the urban families below poverty line for providing employment. The Committee need hardly emphasize that although SJSRY is a well-designed scheme based on community participation/ the actual potential of the programme is yet to be realized. Unfortunately, implementation efforts by local bodies in various States/UTs have encountered several roadblocks including lack of community leadership, poor finance from banks and delay in launching of 'Employment Generating' units under the scheme. The Committee, therefore, recommend that concerted efforts must be made by the Union Ministry to urge the States/UTs to effectively implement the SJSRY by passing on its benefit to the targeted BPL persons. The Committee also recommend that the Ministry should take proper follow-up action with the States/UTs to ensure compliance of Ministry's guidelines issued to the States/UTs on SJSRY from time to time.

2.14 In regard to low priority given to SJSRY as compared to the Rural Employment Schemes, the Ministry have stated that the main factor for this may be the low budget of the Scheme, which is able to cater to only a token segment of the urban poor. The Committee are, however, not convinced by this reply of the Ministry. The Committee recommend that concerted efforts should be made by the Union Ministry to grab the attention of the States/UTs for effective implementation of the employment generating schemes under SJSRY in their States/UTs to deal with the ever increasing problem of urban poverty.

CHAPTER III

COMPONENT-WISE ANALYSIS OF SWARNA JAYANTI SHAHARI ROZGAR YOJANA (SJSRY)

A. *The Urban Self Employment Programme (USEP)*

3.1 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 criteria for the purpose of prioritization within the BPL exist in the scheme.

(viii) **(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/-

3.2 The USEP programme encourages under-employed and unemployed urban youth to set up small enterprises relating to servicing, petty business and manufacturing, for which there is a lot of potential in urban areas. Local skills and local crafts are encouraged for this purpose. Each town has to develop a compendium of such projects/activities keeping in view cost, marketability, economic viability etc. To avoid duplication with the ongoing Prime Minister's Rozgar Yojana (PMRY), this component of SJSRY is confined to below poverty line beneficiaries who have got education upto Ninth standard with emphasis on those given a higher priority on the basis of the non-economic criteria.

3.3 Skill development through appropriate training is another element of USEP. It is intended to provide training to the urban poor in a variety of service and manufacturing trades as well as in local skills and local crafts so that they can set up self-employment ventures or secure salaried employment with enhanced remuneration. Training is also imparted in vital components of the service sector like the construction trade and allied services like carpentry and plumbing and also in manufacturing low cost building materials based on improved local technology. Services of the Building Centres sponsored by the HUDCO/BMTPC within the state may be utilized for this purpose, as per the local requirements.

3.4 Training institutions such as ITIs/Polytechnics/Shramik Vidyapeeths, Engineering Colleges and other suitable training institutions run by the Government, private or voluntary organizations are utilized and provided appropriate support for this purpose. In addition, the Building Centres existing within the states may also be utilized.

3.5 In a written note, the Ministry informed that four National level Training Institutes ;viz Human Settlements Management Institute (HSMI), New Delhi; Regional Centre for Urban and Environment Studies(RCUES), Mumbai; Regional Centre for Urban and Environment Studies (RCUES), Hyderabad and Institute of Local Government and Urban Studies (ILGUS), Kolkata have been identified by the Ministry for carrying out training/capacity building of the 'Project Functionaries' under SJSRY. In their training programmes, the training institutes, regularly, invite the experts as the faculty for the training courses.

3.6 When asked about the infrastructure support provided to the beneficiaries under USEP, the Ministry of Urban Employment Poverty Alleviation in a written note stated that special assistance is provided for setting up of community kendras that are used for multifarious activities such as work places/marketing centers etc. These Kendra are administrated on a day-to-day basis by the local Community Development Societies (CDSs). Land for such Seva Kendras is provided free of cost either by the local body or any other agency. Examples of infrastructural support are like setting up of Nagar Palika Sewa Kendras for construction and other activities like those provided by carpenters, plumbers, electricians, TV/radio/refrigerator mechanics who are available to city residents on call, provision of weekend markets/ evening markets in municipal grounds, or on road sides and technical assistance in relation to market surveys/trades, joint brand names/ designs and advertising.

3.7 On being asked about the role of the urban local bodies such as the Municipalities in capacity building of the urban local poor for schemes under SJSRY, the Ministry submitted in a written note that the urban local bodies arrange for training institutes. The Town Urban Poverty Alleviation cell at the urban local level has the overall responsibility for such skill training of beneficiaries.

3.8 The Committee note that skill development through appropriate training is one of the elements of USEP which intend to provide training to the urban poor in a variety of service and manufacturing trades as well as in local skills and local crafts so that they can set up self/employment ventures and secure salaried employment with enhanced remuneration. In this regard, the Committee recommend that skill oriented training to beneficiaries under the Scheme should be provided based on the suggestions of the CDSs, which are suitable with the local conditions and marketable activities of the region. The Committee are of the firm view that a positive correlation needs to be developed between the number of persons trained and the number of persons employed/ setting-up micro enterprises, so as to keep them motivated as well as making the 'Training Courses' more result oriented. The Committee recommend that if necessary, suitable amendments be carried out in the governing rules so that a target number of trained persons set-up units or engage in activities under the SJSRY schemes.

3.9 The Committee also desire that the Government should work out the strategy to utilize the services of employment exchanges in the urban areas, which can act as the focal point for placement of unemployed youth who would be trained under SJSRY. The person so trained under SJSRY should be issued training cards/certificates which could help them in availing loans from the banks/financial institutions.

3.10 The Committee note that special assistance is provided for setting up of community kendras that are used for multifarious activities such as work places/marketing centres etc. The Committee desire that such Community kendras should be strengthened and further diversified. These Community Kendras must be effectively utilized for display and marketing of products manufactured by Self-Help Group and micro-units under the SJSRY schemes.

3.11 The Committee also desire that training budget of Rs. 2000/- per participant under the USEP should be increased and successful micro entrepreneurs should be associated for imparting 'Enhancement Courses of Skill training. The Ministry of Urban Employment and Poverty Alleviation must regularly analyse the training needs of the beneficiaries in consultation with the State level authorities specially the Town Urban Poverty Alleviation Cells in the States/UTs so as to extend the scope of coverage of this centrally sponsored self-employment scheme.

House-to-house survey for identification of beneficiaries

3.12 Under the scheme, house-to-house surveys for identification of the genuine beneficiaries below the poverty line is done by the State Governments. Non-economic parameters are also applied to identify urban poor in addition to the economic criteria of the urban poverty line. Community Structures like CDSs are involved in this task under the guidance of the Town Urban Poverty Eradication Cell/ Urban Local Bodies. Lists of beneficiaries finalized are displayed at the Urban Local Body Office as also in the concerned local areas. For ease of operation, if desired, the house-to-house survey and beneficiary identification can be got done by the State nodal agency through any identified body at the ULB/community level specially empowered in this behalf.

3.13 As per the guidelines of SJSRY, house to house survey can be got done by the State nodal agency through any identified body at the ULB/Community level, including NGOs/Voluntary organizations, specially empowered in this behalf.

3.14 As reported by the Ministry of Urban Employment and Poverty Alleviation upto 31.3.2005, out of the total 3799 towns in the country, house to house survey has been carried out only in 3536 towns thus leaving 263 towns behind.

3.15 The Committee note that under the Scheme, house-to-house surveys for identification of the genuine beneficiaries below the poverty line is done by the State Governments. Non-economic parameters are also applied to identify urban poor in addition to the economic criteria of the urban poverty line. The Committee also note that upto 31.3.2005, out of the total 3799 towns in the country, house-to-house survey has been carried out only in 3536 towns thus leaving 263 towns unsurveyed. The Committee are of the opinion that without proper identification of genuine beneficiaries, it would be difficult to effectively implement and assess the actual performance of the SJSRY Scheme. Non-availability of BPL list and lack of transparency in compilation and dissemination of the lists would definitely hamper the successful implementation of the urban poverty alleviation programme like SJSRY. Once the BPL list has been finalised, the same should be widely publicized as in case of voters list for the general information of public with specific economic and other parameters used to identify the genuine persons for inclusion in the list. The Committee, therefore, recommend that the Ministry of UEPA should impress upon the State Governments to conduct house-to-house survey in the remaining 263 towns at the

earliest and for this purpose, services of NGOs ,VOs and Community Based Organisation should also be availed. The Committee would like to be apprised about the action taken in this regard.

B. Development of Women and Children in Urban Areas (DWCUA)

3.16 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.

3.17 This scheme is distinguished by the special incentive extended to urban poor women who decide to set up self employment ventures in a group as opposed to individual effort. Groups of urban poor women take up an economic activity suited to their skill, training, aptitude and local conditions. Besides generation of income, this group strategy strives to empower the urban poor women by making them independent as also providing a facilitating atmosphere for self employment.

3.18 To be eligible for subsidy under this scheme, the DWCUA group should consist of at least 10 urban poor women. Before starting income generating activity, the group members must got to know each other well, understand the group strategy, and also recognize the strength and the potential of each member of the group. The group also selects its own activity. Care is taken for selecting the activity because the future of the group rests wholly on an appropriate selection. As far as possible, activities be selected out of an identified

shelf of projects for that area maintained by the Town Urban Poverty Eradication Cell. In addition, every effort is made to encourage the group to set itself as a Thrift and Credit society.

3.19 The DWCUA group Society is entitled to a subsidy of Rs. 1,25,000/- or 50% of the project cost whichever is less. Where the DWCUA group sets itself as a Thrift and Credit society, in addition to its other entrepreneurial activity, the group/Thrift and Credit society is also entitled to a lump sum grant of Rs25,000/- as revolving fund at the rate of Rs.1000 maximum per member. This revolving fund is available to a simple Thrift and Credit Society also, even if the society is not engaged in any project activity under DWCUA.

3.20 When asked about the provisions made for the forward and backward linkages to DWCUA groups, the Ministry of Urban Employment and Poverty Alleviation in a written note stated that it is for the State Governments to work out such linkages in accordance with the Guidelines of the Scheme, which stipulate that in selection of the trades by the DWCUA Groups, local skills and local crafts are encouraged under the Scheme. Each town has to develop a compendium of such activities keeping in view the cost, marketability, economic viability etc.

3.21 When asked about the steps taken by the Ministry of Urban Employment and Poverty Alleviation to publish the success stories of DWCUA groups particularly of Kudumbashree so as to motivate the others, the Ministry of Urban Employment and Poverty Alleviation in a written note submitted 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 in Kudumbashree of Kerala State from the current year.

3.22 The Ministry stated that the model of Kudumbashree has been impressed upon all the Northern States and Officials of the Northern States are encouraged to have study visits to Kerala to get the first hand knowledge of the effective implementation of the Scheme. The success story of Kerala has been given wide publicity by the Kudumbashree by circulating the documentations of its achievements.

3.23 When asked as to whether there is any proposal to increase subsidy component in USEP component the Ministry Urban Employment and Poverty Alleviation stated in a written reply that in

the proposed modifications of the guidelines of the SJSRY, the ceiling of the project cost in individual cases has been increased to a maximum of Rs. 1 lakh. However, to ensure that the total flow of subsidy under the scheme does not increase substantially, it is proposed to have a slab system of subsidy so that the projects costing up-to Rs. 50,000/- the project subsidy will remain same as 15%. For the projects costing Rs. 50,000/- to Rs. 75,000/- the proposed subsidy will be fixed as Rs. 75,00/- and for the projects costing Rs. 75,000/- to Rs. 1,00,000/- , the proposed subsidy will be 10% of the project cost. Thus though the actual amount of subsidy is increased from Rs. 7500/-, for the projects costing between Rs. 75000/- to Rs. 100000/- the percentage is decreased from 15% to 10%.

3.24 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.

3.25 The Committee note that DWCUA Scheme is distinguished by the Special incentive extended to urban poor women, who decide to set-up self employment ventures in a group comprising of at least ten women. The Committee feel that there is a need to review the said condition as sometimes this precondition of having atleast ten women to constitute a group hampers the formation of DWCUA group for lack of prerequisite number. The Committee recommend that the viability of keeping the condition of minimum number of members in DWCUA, should be explored by the Ministry expeditiously. The Committee are of the firm view that more number of DWCUA groups would be formed if this norm of stipulated groups number is relaxed. The Committee also note that State Governments work out forward and backward linkages in accordance with the guidelines of the Scheme concerning the DWCUA groups. The Committee desire that integration to the extent possible should be forged between urban self help groups under DWCUA and rural self help groups so that urban SHGs under DWCUA could be engaged in the marketing of products produced by rural SHGs or vice-versa.

3.26 The Committee, further desire that innovative areas of employment as has been developed in the State of Kerala under Kudumbashree programme need to be emulated in other States and best practices/success stories of DWCUA groups should be given wide publicity.

Micro Credit Facilities available to the beneficiaries and the Role of Banks

3.27 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.

3.28 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.

3.29 The Ministry of Urban Employment and Poverty Alleviation in a written note submitted that the Banks are many a time reluctant to lend to urban poor *inter alia* due to non-availability of stable address. Therefore, micro-credit through Micro-Finance Institutions (MFIs)/NGOs with support from SIDBI, RMK and NABARD becomes important. However it is a fact that presently available micro-credit is inadequate and needs to be upscaled.

3.30 When asked about the reasons for rejection of applications under SJSRY by the banks the Ministry of Finance (Financial Sector) in their written note stated that the reasons reported by Scheduled Commercial Banks for rejection for applications under SJSRY Scheme are:-

- Lack of co-ordination among implementing agencies.
- Poor quality of loan applications.
- Bunching of loan applications in the last quarter of the year.
- Revision of targets after the year begins.
- Lack of publicity for the Scheme.
- Lack of awareness among the borrower regarding repayment ethics.
- Delay in releasing of subsidy.

3.31 The rate of interest charged by the Banks for the SJSRY proposals, is decided by the Reserve Bank of India time to time, for its "priority sector lending". Sometimes, it varies for the different trades keeping in view the viability of projects as well as repaying capacity.

3.32 When asked about the steps taken to ensure that the beneficiaries of SJSRY get easy and timely access to towns from the banks the Ministry of Finance (Financial sector) in their written note stated that the Reserve Bank of India issues detailed instructions in the form of 'master circular' every year. The last such circular was issued on September 06, 2004 and is available at RBI website rbi.org.in. The instructions include various features of the SJSRY Scheme, process for monitoring and review, process for rejection, administration of subsidy etc. The instructions have been kept to the bare minimum so that suitable operational flexibility is available to the Banks. In brief, the RBI has advised that:

- Loans sanctioned under SJSRY should be treated as advances under priority sector.
- Loan applications should be disposed of within a fortnight for loans up to Rs. 25,000/- and those for credit limits above Rs. 25,000/- within 8 to 9 weeks.
- Steps should be initiated to ensure that documentation process is kept simple to avoid hardship to the beneficiaries and consequent delay in disposal of applications.
- Applications should not be rejected on flimsy grounds. In case of rejection of application, reasons for rejection of application should invariably be recorded.

3.33 On receipt of specific complaints from beneficiaries regarding non-co-operation of banks in extending loans to them, RBI takes up the matter with the concerned banks for redressal of grievances of the beneficiaries. Further, the RBI instructions stipulate that:

- A. Banks should establish a machinery at the regional offices to entertain complaints from the borrowers if the branches do not follow these guidelines, and to verify periodically that these guidelines are implemented by the branches in actual practice.
- B. The names and addresses of the officer with whom complaints can be lodged should be displayed on the notice board of every branch.

3.34 To address the issue of providing micro-finance to the urban poor in a holistic manner, a Task Force under the chairmanship of Secretary (Urban Employment & Poverty Alleviation) has been set up in the Ministry of Urban Employment & Poverty Alleviation. The Task Force is expected to provide its report shortly.

3.35 The Committee note that credit facilities are available to the eligible BPL beneficiaries who are desirous of setting up self-employment ventures under USEP component of SJSRY and 95% of the project cost is sanctioned as composite loan by the banks to the beneficiaries. The Committee also note that banks are many a times reluctant to lend to urban poor due to a number of reasons and presently available micro-credit is inadequate and needs to be upscaled. The Committee desire that the Government should set up a parallel funding mechanism/agency just like NABARD to specifically address the needs and the issues of funding and loaning of the urban poor under SJSRY and for this purpose either SIDBI should be strengthened or some parallel mechanism should be set up so that the urban poor can have easy access to micro finance.

3.36 The Committee also desire that all issues related to non-cooperation by banks regarding sanctioning and disbursement of loan to the beneficiaries under SJSRY should be sorted out in close coordination with the State level Banker's Committee, Ministry of Finance, RBI and the commercial Banks by holding periodical and timely meetings.

3.37 The Committee note that to address the issue of providing micro-finance to the urban poor in a holistic manner, a Task Force under the chairmanship of Secretary (UEPA) has been set up in the Ministry of Urban Employment and Poverty Alleviation. The Task Force is expected to present its report shortly. The Committee hope that the report of the Task Force would provide formulation for a viable micro-credit mechanism for the urban poor and would strengthen the existing micro-credit financing institutions to provide finance to encourage self employment among the urban poor.

C. The Urban Wage Employment Programme (UWDEP)

3.38 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 utilizing 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 lakh 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.

3.39 As per the Guidelines of the Scheme of Swarna Jayanti Shahari Rozgar Yojana (SJSRY), under UWEP, wage employment is provided to the urban poor living below the poverty line within the jurisdiction of the urban local bodies by utilizing their labour for the construction of socially and economically useful public assets. However, this condition of employing the local urban poor is only for the works being executed under UWEP. For routine municipal works in an area, the ULBs may or may not be employing the local urban poor depending upon the cheap labour available sometimes from the rural migrants.

3.40 Under UWEP component of SJSRY, the socially and economically useful public assets are constructed for the community. The selection of the work is done by the Community development Society, itself, keeping in view the necessity and also the local conditions in the area. Therefore, full flexibility is provided to the communities for selecting such works.

The wage employment provided under UWEP is not of sustainable in nature and it provides only temporary employment.

3.41 The Committee note that UWEP 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. The Committee also note that the wage employment provided under UWEP is not sustainable in nature and it provides only temporary employment. The Committee desire that UWEP Component of SJSRY need to be used only for building Community assets and infrastructure relating to the urban poor and not general municipal works as this would ensure improvement in the civic amenities meant for urban poor. The Committee further desire that for providing sustainability of employment under UWEP to the

beneficiaries, the beneficiaries should be equipped with the sustainable level of skill for self employment. The Committee recommend that UWEP must be strengthened in such a way that the schemes under UWEP provide maximum employment opportunities to the unorganized sector of labour in the country.

3.42 The Committee note that under UWEP the material labour ratio for works is to be maintained at 60:40. The Committee desire that material labour ratio flexibility should be provided to States so as to suit their local conditions and requirements so as to make the UWEP schemes more practical and progressive.

D. *Information, Education and Communication (IEC) and Community Structure Components*

3.43 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 took 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.

3.44 In a written note the Ministry of Urban Employment and Poverty Alleviation submitted 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. 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.

3.45 The Ministry is planning this year a comprehensive Media Plan for advertising the Scheme of SJSRY through DAVP and other agencies. In addition to this documentation of best practices under SJSRY is also done at ULB/State/National level and given wide publicity through circulation in the States/UTs for generating awareness about the Scheme.

3.46 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.

3.47 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.

3.48 When asked about the participation of private companies in providing training to the unemployed urban youth under SJSRY the Ministry of Urban Employment and Poverty Alleviation in a written reply stated that involvement of private companies and other public corporations for training to the unemployed youth under SJSRY may be a good concept. However, this needs critical examination as the administrative cost and other expenditures charged by the private sector may be too high. Moreover, local institutions like ITIs/Polytechnics/ Building Centres etc. are already involved in providing skill training under SJSRY.

3.49 When asked about the role of NGOs in providing skill training under SJSRY the Ministry of Urban Employment and Poverty Alleviation in a written note stated that NGOs can be associated under SJSRY at the CDS level for generating awareness among the poor as well as for providing skill training to the urban poor. However, it is a fact that due to absence of any financial assistance for the NGOs under SJSRY, contribution of NGOs is very little in the implementation of the Scheme.

3.50 The Committee note that under Information, Education and Communication (IEC) component of SJSRY, upto 2% of the allocation at the State/UT level is retained for the capacity building of 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. The Committee also note that four national level training institutes have been identified by the Ministry of Urban Employment and Poverty Alleviation for carrying out training/capacity building of the project functionaries under SJSRY. The Committee desire that funds allocation under IEC component should be increased and regular capacity building exercises, training of project functionaries and officials involved in the implementation of the Scheme by associating the national level training institutes, which have been identified by the Ministry, should be undertaken.

3.51 The Committee further desire that community structures created under the SJSRY should be fully involved in the activities under the Scheme, including selection and implementation of works, thrift and credit groups and group economic activities etc. Sensitisation programmes for the implementing agencies should be conducted regularly. Specific provisions for involvement of NGOs for training programmes should be incorporated in the Scheme. If necessary, the Government should also explore the feasibility of participation of private companies in providing training to the beneficiaries under SJSRY.

3.52 The Committee note that documentation of best practices in the field of poverty alleviation is one of the most important activity under the IEC component. In respect of documentation and dissemination of information, the Secretary, Ministry of Urban Employment and Poverty Alleviation has admitted that this area has been weak. The Secretary also admitted that the dissemination of replicable projects needed to be stepped up. Lack of documentation of the viable projects by the States is also one of the weak areas. The Committee also note that the Ministry of UEPA is planning this year a comprehensive Media Plan for advertising SJSRY through DAVP and other agencies. The documentation of best practices under SJSRY is also being done at ULB/State/National level and publicised widely through circulation in the States/UTs for generating awareness about the Scheme. The Committee would like to be kept informed about further steps taken in this direction. The Committee also desire that the Government should make earnest efforts in association with the National/State/ULB level functionaries and NGOs in propagation and dissemination of success stories and best practices under SJSRY Scheme. Wide publicity about the scheme should be given in the vernaculars also so as to generate awareness of the Scheme amongst the urban poor.

Physical progress under SJSRY

3.53 During the 9th Plan, no State-wise physical targets were prescribed under the 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 up gradation of 5 Lakh below poverty line persons has been fixed.

3.54 As reported by the Ministry of Urban Employment and Poverty Alleviation upto 31.3.2005, 6,90,721 micro-enterprises have been set up for assisting the urban poor for self-employment, 7,01,096 persons have been imparted skill training and 532.50 lakhs of mandays of work have been generated under the wage employment component.

3.55 The year-wise and State-wise details of the number of urban poor assisted to set up micro-enterprises, number of persons given skill training and number of mandays of works generated under wage employment component of SJSRY, for the last three years is given at ANNEXURE-A

3.56 The number of mandays of work generated under the Urban Wage Employment Programme during the last 5 years, State-wise and year-wise, is given at ANNEXURE-B. The information also contains the details for the first three years of the 10th Plan *i.e.* 2002-2003, 2003-2004 and 2004-2005.

3.57 The Ministry of Urban Employment and Poverty Alleviation in a written note 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 has been fixed for 2005-2006.

3.58 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 three years of the Tenth Plan, as reported up to 31.3.2005, total 2,97,419 micro-enterprises have been set up and 3,27,399 beneficiaries have been provided skill training under USEP. Thus the annual achievement of targets is more than 100%. Therefore, the targets for the Tenth Plan are certainly achievable. States/UTs have been directed to formulate their annual action plans and fix their physical targets commensurate with the availability of funds under the Scheme and with reference to their local needs. Most of the States/UTs have responded positively.

3.59 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.

3.60 The Committee note that under SJSRY scheme no physical targets were fixed during the 9th Plan. However, in the 10th Plan, target of setting upto 4 lakh micro-enterprises and skill upgradation of 5 lakh has been fixed. For the year 2005-2006 the target of assisting 80,000 urban poor for setting up of micro enterprises for self-employment and providing skill training/upgradation to 100000 urban poor has been fixed. During the first three years of the 10th Plan upto 31.3.2005, a total of 2,97,419 micro-enterprises have been set up and 3,27,399 beneficiaries have been provided skill training under USEP. The Committee also note that low priority is given by the States to SJSRY Scheme in comparison to the rural Schemes. The Committee desire that for the assessment of the Scheme, annual physical targets under the Scheme should be fixed by the Municipal level functionaries in the States/UTs and such targets be adhered to. The Committee further desire that keeping in view the high magnitude of urban unemployment, the Government should encourage the States/UTs to give priority to this urban sector schemes as given by them to the rural Schemes by making the urban schemes innovative and more acceptable to them. The Committee recommend that the States/UTs, which are lagging behind in implementation of SJSRY schemes must be encouraged to improve their performance and the Government should ensure that proper physical progress is made by States/UTs and the funds made available to them are fully utilized.

Monitoring/Evaluation of SJSRY

3.61 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 the Ministry of Urban Employment and Poverty Alleviation on the basis of the problems faced by the States/UTs.

3.62 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.

3.63 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.”

3.64 When asked as to whether States/UTs are sending their quarterly progress reports on regular basis, the Ministry of Urban Employment and Poverty Alleviation in a written reply stated that most of the States/UTs are sending their quarterly progress reports on regular basis. However, some States like Goa, Jharkhand have not sent their QPRs since long. This Ministry is repeatedly reminding them but their response is awaited.

3.65 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.

3.66 On the periodicity of review meetings, the Ministry of Urban Employment and Poverty Alleviation in a subsequent note stated that the Meetings of High Level Monitoring Committee (HLMC) under SJSRY are required to be held once in six months. The last such meeting was held on 25.2.2005. Besides this review meetings are taken by senior Officers of the Ministry during their visits to the States/UTs.

3.67 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 at the advanced stage. The draft EFC Memo has been prepared and it has been sent to the Financial Advisor for their concurrence, before being circulated to all concerned for their comments. It is expected that the Guidelines may be revised within the next 6 months or so.

3.68 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.

3.69 The Ministry has enlisted five better performing and five bad performing States in the SJSRY scheme. The better performing States are Kerala, Karnataka, Haryana, Uttar Pradesh and Andhra Pradesh. The bad performing States are Jharkhand, Goa, Manipur, Delhi and Daman & Diu.

3.70 When asked about the main reasons given by the bad performing States regarding their slugging or non-implementation of the SJSRY scheme, the Ministry of Urban Employment and Poverty Alleviation in a written reply stated that in case of Manipur, the State Government has said that the Banks are not coming forward in sanctioning loans and, therefore, the Scheme is lagging behind. Jharkhand and Goa are not sending even Quarterly Progress Reports under SJSRY. No report has been received from Jharkhand since the formation of the State despite repeated reminders from the Ministry. The UTs of Delhi and Daman & Diu have not responded the concerns of the Ministry and request for sending their officers to the Ministry for the review of the Scheme.

3.71 The Ministry of Urban Employment and Poverty Alleviation experienced following problems during the implementation of the SJSRY:

- (i) Low budget provision under the Scheme.
- (ii) Identification of genuine BPL beneficiaries.
- (iii) Non-flexibility in the Scheme guidelines.
- (iv) No scope for taking innovative projects.

- (v) Non-release of State share.
- (vi) Non-fixation of physical targets.
- (vii) Low priority given by the States to this Scheme in Comparison to the rural programmes.
- (viii) Frequent transfers of the project functionaries.
- (ix) Delay in acceptance/rejection of applications by banks.
- (x) Reluctance of the banks in extending loans.
- (xi) Non-repayment of loans by the beneficiaries in time.
- (xii) Poor-scrutiny of project applications by project functionaries.
- (xiii) Lack of documentation of the viable projects by the States.
- (xiv) Lack of appropriate linkage between the skill training and setting up of the Micro-enterprises.

3.72 The Ministry of Urban Employment and Poverty Alleviation proposed the following modification in guidelines of the SJSRY for its effective implementation.

- Financial pattern of the Scheme- no change except in the case of 11 special category States for which the proposed ratio is 90:10 between the Centre and States.
- Educational Qualifications – No educational level to be prescribed.
- Project ceiling cost to be raised upto to Rs. 1 Lakh.
- Project subsidy to be raised to Rs. 15000/- or 15% of the project cost whichever is lower. For special Category States, subsidy may be 30% of the project cost or Rs. 30,000/- whichever is lower.
- Project subsidy for DWCUA Group to be raised to Rs. 2 lakh or 50% of the project cost, whichever is less.
- Training cost to be raised to Rs. 5000/- per head and average cost per person limited to Rs.3500/-.
- Tool Kit- to be raised from Rs. 600/- to Rs. 1000/- per trainee.
- Material – labour ratio – flexibility to the States.
- Formation of DWCUA Group – minimum to be reduced to 5.

- Allocation under A&OE to be increased .
- NGOs involvement- Specific provisions for involvement of NGOs in the Scheme.
- Micro Credit-flexibility to States for involving FIs/Co-operatives/NGOs under USEP Component.
- Innovative projects-specific budgetary provisions for such projects under the Scheme similar to those under SGSY.

3.73 The Committee note that 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. Most of the States/UTs are sending their quarterly progress reports on regular basis. The Committee are perturbed to learn that some States like Goa, Jharkhand and Delhi have not sent their quarterly progress reports since long on the implementation of this important self employment scheme for urban poor. The Committee desire that States like Goa, Jharkhand, Delhi and other bad performing States which are not sending their quarterly progress reports since long should be impressed upon to send their quarterly progress reports timely so that actual impact of SJSRY Scheme could be properly assessed in these States. If required, the Ministry should take this matter at the Minister/Chief Secretary level of the concerned States.

3.74 The Committee are also distressed to learn that Delhi is one of the States, which has not undertaken projects under the SJSRY, although the GNCT of Delhi is facing an ever-increasing urban unemployment and problems in employment opportunities for the unorganized Sector of labour. The Committee strongly recommend that corrective action be taken by the Government in coordination with GNCT of Delhi so as to undertake SJSRY projects in a wholesome manner.

3.75 The Committee note that concurrent evaluation of SJSRY in seven States has been 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 the last year. The Study is likely to be completed during the 2005-2006. The Committee recommend that the Ministry should strengthen the monitoring of the Scheme at both the Central and State levels by conducting regular field visits by senior officers of the Ministry. As regards the concurrent evaluation

of the Scheme, the Committee desire that the Ministry should take necessary action to have the Concurrent evaluation study completed at the earliest.

3.76 The Committee note that the modification of guidelines of the SJSRY Scheme is at an advanced stage on the basis of the problems being faced by the States/UTs. The draft Expenditure Finance Committee (EFC) memorandum has been prepared and it has been sent to the Financial Adviser for their concurrence before being circulated to all concerned for their comments. The Committee desire that the revised guidelines of the Scheme be finalized at the earliest after taking into consideration the views of all concerned with the implementation of the Scheme. The Committee hope that the revised guidelines of the Scheme would be flexible, innovative and would be able to cater to the requirements of the urban poor to a large extent. These new revised guidelines of the Scheme should be effective enough in removing the hurdles experienced in the implementation of this Scheme.

3.77 The Committee trust that the Ministry would make sincere efforts to remove/plug all the shortcomings/lacunae noticed in the Scheme and make the modifications in the guidelines of the Scheme as proposed by them at the earliest for the effective implementation of the Scheme.

NEW DELHI;
28 July, 2005
6 Sravana, 1927 (Saka)

MOHD. SALIM
Chairman,
Standing Committee on Urban Development

ANNEXURE-I

NUMBER OF BENEFICIARIES UNDER SJSRY

Sl. 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	2002-03	2003-04	2004-05	2002-03	2003-04	2004-05
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	1150	633	548	4638	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	340	168	625	1020	0.00	0.00	0.00
10.	Jammu & Kashmir	3150	681	1265	3936	838	1748	0.07	0.08	9.29
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	0.51

1	2	3	4	5	6	7	8	9	10	11
21.	Punjab	970	724	416	1605	1302	1838	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
24.	Tamil Nadu	15628	3920	2356	1742	3033	4369	1.19	2.24	0.53
25.	Tripura	549	347	598	485	765	4783	0.14	0.42	0.090
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.	Andaman and Nicobar Islands	2	1	0	0	0	0	0.29	1.58	0.43
30.	Chandigarh	53	45	28	205	242	432	0.00	0.00	-
31.	Dadra and Nagar Haveli	20	0	10	86	0	98	0.13	0.04	0.00
32.	Daman and Diu	0	0	0	0	0	0	0.00	0.00	0.00
33.	Delhi	324	72	142	325	155	0	0.00	0.00	-
34.	Pondicherry	652	1070	0	43	1774	0	0.02	0.39	1.46
	Total	127880	100903	68636	99411	121594	106394	31.26	49.74	35.18

ANNEXURE II

UWEP COMPONENT OF SJSRY
YEAR-WISE No. OF MANDAYS OF WORK GENERATED
(IN LAKHS)

Sl.No.	Name of States/ UTs	10th Five Year Plan				
		2000-01	2001-02	2002-03	2003-04	2004-05
1	2	3	4	5	6	7
1.	Andhra Pradesh	68.65	3.17	1.70	1.94	5.85
2.	Arunachal Pradesh	0.00	0.19	0.71	3.07	3.59
3.	Assam	2.80	0.43	0.65	1.23	0.94
4.	Bihar	13.38	0.00	0.00	0.00	0.00
5.	Chhattisgarh	0.00	0.00	0.00	3.73	0.00
6.	Goa	0.02	0.75	0.00	0.00	0.00
7.	Gujarat	3.68	3.71	1.06	7.94	0.16
8.	Haryana	0.43	0.46	0.10	0.36	0.17
9.	Himachal Pradesh	1.39	0.67	0.00	0.00	0.00
10.	Jammu & Kashmir	0.51	0.01	0.07	0.08	9.29
11.	Jharkhand	0.00	0.00	0.00	0.00	0.00
12.	Karnataka	14.96	20.45	4.67	7.56	1.24
13.	Kerala	0.00	0.00	0.11	0.04	0.08
14.	Madhya Pradesh	3.33	2.68	1.81	0.74	0.74
15.	Maharashtra	4.80	7.17	5.93	3.19	0.53
16.	Manipur	0.00	0.00	0.00	0.90	0.00
17.	Meghalaya	0.00	0.00	1.00	0.58	0.00
18.	Mizoram	0.93	0.00	0.00	3.66	0.00
19.	Nagaland	0.67	0.00	0.13	0.32	0.00
20.	Orissa	3.50	0.19	3.37	0.92	0.51
21.	Punjab	0.79	0.82	0.03	0.45	0.19

1	2	3	4	5	6	7
22.	Rajasthan	10.49	2.56	3.82	1.69	0.26
23.	Sikkim	0.39	0.44	0.30	0.55	5.91
24.	Tamil Nadu	16.36	3.96	1.19	2.24	0.53
25.	Tripura	0.10	0.97	0.14	0.42	0.00
26.	Uttaranchal	0.00	0.00	0.00	0.07	0.00
27.	Uttar Pradesh	14.02	5.34	3.12	3.63	1.76
28.	West Bengal	4.86	2.85	0.91	2.42	1.54
29.	Andaman & Nicobar Islands	0.22	0.47	0.29	1.58	0.43
30.	Chandigarh	-	-	-	-	-
31.	Dadra and Nagar Haveli	0.08	0.05	0.13	0.04	0.00
32.	Daman & Dev	0.00	0.00	0.00	0.00	0.00
33.	Delhi	-	-	-	-	-
34.	Pondicherry	0.00	0.00	0.02	0.39	1.46
	Total	166.36	57.34	31.26	49.74	35.18

ANNEXURE III

COMMITTEE ON URBAN DEVELOPMENT (2004-2005)

MINUTES OF THE NINTH SITTING OF THE COMMITTEE HELD
ON THURSDAY, THE 17TH FEBRUARY, 2005

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room
'D', Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri P. Mohan
4. Shri Amitava Nandy
5. Shri Mahendra Prasad Nishad
6. Shri D. Vittal Rao
7. Shri Sajjan Kumar
8. Shri Sudhangshu Seal
9. Shri Ravi Prakash Verma

Rajya Sabha

10. Smt. Syeda Anwara Taimur
11. Shi Jayantilal Barot
12. Shri Laxminarayan Sharma
13. Shri Prasanta Chatterjee
14. Shri Shahid Siddiqui
15. Shri Faqir Chand Mullana

SECRETARIAT

1. Shri P. D. T. Achary — *Secretary*
2. Shri K. Chakraborty — *Director*
3. Smt. Neera Singh — *Under Secretary*

**Representatives of the Ministry of Urban Employment
and Poverty Alleviation**

1. Smt. Chitra Chopra, Secretary
2. Shri Pankaj Jain, Joint Secretary

2. At the outset, the Chairman welcomed the members and the representatives of the Ministry. He indicated in brief some of the major problems being faced in the implementation of the SJSRY. He requested the Ministry to enlighten the Committee as to how the Ministry would address these problems. The Chairman then drew the attention of the representatives of the Ministry to the provision of direction 55(1) of the Directions by the Speaker.

3. Thereafter, the representative of the Ministry made an audio-visual presentation before the Committee on the SJSRY. The representatives of the Ministry clarified to the queries of the members.

A verbatim record of the proceedings was kept.

The Committee then adjourned.

ANNEXURE IV

COMMITTEE ON URBAN DEVELOPMENT (2004-05)

MINUTES OF THE SIXTEENTH SITTING OF THE COMMITTEE
HELD ON TUESDAY, 3 MAY, 2005

The Committee sat from 1430 hrs. to 1545 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Pawan Kumar Bansal — *In the Chair*

MEMBERS

Lok Sabha

2. Shri Surendra Prakash Goyal
3. Shri P. Mohan
4. Shri Amitava Nandy
5. Shri Devidas Anandrao Pingale
6. Shri L. Rajgopal
7. Shri Sajjan Kumar
8. Shri Sudhangshu Seal

Rajya Sabha

9. Shri B. K. Hariprasad
10. Smt. Syeda Anwara Taimur
11. Shri Nandi Yellaiah

SECRETARIAT

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

(i) Representatives of Ministry of Finance (Financial Sector) & RBI

1. Shri Vinod Rai, Additional Secretary
2. Dr. K. B. L. Mathur, Economic Adviser
3. Shri G. Srinivasan, CGM, RBI

(ii) Ministry of Urban Employment and Poverty Alleviation

1. Smt. Chitra Chopra, Secretary
2. Shri Pankaj Jain, Joint Secretary (H)

2. As the Chairman was away due to some urgent work, the Committee chose Shri Pawan Kumar Bansal, M.P. to act as Chairman for the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Chairman welcomed the representatives of the Ministry of Finance (Financial Sector) and the Ministry of Urban Employment and Poverty Alleviation to the sitting of the Committee. The Chairman, thereafter, outlined in brief some of the major hurdles being faced in the implementation of 'Swarna Jayanti Shahari Rozgar Yojana' (SJSRY). He requested the Ministry of Finance (Financial Sector) to indicate as to how effectively they could address these problems. The Chairman, then drew the attention of the representatives of both the Ministries to the provision of direction 55(1) of the Directions by the Speaker.

4. The Committee then took oral evidence of the representatives of the Ministry of Finance (Financial Sector) and the Ministry of Urban Employment and Poverty Alleviation on the Subject 'Swarna Jayanti Shahari Rozgar Yojana' SJSRY. The Committee discussed in detail the various issues related to the above subject. The representatives of both the Ministries clarified to the queries raised by the members.

5. A verbatim record of the proceedings was kept.

The Committee then adjourned.

ANNEXURE V

COMMITTEE ON URBAN DEVELOPMENT (2004-2005)

MINUTES OF THE TWENTY FIRST SITTING OF THE
COMMITTEE HELD ON THURSDAY, 28 JULY 2005

The Committee sat from 1500 hrs. to 1600 hrs. in Room No. '139'
Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Avtar Singh Bhadana
3. Shri Surendra Prakash Goyal
4. Shri Amitava Nandy
5. Shri Sudhangshu Seal
6. Shri Suresh Ganpatrao Wagmare
7. Shri Baleshwar Yadav

Rajya Sabha

8. Shri B. K. Hariprasad
9. Shri Varinder Singh Bajwa
10. Shri Nandi Yellaiah
11. Shri Jayantilal Barot
12. Shri Laxminarayan Sharma
13. Shri Urkhao Gwra Brahma

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*

2. At the outset, the Chairman welcomed the members to the sitting of the Committee. The Committee first took up for consideration the draft report on the subject 'Swarna Jayanti Shahari Rozgar Yojana' (Ministry of Urban Employment and Poverty Alleviation). After deliberation, the Committee adopted the draft report with slight modifications.

3. The Committee then took up for consideration Memorandum No. 4 regarding draft Report on the action taken by the Government on the recommendations contained in the Third Report (Fourteenth Lok Sabha) of the Committee on 'Implementation of Part IX A of the Constitution' (Ministry of Urban Development). After deliberation the Committee adopted the draft report without any modifications.

4. The Committee then authorised the Chairman to finalise both the Reports on the basis of factual verification from the concerned Ministries and present the same to both the Houses of Parliament.

5. The Chairman, thereafter, thanked all the members of the Committee and the Officials of the Lok Sabha Secretariat attached to the Committee for their active cooperation and support extended by them during the tenure of the Committee (2004-2005).

The Committee then adjourned.

ANNEXURE VI

STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

Sl.No.	Para No.	Recommendations/Observations
1	2	3
1.	2.10	The Committee note that Swarna Jayanti Shahari Rozgar Yojana (SJSRY) is the only urban poverty alleviation programme of the Ministry of Urban Employment and Poverty Alleviation directly providing employment opportunities to the urban unemployed or under employed living below the poverty line, which is estimated at 6.71 crore. The Committee further note that Rs. 541 crore were allocated to SJSRY during the 10 th Five Year Plan as against the demand of Rs. 2000 crore made by the Ministry which, in the opinion of the Committee, is not adequate to meet the demands of the growing unemployment in the urban areas. The Committee recommend that priority should be given to SJSRY Scheme by the Government and adequate financial allocations should be made for this scheme so as to tackle the massive problem of growing unemployment in an effective manner.
2.	2.11	The Committee note that upto 31.3.2005, States/UTs have total unspent funds to the tune of Rs. 300.53 crore, which includes both Central and State shares under SJSRY. The Committee fail to understand why such a huge amount remained unspent when there is also a move to augment the budgetary allocation due to financial crunch felt in the implementation of the programme. An indepth study is necessary

1	2	3
		<p>to find out as to why the funds could not be utilized within the time limit. Non utilization of funds means that actual benefits do not reach the poor. This is a cause for concern. The Committee are of the view that such a huge amount of unspent balance is a serious matter and has an adverse effect on the overall performance of the Scheme. The Committee, therefore, urge the Ministry of Urban Employment and Poverty Alleviation to make strenuous efforts to motivate and direct the States/UTs for utilizing these unspent funds and furnish their utilisation certificates to the Ministry.</p>
3.	2.12	<p>The Committee desire that the Ministry should ascertain the reasons as to why a few States find difficulty in providing their matching share on time under SJSRY and if their difficulties are genuine, the Ministry should resolve them by revising the guidelines of the Scheme.</p>
4.	2.13	<p>The Committee are not satisfied to learn that the Ministry of Urban Employment and Poverty Alleviation have not fruitfully and effectively addressed the issue of targeting the urban families below poverty line for providing employment. This fact has also been highlighted by C&AG in its Report (Civil) of 2001, Chapter III that the Ministry has not been able to address satisfactorily the issue of targeting the urban families below poverty line for providing employment. The Committee need hardly emphasize that although SJSRY is a well-designed scheme based on community participation/ the actual potential of the programme is yet to be realized. Unfortunately, implementation</p>

efforts by local bodies in various States/UTs have encountered several roadblocks including lack of community leadership, poor finance from banks and delay in launching of 'Employment Generating' units under the scheme. The Committee, therefore, recommend that concerted efforts must be made by the Union Ministry to urge the States/UTs to effectively implement the SJSRY by passing on its benefit to the targeted BPL persons. The Committee also recommend that the Ministry should take proper follow-up action with the States/UTs to ensure compliance of Ministry's guidelines issued to the States/UTs on SJSRY from time to time.

5. 2.14 In regard to low priority given to SJSRY as compared to the Rural Employment Schemes, the Ministry have stated that the main factor for this may be the low budget of the Scheme, which is able to cater to only a token segment of the urban poor. The Committee are, however, not convinced by this reply of the Ministry. The Committee recommend that concerted efforts should be made by the Union Ministry to grab the attention of the States/UTs for effective implementation of the employment generating schemes under SJSRY in their States/UTs to deal with the ever increasing problem of urban poverty.
6. 3.8 The Committee note that skill development through appropriate training is one of the elements of USEP which intend to provide training to the urban poor in a variety of service and manufacturing trades as well as in local skills and local crafts so that they can set up self/employment ventures

and secure salaried employment with enhanced remuneration. In this regard, the Committee recommend that skill oriented training to beneficiaries under the Scheme should be provided based on the suggestions of the CDSs, which are suitable with the local conditions and marketable activities of the region. The Committee are of the firm view that a positive correlation needs to be developed between the number of persons trained and the number of persons employed/setting-up micro enterprises, so as to keep them motivated as well as making the 'Training Courses' more result oriented. The Committee recommend that if necessary, suitable amendments be carried out in the governing rules so that a target number of trained persons set-up units or engage in activities under the SJSRY schemes.

7. 3.9 The Committee also desire that the Government should work out the strategy to utilize the services of employment exchanges in the urban areas, which can act as the focal point for placement of unemployed youth who would be trained under SJSRY. The person so trained under SJSRY should be issued training cards/certificates which could help them in availing loans from the banks/financial institutions.
8. 3.10 The Committee note that special assistance is provided for setting up of community kendras that are used for multifarious activities such as work places/marketing centres etc. The Committee desire that such Community kendras should be strengthened and further diversified. These

Community Kendras must be effectively utilized for display and marketing of products manufactured by Self-Help Group and micro-units under the SJSRY schemes.

9. 3.11 The Committee also desire that training budget of Rs. 2000/- per participant under the USEP should be increased and successful micro entrepreneurs should be associated for imparting 'Enhancement Courses' of Skill training. The Ministry of Urban Employment and Poverty Alleviation must regularly analyse the training needs of the beneficiaries in consultation with the State level authorities specially the Town Urban Poverty Alleviation Cells in the States/UTs so as to extend the scope of coverage of this centrally sponsored self-employment scheme.
10. 3.15 The Committee note that under the Scheme, house-to-house surveys for identification of the genuine beneficiaries below the poverty line is done by the State Governments. Non-economic parameters are also applied to identify urban poor in addition to the economic criteria of the urban poverty line. The Committee also note that upto 31.3.2005, out of the total 3799 towns in the country, house-to-house survey has been carried out only in 3536 towns thus leaving 263 towns unsurveyed. The Committee are of the opinion that without proper identification of genuine beneficiaries, it would be difficult to effectively implement and assess the actual performance of the SJSRY Scheme. Non-availability of BPL list and lack of transparency in compilation and dissemination of the lists would definitely hamper the successful implementation of

the urban poverty alleviation programme like SJSRY. Once the BPL list has been finalised, the same should be widely publicized as in case of voters list for the general information of public with specific economic and other parameters used to identify the genuine persons for inclusion in the list. The Committee, therefore, recommend that the Ministry of UEPA should impress upon the State Governments to conduct house-to-house survey in the remaining 263 towns at the earliest and for this purpose, services of NGOS ,VOs and Community based Organisation should also be availed. The Committee would like to be apprised about the action taken in this regard.

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3.25

The Committee note that DWCUA Scheme is distinguished by the Special incentive extended to urban poor women, who decide to set-up self-employment ventures in a group comprising of at least ten women. The Committee feel that there is a need to review the said condition as sometimes this precondition of having atleast ten women to constitute a group hampers the formation of DWCUA group for lack of pre-requisite number. The Committee recommend that the viability of keeping the condition of minimum number of members in DWCUA, should be explored by the Ministry expeditiously. The Committee are of the firm view that more number of DWCUA groups would be formed if this norm of stipulated groups number is relaxed. The Committee also note that State Governments work out forward and backward linkages in accordance with the guidelines of the Scheme concerning the

1	2	3
		DWCUA groups. The Committee desire that integration to the extent possible should be forged between urban self help groups under DWCUA and rural self help groups so that urban SHGs under DWCUA could be engaged in the marketing of products produced by rural SHGs or vice-versa.
12.	3.26	The Committee, further desire that innovative areas of employment as has been developed in the State of Kerala under Kudumbashree programme need to be emulated in other States and best practices/ success stories of DWCUA groups should be given wide publicity.
13.	3.35	The Committee note that credit facilities are available to the eligible BPL beneficiaries who are desirous of setting up self-employment ventures under USEP component of SJSRY and 95% of the project cost is sanctioned as composite loan by the banks to the beneficiaries. The Committee also note that banks are many a times reluctant to lend to urban poor due to a number of reasons and presently available micro-credit is inadequate and needs to be upscaled. The Committee desire that the Government should set up a parallel funding mechanism/agency just like NABARD to specifically address the needs and the issues of funding and loaning of the urban poor under SJSRY and for this purpose either SIDBI should be strengthened or some parallel mechanism should be set up so that the urban poor can have easy access to micro finance.
14.	3.36	The Committee also desire that all issues related to non-cooperation by banks regarding sanctioning and disbursement of

1	2	3
		loan to the beneficiaries under SJSRY should be sorted out in close coordination with the State level Banker's Committee, Ministry of Finance, RBI and the commercial Banks by holding periodical and timely meetings.
15.	3.37	The Committee note that to address the issue of providing micro-finance to the urban poor in a holistic manner, a Task Force under the chairmanship of Secretary (UEPA) has been set up in the Ministry of Urban Employment and Poverty Alleviation. The Task Force is expected to present its report shortly. The Committee hope that the report of the Task Force would provide formulation for a viable micro-credit mechanism for the urban poor and would strengthen the existing micro-credit financing institutions to provide finance to encourage self employment among the urban poor.
16.	3.41	The Committee note that UWEP 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. The Committee also note that the wage employment provided under UWEP is not sustainable in nature and it provides only temporary employment. The Committee desire that UWEP Component of SJSRY need to be used only for building Community assets and infrastructure relating to the urban poor and not general municipal works as this would ensure improvement in the civic amenities meant

1	2	3
		for urban poor. The Committee further desire that for providing sustainability of employment under UWEP to the beneficiaries, the beneficiaries should be equipped with the sustainable level of skill for self employment. The Committee recommend that UWEP must be strengthened in such a way that the schemes under UWEP provide maximum employment opportunities to the unorganized sector of labour in the country.
17.	3.42	The Committee note that under UWEP the material labour ratio for works is to be maintained at 60:40. The Committee desire that material labour ratio flexibility should be provided to States so as to suit their local conditions and requirements so as to make the UWEP schemes more practical and progressive.
18.	3.50	The Committee note that under Information, Education and Communication (IEC) component of SJSRY, upto 2% of the allocation at the State/UT level is retained for the capacity building of 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. The Committee also note that four national level training institutes have been identified by the Ministry of Urban Employment and Poverty Alleviation for carrying out training/capacity building of the project functionaries under SJSRY. The Committee desire that funds allocation under IEC component should be increased and regular capacity building exercises, training of project functionaries and officials

1	2	3
		involved in the implementation of the Scheme by associating the national level training institutes, which have been identified by the Ministry, should be undertaken.
19.	3.51	The Committee further desire that community structures created under the SJSRY should be fully involved in the activities under the Scheme, including selection and implementation of works, thrift and credit groups and group economic activities etc. Sensitisation programmes for the implementing agencies should be conducted regularly. Specific provisions for involvement of NGOs for training programmes should be incorporated in the Scheme. If necessary, the Government should also explore the feasibility of participation of private companies in providing training to the beneficiaries under SJSRY.
20.	3.52	The Committee note that documentation of best practices in the field of poverty alleviation is one of the most important activity under the IEC component. In respect of documentation and dissemination of information, the Secretary, Ministry of Urban Employment and Poverty Alleviation has admitted that this area has been weak. The Secretary also admitted that the dissemination of replicable projects needed to be stepped up. Lack of documentation of the viable projects by the States is also one of the weak areas. The Committee also note that the Ministry of UEPA is planning this year a comprehensive Media Plan for advertising SJSRY through DAVP and other agencies. The documentation of best

practices under SJSRY is also being done at ULB/State/ National level and publicised widely through circulation in the States/ UTs for generating awareness about the Scheme. The Committee would like to be kept informed about further steps taken in this direction. The Committee also desire that the Government should make earnest efforts in association with the National/ State/ULB level functionaries and NGOs in propagation and dissemination of success stories and best practices under SJSRY Scheme. Wide publicity about the scheme should be given in the vernaculars also so as to generate awareness of the Scheme amongst the urban poor.

21.

3.60

The Committee note that under SJSRY scheme no physical targets were fixed during the 9th Plan. However, in the 10th Plan, target of setting upto 4 lakh micro-enterprises and skill upgradation of 5 lakh has been fixed. For the year 2005-2006 the target of assisting 80,000 urban poor for setting up of micro enterprises for self-employment and providing skill training/upgradation to 100000 urban poor has been fixed. During the first three years of the 10th Plan upto 31.3.2005, a total of 2,97,419 micro-enterprises have been set up and 3,27,399 beneficiaries have been provided skill training under USEP. The Committee also note that low priority is given by the States to SJSRY Scheme in comparison to the rural Schemes. The Committee desire that for the assessment of the Scheme, annual physical targets under the Scheme should be fixed by the Municipal level functionaries in the States/UTs and such targets be adhered to.

The Committee further desire that keeping in view the high magnitude of urban unemployment, the Government should encourage the States/UTs to give priority to this urban sector schemes as given by them to the rural Schemes by making the urban schemes innovative and more acceptable to them. The Committee recommend that the States/UTs, which are lagging behind in implementation of SJSRY schemes must be encouraged to improve their performance and the Government should ensure that proper physical progress is made by States/UTs and the funds made available to them are fully utilized.

22.

3.73

The Committee note that 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. Most of the States/UTs are sending their quarterly progress reports on regular basis. The Committee are perturbed to learn that some States like Goa, Jharkhand and Delhi have not sent their quarterly progress reports since long on the implementation of this important self employment scheme for urban poor. The Committee desire that States like Goa, Jharkhand, Delhi and other bad performing States which are not sending their quarterly progress reports since long should be impressed upon to send their quarterly progress reports timely so that actual impact of SJSRY Scheme could be properly assessed in these States. If required, the Ministry should take this matter at the Minister/Chief Secretary level of the concerned States.

1	2	3
23.	3.74	<p>The Committee are also distressed to learn that Delhi is one of the States, which has not undertaken projects under the SJSRY, although the GNCT of Delhi is facing an ever-increasing urban unemployment and problems in employment opportunities for the unorganized Sector of labour. The Committee strongly recommend that corrective action be taken by the Government in coordination with GNCT of Delhi so as to undertake SJSRY projects in a wholesome manner.</p>
24.	3.75	<p>The Committee note that concurrent evaluation of SJSRY in seven States has been 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 the last year. The Study is likely to be completed during the 2005-2006. The Committee recommend that the Ministry should strengthen the monitoring of the Scheme at both the Central and State levels by conducting regular field visits by senior officers of the Ministry. As regards the concurrent evaluation of the Scheme, the Committee desire that the Ministry should take necessary action to have the Concurrent evaluation study completed at the earliest.</p>
25.	3.76	<p>The Committee note that the modification of guidelines of the SJSRY Scheme is at an advanced stage on the basis of the problems being faced by the States/UTs. The draft Expenditure Finance Committee (EFC) memorandum has been prepared and it has</p>

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been sent to the Financial Adviser for their concurrence before being circulated to all concerned for their comments. The Committee desire that the revised guidelines of the Scheme be finalized at the earliest after taking into consideration the views of all concerned with the implementation of the Scheme. The Committee hope that the revised guidelines of the Scheme would be flexible, innovative and would be able to cater to the requirements of the urban poor to a large extent. These new revised guidelines of the Scheme should be effective enough in removing the hurdles experienced in the implementation of this Scheme.

26.

3.77

The Committee trust that the Ministry would make sincere efforts to remove/plug all the shortcomings/lacunae noticed in the Scheme and make the modifications in the guidelines of the Scheme as proposed by them at the earliest for the effective implementation of the Scheme.
