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**STANDING COMMITTEE ON
URBAN DEVELOPMENT
(2009-2010)**

FIFTEENTH LOK SABHA

MINISTRY OF URBAN DEVELOPMENT

**DEMANDS FOR GRANTS
2009-2010**

FIRST REPORT



LOK SABHA SECRETARIAT

NEW DELHI

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Presented to Lok Sabha on 17.12.2009

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LOK SABHA SECRETARIAT

NEW DELHI

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**COMPOSITION OF THE STANDING COMMITTEE ON
URBAN DEVELOPMENT (2009-2010)**

Shri Sharad Yadav - Chairman

MEMBERS

LOK SABHA

2. Shri J.P. Agarwal
3. Shri Praveen Singh Aron
4. Shri Gajanan D. Babar
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RAJYA SABHA

22. Shri Parvez Hashmi
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26. Shri Amir Alam Khan
27. Shri Manohar Joshi
28. Shri Varinder Singh Bajwa
29. Shri Shyam Benegal
30. Vacant
31. Vacant

SECRETARIAT

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Anita B. Panda - Additional Director
3. Smt. Emma C. Barwa - Committee Officer
4. Shri Sumit Kumar Grover - Committee Assistant

INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2009-10) (Fifteenth Lok Sabha) having been authorized by the Committee to submit the Report on their behalf, present the First Report on Demands for Grants (2009-10) of the Ministry of Urban Development.

2. The Demands for Grants of the Ministry of Urban Development were laid on the table of the House on 10th July, 2009. The Demands for Grants have been examined by the Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Ministry of Urban Development on 20th October, 2009. The Committee wish to express their thanks to the officials of the Ministry of Urban Development for placing before them the requisite material and their considered views in connection with the examination of the subject

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

5. The Committee considered and adopted the Report at their sitting held on 15th December, 2009.

6. For facility of reference, the observations/ recommendations of the Committee have been printed in bold letters and placed as Part II of the report.

New Delhi;
15 December, 2009
24 Agrahayana, 1931 (Saka)

SHARAD YADAV,
Chairman,
Standing Committee
on Urban Development

REPORT

PART-I

CHAPTER – I

Introductory

1.1 Urbanization in India has become an important and irreversible process, and an important determinant of national economic growth and poverty reduction. The process of urbanization is characterized by a most dramatic increase in the number of large cities, although India may be said to be in the midst of transition from a predominantly rural to a quasi urban society. As per the census 2001, India had 5161 cities/ Urban Areas/ Towns with 35 cities having million-plus population.

1.2 Besides the fact that the areas of urban development, urban transport, urban water supply and sanitation are essentially State subjects, Government of India, through the Ministry of Urban Development, plays a coordinating and monitoring role and also supports these programmes through central and centrally sponsored schemes. The Ministry addresses various issues of urban sector by formulating broad policy guidelines, legislative guidance and monitoring centrally sponsored schemes and programmes.

1.3 According to the Annual Report (2008-09) of the Ministry, in recent years, the urban sector in India has undergone a major change following the country's transition towards a market-based economy and the spirit of decentralization embodied in the Constitution (Seventy Fourth) Amendment Act, 1992. The decades of the 1990s and 2000s had also witnessed important changes in the thinking about cities and their role in economic growth and reduction in poverty. There is a wide acceptance of importance of urban governance and recognition of challenges of accountability and responsiveness of the local self governments to people and in this perspective, importance of self- sustainability and creditworthiness of such local governments. Therefore, the pricing system of urban services requires major

overhauling, as services when tendered indiscriminately to all below cost cannot be sustained. Also, the areas concerning urban water supply, sanitation, solid waste management, and transportation together are estimated to require around Rs.261809 crore in the 11th Plan Period, which can only be attained through partnership between public and private sectors.

1.4 The main functions of the Ministry Urban Development are as under:

- Formation of broad policy guidelines in the area of urban development, including urban transport;
- Legislative support by way of constitutional amendments, central legislations and model legislations;
- Urban transport schemes, including mass transit system for metro and large cities;
- Institutional finance for urban infrastructure in NCR states through National Capital Region Planning Board;
- Coordination of multilateral/ bilateral assistance for projects in urban development;
- Technical assistance through Town and Country Planning Organisation, Central Public Health Engineering & Environmental Organisation and National Institute of Urban Affairs;
- Construction and maintenance of Central Government buildings through Central Public Works Department;
- Management of land and built-up properties of Government of India through Land and Development Office and Directorate of Estates;
- Printing of Government documents and publications through Government Presses (Directorate of Printing);

- Supply of stationery of indenting Government offices through Government of India Stationery Office;
- Administrative Ministry for activities of its CPSU National Building Construction Corporation Limited and organizations like, Delhi Metro Rail Corporation, Bangalore Metro Rail Corporation, Chennai Metro Rail Corporation, Kolkata Metro Rail Corporation, Kolkata, Delhi Development Authority, National Capital Region Planning Board, Delhi Urban Arts Commission, National Institute of Urban Affairs, etc.
- Implementation of Urban Infrastructure & Governance (UIG) and Urban Infrastructure Development Scheme for Small & Medium Towns, Sub-Missions of Flagship programme Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Sub-Mission UIG component is meant for 65 cities. The Urban Infrastructure Development Scheme for Small & Medium Towns (UIDSSMT) for non- mission cities is meant to improve infrastructure facilities, help create durable public assets and quality oriented services through enhanced public-private partnership, investments and integrated development of towns & cities in planned way by providing reforms linked central assistance.

1.5 There are four attached, three subordinate offices, one Public Sector Undertaking and five statutory/Autonomous bodies under the administrative control of Ministry of Urban Development. They are as under:

I. Attached Offices

- (i) Central Public Works Department;
- (ii) Directorate of Printing;
- iii) Directorate of Estates; and

- (iv) Land and Development Office.

II. Subordinate Offices

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

III. Public Sector Undertaking

- (i) National Building Construction Corporation (NBCC); and

IV. Statutory/Autonomous bodies

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

Review of status of implementation of the previous recommendations of the Committee contained in the 31st Report (14th Lok Sabha) of the Committee on Demands for Grants (2008-2009) of the Ministry of Urban Development.

1.6 The Thirty-first Report (14th Lok Sabha) of the Standing Committee on Urban Development on Demands for Grants (2008-2009) of the Ministry of Urban Development was presented to Lok Sabha on 16.4.2008 and the Action Taken Report i.e. Thirty Third Report (14th Lok Sabha) was presented to Lok Sabha on 23.10.2008.

1.7 In pursuance of Direction 73A of “Directions by the Speaker, Lok Sabha”, the Minister of Urban Development made a Statement before the House on 20.02.2009. The Statement depicted the status of implementation of the recommendations of the Committee made in their Thirty-First Report (14th Lok Sabha).

1.8 In the Report, the Committee had made 16 recommendations. Out of 16 recommendations 14 recommendations are at the various stages of implementation and two recommendations are yet to be implemented by the Government. Some of the issues earlier dealt with, have again been raised in the present Report. The Committee desire that their recommendations contained in this report should be implemented in the right earnest in a time bound manner.

1.9 The detailed Demands for Grants (2009-2010) of the Ministry were laid in Parliament on 10th July, 2009.

1.10 The following Demands for Grants pertain to the Ministry of Urban Development namely:

- (i) Demand No. 100 – Urban Development.
- (ii) Demand No. 101 – Public Works.
- (iii) Demand No. 102 – Stationery & Printing

CHAPTER-II

Overall and Demand-wise Analysis of the Demands for Grants of the Ministry of Urban Development for the year 2009-2010

2.1 The Economic Survey (2008-2009) has the following observation regarding urban infrastructure of the country:

“The increasing pressure of population on urban infrastructure makes it necessary to improve the urban civic services like drinking water supply, sewerage, solid waste management and urban transport. Municipal institutions responsible for providing these civic services are facing acute shortage of capacity and resource.”

Percentage of expenditure on Urban Development/ Infrastructure during 1999-2009 in terms of Gross Domestic Product (GDP):

2.2 The Ministry furnished the following table indicating the trend in the last 10 years with regard to the amount and percentage of GDP being spent by the Government of India on Urban Development/ Infrastructure. A close observation of the same will reveal that it has moved just marginally from 0.1 percent to just about 0.2 percent of GDP:

Rs. in Crore

Year	Annual Central Budget for “Urban Development” and “Public Works”*	Gross Domestic Product at Factor Cost at Current Prices**	Annual Central Budget for “Urban Development” and “Public Works” as a percentage of GDP [(2) as % of (3)]	Additional Central Assistance (ACA) released for UIG and UIDSSMT components of JNNURM (urban infrastructure) @	Annual Budget for “Urban Development”, “Public Works”, and ACA released for urban infrastructure under JNNURM as a percentage of GDP [(2)+(5) as % of (3)]
(1)	(2)	(3)	(4)	(5)	(6)
1999-2000	1853.36	1786525	0.104		
2000-2001	2014.92	1925016	0.105		
2001-2002	2028.85	2097726	0.097		
2002-2003	2276.43	2261415	0.101		
2003-2004	2973.45	2538170	0.117		
2004-2005	2752.18	2877701	0.096		
2005-2006	3371.75	3282386	0.103		
2006-2007	3154.26	3779384	0.083	2511.92	0.150
2007-2008	3764.52	4320892	0.087	3733.84	0.174
2008-2009	4078.75	4933183	0.083	6825.76	0.221

* Source: Budget Estimates in the Demand For Grants of the Ministry of Urban Development

** Source: Central Statistical Organisation, Ministry of Statistics and Programme Implementation.

@ Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in December 2005, which subsumed certain erstwhile Centrally Sponsored Schemes of the Ministry of Urban Development. The figures indicated pertain to releases made by the Ministry of Finance during the year indicated from its own Budget for Urban Infrastructure and Governance(UIG) and Urban Infrastructure Development Scheme for Small and Medium Towns(UIDSSMT).

2.3 The Committee enquired from the Ministry the reasons for a very marginal increase of 0.1% to 0.2% in total share of GDP in the last ten years, despite a constant increase in the immigration of rural and semi-urban population towards cities and asked to specify the efforts made by them to convince the planners to increase percentage share of GDP for urban development. The Ministry in their written reply submitted as under:

“Gross Domestic Product (GDP) is the total market value of all final goods and services produced in a country in a given year, which is by definition equal to total consumption, investment, and Government spending, plus the value of exports, minus the value of imports. The annual Budget for an activity depicts targeted Government spending for the activity. However, the inter-se sectoral allocation of Government spending, which is one of the constituents of the GDP, gets ultimately decided by the Government of the day in its collective responsibility. The Marginal increase in urban development/infrastructure spending in total share of GDP over the last decade reflects this collective decision”.

2.4 Explaining the efforts made to increase the percentage of GDP for Urban Development, the Ministry submitted as under:

“The Ministry of Urban Development holds regular dialogues with the Planning Commission and the Ministry of Finance for additional Plan allocations, including for the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), and also approaches the Cabinet from the time to time for approval for additional funds as appropriate. In February 2009, the Government had increased the seven year JNNURM allocation for the Urban Infrastructure and Governance (UIG) and Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) components of JNURM from the initial Rs.25,500 crore to 31,500 crore for UIG, and from Rs.6,400 crore to Rs. 11,400 crore for UIDSSMT. Also, as a consequence of active pursuing by the Ministry of Urban Development with the Planning Commission and the Ministry of Finance, new Plan Schemes for urban development viz the Scheme for Capacity Building, the North Eastern Region Urban Development Project, and the Scheme for Infrastructure Development in Satellite Towns of Seven Mega Cities have commenced recently.”

Percentage of Central Budget allocation by Government to Ministry of Urban Development during 2001-2010:

2.5 On being asked, the Ministry further furnished the following figures of the Central Budget spent on Urban Development during the last decade, which showed a very meager improvement of 0.513% in 2009-10 from 0.503% in 2001-02, barring just 2 years when the percentage touched 0.618% and 0.647% figures:

Budget Estimates for the year	Total Central Budget	Budget allocated to M/o UD	% allocation (UD to Total)
2001-02	375222.53	1887.35	0.503
2002-03	410309.47	3135.19	0.520
2003-04	438795.07	2839.80	0.647
2004-05	477829.04	2579.73	0.539
2005-06	514343.80	3180.05	0.618
2006-07	563991.13	3206.26	0.568
2007-08	680520.51	3814.52	0.560
2008-09	750883.53	4128.75	0.549
2009-10	1020837.68	5245.78	0.513

* Source : Budget Estimates in the Demand For Grants of the Ministry of Urban Development

** Source: Ministry of Finance Budget Documents

2.6 As per the Budget related documents submitted by the Ministry to the Committee, the Budget Estimates (BE) 2009-10 is Rs.5480.87 Crore (Gross), including both Plan and Non-Plan. Recoveries to be made during the year itself are anticipated to be of Rs.235.09 Crore. Accordingly, the net budget of the Ministry, both plan and Non -Plan, works out as

Rs.5245.78 Crore. The provisions on the Revenue and Capital sides are Rs.2214.48 Crore and Rs.3031.30 respectively. The break-up of Plan and Non-Plan provision is Rs.3099.25 Crore and Rs.2146.53 Crore respectively.

2.7 Following is the demand-wise allocation for 2009-10:-

Net Budgetary Allocation (Both Plan and Non Plan) (Rs. in Crore)

Demand	Budget Estimate 2009-10
Demand No.100	3665.75
Demand No.101	1447.50
Demand No.102	132.53

2.8 Net Plan allocation of the Ministry is Rs.3099.25 Crore and Non-Plan is Rs.2146.53 Crore respectively. The Plan allocation of Rs. 3099.25 Crore includes an amount of Rs. 39.25 Crore for other Ministries for their Residential and Non- Residential Works, thus, the actual amount under Plan allocation for the Ministry of Urban Development is Rs. 3060 Crore.

2.9 Indicating their projections to the Planning Commission in regard to Demand No. 100, the Ministry of Urban Development in a written reply informed the Committee as follows:

“The Ministry had proposed an annual plan outlay of Rs.8498.63 crore as Gross Budgetary Support (GBS) for the year 2009-10 to the Planning Commission. Planning Commission has approved plan outlay of Rs.2975.75 crore including Pass Through Assistance (PTA) and Equity to DMRC. The issue of enhancement of budget allocation was taken up by the Secretary (UD) to Secretary (Planning Commission). Planning Commission has informed that the enhancement of budget

allocation will be taken up during RE and Supplementary Stage in consultation with Ministry of Finance.”

2.10 During the course of oral evidence of the representatives of the Ministry of Urban Development, held on 20th October, 2009, the Secretary, Ministry of Urban Development also submitted as under:-

“The initial allocation for the Ministry for 2009-2010 is less than the Revised allocation of the previous year and it would be important to suitably enhance the allocation at the RE stage during the year. It merits mention here that last year the Ministry was able to almost fully utilize the allocation provided to it, that is, less than the Revised allocation of the previous year and it would be important to suitably enhance the allocation at the RE stage during the year. It merits mention here that last year the Ministry was able to almost fully utilize the allocation provided to it, that is, 98.3 per cent”

2.11 When asked, whether the Budgetary allocation of the Ministry of Urban Development in the Central Budget 2009-2010 would be sufficient to meet the requirements, the Ministry in a written reply submitted as under:

“The budgetary provision for the year 2009-10 of the Ministry of Urban Development would be sufficient to sustain the on-going Schemes of the Ministry except DMRC (Delhi Metro Rail Corporation) and GPOA/ GPRA (General Pool Office Accommodation/ General Pool Residential Accommodation). However, the Planning Commission has noted the request of the Ministry for higher allocations and had intimated that due consideration will be given to the matter at the time of Supplementary Demands and RE stage.”

2.12 Variation Between BE –RE 2008-09 & BE2009-10

Statement Showing BE and RE 2009-2010 indicating %variation										
NET BASIS (Rs.in crore)										
Demand No.100	BE 2008-09		RE2008-09		BE2009-10		%Variation over BE2008-09 Excess(+) Saving(-)		% Variation over RE2008—09 & BE2009-10 Excess(+) Saving (-)	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Revenue	494.50	466.81	494.51	480.89	496.75	541.68	0.46%	16.04%	0.45%	12.64%
Capital	1922.15	123.19	4072.14	118.31	2479.00	148.32	28.97%	20.40%	-39.12%	25.37%
Total	2416.65	590.00	4566.65	599.20	2975.75	690.00	23.14%	16.95%	-34.84%	15.15%
Demand No.101										
Revenue	9.00	707.37	9.71	831.65	9.85	1033.80	9.44%	46.15%	1.44%	24.31%
Capital	128.10	227.63	100.29	215.35	113.65	290.20	-1128%	27.49%	13.32%	34.76%
Total	137.10	935.00	110.00	1047.00	123.50	1324.00	-9.92%	41.60%	12.27%	26.46%
Demand No.102										
Revenue		49.87		97.77		132.40		165.49%		35.42%
Capital		0.13		0.11		0.13		0.00%		18.18%
Total	0.00	50.00	0.00	97.88	0.00	132.53		165.06%		35.40%

Actual Expenditure occurred on above three demands during 2008-2009

2.13 The Ministry, when asked so, furnished the following information:

(Rs. in Crore)

Demand No. 100 – UD	Actual Expenditure during 2008-09	
	Plan	Non-Plan
Revenue	419.37	485.47
Capital	4071.60	114.35
Total	4490.97	599.82
Demand No. 101 – Public Works		
Revenue	8.70	867.21
Capital	95.21	193.42
Total	103.91	1060.63
Demand No. 101 – Stationery & Printing		
Revenue	--	69.00
Capital	--	0.12
Total	--	69.12

Demand No.-100 (Urban Development)

2.14 When enquired on the increase of around 28.97% in BE 2009-10 over BE 2008-09 in Demand No.100 (UD), the Ministry submitted that it was due to additional allocation for DMRC and CPWD. As a significant item of expenditure under Water Supply & Sanitation it was informed that a provision of Rs.12.56 crore has been made during 2009-10 for releasing funds to the implementing agencies for completion of Hindon and Tejpur Airfield projects.

2.15 In response to the query of the Committee in connection with the funds surrendered by the Ministry during the last ten years with respect to the demand No.100- Urban Development, the Ministry in their written reply submitted as under:-

(Rs. in crore)

Sl. No.	Year	B.E.	Actual Expenditure	Amount Surrendered	Reasons
1	2	3	4	5	6
1	1999-00	1042.45	945.35	108.93	Savings are due to non receipt of administrative approval and financial sanction from the client department.
2	2000-01	1155.07		151.88	Savings are due to non receipt of administrative approval and financial sanction from the client department.
3	2001-02	1157.50	1985.81	44.90	Due to non filling up of vacant posts and less than anticipated electricity bills from NDMC. Ban on LTC and lesser enhancement of anticipated DA.
4	2002-03	1311.06	2521.10	117.18	Due to ceiling imposed by M/o Finance at RE level and slow progress of works and non receipt of administrative sanctions etc. during the financial year in DG, CPWD
5	2003-04	2020.28	2901.69	116.79	Savings are due to non receipt of administrative approval and financial sanction from the client department.
6	2004-05	1821.33	2615.45	18.43	Non receipt of proposals for availing subsequent

					installation of central assistance under IDSMT and sufficient administrative approval from client departments.
7	2005-06	2404.20	3137.84	722.23	Sufficient administrative approval and expenditure sanctions were not received from client departments and non commencement of scheme of Mission Mode on IT and non receipt of proposals under the scheme of Hospital Waste Management, Urban Information System as well as lesser utilization in Urban Transport Planning. Savings also due to non filling of the vacant posts.
8	2006-07	2245.37	2022.70	210.75	Non receipt of Administrative approval and Expenditure sanctions. Non commencement of some of the schemes during the financial year and less proposals received from implementing/ executing agencies.
9	2007-08	2770.00	3348.53	85.06	The funds could not be utilized fully due to non-receipt of sufficient proposals from implementing/ executing agencies, non-filling up of certain vacant post and non distribution of awards during the year.
10	2008-09	3006.65	5090.79	74.97	The saving occurred due to non filling of vacant post and receipt of less medical claims, less expenditure on internal

					audit. Saving occurred due to order for replacement/purchase of new ambassador car was placed through DGS&D but book adjustment could not take place till the close of the financial year 2008-09 and also less expenditure on repair and maintenance. Saving also occurred due to non-receipt of sufficient administrative approval and expenditure sanction.
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Major Head 4217
(Capital Outlay on Urban Development)

2.16 Provision of Rs.672.00 Crore was made in BE-2008-2009 under the above head which was revised to Rs.1139.99 Crore at RE stage. For B.E. (2009-2010) an amount of Rs.840.79 Crore has been allocated.

2.17 When asked to explain the reasons for variation between BE & RE (2008-09) and BE (2009-10) the Ministry, in their written reply, submitted as under:-

(Rs. in Crore)

Demand No. 100	B.E. 2008-09	R.E. 2008-09	B.E. 2009-10	Reasons
	Plan	Plan	Plan	
Major Head 4217 (CAPITAL)	672.00	1139.99	840.79	<p>In BE 2008-09, the allocation was Rs. 672.00 Crore instead of 715.00 Crore.</p> <p>The additional funds in RE were obtained through Supplementary demand for the various projects relating to Delhi Metro Rail Corporation.</p> <p>Additionality in BE 2009-10 is due to higher demand for the Delhi Metro in connection with timely completion of various Projects for the Commonwealth Games 2010.”</p>

Demand No.101(Public Works)

2.18 This Demand is meant for Public Works by the Central Public Works Department (CPWD) of the Ministry. Following is the statement submitted to the Committee by the Ministry showing BE and RE of 2008-09 and BE 2009-2010 indicating %variation:

NET BASIS											(Rs.in crore)	
Demand No.101	BE 2008-09		RE2008-09		BE2009-10		%Variation over BE2008-09 Excess(+) Saving(-)		% Variation over RE2008—09 & BE2009-10 Excess(+) Saving (-)			
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan		
Revenue	9.00	707.37	9.71	831.65	9.85	1033.80	9.44%	46.15%	1.44%	24.31%		
Capital	128.10	227.63	100.29	215.35	113.65	290.20	-11.28%	27.49%	13.32%	34.76%		
Total	137.10	935.00	110.00	1047.00	123.50	1324.00	-9.92%	41.60%	12.27%	26.46%		

2.19 From the above statement, it is evident that there is a substantial increase both in Plan and Non-Plan allocation over the last year. When asked about the increase/excess of 27.49% in BE 2009-10 over BE 2008-09, the Ministry in their written reply submitted as under:-

Demand No. 101	B.E. 2008-09	B.E. 2009-10	Increase /excess	Reasons
	Non-Plan	Non-Plan		
CAPITAL	227.63	290.20	27.49%	Allocation enhanced for the works relating to other ministries due to more sanctions of new works and receipts of Administrative Approval and Establishment sanction for new projects & also due to increase of cost of material etc.

2.20 During the course of evidence, the Secretary, Ministry of Urban Development submitted as under:-

“Demand No.101- Public Works: Gross Budgetary allocation under this Demand No.101-Public Works (Plan and Non-Plan) is Rs.1522.55 Crore and Net Budgetary Allocation is Rs.1447.50 Crore (Plan and Non-Plan). Under this Demand, recovery to the tune of Rs.75.05 crore in the form of cliental charges has been anticipated during the current year. The Plan and Non-Plan allocations under the Demand are for construction and maintenance of Government Office buildings, Training and Computerization of CPWD. This also includes works of other Ministries and Departments. Computerization has been introduced by CPWD in areas like preparation of Architectural Designs, Structural Design and Detailing, Project Planning and Scheduling, Monitoring, Preparation of Schedule of Rates, Tender Justification, Pay Rolls, Personnel Management, Inventory control, Accounting and Budgeting, maintenance management. CPWD has also embarked upon a programme for integrated computerization which seeks to seamlessly integrate all operations of CPWD for availability of complete information in real time and will usher in complete transparency apart from enabling officers to exercise effective control”.

2.21 When enquired, the Ministry of Urban Development stated that during the last ten years, following instances of surrender of the funds in the Demand No.101- Public Works were seen:

(Rs. In crore)

Sl. No.	Year	BE	Actual Expenditure	Amount Surrendered	Reasons
1	2	3	4	5	6
1	1999-00	810.06	741.97	51.85	
2	2000-01	859.85		19.09	

3	2001-02	871.35	868.14	24.24	Non filling of vacant posts and compulsive surrender under Foreign Travel Expenses due to ban on foreign travel. Lesser expenses on publication of books in Hindi and non award by the arbitration during the year.
4	2002-03	965.37	862.18	55.58	Savings are due to non filling of vacant posts and non receipt of administrative approval and financial sanction from the client department, besides the lesser requirement of funds due to non award of arbitration.
5	2003-04	953.17	851.57	47.59	Savings are due to non filling of vacant posts and non receipt of administrative approval and financial sanction from the client department.
6	2004-05	930.89	892.76	32.03	Savings are due to non filling of vacant posts and non receipt of administrative approval and financial sanction from the client department and non award of arbitration during the year.
7	2005-06	957.75	877.46	25.51	Savings are due to non filling of vacant posts and non receipt of administrative approval and financial sanction from the client department.
8	2006-07	908.89	933.73	86.62	Savings are due to non filling of vacant posts and non receipt of administrative approval and financial

					sanction from the client department.
	2007-08	1044.52	1007.85	99.82	The savings occurred due to pending works of GPOA buildings, non-receipt of sufficient administrative approval and expenditure sanctions from client departments.
10	2008-09	1072.10	1164.54	65.90	The saving occurred due to non filling of vacant post and receipt of less medical claims. Saving was also occurred due to non-receipt of sufficient administrative approval and expenditure sanction.

Major Head 4059(Capital)

Capital Outlay on works

2.22 According to the Ministry, under Demand No.100 a provision of Rs.376.20 crore has been made in the above head for the year 2009-2010 for taking up the following projects:

S. No.	Name of work	Location	Amount (Rs. In Crore)	Year of Completion
	GPOA (Works in progress)			
1	C/o Addl GPOA at Kavadiquda, Sikandrabad	Hyderabad	49.93	2010-11
2	C/o GPO Complex at INA, New Delhi	New Delhi	125	2010-11
3	C/o GPO Complex Sub Central Business District at Shahdara, Delhi	Shahdara	43.14	2010-11
4	C/o GPOR at Port Blair.	Andaman	12.21	2009-2010

2.23 When asked about the steps taken to avoid cost and time overruns, the Ministry in their written reply submitted as under:-

“In order to avoid any cost and time overrun the CPWD shall vigorously pursue approval of building plans by local bodies and approval of A/A & E/S from client Departments. These projects shall be monitored closely. Major project shall be executed in a Project Team Mode where Project Manager will exercise the power of next higher authority in taking decisions for contract management. All elements of mechanized construction have been incorporated in the contract. Stress has been laid in use of pre-finished material”.

2.24 The Outcome Budget (2009-10) of the Ministry specified the following initiatives by CPWD to introduce PPP in Government Civil Works and to improve the maintenance of Government assets:

“CPWD is also working towards development of a model concession agreement which can be used for execution of GPRA through PPP mode.”

“....As an experiment CPWD has outsourced maintenance of certain selected colonies and engaged a single agency for carrying out all operations. This experiment has just gone underway and initial reports indicate that it will be a successful venture and will also encourage the regular CPWD workers to perform better. Besides this, in the current financial year, special funds have been received for taking up works of aesthetic improvement and retrofitting of quarters”.

Demand No.102 (Stationery and Printing Works)

2.25 The Statement showing BE and RE 2008-09 and BE 2009-10 under Demand No.102 (Stationery and Printing) indicating % variation was furnished by the Ministry as follows:-

Net Basis										(Rs. in crore)	
DemandNo.102	BE 2008-09		RE 2008-09		BE2009-10		% Variation over BE 2008-09 Excess (+) Saving(-)		% Variation over RE 2008-09 Excess (+) Saving(-)		
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	
Revenue		49.87		97.77		132.40		165.49%		35.42%	
Capital		0.13		0.11		0.13		0.00%		18.18%	
Total		50.00	0.00	97.88	0.00	132.53		165.06%		35.40%	

2.26 When asked about the funds surrendered by the Ministry under the Demand No.102 during the last ten years along with the reasons, the Ministry in their written reply, stated as under:-

Details of the funds surrendered during the last ten years in respect of Stationery and Printing:-

(Rs. in crores)

S. No.	Years	BE	Actual Exp.	Amount surrendered	Reasons for surrender
1.	1999-2000	164.16	144.39	12.70	(i) Non-filling up of vacant posts;(ii) due to non-receipt of debit advice from the office of the CCA(Supply), New Delhi/Bills from suppliers, the amount could not be adjusted under the head-Material and Supplies; (iii) due to postponement of procurement of machinery and equipment owing to non-completion of electrical and civil works related to modernization of Govt. of India Press, Faridabad.

2.	2000-01	175.01	139.88	27.34	(i) Non-filling up of vacant posts; (ii) less than anticipated expenditure on implementation of Assured Career Progression Scheme and (iii) non-finalization of procurement proposal of stationery items and due to short closure of DGS&D Rate Contracts of paper w.e.f. April,2000, purchase order for procurement of paper was delayed and firms could not supply the paper by 31/3/2001. Thus the payment could not be made to the firms within the financial year 2000-01 and (iv) non-finalization of procurement proposals of certain machinery and equipment.
3.	2001-02	188.10	162.98	19.76	(i) Non-filling up of vacant posts against direct recruitment quota;(ii) less than anticipated expenditure on implementation of Assured Career Progression Scheme;(iii) suspension of Leave Travel Concession to Govt. Servants; less than anticipated expenditure on electricity, water and freight charges and due to non-finalization procurement proposals of machinery and equipment for Govt. of India Presses.
4.	2002-03	179.16	161.69	11.42	(i) Non-filling up of vacant posts against direct recruitment quota and granting special Voluntary Retirement Scheme to some Press employees; (ii) less than anticipated expenditure on medical claim, office equipment and other consumable items.
5.	2003-04	163.05	141.89	16.17	(i) Non-filling up of vacant posts against direct recruitment quota and granting special Voluntary Retirement Scheme to some Press employees; (ii) less than anticipated expenditure on electricity, water charges and consumable items.
6	2004-05	147.25	132.72	10.40	(i) Non-filling up of vacant posts against direct recruitment quota; (ii) less than anticipated expenditure on medical claim, office equipment and other consumable items;(iii) non-finalization of procurement proposal of machinery and equipment for Govt. of India Presses;(iv) non adjustment of debit voucher pertaining to procurement of Computers by Pay and Accounts Office(Printing), New Delhi.
7.	2005-06	151.85	138.14	11.05	(i) Non-filling up of vacant posts against direct recruitment quota; (ii) granting special Voluntary Retirement Scheme to some Press employees; (iii) less than anticipated expenditure on medical claim, office equipment and other consumable items; (iv) non-finalization of procurement proposals of

					machinery and equipment for the Presses.
8.	2006-07	154.26	137.66	17.59	(i) Non-filling up of vacant posts against direct recruitment;(ii) non-adjustment of outstation debits by Pay & Accounts Office(Printing) within the stipulated period; (iii) non materialization of supply orders as the firms could not make supply in time in the absence of valid delivery period and thus were unable to submit their bills within the financial year 2006-07; (iv) less expenditure than anticipated on other consumable items and (v) non-finalization of procurement proposals of machinery and equipment for the Presses.
9.	2007-08	177.14	153.97	6.56	Variation was mainly due to (i) non-filling up of vacant posts against direct recruitment in the Govt. of India Presses; (ii) procurement proposals of stationery items could not materialize; (iii) non materialization of supply orders as the firms could not make supply in time in the absence of valid delivery period and thus were unable to submit their bills within the financial year 2007-08; (iv) the contract for procurement of machines was awarded to the firms but due to non submission of bills by the firms, payment could not be made to the firms during the financial year 2007-08.
10.	2008-09	221.25	189.34	55.77	Variation was mainly due to (i) non-filling up of vacant posts in Govt. of India Presses; (ii) non-materialization of supply and non raising of bills of paper material, machinery and equipment by the firms within the financial year; (iii) due to delay in finalization of procurement proposals of machines through e-tendering system; (iv) non utilization of all funds by Govt. of India Stationery Office because of non availability of mandatory e-tender platform in the Govt. of India Stationery Office and (v) less expenditure than anticipated on the payment of arrears of pay and allowances and on the payment of enhanced salary due to revision of pay scales on account of implementation of 6th Central Pay Commission w.e.f. 1.1.2006.

2.27 The Committee had, in an earlier report, recommended for revival of GISO (Government of India Stationery Office). Accordingly, as per the Outcome Budget (2009-10), the closure of Government of India Stationery Office, which was recommended by the Expenditure Reform Commission has since been revoked and the Government have decided to retain the Government of India Stationery Office, Kolkata (GISO).

2.28 During the course of evidence, the Secretary informed about the present status regarding GISO, as under:-

“The issue regarding the finalization of procurement and delivery of stationery by GISO has been resolved. The Controller has been selected and he is in position now. The selection of Deputy Controller and other staff is in the final stages of selection.”

2.29 On being enquired about the Budget allocation for GISO for the year 2009-10 and the latest order position in GISO, the Ministry submitted as follows:-

“Rs.28 .00 crore has been allocated for the year 2009-10 for the Govt. of India Stationery Office. Out of this, Rs.10.00 crore is earmarked for Object Head-"Material and Supplies" for procurement of stationery items. The Ministry of Urban Development has constituted a Committee on the subject "Government of India Stationery Office" to examine optimize staff strength etc in view of functional necessity of GISO under O.M. No.G-17014/1/2005/1/2005-Sty. dated 02/03/2009 under the Chairmanship of the JS&FA. The Ministry has already initiated action to restore the normal activities-(i) by filling up the post of Controller of Stationery followed by Dy. Controller (Inspection); (ii) filling up the vacant post of Dy. Controller of Stationery (Admn.) which is under final stage; (iii) giving clearance for procurement of stationery stores(for the items available against DGS&D Rate Contracts). Upto 31st August, 2009, Govt. of India Stationery Office has received the Supply Orders value of Rs. 65.00 crore from the various authorized indenters.”

2.30 As per the Outcome Budget, Forms Store, Kolkata, which is a centralized agency for arranging of printing, stocking and distribution of standard forms required by various Ministries/Departments, is having shortage of officers. Also the post of Manager in Forms Store Unit is vacant and presently held by the Manager, Government of India Press, Temple Street, Kolkata under dual charge.

2.31 In response to the query of the Committee about the ways to overcome the shortage in Forms Store, Kolkata, the Secretary, during the course of oral evidence submitted as under : -

“As far as the entire set up is concerned, the Cabinet deliberated on the matter; there were certain decisions that were to be taken by the Cabinet about privatization; so, for some time, they were kept on hold. I would not be able to specifically answer about this particular Office, but for the entire set up, there are posts for which selection process was initiated; there have been some complaints in the recruitment process for which some inquiry is going on. Once that is over, a large number of staff or posts which are lying vacant, would be filled in the coming months. So, once that process is completed, that would be done”.

2.32 When asked about the steps taken by the Government to overcome the shortage of Officers in Forms Store, Kolkata, The Ministry in writing submitted as under:-

“It was earlier decided by the Government to close down Forms Store, Kolkata. As a result of Subsequent review, it was decided to retain Forms Store, Kolkata subject to the condition that no further recruitment will be made. Accordingly, Ministry of Finance conveyed their concurrence for retention of 181 posts in Forms Store, Kolkata subject to the condition that no further recruitment or creation of post will be undertaken. Hence further strengthening of Forms Store, Kolkata cannot be undertaken.”

Chapter-III

Scheme-Wise/Programme-wise Analysis

3.1. The Ministry of Urban Development provides support to the following Centrally Sponsored and Central Schemes through the Budgetary allocation under 'Plan' Head:

Centrally Sponsored Schemes

- i) National Urban Information System (NUIS); and
- ii) Pooled Finance Development Fund (PFDF)

Central Schemes

- i) Solid Waste Management & Drainage in 10 Selected Airfield Towns;
- ii) Training in Public Health Engineering;
- iii) National Capital Region Planning Board;
- iv) Urban Transport including Equity, PTA of JBIC loan for all Metro Rail Corporations under Ministry of Urban Development;
- v) Research & Capacity Building in Urban Sector;
- vi) General Pool Office Accommodation;
- vii) General Pool Residential Accommodation;
- viii) CPWD Training Institute;
- ix) Modernisation/Computerisation of CPWD;
- x) National Mission Mode Project on e-Governance
- xi) Lumpsum Provision for projects/schemes for the benefit of the N.E.Region & Sikkim;
- xii) Global Environment Facility;

- xiii) Assistance & Organisation of Commonwealth Games;
- xiv) Capacity Building for Urban Local Bodies-Assistance from UNDP;
- xv) Development of Satellite Cities/Counter Magnet Cities and
- xvi) North Eastern Region Urban Development Project

Additional Central Assistance

Jawaharlal Nehru National Urban Renewal Mission (JNNRUM)

- (i) Sub-Mission for Urban Infrastructure and Governance (UIG)
- (ii) Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)

3.2 The Committee asked the Ministry to furnish the details of the unspent balances with the State Governments in the Current Financial Year in respect of all the Schemes supported by them. The Ministry responded as under:

“The total amount of the unspent balances with the State Governments in the Current Financial Year in respect of all the Schemes run by the Ministry of Urban Development from 01.04.2009 to 30.09.2009 is Rs.149.06 Crore. The UCs (Utilisation Certificate) will be due on 01.04.2011.”

3.3 An analysis of some of the important schemes and progress reported during the year 2009-2010 are given in the succeeding paragraphs:

(I) Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

3.4 The Jawaharlal Nehru National Urban Renewal Mission (JNNURM), a seven year scheme, was launched in 2005-06 to encourage cities to initiate steps to bring about improvement in the existing civic services levels in a sustainable manner. The main components under the Sub-Mission for Urban Infrastructure & Governance (UIG) include water supply (including desalination plants), sanitation, sewerage and solid waste

management, roads, development of heritage areas, preservation of water bodies, etc. A provision of Rs.50,000/- Crore was made as Central Assistance for the entire JNNURM for the period of seven years i.e. 2005-2012. A corresponding amount of Rs.50,000 Crore was to come from the State Governments and Urban local bodies.

Urban Infrastructure Governance (UIG)

3.5 According to the Outcome Budget (Page 136), the allocation for Sub-Mission on UIG has been increased from Rs.25,000 Crore to Rs.31,500 Crore. The BE (final) for the year 2009-10 for UIG, according to the Ministry, is Rs.5960.13 Crore.

3.6 As per the Outcome Budget (2009-2010), so far an amount of Rs.4455.37 crore has been provided for the year 2008-09 for the Sub-Mission on Urban Infrastructure and Governance. A total number of 461 projects (as on 31.03.2009) have been sanctioned at an approved cost totaling Rs.49422.48 crore for 61 cities out of the listed 65 mission cities across 31 States. Additional Central Assistance (ACA) admissible for these projects is Rs. 23411.09 crore and ACA released for these projects is Rs.7428.40 crore. During this year (2008-09) 138 projects have been approved with project cost of Rs.19065.85 crore. The ACA admissible for these projects is Rs.8685.89 crore out of which Rs.1639.21 crore has been released. While sanctioning these projects, highest priority has been accorded to sectors that directly benefit the common man and the urban poor, viz, water supply, sanitation and storm water drainage. As on 31.03.2009, about 75% of 7 year ACA commitment of Rs.31,500 crore under the Sub-Mission on UIG has already been made.

3.7 In a written reply regarding the overall performance of JNNURM, the Ministry of Urban Development have updated above figures in September, 2009, as under:-

“Up-till now 467 projects have been approved with the cost of Rs.50339.92 crore. For these projects an amount of Rs.23856.07 crore has been committed. So far 40 projects have been reported by the respective States to have been physically completed. Remaining projects are in various stages of implementation. ”

3.8 Further, during the evidence of Ministry of Urban Development held in October, 2009, the Secretary informed the following on the overall progress of JNNURM:-

“The flagship programme of the Ministry, that is, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) provides for reforms linked financial assistance to 65 mission cities for infrastructure creation. Since its inception roughly four years ago, a total of 473 projects costing Rs.51,127 crore covering the areas of drainage, solid waste management, water supply, sewerage, MRTS etc. have been approved and are supported in mission cities. Water supply projects sanctioned under the Mission incorporated features such as reduction of Non-Revenue water below 15 per cent, volumetric tariff, 100 per cent metering of all connections, creation of water districts with bulk flow metering and district metering areas, 24X7 water supply etc. In respect of sewerage, the Mission has enabled cities to improve coverage of sewer network and treatment capacities which may not have happened otherwise. This is likely to have positive health and environmental outcomes and reduce water-borne diseases which are the main cause of infant mortality, especially in slums and localities inhabited by economically weaker sections of society, apart from the quality of water bodies in and around the cities. Once these projects are implemented, we are optimistic that the

cities and towns where these projects are located will show significant improvements in terms of overall cleanliness and hygiene. So far 43 projects have been completed. For cities and towns traditionally crippled by water logging and flooding problems, the Mission has provided an opportunity to address the issue of inadequate drainage facility in a holistic manner.”

3.9 The Committee desired to know the criteria on which funds are allocated to the States under JNNURM. The Ministry in their written reply stated as under:

“Planning Commission has made component-wise allocation of total fund of Rs.50,000 crore under JNNURM (2005-2012) as per details given below. This has been done in accordance with the approval of Cabinet Committee for Economic Affairs.

Sl. No.	Component	Allocation (Rs. in crore)	Share of total allocation
1	UIG	25,500	51%
2.	UIDSSMT	6400	12.80%
3.	BSUP	13650	27.30%
4.	ISHDP	4450	8.90%
	Total	50,000	100

Further, the Planning Commission, based on urban population of the states/ UTs, has made inter-se allocation of this amount amongst them for the complete Mission period of seven years.”

Focus on JNNURM during 2009-10

3.10 The Finance Minister had announced a special stimulus package for urban renewal in his Budget Speech of 2009-10. In this connection the Ministry provided following information:

The Ministry had sought an allocation of Rs.5000 crore as part of Annual Plan for year 2009-10. The Ministry was allocated Rs.5187.23 for 2009-10 as B.E. (Interim) Budget. Now the Government of India has allocated Rs.5960.13 crore in Budget (Final) in July, 2009. In the meantime, the Government announced in June, 2009 that concerted effort will be made to include such cities having a population of 5 lakh as per 2001 census and above i.e. 28 more cities will be added to the current list of 65 mission cities. List of cities and approximate funds required is placed at **TABLE** below:

Estimated Urban Infrastructure Investment requirement for 28 Non Mission Cities (Between 5 lakh and 10 lakh population).					
S. No.	NAME OF TOWN	STATE	Census Population	Estimated Population*	Estimated Urban Infrastructure Investment Requirement (based on 2001 population)
			2001	2009	Rs. in lakh
1	Warangal UA	ANDHRA PRADESH	579,216	720,998	12,299
2	Guntur (M Corp.)	ANDHRA PRADESH	514,461	640,392	10,930
3	Durg-Bhilai Nagar UA	CHHATTISGARH	927,864	1,154,989	19,672
4	Jamnagar UA	GUJARAT	556,956	693,289	11,829

5	Bhavnagar UA	GUJARAT	517,708	644,434	10,998
6	Hubli-Dharwad (M Corp.)	KARNATAKA	786,195	978,642	16,676
7	Mangalore UA	KARNATAKA	539,387	671,419	11,457
8	Belgaum UA	KARNATAKA	506,480	630,457	10,761
9	Kozhikode UA	KERALA	880,247	1,095,716	18,665
10	Gwalior UA	MADHYA PRADESH	865,548	1,077,419	18,355
11	Aurangabad UA	MAHARASHTRA	892,483	1,110,947	18,924
12	Solapur (M Corp.)	MAHARASHTRA	872,478	1,086,045	18,501
13	Bhiwandi UA	MAHARASHTRA	621,427	773,541	13,192
14	Amravati (M Corp.)	MAHARASHTRA	549,510	684,020	11,671
15	Kolhapur UA	MAHARASHTRA	505,541	629,289	10,741
16	Cuttack UA	ORISSA	587,182	730,914	12,468
17	Jalandhar UA	PUNJAB	714,077	888,871	15,151
18	Jodhpur UA	RAJASTHAN	860,818	1,071,531	18,255
19	Kota UA	RAJASTHAN	703,150	875,269	14,920
20	Bikaner (M CI)	RAJASTHAN	529,690	659,349	11,252
21	Tiruchirappalli UA	TAMILNADU	866,354	1,078,422	18,372
22	Salem UA	TAMILNADU	751,438	935,377	15,941
23	Tiruppur UA	TAMILNADU	550,826	685,659	11,699
24	Ghaziabad (M Corp.)	UTTAR PRADESH	968,256	1,205,268	20,527
25	Bareilly UA	UTTAR PRADESH	748,353	931,537	15,876
26	Aligarh (M Corp.)	UTTAR			

		PRADESH	669,087	832,868	14,200
27	Moradabad (M Corp.)	UTTAR PRADESH	641,583	798,631	13,618
28	Gorakhpur (M Corp.)	UTTAR PRADESH	622,701	775,127	13,219

3.11 Explaining the Priorities under implementation for the current Financial Year, the Ministry gave following details to the Committee:

- (i) The revised allocation for the 7 year mission period for all the mission cities is Rs.31,500 crore. There are some of the States who are yet to avail their full allocation and have a balance of allocation remaining to be committed. The focus will be on persuading these States to prepare and submit DPRs and avail of the allocation to the full extent. Some of the States/Cities are (a) West Bengal (b) Punjab (c) Chandigarh (d) Delhi.
- (ii) There are a few cities which are yet to come on board the Mission. The focus would be to persuade these to submit DPRs and avail of the allocation. Some of the Cities are (a) Panaji (Goa) (b) Tirupati (c) Porbandar (d) Jamshedpur.
- (iii) So far 467 projects have been approved. The focus will be on implementation of these projects and availing of funds by the cities for implementation of these projects. The emphasis will be on sanctioning and release of 2nd and further installments of ACA. The implementation of the approved projects will be monitored to ensure their timely implementation and completion of the projects.
- (iv) The States and cities have in their MoA committed to certain timelines for implementation of the reforms. The funding of the project is linked to the implementation of the reforms as committed. The effort during the financial year

2009-10 will be on implementation of the reforms by the States and cities as per their committed timelines.

3.12 Emphasizing upon the initiative required on the part of the States for achieving good progress in the implementation of JNNURM in its fourth year, the Secretary, Ministry of Urban Development, stated as under:-

“But we still think that the momentum needs to be maintained. But at the same time States also have to pay more attention to implementation of reforms also”.

3.13 When asked to specify the constraints being faced by States, he further informed as under:

“As I said, it could be the budget provision itself. Secondly, only when the sanction process is complete, Finance Department would probably agree to release funds. These are two or three major issues where States funds are not made immediately available, though immediately after approval, we release the funds from here. Whatever the first 25 per cent, we release it from here and that is the starting point. In many States only when this 25 per cent is seen, their Finance Department agree to release the State’s share. So, if it is distributed over a large number of projects-ongoing and new ones-it is quite possible that priority would be for the ongoing projects and if the budget limit is reached, they would naturally wait for the supplementary or the RE process which would be towards the end of the year.”

3.14 The Committee had noted that so far Goa and Jamshedpur had availed no funds under JNNURM. When enquired, the Ministry of Urban Development stated the following progress made with regard to Goa and Jamshedpur:

“The position of the State of Goa was reviewed and the State’s representative responded by informing that the Sub-Committee formed for the purpose of finalizing DPRs is deliberating it. The State Government of Goa had submitted three Detailed Project Reports (DPRs) for the city of Panaji. These were considered by the Technical Agencies of the Ministry and were returned to the State Government of Goa for the reason of being incomplete and having certain shortcomings, for modification and re-submission.

The State Government of Goa has recently informed that the State Level Steering Committee (SLSC) under the Chairmanship of Hon’ble Chief Minister has constituted three Sub-Committees for appraisal of six Detailed Project Report (DPR) under Urban Infrastructure and Governance (UIG) and Basic Services to Urban Poor (BSUP) submitted by the Mission City, i.e. the City Corporation of Panaji (CCP). The meetings of Sub-Committee and approved by the SLSC, it will be submitted to the Ministry of Urban Development.

To help the States/Cities in implementing JNNURM programme, the Ministry as a measure of Capacity Building made available the facility of Project Management Unit/Project Implementation Unit (PIU). The State Government of Goa has not submitted any proposal for setting up of Project Management Unit (PMU) and Project Implementation Unit (PIU).

City Development Plan (CDP) of Jamshedpur has been appraised by CEPT University, Ahmedabad on 14.02.2007. The CDP of Jamshedpur has mentioned that as per the funding pattern under JNNURM, the requirement of ACA would be Rs.1339.66 crore from the Central Government. The CDP

mentions about the opportunity of PPP particularly in the field of development of riverbanks, ring roads. The projected cost estimation for urban infrastructure has been kept at Rs.2068.79 crore. Out of this amount, the highest investment has been shown in the Traffic and Transportation (Rs.875.25 crore) followed by Water Supply (Rs.622.03 crore).”

3.15 In a written reply regarding Capacity Development initiatives under JNNURM, the Ministry have stated that only 12 programme Management and Evaluation System covering 32 mission cities and training for the remaining states/cities has been planned and will be conducted shortly. With regard to Independent Review and Monitoring Agency (IRMA), it was informed that 7 States are in the process of appointing IRMAs and in 14 States, the Ministry of Urban Development has initiated steps for appointment of IRMAs on behalf of these states and for the remaining states, appointment of IRMA have been approved by the Central Sanctioning and Monitoring Committee.

3.16 The Committee further informed that the 16 Programme Management Units (PMU) to strengthen the capacity of State Level Nodal Agency (SLNA) have been approved of which 8 States have established and operationalized the PMUs. With regard to Project Implementation Units (PIU) at Urban Local Bodies (ULBs) which are needed to enhance their capability to effectively implement and reform under JNNURM, it was informed that so far, 40 PIUs projects have been approved for the various ULBs, of which 24 PIUs have been established and operationalized by ULBs.

3.17 As JNNURM is currently in its 4th year of operation, the Committee in their earlier reports had suggested the Ministry to conduct a mid-term appraisal of the same. On enquiry

about the progress in the proposed mid-term appraisal, the Ministry of Urban Development in their written reply have stated as under:-

“The Term of Reference (TOR) for the Mid-Term Appraisal of JNNURM was drafted and after consultation with Ministry of Housing and Urban Poverty Alleviation, it was finalized and approved. The Expression of Interest (EoI) was issued inviting proposals from agencies to conduct the Mid-Term Appraisal of JNNURM and the responses processed. The Request for Proposal (RFP) has been issued to the short listed agencies. The Selected Agency is required to give the final report in six months time from the date of award of the work”.

3.18 The Committee desired to know the observations made by the Central Sanctioning and Monitoring Committee on the short comings in the Missions implementation which were given as under:

- i. Sufficient numbers of DPRs are not coming from States/UTs which still have balance of allocation left.
- ii. There is a gap in release of funds by the States/ ULBs of their share of funds which needs to be rectified.
- iii. There are delays in project implementation by States/ Cities which affects pace of utilization of funds.
- iv. There are delays in reform implementation with respect to the timelines committed in the Memorandum of Agreements (MOA).
- v. Quarterly Progress Reports (QPRs) are not sent by the States/ULBs in time.

(II) Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)

3.19 As the JNNURM was meant for only 65 chosen cities, the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) was launched in December, 2005 for improving the overall Urban Infrastructure covering all Cities/Towns as per the 2001 census, excluding the 65 Mission cities covered under JNNURM. The objectives of the scheme are:

- (i) Development of Infrastructure facilities in towns and cities
- (ii) Enhancement of public private partnership in infrastructure development
- (iii) Promote planned integrated development of towns and cities

3.20 When asked whether the allocation Rs.3082.82 Crore (revised in July 2009 after budget 2009-10) for the year 2009-2010 would be able to meet requirements of all the cities/towns covered under the scheme as the outlay proposed was Rs.3904.00 crore, the Ministry in their written reply have stated that:

“It is anticipated that during the current year Rs.115.00 crore could be utilized by the States, which have balance in their overall allocation (Rs.230.00 crore). It is expected that ongoing projects which will be due for 2nd instalment as per the implementation schedule would involve release of Rs.1805.00 crore approximately. For the balance amount of allocation during 2009-10, at present, no criteria are available for sanction and release of funds.”

3.21 An important fact furnished by the Ministry is that the mandate to sanction fresh projects under UIDSSMT in around 288 uncovered districts could not be obtained.

3.22 Stating the overall progress of UIDSSMT till date, the Committee were informed as follows:

“Since inception of the Scheme till 31st August 2009, 752 projects in 635 towns have been covered in 26 states and 3 UTs under UIDSSMT and an Additional Central Assistance (ACA) of Rs. 5858.33 crore have so far been released.”

3.23 Anticipating the impact of UIDSSMT, after completion of 747 projects (the figure later revised as 752) in 631 towns (revised as 635 towns), the Outcome Budget (2009-10) stated as under:

“On completion of 745 projects in 631 towns sanctioned in the 24 States and 02 UTs. The 410 towns will have improved water supply system, 97 towns will have augmented sewerage system, 66 towns will be provided with proper drainage system. In 9 towns the existing water bodies will be preserved, 51 towns will have proper management of solid waste. In 10 towns heritage areas will be conserved/developed, while in 102 towns will have conservation of soil erosion and 01 town will have proper parking facility”

3.24 Informing the Committee about the receipt of Utilization Certificates of the funds received as ACA (Additional Central Assistance) by the States, it was inter-alia informed as under:

“....Till 31st August 2009, UCs of 431 projects where ACA was released till 31st March 2008 are due, against which UCs of 209 projects have been received and UCs for 164 projects have been processed and 2nd instalment of Rs.669.01 crore has been released. Releases of second instalments are done after 70% utilization of both ACA and State share towards first instalment of the project.

States are being reminded from time to time for timely release of state share to the ULBs/ Implementing agencies and furnish the UCs in time. The progress and implementation of the Scheme is constantly being reviewed and monitored at various levels in the Ministry and States are also invited in various review meetings to discuss issues regarding implementation of the projects, timely release of ACA & matching state share to ULBs/Implementing agencies and timely submission of UCs”

3.25 On being asked about the difficulties faced by the States/UTs in the effective implementation of UIDSSMT, the Ministry in a written reply stated:

“States are mainly facing the problems in tendering the work as per the approved cost estimate of the projects due to unprecedented inflation and resultant rise in the cost of materials. As per existing practice, the cost escalation of the projects has to be borne by States/ULBS. However, with a view to ensuring completion of all components/package of the projects as envisaged in the DPRs States/ULBs have been requested to furnish the ‘Financial Closure Certificates’ for all the projects sanctioned under UIDSSMT.”

3.26 In a written reply regarding progress of projects the Ministry stated that out of 219 projects, already 41 projects are reported to have achieved more than 50% physical progress. Out of remaining 178 projects 92 are under progress, for 32 projects work orders have been issued and 31 are at tendering stage. Only 3 projects (2 sewerage projects in Budni and Jaoara, Madhya Pradesh and 1 water supply project in Thoubal in Manipur) are yet to start whereas no progress has been reported for 20 projects (15 in Karnataka, 2 in Kerala and 1 each in Maharashtra, Manipur and Uttar Pradesh).

3.27 The list of projects under UIDSSMT having less than 50% progress, as furnished by the Ministry, has been placed at Annexure-I.

3.28 The Secretary, Ministry of Urban Development during the oral evidence has further added:-

“As far as no progress is concerned, the implementation is at the State level. We go by the quarterly progress report which we get here. We call the Secretaries concerned also, so, in some places, there are some issues like if a project is to state, and if land is to be made available and if there is some encroachment, it has to be removed. These implementation issues keep rising but it does not mean that it continues to be in the same categories, this figure keeps changing every quarter. In Karnataka, the total projects approved are 38, out of which, 15 are in this category, which we have listed here. I am sure they will be making progress because Karnataka as we can see here is one among the many states which is very responsive. So, it could be due to a certain fact but we may not have individual responses about each of these but we constantly look at this and the figure keeps changing at each review.”

3.29 The Ministry in a written reply also informed the Committee about steps taken by them to provide guidance to State Governments for early completion of UIDSSMT projects, as under:

“For monitoring and timely implementation of projects under UIDSSMT various steps taken by Ministry of Urban Development are as below:

- Performance of states under UIDSSMT is reviewed monthly during the CSMC Review Meeting chaired by Secretary (Urban Development). State Governments are also invited periodically to clarify status of projects and reforms during these monthly meetings.
- State Governments/State Level Nodal Agencies (SLNA) are being requested regularly for timely submission of Quarterly Progress Reports (QPRs), Utilization Certificates (UCs) and other relevant information.
- The States have been requested to provide QPRs in time latest by 15th of next month of ending the quarter month. Based on the performance, States are

being invited to the review undertaken at various levels in the Ministry of Urban Development.

- States are being reminded in the form of advisory from time to time to transfer funds to the implementing agencies along with State share so that the project may be completed in time without time and cost overruns.
- For proper monitoring and implementation of projects and reforms under the scheme States/Union Territories have been empowered to sanction Project Implementation Units (PIUs), Project Monitoring Unit (PMU) and Independent Review and Monitoring Agency (IRMA).
- Annual Review Meeting is organized every year with the State's Principal Secretaries/ Secretaries (Urban Development) to review the progress of the ongoing projects and reforms and to address the related issues. The last Annual Review Meeting was held on 19.8.2009.
- States have been requested to submit the financial closure certificates for each project sanctioned under UIDSSMT so that the requisite amount of funds must be ensured to be available in the project account and all the components posed in the Detailed Project Reports (DPRS) may get completed and the benefits envisaged in the DPRs would be available to the beneficiaries.”

(III) National Urban Information System (NUIS)

3.30 As per their Annual Report (2008-09) the Ministry of Urban Development has launched National Urban Information System (NUIS) Scheme on pilot basis to develop Geographic Information System (GIS) databases for 152 towns/cities in the country in two scales i.e., 1:10000 and 1:2000. Apart from Urban Spatial Information System Component (USIS), the Scheme has another component i.e. National Urban Databank and Indicators (NUDB&I). The major objectives of the Scheme are to i) develop attributes as well as spatial database for various levels of urban planning, ii) Use modern data Sources, iii) develop standards, iv) develop urban indices, and v) capacity building. Generation of digital maps and GIS database is being done through Survey of India (SOI).

3.31 As regards the funding pattern of NUIS Scheme, the Committee were informed as under:

“Funds under NUIS Scheme has been released for procurement of HW/SW and NUDB&I data collection in two installments. Release of 25% State share and recommendation of State Coordination Committee is pre-requisite for release of central share.”

3.32 During the financial year 2008-2009, the allocation for NUIS scheme was Rs. 0.50 crore and the actual expenditure was Rs.1.88 crore. While for the year 2009-2010 a provision of Rs.1.00 crore has been made. When asked about such a meagre allocation of Rs.1.00 Crore for NUIS this Financial Year, the Ministry stated as under:

“Under NUIS Scheme first installment of central share has been released for 29 States and Utilisation Certificates are pending for 13 States as on 30th August, 2009. The second installment of central share will be released only after submission of Utilisation Certificate by State Govt. The States are in the process of procurement of HW/SW. Accordingly, the allocation of funds was made during 2009-10.” Evidene

3.33 A Memorandum of Agreement (MOA) between the Ministry of Urban Development and Survey of India (SOI) for NUIS was signed on March 13, 2006. As per the agreement, in the first phase of the scheme, total job of 137 towns/cities/Urban agglomerations was to be completed within 15 months from the date of signing of the agreement. In this regard, when the Committee enquired about the status of the job of 137cities/towns, the Ministry of Urban Development, in their written reply, stated that the total job of 137 towns/cities/urban-agglomerations shall be completed within 18 months from the date of receipt of aerial photos and images. The Committee were informed that SOI has procured Satellite images for all towns for 1:10000 scale mapping. Geo-referencing for 117 towns, spatial database

generation at 1:10000 scales has been completed for 55 towns as on 15th September, 2009. Aerial Photos have been received for 79 towns and the data base generation at 1:2000 scale is in progress.

3.34 In order to detect leakages/damages in water supply/sewerage pipelines, NUIS scheme is also meant to generate utility maps on 1:1000 scale for 24 identified towns on pilot basis. In this regard, the Committee enquired about the present status of the aforementioned pilot project. The Ministry, in its written reply, stated that under the NUIS Scheme, 24 towns have been selected for utility mapping at 1:1000 Scale. As on date, the digital data base for 12 towns has been handed over to Survey of India (SOI). The output of 1:2000 maps will be used to generate utility maps at 1:1000 Scale for the rest of 12 towns. SOI in coordination with State Nodal Agencies is finalizing area for utility mapping.

3.35 In the Outcome Budget (2009-10), it was noticed that the States of Tamil Nadu, NCT of Delhi and Uttarakhand were dropped from NUIS Scheme. The Ministry explained the reasons as under:

“The States of Uttarakhand and Delhi have developed GIS database for all the towns before launching of NUIS Scheme. Since the database already exists with Uttarakhand and Delhi, both the States have been dropped from NUIS Scheme by Technical Advisory Committee (TAC) constituted by MoUD.

Release of 25% state share is pre-requisite for implementation of the Scheme. The State of Tamil Nadu has not taken any initiative to release the State Share till March, 2009. In the review meeting held under chairmanship of Jt. Secretary (UD) 23.03.09, it was decided to drop Tamil Nadu from first phase of NUIS Scheme.”

(IV) Delhi Metro Rail Corporation

3.36 As per the written information submitted by the Ministry, the Delhi Mass Rapid Transit System (MRTS) project is being implemented by the Delhi Metro Rail Corporation (DMRC) Ltd. set up in May 1995, with equity participation by the Government of India (GOI) & Government of National Capital Territory of Delhi (GNCTD) in the ratio of 50:50,ie; equal participation.

3.37 The first phase of the project, since completed with an expenditure of Rs. 10541.06 Crore, consisted of following corridors:

Line No.	Corridor	No. of stations	At Grade (Km)	Elevated (Km)	Underground (Km)	Total (Km)
1.	Shahdara – Rithala	18	4.5	17.56	0	22.06
2.	Vishwavidyalaya – Central Secretariat	10	0	0	10.84	10.84
3.	Indraprastha – Dwarka	25	0	23.48	2.17	25.65
	Total	53	4.5	41.04	13.01	58.55
	Dwarka Sub-city (Dwarka – Dwarka VI)	6	0	6.50	0	06.50
	Grand Total (Including Dwarka Sub-city)	59	4.5	47.54	13.01	65.05

3.38 The second phase of the project and its financing plan has been furnished by the Ministry as under:

“ **Alignment:**

Phase II[@] of the project will consist of the following alignment:-

<u>Corridor</u>	<u>Length (Km.)</u>	<u>Target date</u>
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(1)	Vishva Vidyalaya – Jahangir Puri	-	6.36	31.10.2009*
(2)	Central Secretariat – Qutab Minar	-	12.525	30.06.2010
(3)	Shahdara – Dilshad Garden	-	3.09	31.12.2008#
(4)	Indraprastha – New Ashok Nagar	-	8.07	30.06.2009
(5)	Yamuna Bank – Anand Vihar ISBT	-	6.16	31.12.2009**
(6)	Kirti Nagar – Mundka	-	18.47	31.03.2010

(along with operational link to Inderlok)

@Phase II is now anticipated for completion by June, 2010.

Commissioned on 30.6.2008 (6 months ahead of schedule)

*Commissioned on 3.2.2009 (9 months ahead of schedule)

**Indraprastha-Yamuna Bank section of Yamuna Bank–Anand Vihar ISBT corridor has commissioned on 10.5.2009.

Financing Plan:

Revised financing plan after effecting savings is as under: -

(Rs. in crore)

<u>Item</u>	<u>Original funding plan</u>	<u>Revised funding plan</u>
<u>Equity:</u>	<u>2435</u>	<u>2388.39 (28%)</u>
<u>Subordinate Debt:</u>	<u>350</u>	<u>350 (4%)</u>
<u>PTA:</u>	<u>5081</u>	<u>5056.97 (59%)</u>
<u>Property Development:</u>	<u>405</u>	<u>405 (4.5%)</u>
<u>Internal accrual:</u>	<u>405</u>	<u>405 (4.5%)</u>
<u>Total</u>	<u>8676</u>	<u>8605.36</u>

Equity & subordinate debt to be shared by GoI and GNCTD in equal proportion”

3.39 The Committee were also provided information concerning preparation for Phase III of Metro, extension of Delhi Metro to Gurgaon, Noida (Advance stages) as well as the metro projects in Banglore, Kolkata and Chennai (initial stages).

3.40 During the financial year 2009-10, an amount of Rs. 1770.20 Crore has been allocated at B.E. stage, while the actual expenditure during the year 2008-09 was Rs. 3668.00 Crore.

3.41 During the course of oral evidence, the Committee raised their concerns over certain issues, for instance, land management, the need for property development by DMRC, lesser number of bids received for the same and awarding all contracts to only one contractor. In this regard, the representative of DMRC clarified as under:

“It has been mentioned that it has been given to one man only. I would like to inform that, at that point of time it was a period of recession in property development and real estate. We had carried out an open bidding. There has not been any private bidding in any project. The concept of property development along with metro has never flourished in India. So, a very few people were showing interest. The bidding which we conducted was an open tender, committee was formed for this. After the formation of the committee the tenders were awarded depending upon who would be able to carry it out efficiently. Moreover, Delhi metro is not bearing the entire cost of the projects. Japan is also providing the funds in form of equity. They have mentioned that we have to generate the fund through property development.”

3.42 The Secretary, Ministry of Urban Development, further added:

“.....all these Metros should simultaneously provide for some property development activity so that there is a constant flow of income to the Metro. But it is to the credit of the Delhi Metro that out of the surplus they are generating they are repaying the

loans also. That is something which the Metros will have to do. So, any further activity to be taken up, once the project implementation is complete the Metros are expected to be on their own. One does not expect the Government to subsidise the Metro at that stages as of now.”

3.43 Further, in connection with the property development by DMRC, the Ministry submitted in writing as follows:

“Investment approval in Delhi Mass Rapid Transit System (MRTS) Phase I and subsequently in Delhi MRTS Phase II inter-alia provided for property development by Delhi Metro Rail Corporation (DMRC) Ltd. as one of the accepted modes of resource mobilization towards capital cost as well as sustainable operations.”

3.44 During the course of oral evidence, the Committee further raised issues regarding expansion of the Metro lines and questioned the covering of regions like Gurgaon, and NOIDA, despite the fact that many areas in Delhi itself were yet to be covered by Metro. With respect to the expansion of Metro in Delhi and National Capital Region, the Secretary, Ministry of Urban Development, during the oral evidence responded as under:

“.... There are many points with regard to Metro, I think the alignment which they prepare in the beginning they work on that only, I am of the view that probably the Corridor having possibility of maximum commuters being available or the corridor to which large number of commuters want to use, on that corridor only the work is done”.

3.45 He further added:

“In Phase III, there is proposal to cover many of those areas that have been left out”.

3.46 On being asked about whether DMRC is envisaging connecting areas around outer ring road with inner ring road or vice-versa for better connectivity, the Ministry submitted in writing as follows:

“DMRC is presently preparing Detailed Project Report for Phase –III on Delhi Metro for providing better connectivity across different areas and also amongst various corridors of Delhi Metro in Phase –I and Phase-II”

3.47 Taking note of the mishaps occurring at Delhi Metro Sites in the recent past, the Committee enquired as to whether regular safety audit and penalty for compromising on the same can be made a part of the agreement with private concessionaires/ related agencies. In response to the query of the Committee, the Ministry submitted in writing as under:

“Delhi Metro has informed that safety at work sites is given prime importance and penalty is imposed on contractors for compromising the same. Furthermore, DMRC have taken the following steps to keep the mishap rate to the barest minimum:

- The DMRC has started a special drive to check all the cantilever piers so far constructed and their designs are now being rechecked by M/s Shirish Patel and Associates, a well known Design Consultant. Based on their advice, necessary action will be taken to ensure that all the cantilever piers are safe.
- The DMRC has also decided to get all the designs checked in future by the General Consultants or by an outside Consultancy. The Design Wing of DMRC is also being substantially strengthened.
- The General Consultants are also being strengthened to ensure safety and quality of construction.

- DMRC has also initiated steps to revitalize the Tool Box Safety Drill to all the workers before commencement of the shift. DMRC has also started a crash course for three days in safety rules and regulations for every worker involved at the construction site.”.

(V) **Commonwealth Games 2010**

3.48 Delhi is the host city for the Commonwealth Games to be held in October 2010. CPWD (Central Public Works Department) and DDA (Delhi Development Authority), two important organizations under the Ministry, have been assigned the responsibility for developing the Games Village and few competition and training venues for the Games.

3.49 The total outlay proposed and earmarked for 11th Plan period was Rs.1034 crore and the actual allocated sum is only Rs.325 crore. The Committee in this regard enquired about the huge difference between the proposed and actually allocated funds for the projects for Commonwealth Games. The Ministry in its written reply stated as under:-

“Preliminary estimates for Rs.464.62 crore had earlier been prepared by DDA and were placed before the EFC which had recommended an allocation of Rs.315 crore and an addition of Rs.10 crore for security related infrastructure plus 20% deviation. However, subsequently, additional work was assigned to DDA such as the competition venue for archery (preliminaries) at Yamuna Sports Complex and several other training venues. Besides, Venue Briefs have been received from the Organizing Committee, Commonwealth Games-2010 (OC,CWG-2010) and venues have accordingly been designed by DDA. Revised estimates for projects initially assigned to the DDA and preliminary estimates for projects subsequently assigned were

prepared and the EFC appraised the revised proposal at its meeting held on 11.02.2008 for Rs.631.55 crore.

However, with the finalization of the tenders, the earlier estimated cost Rs.631.55 crore recommended by EFC at its meeting held on 11.02.2008 got scaled up to Rs.1034.82 crore. The cost of Stadia at Siri Fort Sports Complex and Yamuna Sports Complex cost of flyover and refurbishment and Training venues have been further recast based on the tender received. Substantial increase in cost estimates is mainly due to external electrification demand by BSES, requirement of DJB for a dedicated WTP/STP, adoption of richer Specifications on the part of Organizing Committee, firming up of preliminary estimate, including electrical and mechanical components etc.”

3.50 The Committee further enquired whether the allocated funds would be sufficient to complete the projects on time. The Ministry of Urban Development in its written reply stated that the allocated fund of Rs.330 Crore being insufficient to complete the projects, a proposal for allocation of Rs.1034.82 crore was prepared to complete the projects assigned to DDA. The EFC headed by the Finance Secretary held on 01.09.2009 has appraised the proposal. At the time of examining of Demand for Grants, the proposal was to be submitted for consideration of the Cabinet Committee on Economic Affairs (CCEA).

3.51 A statement indicating physical progress of various Games venues, for the month ending August-2009, as furnished to the Committee, is as under:-

Name of the Project	Start Date	Cumulative target for the month ending July,09 (in% age)	Cumulative achievement for the month ending July, 09 as against the target indicated in column (5)	Remarks
1	2	3	4	5
Games Village	14.09.07	65	63	The slippage in the project is being made up by mobilizing additional resources so that work completed as per schedule.
Training Venue	23.04.08	66	43	Agency is being persuaded to expedite the progress.
Siri Fort Sports Complex				
Training Venue	19.03.09	47	20	Initial delay due to resistance of members of Sports Complex Matter resolved & now work has commenced in full swing.
Competition Venue	07.08.08	65	60	The slippage in the project is being made up by mobilizing additional resources so that work completed as per schedule.

Yamuna Sports Complex				
Training Venue	13.03.09	42	19	As above
Competition Venue	07.08.08	65	59	As above
Saket Sports Complex				
Training Venue	19.03.09	47	20	As above

3.52 As less than one year's time is left for the holding of Commonwealth Games, the Committee enquired during evidence about the progress so far made by DDA in developing the games village for the Commonwealth Games 2010. The Secretary, Ministry of Urban Development deposed as under:-

“As far as the Commonwealth Games is concerned, there are two units of our Ministry which are involved-CPWD, which works for the Sports Authority of India to complete various stadia work which the Ministry of Sports/ Sports Authority has entrusted to them and the second part is the Delhi Development Authority which has been given specific task relating to the Games Village and two venues where events are to take place. CPWD has six venues but the events would be more than that because at one venue there would be two or three events.

The DDA has three venues plus the Games village. Then, there are 1-2 small agencies like the NDMC and the Delhi University. That is the broad break up of 17 events. The CPWD has been given RS.2300 crore plus for undertaking the work. We constantly review the progress. The outer limit for completing the stadia related civil and other work is March 2010. The remaining works like the lays and handing it over to the OC, etc. would take place thereafter. Similarly for the DDA, the village plus

competition and training venues-all the work related to civil and others would be completed latest by March 31, 2010. This is the broad situation. We have a monthly review of what progress has been achieved. There would be shortcomings as far as monthly progress targets are concerned. But now, both the agencies are fully geared to meet the targets set. On our part, we would complete the task entrusted to us and we would hand it back to either the Sports Authority of India, its part of the work, or in the case of DDA, its work, make it available to the OC. There would be some small work left which the OC has to indicate, about specification, score boards, over-lays, etc. That is the work which will continue from March, till about June. The target is, since the event has to take place in October-2010, before September it would be finally ready. I must also mention that there are certain complex/venues where some test events are to take place for which dates are given. It is known that Jawaharlal Nehru Stadium is one, Dhyhan Chand is another, in which it is known that it starts from January. These would be ready for them individually or single test events also, by that time. As you are aware, it is constantly being monitored by the Group of Ministers, and at our level, we have monthly or fortnightly monitoring. As of now, both the agencies have no problem in completing the task and keeping them ready by the date which we have committed to the OC.”

3.53 When the Committee enquired about the slow progress in the completion of various training and competition venues for Commonwealth Games 2010, the Secretary, during oral evidence, replied as under:-

“The focus now is on the main competition venue. On the training venues, work is on and the DDA was having some problems; they have found alternative sources. At some places, there may be 60 per cent progress and at some others, it may be 65 per cent, and at some others places, it may be 30 per cent plus. But those are such activities

where there would be sudden improvement once the focus is made; it is to be ready closer to the actual event. However, it should be made ready after March 2010.”

3.54 The Committee further asked whether delay was due to lack of coordination between CPWD, Sports Authority of India etc. The Secretary, Ministry of Urban Development replied during evidence as under:-

“The CPWD was asked to carry out certain work. Since it is an international arrangement, there would be certain specifications which would have to be made available depending upon the Commonwealth Games Federation requirements, and the OC is the channel. The dialogue continues and it is normally not so that everything is set right at the beginning itself. The requirement keeps flowing to the agencies. There have been some problems as far as timelines and other details are concerned. In our case, there would have been some delays; some contractors would not have performed well and they need to have been changed. But with this monitoring and with this arrangement, we can expect to complete the task, as per the dates which were indicated.”

3.55 He further clarified:-

“..... we are absolutely sure that we will deliver what is to be delivered by the date set. It is another matter – what further needs to be done and what would to be done. That is being addressed by the Group of Ministers so that better coordination is there. As far as some more details to be made available by the OC, the timelines, etc. only when the details are made available, we could go through the tender process, etc. On our part, we are fully geared to complete the task given to us, by the dates which I have indicated.”

(VI) National Capital Region Planning Board

3.56 The National Capital Region Planning Board was constituted under an Act of Parliament namely the National Capital Region Planning Board Act, 1985. The key rationale for constituting a National Capital Region in 1985 was to develop the National Capital and its surrounding areas from the States of Haryana, Rajasthan and Uttar Pradesh, as a region of global excellence with Delhi centric emphasis to disperse/ reduce pressure on the National Capital's infrastructure. Substantial financial resources are required for translating the above vision of the National Capital Region into actual reality on the ground and for this purpose, the Board is mainly dependent upon the Central grants and grants from the GNCT of Delhi.

3.57 According to the preliminary Budget material of the Ministry, during the first two years of the Eleventh Plan i.e. 2007-08 & 2008-09, the Board has sanctioned loan assistance of Rs.2098 Crore for 59 infrastructure development projects involving outlay of about Rs.3589.36 Crore and has released Rs.1428.44 Crore for these ongoing and new projects during these two years.

3.58 As per the information furnished by the Ministry, the concept of NCR Delhi has not succeeded so far. Some of the key reasons for the same are sanction of a large number of projects without any co-relation to availability of funds, slow progress in completion of schemes, prioritization of projects, re-delineation of area, involvement of different stake holders/lack of coordination with in the States, inadequate provision in the outlays by the Central Ministries and the participating States, and lack of common interest within the States and among the member states. The Ministry further accepted that though information on

releases made by the NCRPB is available, the progress of expenditure by the participating States and of Central Ministries is not known.

3.59 When asked about the reasons for the non-availability of information of expenditure by the participating States and Central Ministries, the Ministry submitted in their written reply as follows:

“As regards monitoring of the progress of expenditure done by the States and the Central Ministries, it is informed that in the Regional Plan 2021, recommendations have been made regarding preparation of a sub component plan for the projects to be implemented in the NCR by the respective State Governments and the Central Ministries but no such sub-component plan has been made by the concerned state governments and the central ministries till date. In the absence of such sub-component plan, it is not possible for the Board to monitor the projects as to whether that has fallen in the NCR or outside NCR. Board only monitors progress of the implementation of projects which have been sanctioned by it for providing loan assistance through periodical reports.”

PART-II**OBSERVATIONS/RECOMMENDATIONS****1. Urban Development needs priority by Government Planners**

The Committee observe that total urban spending in India, as a share of Gross Domestic Product (GDP) from the figures made available to them, has remained miniscule and stagnant for the past 10 years, ranging from 0.1 percent to just about 0.2 percent of GDP. Cities are supposed to be the engines driving India's economic growth. Although the Government has recognized the importance of urban renewal by launching JNNURM, yet withholding the required priority in appropriately funding the overall development of all cities and towns, and not just the metropolises and a few big cities, has led to most of the cities becoming poorly managed, which continue to lag both on reforms and investment. The Committee are pained to find that during the last ten years' period, the percentage of the Central Budget being allocated by the Government to the Ministry of Urban Development each year has also hovered just between 0.5% to 0.6%. They feel that chronic problems faced by most of our cities like crumbling infrastructure, deficient governance and poverty are pulling back their vast potential and the solution lies in increasing the overall share of urban spending from the GDP and granting them the requisite priority.

2. Need for better budgetary exercise

The Committee note from the Ministry's submission that the Budgetary allocation of Rs.5480.87 Crore (Gross) for the Financial Year 2009-2010 would be sufficient for the schemes/programmes run by the Ministry of Urban Development, except the DMRC and GPOA/GPRA, for which obtaining of Supplementary Grants is

nearly certain. The Committee also note from the Budgetary documents made available to them that three Supplementary Grants were obtained in the Financial Year 2008-2009 by the Ministry. In the opinion of the Committee, this trend shows a weak Budgetary exercise where there are frequent adjustments made to get funds for plans schemes in a single Financial Year itself. In such cases, the Annual Budget loses its authoritative status as the comprehensive financial plan of the Government and Budgeting turns into just an academic exercise. Having said so, the Committee are aware of the impact of the global financial meltdown and consequent economic crisis on the Indian Economy in the last two years, as explained in the Economic Survey (2008-2009) document, which may have affected the revenue and expenditure plans of the Government. As the worst phase seems to be getting over, the Committee hope that the Demand for Grants of the Ministry would bear more resemblance to the Budgetary reality from next Financial Year onwards, which is crucial to ensure better outcomes.

3. Surrender of funds

The Committee note from the budgetary documents submitted by the Ministry that in all Demands of the Ministry i.e. Demand Nos. 100, 101 and 102, there has been a constant trend during last ten years to surrender funds which they could not utilise. They further observe that majority of such funds have been surrendered by the Ministry mainly due to non-receipt of administrative approvals and financial sanctions from the client departments as well as non-filling of vacant posts. The Committee are of the view that this tendency can be controlled, if not prevented by ensuring better financial discipline and tightening of official machinery. In this context, the Committee note that the National Mission Mode Project for e-Governance has been initiated to improve operational efficiencies in delivery of urban services which includes building Plan approvals, better accounting systems etc. They hope that with such reforms, the

tendency for underutilization and consequent surrender of funds could be curbed to a significant extent. The Committee feel that every rupee of investment in Urban Sector is productive and thus must be utilized prudently and optimally. Therefore they recommend that extra efforts should be made at all levels to speed up appraisals, approvals and sanctions so that the funds available to the Ministry are utilized fully in the best possible manner.

As regards, non-filling of vacant posts in various offices & bodies under the control of the Ministry, the Committee are particularly concerned about the non-filling of the post of Manager, Forms Store, Kolkata, among others against direct recruitment quota in various printing/ stationery offices. The Committee recommend that the posts must be filled at the earliest so that time and cost overruns could be suitably supervised in such offices.

4. JNNURM- the role of State Governments/City ULBs

The Committee are aware of the fact that in a country like India, which has a federal system of Government, it is rather difficult to impose reforms on all States in matters concerning urban infrastructure as it largely concerns issues contained in the State list of the Constitution. Therefore, they feel that the onus is on the State Governments as well as the Cities' Urban local bodies to initiate, innovate, learn from peers, explore and continuously strive to improve their lot, particularly in crucial sectors like Water Supply, Sanitation, Solid Waste Management and Transport. The Centrally sponsored Jawaharlal Nehru Urban Renewal Mission (JNNURM), a 7 year Mission Mode Project, with a revised allocation of Rs.31,500 Crore for its Sub-Mission on Urban Infrastructure, seeks to provide an opportunity to State Governments to solve the fund requirements of their 65 large cities for upgrading their infrastructure on the

condition that large scale reforms in their governance are carried out as per the guidelines/toolkits/guidance provided by the Union Ministry of Urban Development. However the Committee note with concern that so far very few Mission Cities have adopted a reform agenda. Besides, as the Mission funds are demand-driven, which means that cities are responsible for preparing proper draft Project Proposals to demand funds, the Committee feel that cities must ensure to follow Mission guidelines/toolkits and prepare fund-worthy proposals. They hope that the reform requirements as well as other conditions for availing funds under the JNNURM would be met by all concerned cities at the earliest, since four years of the Mission period have already passed and just three years' time is left to accomplish the targets of this flagship programme.

5. JNNURM-Completion of sanctioned projects

As JNNURM seeks to fast-track the urban renewal process in 65 identified cities. The Committee are happy to note certain positive developments this Financial Year, which includes allocation of Rs.5960.13 core for its UIG component, proposal to include 28 more cities in the list of 65 Mission cities, as well as the finalization of its mid-term appraisal process. They further note from the deposition made by the Secretary, Ministry of Urban Development that so far around 473 projects costing Rs.51,127 crore have been approved under the JNNURM in the areas of Water Supply, Sewerage, Drainage, Solid Waste Management etc, though the number of projects completed so far, is just 43.

In this connection, the Committee were informed during deliberations with the Ministry's representatives that States need to show more enthusiasm towards implementing the approved Mission projects. The Committee have also been informed about certain genuine reasons for delays on the part of the State Governments' particularly, in the field of their share of funds and land acquisition and the issues concerning capacity of the ULBs to implement projects. Still, the Committee feel that the pace, with which the projects are being implemented, needs to be accelerated further otherwise the seven-year period will be grossly insufficient for urban renewal of the 65 cities. The Committee also feel that the cities of Goa and Jamshedpur should have been brought on board by now, which unfortunately, has not materialized despite efforts by the Ministry. In such a scenario, the Committee opine that though inclusion of 28 cities more in JNNURM is a welcome step, yet, perhaps, there would be a need for a Mission-II to bring the desired results in all these 65 cities first. In this connection, the Committee are aware of certain bottlenecks in ensuring proper funding also for bringing more cities into the existing JNNURM programme. They would like the Ministry to clarify the position. The Committee are also aware that the stimulus packages provided to the Ministries during this financial year may be withdrawn from next year onwards, which may pose funding difficulties for these Mission cities. The Committee therefore, recommend that the Ministry must continue in their efforts to encourage Mission cities to complete all sanctioned projects well in scheduled time and enhance the capacity of their ULBs/stakeholders, as well as to pursue with the appropriate authority to provide funds for the cities, which no longer have funds left for their ready projects as their committed share is exhausted, so that their efforts for urban renewal bear fruit.

6. Under Utilization of Mission Funds by few States

The Committee are concerned to note that the States/Union Territory of Delhi, Punjab, West Bengal, and Chandigarh still have unspent balance in their account to be utilized, despite the efforts of the Ministry to expedite appraisal/approval of DPRs and obtain UCs, wherever applicable, on priority. The Committee are particularly perturbed over the performance of the National Capital Territory of Delhi, which is lagging way behind other metros like Mumbai, Chennai and Kolkata, in executing reforms required to revamp its infrastructure and urban governance. The Committee opine that these cities and the concerned State Governments must realize the urgent need to utilize the available opportunity and address their urban infrastructure challenges through JNNURM as early as possible, which not only would improve their urban scenario but would also check growing antipathy of citizens towards city planners, for failing to ensure a better quality of life for them.

7. UIDSSMT- Unsatisfactory Progress

The UIDSSMT, a scheme meant for those small and medium cities which are not covered under JNNURM, has not registered a satisfactory progress so far, despite the four years that have passed since its inception in December, 2005. During the examination of the scheme, the Committee were sad to observe that the allocation of Rs. 3082.82 Crore for the current Financial Year is not meant for any fresh projects as the requisite mandate for it could not be obtained by the Ministry. It has been informed that at present, 752 projects in 635 small & medium towns have been sanctioned under the scheme. However, the Committee are perturbed over the fact that the progress of the projects is not satisfactory at all owing to failure of State Governments to either

undertake required reforms as per the timelines or non-release of matching State shares and non-submission of Utilization Certificates by them in respect of 222 projects, as well as land acquisition problems. The Committee are aware of the acute infrastructure problems, water shortage, absence of garbage disposal mechanism and the same in a number of small and medium towns in Uttar Pradesh, Bihar, Maharashtra, Madhya Pradesh, Tamil Nadu, A.P. and Karnataka, where these projects need to be taken up so that required infrastructure is developed. However, taking up any new projects is not possible till the entire ACA of Rs. 5858.33 Crore, released so far, is shown as utilized by the receiving States. The Committee, therefore, desire that the State Governments need to be reminded consistently that they must furnish their pending UCs on time and undertake reforms so as to make their cities eligible for UIDSSMT funds, in the absence of which the Committee fear that the UIDSSMT scheme may not get further funding by the concerned authorities. Therefore there is hardly any option left for many other small and medium towns to improve the quality of life for their city-dwellers through implementing these schemes on priority basis.

8. Slow Progress in the implementation of National Urban Information System (NUIS)

The Committee note that National Urban Information System ((NUIS) was launched to develop Geographic Information System (GIS) databases for 152 towns/cities in the country in two scales i.e 1:10000 and 1:2000. The Committee note that the major objectives of the scheme are to develop spatial database for various levels of urban planning, use of modern data, sources, develop standards and urban indices and capacity building. The NUIS has been stated to be particularly useful in detecting

leakages in underground pipes and sewerage lines by generating utility maps. Thus, once completed, the outcomes of the scheme can be very beneficial for urban service providers as well as for the city dwellers, since maintenance/ repair of service lines through digital utility maps will cause minimum damage to surface roads and result in minimum inconvenience to the citizens.

As per the Outcome Budget of the Ministry, the Scheme was to cover 137 cities/ towns in Phase-I at a cost of Rs. 66.28 Crore to be shared by Centre and States in the ratio of 75:25. The Committee were informed that first installment of the scheme was released for 29 states and the release of the second installment of the scheme was pending for 13 States for not submitting the utilization certificates by them. The Committee learnt from the Outcome Budget that as per the MoA signed in March, 2006 between the Ministry and Survey of India i.e., the implementing agency for generation of digital maps, the job of 137 cities/ towns was initially supposed to be completed within 15 months i.e., June, 2007. However, the Committee were later informed that the job would be completed within 18 months from the date of receipt of aerial photos and images, which, as on date, is done only for 79 cities and towns. From the foregoing, the Committee conclude that the Scheme seems to be not progressing as per the desired pace due to apathy on the part of State Governments to either submit UCs or to release their 25% share, so much so, that one State i.e. Tamil Nadu has to be ultimately dropped from the scheme as it did not take any initiative to release its share of funds till March, 2009. The Committee are pained to note that innovative schemes like NUIS have to suffer setbacks and time and cost overruns. They recommend that special workshops should be held by the Ministry in order to achieve better understanding of the potential benefits of the scheme among the States and convince them to submit the pending UCs and release their share of funds promptly. The Committee also desire that matter may

be pursued with the Survey of India also so that acquiring digital aerial images of all 137 towns under phase-I of the NUIS scheme could be completed at the earliest.

9. Delhi Metro Rail Corporation

The Committee note that DMRC is an ambitious project under the Ministry of Urban Development, which has got liberal funding under Demand No.100 so far. The Committee further note that the Ministry seem to be satisfied with the performance of DMRC in completing their work schedules in time. While there is no denying the fact that Delhi Metro has provided a better choice for public transport to the city-dwellers, they feel that large chunk of the city population is yet to be benefited by the same due to the limited reach of metro to certain specified areas only. Therefore, the Committee recommend that in the next phase III of the Delhi MRTS project, measures need to be taken to ensure that the benefits of Metro could be uniformly spread in all areas of the city, particularly those areas where very limited or nil alternate transport options are available. They further feel that a dedicated metro corridor for the inner and outer ring roads may be explored. Besides, there is a need to address the inadequacy of metro feeder buses too to cater the need of the people of adjoining areas away from metro stations.

With regard to property development by the DMRC in the existing parking spaces near various Metro Stations, the Committee note from the Ministry's submission that this needs to be done to generate resources by DMRC for repaying its loan. However, the Committee feel that caution needs to be observed to ensure a fair share to the public good too, since conversion of all parking space into commercial properties would not help a metro-users, who can very comfortably park their vehicle and ride the metro. The Committee are also extremely concerned about recent Metro mishaps. In

the wake of several accidents in Metro lines, the Committee desire that utmost care would be taken to carry out regular safety audits in all metro-related works and ensure penal action for the persons/companies found responsible for those mishaps.

10. Commonwealth Games-timely completion of venues

The Commonwealth Games, 2010, due to be held in Delhi in October, 2010, are a prestigious Games event showcasing our capabilities before a bigger international community. In this connection, the Committee note that CPWD and DDA have been assigned the task of constructing and preparing quite a few venues, apart from the Games Village. They have been informed that a sum of Rs.1034 Crore was proposed by the Ministry for the Games in 11th Plan period, however a sum of Rs.325 Crore only was actually allocated. The Ministry again revised the figure as Rs.330 Crore, while responding to a query by the Committee. The Committee find it quite confusing and desire that the Ministry should clarify about the actual amount allotted to them for the Games in the current Financial Year. The Committee have been informed further that a proposal for allocation of Rs.1034.82 Crore was to be moved by the Ministry before CCEA for completion of Games projects. They would like to be apprised of the outcome of the same.

As regards preparation of Games venues on the set targets, the Committee are aware of slippages in certain project milestones, a fact supported by even the Comptroller and Auditor-General of India. However, they note from the submission made by the Ministry that the Government is confident on completing the projects as per schedule. Though the Committee have serious doubts about completion of projects in time, nonetheless, they hope that the Government would strive hard to prepare venues as per international standards, without undue cost overruns, well in time for smooth conduct of the Commonwealth Games.

11. National Capital Region Planning Board-Non-preparation of Sub-Component Plan by the States

The Committee observe that the key rationale for constituting a National Capital Region Planning Board in 1985 was to develop the National Capital and its surrounding areas as a region of global excellence, with Delhi centeric emphasis, to disperse/reduce pressure on the National Capital's infrastructure. The Committee find that from the information furnished by the Ministry that the concept of NCR Delhi has not succeeded it seems. They have dealt specifically with problems concerning NCRPB and made recommendations on the same in their earlier Thirty Fifth Report of 14th Lok Sabha. The Committee now are very concerned to note that although the Regional Plan 2 021 recommends preparation of a Sub-Component Plan for the projects to be implemented in the NCR by the concerned State Governments and Central Ministries, yet no such Sub-Component plan has been made by the State Governments and the Central Ministries till date. This has caused a severe handicap to the Board as according to the Ministry, without a Sub-Component Plan, it is not possible for them to know whether a project falls under NCR or outside it. Moreover, the Committee have been informed by the Ministry that the progress of expenditure by the participating States and Central Ministries is also not known. The Committee are appalled at the current state of affairs in NCRPB and, therefore, strongly recommend that the Ministry of Urban Development should strive for holding frequent meetings of the Board with proper agenda to find a plausible solutions for early formulation of Sub-Component Plan on urgent basis by all States/Central Ministries. They feel that the NCR concept has several stakeholders and coordination among them is most crucial to avoid and restrict haphazard development of the area, otherwise it may prove to be counter productive to the NCR concept. They,

therefore, recommend the Ministry to come up with a possible solution to the current deadlock through constant deliberations with all the stakeholders and evolve a consensus on various contradictive issues for the proper development of NCR.

New Delhi;

15 December, 2009

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