

19

**STANDING COMMITTEE ON
URBAN DEVELOPMENT
(2011-2012)**

FIFTEENTH LOK SABHA

MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION

**DEMANDS FOR GRANTS
(2012-2013)**

NINETEENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

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URBAN DEVELOPMENT

(2011-2012)

(FIFTEENTH LOK SABHA)

MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION

DEMANDS FOR GRANTS

(2012-2013)

Presented to Lok Sabha on 25.04.2012

Laid in Rajya Sabha on 25.04.2012



LOK SABHA SECRETARIAT

NEW DELHI

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CONTENTS

PAGE

COMPOSITION OF THE COMMITTEE..... (iii)

INTRODUCTION..... (v)

REPORT

PART-I

CHAPTER	I	Introductory.....	1
CHAPTER	II	Overall Analysis of Demands for Grants (2012-2013)...	6
CHAPTER	III	Scheme-wise Analysis – Urban Employment and Poverty	
		Alleviation and Sanitation Schemes.....	14
	(i)	Swarna Jayanti Shahari Rozgar Yojana (SJSRY).....	15
	(ii)	Integrated Low Cost Sanitation Scheme (ILCS).....	24
	(iii)	Rajiv Awas Yojana (Ray).....	27
	(iv)	Interest Subsidy Scheme Of Housing For The Urban Poor (ISHUP).....	30
	(v)	Jawaharlal Nehru National Urban Renewal Mission (JNNURM) ...	34

- (A) Basic Services To The Urban Poor (BSUP)
(B) Integrated Housing & Slum Development Programme (IHSDP)

PART-II

Observations and Recommendations	44
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APPENDICES

I	Minutes of the Seventh Sitting of the Committee held on 02.04.2012.....	55
II	Minutes of the Eighth Sitting of the Committee held on 19.04.2012.....	58

(i)

**COMPOSITION OF THE
STANDING COMMITTEE ON URBAN DEVELOPMENT (2011-2012)**

Shri Sharad Yadav - *Chairman*

MEMBERS

LOK SABHA

2. Shri J.P. Agarwal
3. Shri M. Anandan
4. Shri Praveen Singh Aron
5. Shri Partap Singh Bajwa
6. Shri Ambica Banerjee
7. Smt. J. Helen Davidson

8. Smt. Priya Dutt

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17. Shri P.C. Mohan
18. Shri Sonawane Pratap Narayanrao
19. Shri Rakesh Sachan
20. Shri Bhupendra Singh
21. Shri Umashankar Singh

RAJYA SABHA

22. Shri P. Bhattacharya
23. Shri Parvez Hashmi
24. Vacant

(ii)

25. Shri Avinash Pande
26. Dr. Bhalchandra Mungekar
27. Shri Kanwar Deep Singh
28. Shri Khekiho Zhimomi

*29. Dr. Manohar Joshi

*30. Smt. Hema Malini

*31. Shri Meghraj Jain

SECRETARIAT

1.	Shri T.K. Mukherjee	-	Joint Secretary
2.	Shri R.K. Jain	-	Director
3.	Smt. J.M. Sinha	-	Deputy Secretary
4.	Shri Sumit Kumar Grover	-	Executive Assistant

Vacancy caused consequent upon retirement of Shri Shyam Benegal from Rajya Sabha w.e.f. 15.02.2012

* Vacancy caused consequent upon retirement of Dr. Manohar Joshi, Smt. Hema Malini and Shri Meghraj Jain from Rajya Sabha w.e.f. 02.04.2012.

(ii)

INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2011-12) (Fifteenth Lok Sabha) having been authorized by the Committee to submit the Report on their behalf, present the Nineteenth Report on Demands for Grants (2012-13) of the Ministry of Housing and Urban Poverty Alleviation.

2. The Demands for Grants of the Ministry of Housing and Urban Poverty Alleviation were laid on the table of the House on 27th March, 2012. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Urban Development are required to consider the Demands for Grants of the Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament. Thereafter, the Demands are considered by the House in the light of the Report of the Committee.

3. The Committee took evidence of the representatives of the Ministry of Housing and Urban Poverty Alleviation on 2nd April, 2012. The Committee wish to express their thanks to the officials of the Ministry of Housing and Urban Poverty Alleviation for placing before them the requisite material and their considered views in connection with the examination of the Demands for Grants (2012-13).

4. They would also like to place on record their appreciation for the valuable 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 19th April, 2012.

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;
19 April, 2012
30 Chaitra, 1934 (Saka)

SHARAD YADAV,
Chairman,
Standing Committee on
Urban Development

PART I
CHAPTER I
INTRODUCTORY

The Ministry of Housing & Urban Poverty Alleviation was separated from the Ministry of Urban Development in 2004 with a vision of providing an equitable and inclusive sustainable growth of towns and cities free from slums which provides dignity and a decent quality of life to all inhabitants in the urban areas. The Ministry of Housing & Urban Poverty Alleviation is the apex authority of Government of India at the national level for formulation of housing policy and programme, review of the implementation of the plan scheme, collection and dissemination of data on housing, building materials/techniques and for adopting general measures for reduction of building costs. In addition, it is entrusted with implementation of the specific programmes of urban employment and urban poverty alleviation, including provision of basic amenities to the urban poor and support for establishment of micro-enterprises by skill development of the poor.

1.2 In the federal structure of the Indian polity, the matters pertaining to the housing and urban development have been assigned by the Constitution of India to the State Governments. The Constitutional 74th Amendment Act has further delegated many of these functions to the urban local bodies. Although these are essentially State subjects yet the Government of India plays a coordinating and monitoring role and also supports these programmes through Centrally Sponsored Schemes.

1.3 The Ministry also plays a nodal role in addressing various issues of urban employment and poverty alleviation and housing sector by formulating policies, providing legislative guidance and through sectoral programmes. The National Policy issues are decided by this Ministry which allocates resources to the State Governments through various Centrally Sponsored Schemes. In addition, this Ministry is also supporting various external assistance programmes for housing, urban employment and poverty alleviation in the country.

1.4 At the end of 10 Five Year Plan, the housing shortage was estimated as 24.7 million housing units. An estimated 99 per cent of this housing shortage pertains to household falling in the Economically Weaker Section (EWS) and Low Income Group (LIG) segments. As per Technical Group constituted by the Ministry of Housing and Urban Poverty Alleviation to urban housing shortage at the beginning of 11th Plan, the urban housing shortage as on 2007 was 24.71 million households which is likely to go up to 26.53 million by the end of 11th Plan period i.e. 2011-12. Further, urban areas of our country especially those inhabited by the poor are characterized by constrains of basic services like potable water, drainage system sewerage network, sanitations facilities, electricity roads and effective solid waste disposal.

1.5 According to 'India- Urban Poverty Report 2009', that was brought out by the Ministry of Housing and Urban Poverty Alleviation, Government of India, in collaboration with United Nations Development Programme (UNDP), following are the key findings on Urban Poverty in India:

- i) India's urban population is increasing at a faster rate than its total population.
- ii) Urban poverty in India remains high, at over 25 percent.
- iii) Urbanization of Poverty has taken place: At the National level, rural poverty is higher than poverty in urban areas. However, a large number of States report poverty figure in urban areas much above then that in rural areas. Also the gap between rural poverty and urban poverty has decreased over the last couple of decades. The incidence of decline of urban poverty has not accelerated with GDP growth. Hence, as the urban population in the country is growing, so is the urban poverty.
- iv) Slum population has increased and people in slums do not have access to basic services like sanitation, electricity and water etc.
- v) The incidence of migration in India has shown an increase in 2001 as compared to consistent decline during 1961-1991. The economic motive remains the main reason for migration among male inter-State migrants. Economically backward States keep losing people to developed States. Poverty incidence was found less among migrants as compared to non-migrants but it was higher among rural to urban migrants. Middle and higher income groups show higher propensity to move. The most successful group of migrants is urban to urban migrants in terms of type of occupation they have and their income

levels due to better education and skills they possessed. Influx of migration towards metropolitan cities indicates that economic reforms have not been able to create much employment opportunities in small and medium towns and in rural areas.

Review of the status of implementation contained in the Seventh Report of the Committee on Demands for Grants (2011-2012) of Ministry of Housing and Urban Poverty Alleviation.

1.6 The Fifteenth Report (Fifteenth Lok Sabha) of Standing Committee on Urban Development on Demands for Grants (2011-2012) of the Ministry of Housing and Urban Poverty Alleviation was presented to Parliament on 05 August, 2011 and Action Taken Report (16th Report) thereon was presented on 28 March, 2012.

1.7 In their Fifteenth Report, the Committee had made 10 recommendations. Out of these recommendations, 03 recommendations have been accepted by the Government and are at various stages of implementation. In view of Government's Reply the Committee did not desire to pursue one recommendation. Replies of the Government on 05 recommendations have not been accepted by the Committee and are yet to be implemented by the Government and final replies of the Government are still awaited on remaining one recommendation.

1.8 The Committee desire that Government should implement all the recommendations of the Committee and apprise them about the action taken for implementation of the remaining 06 specific recommendations, which are yet to be implemented.

1.9 As per Direction 73A of the 'Directions by the Speaker, Lok Sabha', the Minister concerned shall make once in six months, a statement in the House regarding the status of implementation of recommendations contained in Reports (including those Reports which are on Demands for Grants) of Departmentally Related Standing Committees of Lok Sabha with regard to his Ministry. Accordingly, the Ministry concerned should review the implementation of the recommendations of the Committee in all States and Union territories at regular intervals and present a statement to Parliament once in six months.

1.10 In pursuance of the Direction 73A issued by Hon'ble Speaker, Lok Sabha, the Minister for Housing and Urban Poverty Alleviation, is yet to make a Statement in Lok Sabha on the status of implementation of the recommendations contained in the said Fifteenth Report of the Committee.

1.11 The Budget of the Ministry of Housing and Urban Poverty Alleviation comprises of one Demand for Grants *i.e.* Demand No.57 - Ministry of Housing and Urban Poverty Alleviation laid in Parliament on 27th March, 2012 and has been discussed in succeeding chapters of this Report.

CHAPTER II

OVERALL ANALYSIS OF DEMAND FOR GRANTS (2012-2013)

Budget of the Ministry of Housing and Poverty Alleviation comprise of one Demand for Grants i.e. Demand No. 57. The overall BE for the year 2012-2013 is Rs.1163.00 Crore (Gross), including both Plan and Non-Plan. The entire provision is for Revenue Section only. The break-up of Plan and Non-Plan provision is Rs.1155.00 Crore and Rs.8.00 Crore respectively.

The Budget Allocation for 2012-13 (Plan and Non-Plan) is as under:

(Rs. in crore)

Demand No. 57	Gross			Net			Net		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Revenue	Capital	Total
	1155.00	8.00	1163.00	1155.00	8.00	1163.00	1163.00	0.00	1163.00
Total	1155.00	8.00	1163.00	1155.00	8.00	1163.00	1163.00	0.00	1163.00

2.2 Out of the said Plan provision of Rs.1155.00 Crore following specific allocations have been made as under:

- | | | | |
|-------|-----------------------------------|---|------------------|
| (i) | Provision for North Eastern Areas | - | Rs. 115.00 crore |
| (ii) | Scheduled Caste Sub-Plan | - | Rs. 259.87 crore |
| (iii) | Tribal Sub-Plan | - | Rs. 27.72crore |
| (iv) | Gender Budgeting | - | Rs. 251.40 crore |

2.3 The Ministry has received the following Supplementary Grants during 2011-12:

A. First Batch of Supplementary

- i) A token Supplementary of (Rs. 0.01 crore for Providing “Grants-in-aid-Salaries” to Building Material & Technology Promotion Council (Rs. 3.20 crore).

B. Second Batch of Supplementary

- i) A token Supplementary of Rs. 0.01 crore for Grants-in-General (Rs. 2.45 crore) and Professional Service (Rs. 0.70 crore) for meeting additional activities envisaged under the Department of International Development (DFID) for support to National Polices for Urban Poverty Eradication (NPUPE).

A token Supplementary of Rs. 0.01 crore for Grants- in aid—General (Rs. 1.08 crore) for meeting additional activities envisaged under the Department for International Development (DFID) for support to NPUPE.

2.4 The BE, RE 2011-12 and BE 2012-13 indicating percentage variation in respect of Ministry of Housing and Urban Poverty Alleviation is as under:-

NET BASIS

(Rs. in Crore)

Demand No.57	BE 2011-12		RE 2011-12		BE 2012-13		% Variation over BE 2011-12		% Variation over RE 2011-12 & BE 2012-13	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Excess(+)	Saving (-)	Excess(+)	Saving (-)
Revenue	1100.00	7.60	1000.00	7.60	1155.00	8.00	5.00%	5.26%	15.50%	5.26%
Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%	0.00%	0.00%
TOTAL	1100.00	7.60	1000.00	7.60	1155.00	8.00	5.00%	5.26%	15.50%	5.26%

2.5 As per the information furnished by the Ministry, the proposed 11th Plan outlay was Rs.9517.35 Crore against which the approved outlay was Rs.3687 Crore only. The proposed 12th Plan outlay i.e. from the period 2012-2017 is Rs.27028.00 Crore. Against that the allocation for 2012-13 is Rs. 1155. 00 Crore (Plan) The percentage allocation for the current year against the total 12th Plan is 4.27% Planning Commission will be allocating the remaining 95.73 percent during the remaining four years.

2.6 The projections made by the Ministry to Planning Commission, BE, RE and Actual expenditure for the last five years as furnished by the Ministry is as under:-

(Rs. In Crore)				
Years	Projections	BE	RE	Expenditure
2007-08	3036.50	500.00	500.00	492.64
2008-09	1159.16	850.00	670.00	666.03
2009-10	1218.83	850.00	575.00	574.71
2010-11	3914.60	1000.00	880.00	821.42
2011-12	1134.89	1100.00	1000.00	854.47
				(upto 21.03.2012)

The entire Grant of M/o HUPA is under Revenue Section (Voted)."

2.7 The year wise budgetary allocation against the total Government outlay for the five year is as furnished by the Ministry is as under:-

(Rs. in Crore)				
Year	Total central Govt. outlay	Ministry's Budget Allocation	% of Central Govt. Budget	Against GDP at current Prices
2007-08	680520.51	509.75	0.074 %	0.011 %
2008-09	750883.53	856.50	0.114 %	0.016 %
2009-10	1020837.68	857.97	0.084 %	0.014 %
2010-11	1108749.24	1007.03	0.090 %	0.014 %
2011-12	1257728.83	1107.60	0.088 %	0.013 %

2.8 It is seen from the above tables that in comparison to the total Central Government outlay, the allocation at BE stage for the Ministry during year 2011-2012 was Rs.1107.60 crore and the RE for the same was Rs.1007.60 crore. The percentage allocation for the Ministry against the total Central Government outlay was 0.088 percent. And against the GDP at current prices was 0.013 percent. This percentage is less than the percentage during the year 2010-11 i.e. 0.090 percent. The budgetary allocation for 2012-2013 is Rs.1163.00 crore. There has been a reduction at RE during the year 2011-2012 (Plan side) figures to Rs.1000.00 crore from Rs.1100 crore at the BE 2011-2012 (Plan),. Thus, even though the overall increase in budgetary allocation with respect to the BE is Rs.55.4 crore i.e. 4.76% only, there is a huge increase of Rs.155 crore

i.e. 15% in the BE 2012-2013 (Plan) as compared to the RE 2011-2012 (Plan) of Rs.1000.00 crore. However, the actual expenditure of the Ministry during 2011-2012 was only Rs.854.47 (upto 21.03.2012) crore which is even less than the revised estimates. The table is reflective of the trend of underutilization of funds during last five years.

2.9 The table in Para 2.5 is clearly indicating that except for year 2011-12 the financial allocation which has been done by the Ministry of Finance has always been drastically lesser than the projections made by the Ministry of Housing and Poverty alleviation. In the year 2012-13, it is only Rs. 1155 crore of Plan Allocation, which comes to roughly five per cent of the total Plan allocation. Last year the inflation was on an average around 9-10 per cent. In 2011-12 and 2012-13, looking at the five per cent increase in nominal terms, prices have increased by 10 per cent.

2.10 Table showing the expenditure position of the Ministry in absolute and percentage term during the first, second, third and fourth quarter of all the financial years of Eleventh Plan is as under:

2.11 Under the jurisdiction of the Ministry the major Schemes are. Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Integrated Low Cost Sanitation (ILCS), Jawahar Lal Nehru National Renewal Mission (JNNURM). This has got two components i.e. BSUP and IHSDP to tackle the problem of urban slums and to provide self-employment to urban poor), Interest Subsidy Schemes for Housing the Urban Poor (ISHUP) and Rajiv Awas Yojana (RAY). Scheme which aims at providing support to States that are willing to provide property rights to slum dwellers. The detailed analysis of the aforesaid Schemes have been made in the subsequent chapter of the Report.

2.12 The details of BE 2010-2011, RE 2010-2011 and the Actual Expenditure under various plan schemes/programmes being implemented by this Ministry during 2010-2011 is are under:

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	BE 2011-12	RE 2011-12	Actual Exp. Upto 31.03.2012 (Prov.)	BE 2012-13
1	2	3	4	5	
A	Central Sector Schemes				
1	Building Materials & Technology Promotion Council (BMTPC)	5.50	5.50	6.80	5.00
2	Urban Statistics for HR & Assessment (USHA)	20.00	20.00	06.40	17.59
6	Administrative Expenses for JNNURM	80.00	46.22	12.10	30.00
7	Lump sum provision for NE Region & Sikkim	50.00	50.00	50.00	50.00

8	Interest Subsidy Scheme for Housing the Urban Poor (ISSHUP)	50.00	10.00	05.07	10.00
9	Slum-free City Planning : Rajiv Awas Yojana (RAY)	00.00	00.00	00.00	0.00
10	Technical Assistance from Department of International Development (DFID)	0.00	0.00	0.00	10.00
11	Capacity Building for Urban Development - World Bank Assistance (IDA Loan)	0.00	0.00	0.00	20.00
B	Centrally Sponsored Schemes				
12	SJSRY	813.00	800.50	790.42	838.00
13	Integrated Low Cost Sanitation (ILCS)	71.00	55.00	50.87	25.00

2.13 The details of BE 2010-2011, RE 2010-2011 and the Actual Expenditure of funds allocated to them as ACA under the JNNURM and RAY are as follows:

Scheme	BE 2011-2012	RE 2011-2012	Actual expenditure during 2011-2012	BE 2012-2013
BSUP	2928.60	1721	1592.23	2447
IHSDP	1000.20	700	699.66	900.50

2.14 It may be seen from the above that during 2011-2012, apart from one or two schemes the Ministry have not been able to utilize the funds allocated to them even at RE stage. Similarly, the figures of the utilization of funds under JNNURM shows that the level of utilization of funds allocated as ACA to the Ministry have also not been encouraging. This trend is evident in the overall picture of utilization of funds during the entire Eleventh Five Year Plan period.

2.15 The Secretary of Ministry Housing and Urban Poverty Alleviation informed the Committee during oral evidence that during 12th Five Year Plan Ministry would be starting the new schemes, namely:

i) National Urban Renewal Mission (NULM): SJSRY , which has so far been the only programme which is run for the urban poor in the country, will now be converted to a National Urban Livelihood Mission on the pattern of National Rural Livelihood Mission(NRLM).

ii) Scheme for Urban Homeless- This is an attempt to revive an old scheme that could not achieve the desired results and was closed down 5 years back. This time the scheme would not aim only at providing a night shelter. Rather, it aims at providing them a regular shelter.

iii) Street Vendors Scheme: This scheme comprises of two important aspects to be dealt with, these are;

(a) Firstly, some physical facilities for the Street Vendors, like markets and complexes to be constructed.

(b) Secondly, financial support to the individual.

CHAPTER III

SCHEME-WISE ANALYSIS

According to 2011 census the total urban population stood at about 377.10 million or 28 percent of the total population out of which about 95.78 million or 25.7% of India's urban population was estimated to be below poverty line in 2004-2005 as per the NSSO 66th Round Survey reports. The survey also reveal that urban poverty at all India level declined at much faster pace during the 1970s and 1980s whereas it declined at a lower rate of 0.61% from 1993-94 to 2004-05; the period during which the economic growth proceeded at a faster pace due to economic reforms and liberalization. The number of urban poor increased in absolute terms by 4.4 million persons during this period. Hashim Report (2009) finds that across the States, poverty is negatively correlated with the level of urbanization and that poverty varies with the size of human settlements; larger cities tend to have a lower incidence of poverty than smaller cities and towns.

3.2 In view of the above Para it can be easily inferred that for the holistic development of the country, it is important to address the problems of housing and poverty in urban areas. In this regard the major schemes and policies being implemented by the Ministry of Housing and Urban Poverty Alleviation are as follows:

A) Schemes dealing with the issues of Urban Employment and Poverty Alleviation and Sanitation

1. Swarna Jayanti Shahri Rozgar Yojana (SJSRY);
2. Integrated Low Cost Sanitation Scheme (ILCS);
3. Projects/ Schemes for the development of North Eastern States, Including Sikking Under 10% Lump-sum Provision;
4. Prime Minister's New 15-Point Programme for the Welfare of Minority Communities

5. National Policy on Urban Street Vendors (2009);
- B) Schemes/ Policies dealing with the issues of Urban Housing
6. National Urban Housing & Habitat Policy;
 7. Rajiv Awas Yojana;
 8. Interest Subsidy Scheme of Housing for the Urban Poor (ISHUP);
 9. Jawaharlal Nehru National Urban Renewal Mission: Basic services to Urban Poor (BSUP) & Integrated Housing & Slum Development Programme (IHSDP)

Few of these schemes are being discussed in detail in the succeeding paras of this report.

I. SWARNA JAYANTI SHAHARI ROJGAR YOJANA (SJSRY)

3.3 Swarna Jayanti Shahari Rozgar Yojana, was launched by the Government of India on 01.12.1997, after subsuming the earlier three urban poverty alleviation programmes, namely Urban Basic Services to Poor (UBSP), Nehru Rozgar Yojana (NRY) and Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP). After an independent evaluation of SJSRY by the Ministry of Housing and Urban Poverty Alleviation in 2006, the scheme has been completely been revamped. The revised scheme came into operation from 01st April, 2009. This scheme strives to provide support for employment of the unemployed and under-employed urban poor, through encouraging the setting up of self-employment ventures, skill development and also providing wage employment by utilizing their labour for the construction of socially and economically useful public assets.

3.4 Objectives of the revamped SJSRY scheme:

- (i) Addressing urban poverty alleviation through gainful employment to the urban unemployed or underemployed poor by encouraging them to set up self-employment ventures (individual or group), with support for their sustainability; or undertake wage employment;
- (ii) Supporting skill development and training programmes to enable the urban poor to have access to employment opportunities opened up by the market or undertake self-employment; and
- (iii) Empowering the community to tackle the issues of urban poverty through suitable self-managed community structures like Neighbourhood Groups (NHGs), Neighbourhood Committees (NHC), Community Development Society (CDS), etc.

The Revamped SJSRY consists of following five components:-

- (i) **Urban Self Employment Programme (USEP)** (including Development of Women and Children in the Urban Areas (DWCUA) as its sub-component) – Targeted at individuals among the urban poor for the setting up of micro-enterprises.
- (ii) **Urban Women Self-help Programme (UWSP)** – Targeted at urban poor women self-help groups for setting up of group-enterprises and providing them assistance through a revolving fund for thrift & credit activities.
- (iii) **Skill Training for Employment Promotion amongst Urban Poor (STEP-UP)** – Targeted at urban poor for imparting quality training so as to enhance their employability for self-employment or better salaried employment.
- (iv) **Urban Wage Employment Programme (UWEP)** – Targeted at assisting the urban poor by utilizing their labour for construction of socially and economically

useful public assets, in towns having population less than five lakh as per 1991 census; and

- (v) **Urban Community Development Network (UCDN)** – Targeted at assisting the urban poor in organizing themselves into self-managed community structures so as to gain collective strength to address the issues of poverty facing them and participate in the effective implementation of urban poverty alleviation programmes.

3.5 **Implementation & Monitoring**

(i) At the National level the Ministry of Housing & Urban Poverty Alleviation shall be the nodal Ministry for implementation of SJSRY.

(ii) At the Central level, a Steering Committee headed by Secretary (HUPA) and having members from the States/UTs, Ministry of Finance, RBI, and other stakeholders will monitor the Scheme. This Committee will be meeting at least once in every three months.

(iii) At the State level also, a State Level Monitoring Committee having members from the Banks, Micro Finance Institutions, Civil Society, and other stakeholders will be set up to effectively monitor the Scheme. This Committee will be meeting at least once in every three months.

(iv) At the Urban Local Body level an Urban Poverty Alleviation & Livelihood Development Cell will coordinate and implement the scheme with a suitable monitoring system put in place.

3.6 For SJSRY the proposed Budget Outlay, during 12th Five Year Plan is Rs. 20,000 Crore, and Budget Estimate for the year 2012-13 is Rs. 838 Crore.

3.7 When asked about the physical and financial targets and achievements of SJSRY, the Ministry submitted as under:

Component-wise financial targets under SJSRY are not fixed. Central share for implementing the scheme is being release to States/UTs as a whole, without segregating into components, thereby giving flexibility to them in utilizing funds as per their requirements.

Year-wise physical targets and achievements are as under:-

Year	Urban Self Employment Programme				No. of Mandays of Work Generated under UWEP (in lakhs) *
	Beneficiaries Assisted for setting up of micro-enterprises		Persons provided skill training		
	Target	Achievement	Target	Achievement	Achievement
2005-2006	80,000	98,791	1,00,000	1,42,073	43.48
2006-2007	1,20,000	1,36,178	1,50,000	1,67,364	81.55
2007-2008	1,20,000	1,81,050	1,50,000	2,48,264	21.78
2008-2009	1,20,000	1,84,736	1,50,000	3,03,418	57.00
2009-2010	21,250	86,066	1,70,000	1,87,644	50.15
2010-2011	25,000	82,668	2,00,000	2,54,229	78.80

* Targets under the component of UWEP are not fixed.

3.8 On being asked by the Committee, whether the funds are provided separately under various components of the Yojana, the Ministry informed as under:

"Under Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Central funds are allocated and released for the scheme as a whole. The State/UTs are given flexibility to distribute the funds amongst the various components of SJSRY as per their requirement subject to meeting the physical targets as prescribed for them.

However, in order to have balanced coverage of all components and better fund utilization, an 'indicative' distribution of the available funds under SJSRY (Central + State share) has been suggested to the States/UTs in the following ratio:

Administration & Other Expenses (A&OE) = 5%,

Information, Education & Communication (IEC) = 3%

Balance available fund (Central + State share) may be distributed as under:

USEP = 20%

UWSP = 20%

STEP-UP = 30%

UWEP = 20%

UCDN = 10%

These are only indicative."

3.9 The amount of unspent balances left with each State/UT under SJSRY till 21.03.2012, has been given in the table below:

(Rs. in Lakhs)

Sl No.	Name of States/UTs	Total Unspent balance with States as on date
1	Andhra Pradesh	0.00
2	Arunachal Pradesh	227.85
3	Assam	1637.40
4	Bihar	2984.04
5	Chhattisgarh	335.68
6	Goa	34.29
7	Gujarat	2126.23
8	Haryana	1053.80
9	Himachal Pradesh	54.77
10	Jammu & Kashmir	281.86
11	Jharkhand	1628.88
12	Karnataka	4628.26
13	Kerala	195.07
14	Madhya Pradesh	3055.99
15	Maharashtra	15499.59
16	Manipur	713.80
17	Meghalaya	400.23
18	Mizoram	358.74
19	Nagaland	553.59
20	Orissa	2292.10
21	Punjab	2218.13

22	Rajasthan	4019.98
23	Sikkim	97.24
24	Tamil Nadu	4942.39
25	Tripura	542.66
26	Uttrakhand	44.66
27	Uttar Pradesh	6870.46
28	West Bengal	3196.94
29	A & N Islands	32.92
30	Chandigarh	186.39
31	D & N Haveli	17.44
32	Daman & Diu	192.47
33	Delhi	175.00
34	Puducherry	125.00
TOTAL		60723.85

3.10 When asked about the instances of diversion of funds or under-utilization of funds by the States/UTs all over the country, and the steps taken to minimize the unspent balances, the Ministry furnished as follows, in writing:

"No instances of diversion of funds at the State/UT level have been brought to the notice of the Ministry of Housing and Urban Poverty Alleviation, Based on the quarterly progress reports received from States/UTs, under-utilization of funds is found in the case of Goa, Meghalaya and Daman and Diu. These States/UTs have not submitted the UCs due as per prescribed guidelines.

However, the unspent balance is mainly for the funds released to the States/UTs in the year 2010-11 and 2011-12, for which Utilization Certificates have not become due. The Ministry of Housing & Urban Poverty Alleviation is consistently pursuing with the States/UTs for the implementation of the scheme through review meetings, orientation workshops, training programmes etc.

The amounts under the programme being small, their allocation to too many towns creates problems of monitoring and getting quarterly progress reports."

3.11 As far as the financial progress under SJSRY during 11th Five Year Plan is concerned, the total central funds amounting Rs. 2616.87 Crores has been released to States/ UTs (as on 16.03.2012). This is more than what has been allocated for the 11th Plan. A detail of year-wise break-up is as under-

Year	Budget Estimates	Revised Estimates	Actual Expenditure
2007-2008	344.00	343.00	340.00
2008-2009	515.00	514.00	544.00
2009-2010	515.00	428.69	428.69
2010-2011	564.60	591.38	587.96
2011-12	813.00	800.50	790.42 (Up to 31.03.2012)

3.12 It has been proposed by the Ministry to convert SJSRJY into National Urban Livelihood Mission (NULM), on the basis of National Rural Livelihood Mission (NRLM). Briefing about, NULM, the Secretary, Ministry of HUPA, submitted as under:

“In Mission mode there would be two important aspects; first organization support. There would be a simplified mechanism for the flow of funds. A smaller mission will be created in every State of the country. In every municipality; irrespective of the size of the municipality; one small programme management unit will be set up, with some financial support from the central government.

In first phase NULM will not be implemented across the whole country. Rather, it will be restricted to places where 100-300 trainees would be easily available.

We are expecting only two advantages by converting SJSRY to NULM; firstly we can allocate to enhance organizational support and secondly, we can provide an increased fund.”

3.13 The details of SJSRY in preceding paras seem to be very impressive both in terms of physical and financial achievements. Also, in the year 2011-12 a total of 2,78,916 beneficiaries have been assisted by providing training to them. But the Committee are given to understand that even after receiving the training under SJSRY, the unemployed youth is not getting the gainful employment. On enquiring about, the number of trainees who have been gainfully employed after the training, the Secretary, Ministry of HUPA during oral evidence accepted that no such data is being maintained under SJSRY.

3.14 On the concerns raised by the Committee over the gainful employment under SJSRY, the Secretary during the course of oral evidence submitted as under:

“Uptil now we used to provide short term training to the beneficiaries, for 3-4 months or 6-8 months. But now under NULM, such training providers would be selected, who will ensure employment guarantee for around 72-80 percent of the people they are training. Earlier the average cost of training was around Rs. 3,000-4,000. But under NULM we will provide Rs. 15,000-18,000 per month, to the skill provider.

Our whole of the effort will be on providing such training that ultimately helps in gainful employment. It would not be a sarkari employment; it will be a private employment.”

He further added:

"We are debating about 70-80 percent. There are two conditions that we want to keep- 70 to 80 per cent of employment and secondly verifiable after six months. It should not be like what is being done in few engineering colleges. In first year, they conduct on- campus recruitment camps, after six months there is no sign of those coming for recruitment. The provision of providing employment guarantee to 70-80 per cent of the trainees by the skill provider will be compulsorily kept in the guidelines of NULM. Otherwise, it will be of no-use to bring this Mission. Actually, we have even started the work on it, at experimental level. Many of the states have even appointed many people for this. This is what will be the focus of the NULM. We will ensure that."

3.15 During the study visit of the Committee in January, 2012, it came to the notice of the Committee, that many of the banks are providing training as well as finance under SJSRY, however, the number of beneficiaries that have been gainfully employed is not

clear. The Committee brought it to the notice of the Ministry that National Building Organisation (NBO), an attached office of the Ministry of Housing and Urban Poverty Alleviation, that has been functioning as an apex organization in the country for collection, tabulation and dissemination, of statistical information on housing and building construction activities, can be assigned the job of maintaining statistics of generation of employment and fund utilized for such employment generation. In this regard, the Secretary, Ministry of HUPA, during the course of oral evidence submitted as under:

“It is quite right. We fully agree to it. It is immensely important to keep information of employment generated; whether it is employment or it is self-employment. The Committee can even record it that the maintenance of record of such information will be made a compulsory provision in NULM, otherwise it will be of no use.”

3.16 The Committee in its 15th Report on Demands for Grants (2011-12) of the Ministry of HUPA had recommended that the 'concurrent evaluation of SJSRY' should not be done only in selected five States namely, Karnataka, Uttar Pradesh, Rajasthan, West Bengal & Haryana. Rather it should be across the country to make it more meaningful. The Ministry in their Action Taken Reply has stated that:

"The Ministry is under process of getting the concurrent evaluation of SJSRY done in the States of Rajasthan, Uttar Pradesh, Punjab and Karnataka in the first phase on pilot basis. The scheme of SJSRY may be concurrently evaluated in other States in coming years. The views of Hon'ble Committee regarding collection of statistics about the number of beneficiaries assisted for setting up of individual micro enterprises/ group micro enterprises, persons who have actually set up micro enterprises/ got employment after undergoing skill training during the last three years are noted."

3.17 However, when the Committee inquired about the status of concurrent evaluation, the Ministry submitted in writing as follows:

"For assessing the implementation of SJSRY in States/UTs, concurrent evaluation of the scheme is currently being undertaken by independent agencies in the selected 5 States namely, Karnataka, Uttar Pradesh, Rajasthan, West Bengal & Haryana- coordinated by Human Settlement Management Institute. The concurrent evaluation process is in progress. The improvements/shortcoming in

implementation of the scheme will be assessed once the final report of the study is available."

II. INTEGRATED LOW COST SANITATION SCHEME (ILCS)

3.18 The "Integrated Low Cost Sanitation" Scheme basically aims at conversion of individual dry latrine into pour flush latrine thereby liberating manual scavengers from the age old, obnoxious practice of manually carrying night soil. ILCS Scheme was initially started in 1980-81 through the Ministry of Home Affairs and later through Ministry of Social Justice and Empowerment. The scheme was transferred in 1989-90 to Ministry of Urban Development and Poverty Alleviation and from 2003-04 onwards to Ministry of UEPA/HUPA. The scheme has helped in constructing/converting over 28 lakh latrines to liberate over 60952 scavengers so far.

3.19 While implementing the ILCS Scheme, it was observed that the Scheme did not perform well due to various reasons. To make the Scheme more attractive and implementable the Guidelines have been revised w.e.f.17th January 2008.

Financial allocation

3.19 The details of Budget Allocation and Expenditure incurred during Eleventh Five year Plan under ILCS are as under:

Year	B.E	R.E	Actual Expenditure
2007-2008	40.00	40.00	70.97
2008-2009	150.00	40.03	38.53

(Rs. in Crore)

2009-2010	60.00	45.00	50.50
2010-2011	71.00	80	68.38
2011-2012	71.00	55.00	50.87
Total	392.00	260.03	291.55

3.20 The proposed B.E. for ILCS during 2012-13 is Rs. 25.00 crore only. On being inquired about the scanty allocation, the Secretary, Ministry of HUPA, stated as follows:

"The provision of Rs. 25 crore for ILCS is to complete the balance work, allocated on the basis of earlier survey"

3.21 The main objective of the revised Integrated Low Cost Sanitation Scheme is to convert all dry latrines into twin pit pour flush latrines and thereby liberating manual scavengers from age old inhuman practice of carrying night soil. When asked about the progress of conversion of 301622 units, that was targeted to be completed by 31st December, 2011. The Ministry submitted in writing as follows:

"As on date 4,07,900 units have been sanctioned to the States for conversion/ construction of toilets. Out of which 2,58,003 units have been completed and remaining 1,49,897 units are in progress.

As per the report received from State Governments all reported dry latrines have been converted into sanitary latrines. Thus, the main objective of the scheme has been achieved."

3.22 In this regard, the Committee note that though the sanction has been made for conversion of higher number of dry latrines into twin pour flush latrines, however, the physical achievement is lagging the target.

3.23 The Committee referred to their recommendation, on ILCS, that was made in 15th Report of the Committee during the Examination of Demands for Grants (2011-12) and inquired about the actual status. In this regard, the Secretary HUPA, during the course of oral evidence submitted as under:

"In urban areas the level of open defecation is very high, which is shameful. This scheme was started basically to convert and abolish the manual scavenging. On the basis of contemporary survey it was decided that we have to release & rehabilitate those manual scavengers and those who don't release the manual scavengers will be penalized.

Rehabilitation of the manual scavengers- release and rehabilitation activity was assigned to District Magistrates of the respective districts. Secondly, to rehabilitate them, the Ministry of Social Justice launched a scheme to rehabilitate them. In this regard, Ministry of Housing and Urban Poverty Alleviation was assigned the responsibility to convert existing dry latrines into water sealed latrines. At that time around 4-6 lakhs of dry latrines were estimated to be existing. The budgetary allocation made was not very high. Over a period of time in last fifteen to twenty years all the States have reported the abolishment of Manual Scavenging in their areas. The last State to give this report was UP.

After the last declaration made by U.P it appeared that manual scavenging has been abolished completely, at least officially. But some N.G.Os raised this issue that manual scavenging is still being carried out."

He further added:

"During last three months, discussions have been carried out at the highest level. In those discussions it has been decided that a fresh survey would be conducted to ensure whether the manual scavenging is still existing in the country or not. Ministry of Social Justice has been ordered to carry out this survey.

Secondly, the Ministry of Social Justice will bring in a new law, in which manual scavenging will be banned totally. They will bring a central legislation as a part of living with dignity concept. The Ministry of Social Justice has already started working on it.

Third, important signal that is being received now is, according to earlier definition of manual scavenging and sanitation worker was the one who physically handled the human faecal material, with their hands. Now the definition of sanitation worker has been expanded. It now even incorporates the sanitation workers conducting sewer cleaning and pit cleaning activities. In this we will have to control the working conditions. This has been assigned to the Ministry of labour.

About two months ago, at the level of the PMO, a meeting was taken up. Even at Cabinet Secretary Level meeting has been held. It has been clearly mentioned that the Ministry of Social Justice will now do the survey and bring a

law for the manual scavengers. The Ministry of Law will now bring a scheme for all sanitation workers and the law for Sanitation workers.

Therefore, we (Ministry of HUPA) are left with the completion of balance work, which is remaining on the basis of earlier survey. We have kept a provision of Rs. 25 crore for the next year (year 2012-13), if something happens, but all this will change after the survey and after these two laws come."

III. RAJIV AWAS YOJANA (RAY)

3.24 As per preliminary information submitted by the Ministry:

" Rajiv Awas Yojana (RAY) is aimed at making India Slum-free based on Slum-free State and Slum-free City Plans. The scheme is in pursuance of the following announcements by the Government:

President of India - Address to both the Houses of Parliament on 4th June 2009:

"My Government proposes to introduce a Rajiv Awas Yojana for the slum dwellers and the urban poor on the lines of the Indira Awas Yojana for the rural poor. The schemes for Affordable Housing through partnership and the scheme for interest subsidy for urban housing would be dovetailed into the Rajiv Awas Yojana which would extend support under JNNURM to States that are willing to assign property rights to people living in slum areas. My Government's effort would be to create a slum free India in five years through the Rajiv Awas Yojana."

Prime Minister in Independence Day Address to the Nation on 15th August 2009:

"We had started the Jawaharlal Nehru National Urban Renewal Mission for the urban areas. We will accelerate this programme also. Today, lakhs of our citizen live in slums which lack basic amenities. We wish to make our country slum free as early as possible. In the next five years, we will provide better housing facilities to slum dwellers through a new scheme, Rajiv Awas Yojana".

The announcement of Rajiv Awas Yojana reflects the Government's vision for inclusive urban growth through Slum-free States and Cities and property rights as the track on which this policy for inclusion must be directed. The scheme envisages the ownership of the vision and programme by the States at State-led pace, so that a Slum-free India as an aggregate of the vision of States for Slum Free Cities becomes a reality."

3.25 The objectives of Rajiv Awas Yojana are as follows:

RAY envisages creating a Slum Free India by encouraging states to assign property rights to slum dwellers. It proposes to address the problem of slums in a holistic and definitive way adopting a multi-pronged approach focusing on:

- bringing existing slums within the formal system and enabling them to avail of the same level of basic amenities as the rest of the town;
- redressing the failures of the formal system that lie behind the creation of slums; and
- tackling the shortages of urban land and housing that keeps shelter out of reach of the urban poor and forces them to resort to extra-legal solutions in a bid to retain their sources of livelihood and employment.

The overarching aim of RAY would thus be to drive a fundamental change in policy and reform in the existing urban development systems to make cities inclusive and equitable. Release of funds under RAY would be predicated upon the acceptance and implementation of the following necessary policy actions by the states:

- Assignment of the property right to slum-dwellers
- Completion of Pro-poor reforms under JNNURM
- Making urban development inclusive with provision of spaces for the Urban Poor.

3.26 The strategy for implementation of RAY has the following main elements:

- RAY would be driven by and implemented at the pace set by the States/UTs.
- A ‘whole city’, ‘all slum’, ‘whole slums’ approach would be adopted.
- In each slum, an integrated approach would be taken, with provision of infrastructure, basic civic and social amenities and decent housing.
- RAY would encourage flexibility to states and cities in deciding solutions specific to the requirements of each slum, whether upgrading, redevelopment, or in unavoidable cases, relocation. Multiple choices and models for housing would be encouraged.
- In-situ development would be the programme of choice, to ensure that development does not lead to a loss of job linkage or additional hours and income lost on commuting to work.

- Private sector participation would be emphasised under RAY, for slum redevelopment, wherever feasible, as well as for creation of new affordable housing stock, both for rental and ownership.

3.27 During the course of oral evidence, the Secretary, Ministry of HUPA, further informed the Committee, about Rajiv Awas Yojana, as under:

"The Rajiv Awas Yojana was started in June 2011 and the first two years were supposed to be for the pilot projects. It is a part of the Rajiv Awas Yojana and we are supposed to prepare slum free city plans for various cities, we conduct surveys and come out with some pilot projects. What we have been able to do under the Rajiv Awas Yojana is that we have been able to sanction money for preparing slum free city plans in 153 cities of the country. We have also released about Rs. 100 crore for preparation activities like slum free city plan, preparation of DPR and all these things. City surveys have been completed in six States and five cities have actually prepared this slum free plan.

The other important thing that is achieved in the last two years is that the Cabinet has approved the setting up of a Credit Risk Guarantee Fund. This Credit Guarantee Fund will give a guarantee to all the financial institutions and their banks which provided loans to the housing poor. Eight pilot projects have also been sanctioned under the Rajiv Awas Yojana."

3.28 Though, the Rajiv Awas Yojana has been much emphasized upon by the Ministry. But, no allocation of budget for Rajiv Awas Yojana has been made during the current financial year.

3.29 The Committee wanted to know the reasons for dovetailing of Affordable Housing Scheme, with RAY, the Secretary, M/o HUPA, deposed as under:

"Dovetailing with the Rajiv Awas Yojana is only for the purpose of budgetary allocation."

He further informed the Committee;

"Affordable Housing Policy is an important programme. There was a particular programme which was launched about two years ago. It is like one of those programmes which were supposed to bring in investment to the sector. But the Affordable Housing Programme has also not taken off. Once again, there have been major design flaws. Finally, we have been able to sanction eight projects only last month. I would not like to take credit because those projects were

sanctioned by the Government of Rajasthan who came up with a very good affordable housing policy of their own."

3.30 When the Committee wanted to know about the initiatives that taken by Rajasthan government under 'Affordable Housing Scheme', the Secretary, Ministry of HUPA, during deposition before the Committee stated as under:

"Under the Affordable Housing Scheme, what they have done is for any construction which is below 80 square metres, and particularly 40 square metres for LIG and about 25 square metres for EWS. For EWS and LIG category people whose income is Rs. 5,000 per month and Rs. 10,000 per month respectively, if that kind of housing is constructed, we give a financial support of Rs. 50,000 per house or 25 per cent of the infrastructure cost whichever is less.

What we have seen is this. When a private sector developer comes up and constructs these houses, 25 per cent of the infrastructure costs per unit comes to as low as Rs. 15,000. He does not even get Rs. 50,000. With Rs. 15,000, no private builder is interested to come. What Rajasthan did was a good thing. They said that a private sector builder, who comes to construct affordable housing, will get a lot of other facilities like some FAR facilities, FSI facilities, TDR facilities, rebate in the local taxes, etc., so that it becomes attractive for him also.

So, the affordable housing policy also requires to be changed on the pattern and model of Rajasthan to a certain extent."

IV. INTEREST SUBSIDY SCHEME OF HOUSING FOR THE URBAN POOR (ISHUP)

3.32 During the 11th Plan a new scheme, namely Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) which encourages poor sections to avail home loans from the Primary Lending Institutions (PLIs) i.e. Bank/ Housing Finance companies has been formulated. The scheme provides home loan with Central Government Subsidy to EWS/ LIG persons for acquisition of houses as also for construction of house. Loan repayment period would be permissible generally ranging from 15-20 years. The subsidy will be 5% p.a. on interest charged on the admissible loan up to Rs. 1 lakh for construction or acquisition of a new house. The size of the housing being 25 sq. meters in the case of EWS & 40 sq. meters in the case of LIG. The economic parameters of EWS and LIG are presently defined respectively, as household having an average monthly income up to

Rs. 3,300/- (now revised up to Rs. 5,000/-) and households having an average monthly income between Rs. 3301/- upto Rs. 7,300/- (now revised between Rs. 5,001/- upto Rs. 10,000/-). Other salient features of the scheme are;

- (i) The mortgage of dwelling unit be accepted as primary security. However, there would be no collateral security/third party guarantee for loans upto and inclusive of Rs.1 lakh excluding group guarantee;
- (ii) The scheme would close in 2012. However the loans extended in the last year will also have a repayment period of 20 years.
- (iii) Preferences would be given to the SCs/STs/Minorities/Disabled persons/women beneficiaries in accordance with their proportion in the total population of city/urban agglomerate during the 2001 census.

3.33 Following is the Statement showing budget estimates, revised estimates and actual expenditure for the year 2009-2010, 2010-2011 and 2011-2012 and budget estimate for 2012-2013 showing separately Plan and non-Plan expenditure:

	2008-09	2009-10	2010-11	2011-12	2012-13
Budget Estimates	95.00 crore	180.59 crore	200.00 crore	50.00 crore	10.00 crore
Revised Estimates	30.00 crore	5.00 crore	50.00 crore	10.00 crore	
Actual Expenditure	Nil	83 lakhs	12.8 crore	5.07 crore	

The above statement is clearly reflecting upon the under utilization of the funds under the scheme.

3.34 The failure of the scheme had compelled the Committee, to recommend in their 15th Report on Demands for Grants (2011-12) of the Ministry of HUPA, that while dovetailing ISHUP with RAY, Ministry should sort out all the issues in consultation with all the stakeholders so that this scheme can be started in full swing without any hassles.

3.35 When the Committee inquired about the problems that had been brought to the notice of the Ministry, by various stakeholders, involved in the implementation of ISHUP, the Ministry in their written reply, stated that the Banks and State Governments have expressed the following constraints in implementation of the scheme:

- a) Insufficiency of ceiling of Rs.1 Lakh for ISHUP and Rs.1.6 Lakh credit limit for construction/ purchase of houses in the urban areas
 - b) Lack of mortgagable title to the land
 - c) Non-availability of authenticated income certificates or documents
 - d) Difficulty in dealing with scattered/ distributed applicants
 - e) Non-availability of approved plans
 - f) High cost of processing fees charged by the banks
 - g) Need to permit expansions/ alterations in lieu of restricting only to new purchase / construction.
 - h) Inadequate credit worthiness of the borrowers and high risk perception.
- The Ministry is in the process to launch the scheme in the 12th Five Year Plan in its revised form considering all the above mentioned constraints.

3.36 In connection with the poor implementation of ISHUP , the Secretary, M/o HUPA, during the course of oral evidence stated as under:

"It is in its design basically gives 5 per cent support for any housing loan which is taken upto Rs. 1 lakh by the urban poor. But we have seen that there have been two major implementation problems. One, of course, is with Rs. 1 lakh hardly anyone can complete a house. So, very few people are interested to take up this loan. Secondly, the banks find it very difficult to give this loan because there are a lot of issues regarding title of the land, title of the property that they have. Under the 'know your customers requirement' you have all the documentary evidence to prove that you are resident of that particular place and you have a constant source of income. Third important problem in this particular scheme has been is that in many cases even this requires building approval plan.

So, there are basically three major problems. There is no clear title of the property; when there is clear title in the property, the building plan process is very complicated; the bank requirements of appraisal is difficult that is beyond the

scope of a poor; and it is not attractive enough. That is why this Programme has not taken off."

3.37 According to written submission of the Ministry the measures taken for improvement in implementation of ISHUP are as follows:

- All loans extended by the banks w.e.f. 26.12.08 are eligible for claiming the NPV of Interest Subsidy under the Scheme.
- The income ceilings have been revised to upto Rs.5000/- for EWS and Rs.5001/- to Rs.10,000/- for LIG households. Necessary amendments in MoU were made enabling recovery against NPA to be shared on pro rata basis between the GoI & Banks.
- Inclusion of RRBs & Private sector Banks for the implementation of the ISHUP Scheme.
- Self Help Groups (SHGs) have been approved to avail of the scheme.
- For the speedy implementation of the Scheme the Steering Committee in its 4th Meeting has approved that Public Sector Banks can undertake Income certification of beneficiaries subject to audit by CNAs.
- Facilitation fee of Rs. 100/- per approved application under the Scheme can be extended to MFIs/CBOs/NGOs. Recently in the 5th meeting of Steering Committee of ISHUP, this facilitation fee has been raised to Rs. 250/- per approved application of the scheme.

3.38 The scheme was implemented as on pilot basis in the 11th Five Year Plan. The Ministry is now proposing to launch the scheme in its revised form to be implemented in the 12th Five Year Plan. The Revised Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) has two wings of implementation:

I. ISHUP Interest subvention to be allowed as additionality to capital grant under JNNURM/RAY Scheme:

(A) Beneficiaries of the ISHDP, BSUP and RAY Schemes may be allowed to avail subsidised loans up to a maximum of Rs.1,00,000 at the existing ISHUP rates; over and above the capital subsidy given for construction of the dwelling units; as in the case of IAY.

(B) In cases where individuals desire to take up incremental housing including JNNURM/RAY beneficiaries, interest subsidy at the current rates of

ISHUP namely 5 % on Rs 1 Lakh may be allowed. This would include expansion/creation of additional living area or conversion of katcha or semi pucca houses into pucca structures.

II. Rajiv Rin Yojana (RRY) for other urban poor who are not RAY/ JNNURM beneficiaries

For other urban poor households who are not beneficiaries under JNNURM, RAY or any other Central Housing Schemes, ISHUP may be extended with an increase in ceiling limits from the existing Rs.1 Lakh to Rs. 2 lakhs for the EWS households, and up to Rs.4 lakhs for the LIG households for the construction/purchase of new houses.

V. JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION

3.39 In India, cities contribute over 55 % to country's GDP and urbanisation has been recognised as an important component of economic growth. However, the incidence of decline of urban poverty has not accelerated with GDP growth. The sustainability of urban development in India is seen in the context of shelter and slums, basic urban services, financing urban development and Governance and Planning. Therefore, a need has arisen to develop new poverty reduction tools and approaches to attack the multi-dimensional issues of urban poverty. Accordingly, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on 3rd December, 2005 with an objective to provide focused attention to integrated development of urban infrastructure and services in select cities with emphasis on urban poor, slum improvement etc.

3.40 Jawaharlal Nehru National Urban Renewal Mission consists of the following components; namely:

- i) Urban Infrastructure Governance (UIG)
- ii) Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT)
- iii) Basic Services to Urban Poor (BSUP)

iv) Integrated Housing and Slum Development Programme (IHSDP)

Out of these components BSUP and IHSDP are being implemented by Ministry of HUPA.

A. Basic Services to the Urban Poor (BSUP)

3.41 The salient features of BSUP are as follows:

- Central Assistance in the form of ACA as full grant.
- 50% percent of the project cost in respect of cities having a population of one million or more to be borne by the Central Government.
- 90% of the project cost to be borne by the Central Government for projects from cities/towns in North Eastern States and Jammu & Kashmir.
- 80% of the project cost to be borne by the Central Government for projects from the remaining cities/towns.
- A minimum of 12% beneficiary contribution for houses; for SC/ST/BC/OBC/PH and other weaker sections, 10% beneficiary contribution.
- Access to Central assistance predicated upon the State/Urban Local Bodies/ Parastatals agreeing to implementation of reforms.
- Reforms to ensure improvement in urban governance.
- Cities to prepare City Development Plans and Detailed Project Reports so as to seek Additional Central Assistance.
- Central Sanctioning & Monitoring Committee to consider approval of projects and project financing pattern.

Funding Pattern of BSUP

3.42 The Central share is released as Additional Central Assistance (in the form of grant). The financing of the projects is as under:

Category of cities	Grant Share	Central	State/ULB/ share, Beneficiary contribution	Parastatal including
Cities with 4 million plus population as per 2001 census	50%		50%	
Cities with million plus but less than 4 million population as per 2001 census	50%		50%	
Cities/towns in North Eastern States and Jammu & Kashmir	90%		10%	
Other Cities	80%		20%	

3.43 The admissible components under the BSUP as stated by the Ministry in their Annual Report 2010-2011 are as follows:

- Integrated development of slums, i.e. housing and development of infrastructure projects in the slums in the identified cities.
- Projects involving development/improvement/maintenance of basic services to the urban poor.
- Slum improvement and rehabilitation projects.
- Projects on water supply/sewerage/drainage, community toilets/baths, etc.
- Houses at affordable costs for slum dwellers/urban poor/EWS/LIG categories.
- Construction and improvements of drains/storm water drains.
- Environmental improvement of slums and solid waste management.
- Street lighting.
- Civic amenities, like, community halls, child care centers, etc.
- Operation and maintenance of assets created under this component.
- Convergence of health, education and social security schemes for the urban poor.

B. Integrated Housing & Slum Development Programme (IHSDP)

3.44 For cities/towns not covered under BSUP, Integrated Housing & Slum Development Programme (IHSDP) has also been launched on 3.12.2005 while the ongoing Valmiki Ambedkar Awas Yojana (VAMBAY) and the discontinued National Slum Development Scheme (NSDP) were subsumed in this scheme. The key objectives of IHSDP is to strive for holistic slum development, with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas. The salient features of IHSDP are:

- Central Assistance in the form of ACA as full grant.
- 80% percent of the project cost borne by the Central Government, in general.
- 90% of the project cost borne by the Central Government for projects from cities/towns in special category States, including North- Eastern region.
- A minimum of 12% beneficiary contribution for houses; for SC/ST/BC/OBC/PH and other weaker sections, 10% beneficiary contribution.
- Access of Central assistance predicated upon the State/Urban Local Bodies/Parastatals agreeing to implementation of reforms.
- Reforms to ensure improvement in urban governance.
- Cities/towns to prepare Detailed Project Reports in order to seek Central Assistance.

Funding Pattern of IHSDP

3.45 The Ministry informed that the sharing of funds would be in the ratio of 80:20 between Central Government and State Government/ULB/Parastatals. For special category States, the funding pattern between Centre and States will be in the ratio of

90:10. The Central share will be released as Additional Central Assistance (grant). As in the case of BSUP, signing of a tripartite MoA is a necessary condition to access Central Assistance.

3.46 During 2012-2013, a sum of Rs.3347.50crore has been allocated under these schemes;Rs.3000 crores in the budget of Ministry of Finance (in respect of States) and Rs.347.50 crores in the budget of Ministry of Home Affairs (in respect of Union territories). Out of this total allocation, Rs. 2447 crore is under BSUP and Rs. 900.50 crore is under IHSDP.

3.47 The Statement given below is showing budget estimates, revised estimates and actual expenditure for the year 2009-2010, 2010-2011 and 2011-2012 and budget estimates for 2012-2013:

(Rs. in crore)

Year	BSUP			IHSDP		
	BE	RE	Actual expenditure	BE	RE	Actual expenditure
2008-09	1880.35	1813.38	1582.92	613.84	1113.84 *	1296.20
2009-10	2524.65	1344.36	1338.37	1117.58	786.74	780.72
2010-11	2357.60	1629.75	1925.40	1015.43	587.43	880.25
2011-12	2928.60	1721	1592.23	1000.20	700	699.66
2012-13	2447			900.50		

*Allocation for IHSDP includes additional allocation of Rs.500 crore (Economic Stimulus Package) in the Budget of Department of Expenditure.

3.48 With regard to physical targets and their achievements under BSUP & IHSDP, the Ministry submitted as follows in their written reply:

"The Mission period physical target has been set at construction of 1.5 million housing units under BSUP and IHSDP. Under JNNURM a holistic approach is envisaged for the provision of housing and related basic infrastructure facilities for urban poor. Housing is one of the components under BSUP and IHSDP projects. While majority of the projects approved are for housing and infrastructure components together, some projects sanctioned are only for basic infrastructure facilities to the urban poor. The CSMC/ CSC has so far approved construction of 15,72,780 dwelling units out of which 5,72,250 dwelling units have already been completed."

3.49 On calculating the physical achievement under BSUP & IHSDP comes out to be 36.38% only.

3.50 On the issue of basic physical and financial achievement under JNNURM, the Secretary, Ministry of HUPA, deposed as under:

"Under programmes of JNNURM, only Punjab is one State which has not been able to get some money. Among the performance levels, just about three States are slightly poor, I will say, the States like Bihar, Chattisgarh and Jharkhand. Other than these three, rests are almost equal to the national average. They are slightly better or slightly poor. But in these three States the performance has been less than 30 per cent. There, of course, we will have to continue our negotiations and interactions with them.

One of the important points that was mentioned in JNNURM was pro-poor reforms. It was conditional. There are three reforms which are expected of our Ministry. One programme of course is that all the mission cities, which are 65 in numbers, will have to earmark about 25 per cent of their money for the poor. I am very happy to say that all the 65 cities have started doing it and by and large the reservation of the urban poor areas is about 25 per cent. The other important parameter, which is very difficult to implement, was it was also expected that most of the States will reserve 20 to 25 per cent of the developed land for housing for the poor. This is a very difficult thing to do. Sir, 62 mission cities have actually passed out orders; State Governments have actually passed orders reserving this. It varies from 15 per cent to 25 per cent but they have passed these orders. Only three mission cities are pending; they are Goa, Kochi and Thiruvananthapuram. We are discussing with them. Both the States have major problems. But I am not very dissatisfied with the progress. At least all the 29 States have come out with Government orders. There is an empowered clause which can be followed."

He further added;

"Under JNNURM- the sanction is very good and the implementation is also improved –though I do accept that a lot needs to be done. We have moved to the Cabinet for an extension of further two years which have been granted to the Ministry of Urban Development. We are quite hopeful that our Ministry will also get two years extension to complete the projects which are pending under the first JNNURM Programme.

3.51 On being inquired about the issue of poor performance of IHSDP, the Secretary, Ministry of HUPA, during the course of oral evidence, deposed as under:

"Today, under the JNNURM programme, Sir, you will find that we have not been able to complete most of the work, even start some of the work because under the IHSDP programme, which is meant for small towns, the support is limited to Rs. 80,000 in small towns. In most of the towns, the cost of housing has gone up. Today you cannot construct a house with Rs. 1.5 lakh. You cannot do it with Rs. 1 lakh. The minimum amount that is required is Rs. 2.5 lakh. So, one of the things that we have suggested is allowing them to take a loan of Rs. 1 lakh under this particular programme. If you allow one lakh rupees with interest subvention scheme to the poor people, all the houses that are required to be completed can be completed. Otherwise, what will the States do? Poor people cannot be expected to give additional Rs. 1 lakh. The Government of India does not give that additional money. The States and the Municipalities are not in a position to give that additional money. So, who gives this money? We go out to the States and request them to take a loan from HUDCO and complete the houses. If the beneficiaries are given one lakh rupees extra loan under this ISHUP programme, may be with interest subvention they will take it. So, that is the second component that we have moved for the revision of ISHUP. One, of course, is allowing the one lakh rupees of ISHUP to JNNURM beneficiary. Otherwise, you cannot complete this work. The second one is to allow it. Now that we have this Credit Risk Guarantee Fund which has been cleared last week and we will set it up, the banks will also find it interesting and less risky to give these loans to the public. That is one thing. So, under ISHUP, this is the revision that we are proposing. I am hopeful that this revision, if allowed, will make a difference to this scheme.

3.52 After, analyzing the written information furnished by the Ministry of HUPA, the Committee were of the view that for successful implementation of housing schemes differential treatment for different cities is required. When the Committee asked for the views of Ministry in this regard, the Secretary, Ministry of HUPA, deposed as under:

"I agree with you. That is what I am going to propose in the new JNNURM, Rajive Awas Yojana also. Big cities will have to be treated differently; and small and medium-term cities will have to be treated differently. I am sure; the Secretary UD also must have told you in the morning. We are very clear that the capacity of the smaller cities is different than that of the big cities.

3.53 Mid-term review of 11th Plan was undertaken by the Planning Commission and JNNURM was also covered under the Review. The major findings of the review are as under:

- (A) JNNURM has been effective in renewing focus on the urban sector across the country; however the need to raise capacity and investment resources is still substantial. It has been successful in catalyzing significant investments into the physical infrastructure of cities.
 - (i) Much of this investment has been directed towards the provision of critical basic services that are essential to inclusiveness.
 - (ii) The programme has created renewed focus on cities and allowed states and ULBs to raise their aspirations.
 - (iii) While take-up of programme funds was slow in the early part of the mission period, especially amongst States and cities that did not have plans and project priorities in place, there is a significant acceleration in the last 24 months.
 - (iv) Many States are still lagging behind in programme utilisation, due to lack of enabling capacity and funds.
 - (v) The mission needs to do more to push States and cities to ensure financial sustainability by tapping other sources of funds such as user charges, monetization of urban land, and property taxes.
- (B) JNNRUM has helped initiate a comprehensive process of urban reforms within States and ULBs. However, the pace and depth of reforms needs to pick up. The

first four years of the programme have seen some reform progress at the State and ULB level, though, many reforms are still pending.

Progress has been slow especially on the tougher set of reforms.

- C) Capacity building funds can be used more effectively. JNNURM earmarked 5 per cent of the programme funds for capacity building. Assessment and discussions with the States point to opportunities for better use of these funds to support capacity initiatives in the States.
- D) Detailed analysis of State-wise progress reveals several opportunities to revamp/redesign the project approval and monitoring process.
- E) Emphasis has to shift even more from 'projects' to holistic urban renewal and an integrated view of a city's development. While cities did submit CDPs as part of their project proposals, the emphasis on urban renewal and long term planning of cities is lagging.

3.54 The Committee raised their concern about availability of land for housing schemes being implemented by Ministry of HUPA. In this regard the Secretary Ministry of HUPA during the course of oral evidence made the following submission:

"As far as the land availability is concerned, unfortunately all over the country, land is a major crisis now. What to speak of urban areas, even in the rural areas, the land is turning out to be a problem. So, what we have done in the last six months is that we have allowed a State, for instance, Maharashtra in this regard; and we have said that if in a particular location, land is not available, we would allow them to shift that project to a location where the land is available. That is number one. The second thing that we have allowed is that 'please go for *in-situ* development where land is not an issue. Today, luckily the *in-situ* coverage is about 67 per cent."

He further added to this:

"This is a attractive proposition to include the cost of land also in the project cost. So far we have resisted from doing it because, as you know, Sir the land prices is varying very widely from one town to the other. When you go to a place like Mumbai, 250 sq. ft. of land can be a phenomenal amount of money. But yes, with one lakh rupees, land can be made available in many parts of the country. Basically we have not provided for land because of one reason that in many

places, most of the States have taken the proactive step of allotting the land, they call it as 'pattas', to various slum dwellers. One of the mandatory requirement of the Rajiv Awas Yojana is that the States will have to pass a legislation saying that those slum dwellers who have been living there on a particular cut off date will have to be given not really the ownership right but the title to the land or possession. That is one of the conditions which we presume will continue the good work that has been done by various States Governments in allotting land to the poor. So, that will be one big source of supply for land.

Secondly, we have also seen that in many parts of the country and particularly in small and medium towns, poor people do own land. I can talk about a few towns where they say that you go out to the outskirts to buy three decimals of land or four decimals of land and it translates into about 300 sq. ft. or 400 sq. ft. or 500 sq. ft. of land. We already have a very large scope to start with. There are people who have these pattas. All that is required to be done is that the patta should become mortgageable to right should be given to the person so that the banks can take it and secondly there is some. Other definitely try to include the cost of land in the project cost. But so far, the Finance Ministry has been very chary of giving any support for land under any programme whatsoever."

Sewerage, Sanitation and Drainage

3.55 4861 out of the 5161 cities/towns in India do not have even a partial sewerage network. Almost 50 per cent of households in cities like Bangalore and Hyderabad do not have sewerage connections. Only 21 per cent of the waste water generated is treated. About 18 per cent of urban households do not have access to any form of latrine facility. Of the 79 sewerage treatment plants under state ownership reviewed in 2007, 46 were operating under very poor conditions. Less than 20 per cent of the road network is covered by storm water drains.

Sewerage, sanitation and drainage are significant focus sectors under the purview of JNNURM. 108 sewerage and 71 drainage(including storm water drainage) projects were sanctioned under the Mission, which are worth INR 14624 crore and INR 8248 crore respectively. Out of these, 15 sewerage projects and 8 drainage projects have been completed till date. Gujarat, Andhra Pradesh, Maharashtra, Tamil Nadu and Uttar Pradesh have the maximum number of projects in the sewerage and drainage sectors.

PART-II

OBSERVATIONS/RECOMMENDATIONS

1. LESSER ALLOCATION OF FUNDS BY PLANNING COMMISSION AND UNDERUTILIZATION OF FUNDS BY THE MINISTRY:

The Committee observe that housing shortages at the beginning of 11th Plan was 24.71 million household. This is likely to go up to 26.53 million by the end of 11th Plan period 2011-12. Urban poverty in India remain high at over 25 per cent. The incidence of decline of urban poverty has not accelerated with GDP growth. Hence, as the urban population in the country growing, so is the urban poverty. Thus, the task of housing the poor and alleviation of poverty is a challenging task. Against this backdrop, the Committee note that during the entire 11th Plan the allocation at BE is far less than the projections made by the Ministry and at the RE stage, it has been further reduced. The proposed 12th Plan outlay is Rs.27628.00 crore. Against that the allocation for 2012-13 is Rs.1155 crore. The percentage allocation for the current year against the total 12th Plan is 4.18 per cent. Planning Commission will be allocating the remaining 95.82 percentage during the remaining four years.

The percentage variation over BE 2011-12 and 2012-13 is only 5 % and the percentage variation over RE 2011-12 and BE 2012-13 is only 5.26 per cent. Further the percentage of Ministry's budget allocation against the total Central Government's budget has been decreasing.

The Committee further observe that during the 12th Five Year Plan, the Ministry would be starting three new schemes namely: National Urban Renewal Mission(NULM), Scheme for Urban Homeless and Street Vendors Scheme. In comparison to BE of 2011-12 the BE for all the major schemes of the Ministry reveals that except for SJSRY, the allocation for the remaining schemes has been lessened or remained the same.

Taking into account the task, functions and nobility of the work which is devolving on the Ministry of Housing and Urban Poverty Alleviation in a big way and keeping in view the financial allocations made, the Committee express its regret and strongly recommend to Planning Commission that this kind of allocation should not be practiced in case of allocations for Ministry of Housing and Urban Poverty Alleviation. They want that the allocations projected for the 12th Plan period may be evenly placed at the disposal of the Ministry so that projects are commissioned in the beginning of the Plan period and do not remain in waiting till the end of the Plan. Otherwise, the lofty objectives which the Ministry is supposed to fulfil will be derailed.

The Committee further observe that it is not only the lesser allocation of fund by the Planning Commission and Finance Ministry, which is resulting in poor performance of various schemes of the Ministry, the underutilization of allocated funds have also added to the problem. The underutilization of funds during past five years is conspicuous. The Committee can easily draw the inference that while on the one hand the Ministry of Housing and urban Poverty Alleviation has demanded the larger allocation of funds for successful implementation of various schemes, their actual performance shows that they have not been able to completely utilize the amount allocated to them. Thus, the onus also lies on the Ministry to utilize the funds fully and that too in time to avoid reduction in allocation.

The Committee, therefore, strongly recommend that the Ministry should pursue with the Planning Commission and Ministry of Finance for better funding in the coming financial years and utilization of the allocated amount. The Committee further recommend that no financial cut should be imposed on the Ministry at the RE stage. While recommending higher allocation, the Committee would like the Ministry to strive for better implementation which would justify their demand for an increased allocation for various programmes being implemented by them.

**2. SWARNA JAYANTI SHAHARI ROJGAR YOJANA(SJSRY)
COMPILATION AND MAINTENANCE OF DATA ON GAINFUL
EMPLOYMENT BY NBO:**

The basic objective of SJSRY is urban poverty alleviation through gainful employment to the urban unemployed or underemployed poor by encouraging them to set up self-employment ventures (individual or group), to support their sustainability to undertake wage employment.

In the year 2011-12 a total 3,63,794 beneficiaries have been assisted by providing training to them. The achievement of SJSRY in terms of both physical and financial appears to be very impressive. But, when the Committee asked during the course of oral evidence about the number of trainees that have been gainfully employed after the training, the Secretary, Ministry of Housing and Urban Poverty Alleviation accepted that no such data is being maintained under SJSRY. The Committee strongly feel that without data, it would be difficult to monitor the programme and do necessary modifications to bring forth improvements in its implementation.

The Committee are of the view that National Building Organisation(NBO), an attached office of the Ministry of Housing and urban Poverty Alleviation, that has been functioning as an apex organisation in the country for collection, tabulation and dissemination, of statistical information on housing and building construction activities, can be assigned the job of maintaining statistics of generation of employment, number of gainfully employed trainees and fund utilized for such employment generation.

The Committee also desire that a mandatory provision be made in the NULM for maintaining record of the information of employment generated by the Ministry of Housing and Urban Poverty Alleviation to make their effort fruitful.

3. CONCURRENT EVALUATION OF SJSRY:

The Committee during examination of Demands for Grants(2011-12) observed that the concurrent evaluation of SJSRY which is being done only in one State from each region, had recommend that this should be extended across the whole country. However, the action taken reply also did not reflect any positive response on the issue.

This year when the Committee asked a follow up question about the concurrent evaluation of SJSRY, the Ministry in their written reply submitted that the concurrent evaluation process is in progress in 5 selected States. The improvements/shortcoming in implementation of the scheme will be assessed once the final report of the study is available. The Committee are dismayed to note that such an important recommendation of the Committee has not been adhered to by the Ministry.

While the Ministry is getting ready to launch National Urban Livelihood Mission (NULM), the Committee fail to understand what had restricted the Ministry from extending this "concurrent evaluation to the whole country". The Committee are of the strong view that the ambit of concurrent evaluation of SJSRY should be extended to all other State and Union Territories, then only, the improvements/shortcomings in implementation of scheme can be assessed in real sense. This will help in implementing NULM in a better way. Also while conducting concurrent evaluation of the SJSRY Scheme, the Ministry should collect statistics about the number of beneficiaries that have been assisted for setting up of individual micro enterprises/group enterprises after training and got employment during the last three years.

4. NATIONAL URBAN LIVELIHOOD MISSION(NULM):

The Committee are given to understand that the current SJSRY, which has so far been the only programme which is run in the country for assisting the urban unemployed youth in getting gainful employment, will now be covered under National Urban Livelihood Mission on the pattern of National Rural Livelihood Mission(NRLM).

The Committee have been informed that under NULM, in every municipality, irrespective of the size of the municipality, a small programme management unit will be set up with some financial support from the Central Government. The Committee note that unlike SJSRY, efforts are being made to provide that training providers will ensure employment guarantee for around 72-80 per cent of the people they are training which will be verifiable after six months.

The Committee are apprehensive about the future of those trainees, in case their services are discontinued by the training providers after the stipulated period of 6 months.

Considering the above facts the Committee recommend that at the stage of selection of training provider its capacity to induct at least 80 to 90 per cent of trainees per year for next five years should be ensured. Also, for those trainees who will be employed by the service provider, the verification should be done after every six months, for two consecutive years.

5. INTEGRATED LOW COST SANITATION SCHEME(ILCS):

The Committee are happy to note that the definition of sanitation worker has been expanded to include the sanitation workers conducting sewer cleaning and pit cleaning activities also. The Committee observe that a new survey is to be conducted to know the current status of 'Manual Scavenging practice' in India. The Committee recommend that those organizations that have raised the objections to the earlier survey should also be consulted during the course of proposed new survey. Also, every effort should be made by the Central Government to ensure the collection of authentic data. The Committee also desire that the Ministry of housing and Urban Poverty Alleviation should implement the mandate of completing the balance work, which is remaining on the basis of earlier survey within this financial year only.

6. RAJIV AWAS YOJANA(RAY):

Rajiv Awas Yojana is aimed at making India slum free based on Slum free State and Slum free City Plans. RAY envisages creating a slum free India by encouraging States to assign property rights to slum dwellers. However, the Committee find that there is no allocation for RAY under current financial year.

This is reflecting upon the callous attitude of Central Government towards implementation of various schemes and policies. Since, RAY is not a normal Housing Scheme, rather, it is the reflection of Governments' vision for improving urban growth through making slum free States and cities and giving property rights and through RAY Central Government is attempting to bring back to life the two housing schemes namely, Affordable Housing Scheme and Interest Subsidy Scheme of Housing for the Urban Poor(ISHUP) that have not performed well till date. The Committee therefore want that adequate care should be taken by the Ministry to ensure that RAY does not face the same problems which earlier schemes viz. ISHUP and IHSDP experienced. The Committee further desire that before finalization of RAY the Government should consult the various stakeholders to make it practicable.

7. AFFORDABLE HOUSING SCHEME:

Affordable Housing Scheme is an important programme of the Ministry. The Committee observed that though this programme was supposed to bring in investment in the sector, it has not taken off well. Under this scheme, the private sector developer is given a financial support of Rs. 50,000 per house or 25 per cent of the infrastructure cost whichever is less. The Committee are of the view that incentives under this programme are too meagre to attract private builders.

With regard to implementation of this scheme by States, the Committee have come to know about the success achieved by Rajasthan Government. The success of Rajasthan Government is attributed to providing a lot of other facilities like some Floor Area Ratio(FAR) facilities, Floor Space Index(FSI) facilities, Transferable Development Right (TDR) facilities, rebate in the local taxes, etc., to private builders, so that it is attractive for them.

The Committee recommend that affordable housing programme should be modified on the pattern of Rajasthan to a certain extent. However, The Committee further feel that the concept of affordable housing which requires support of the Government both for private developer and the beneficiaries who are generally very poor, is required to be redefined including financial parameters so as to make it successful.

8. ISSUE OF SUBSIDY FINANCIAL HELP UNDER VARIOUS SCHEMES OF THE MINISTRY LIKE ISHUP, IHSDP ETC.

Under ISHUP 5% of interest subversion to a loan upto Rs. 1 lakh is provided to the beneficiary with Central Government subsidy for acquisition of houses as also for construction or acquisition of new house to EWS/LIG persons. The size of the housing being 25 square metres in the case of EWS and 40 square metres in case of LIG.

The Committee, keeping the present scenario in mind, are of the opinion that a financial help of Rs. 1 lakh is very less, as in most of the cities and towns the cost of Housing has gone up. Thus, the Committee recommend that under ISHUP the loan amount should be raised from 3 lakhs to Rs. 5 lakhs with subsidy of 5 per cent on interest charged on loan depending on the type of the city.

9. NEED FOR ADEQUATE SEWERAGE AND SANITATION SYSTEM

From the information provided by the Ministry, the Committee observed that 4861 cities out of 5161 cities/towns in India do not have even a partial sewerage network. Almost 50% of households in cities like Bangalore and Hyderabad do not have sewerage connection. Only 21% of the waste water generated is treated. About 18% of urban households do not have access to any form of latrines. Of the 79 sewerage treatment plants under State ownership 46 were operating under very poor condition and less than 20% of the road network is covered by storm water drains. In view of this, sewerage system in India is suffering from poor maintenance. The existing set up simply cannot handle the problems of cities including the mega cities like Delhi, Calcutta, Chennai and Mumbai.

The Committee note that sewerage, sanitation and drainage are significant focus sectors under the purview of JNNURM whose period is from 2005-06 to 2011-12. So far 108 sewerage and 71 drainage(including storm water drainage) projects were sanctioned under JNNURM. The Committee are distressed to note that even after completion of the entire mission period i.e 2011-12 against the above sanctioned projects only 15 sewerage projects and 8 drainage projects have been completed till date.

Against this backdrop the Committee strongly recommend that the Ministry should take proactive steps in completing the remaining projects at the earliest and generate more demands from all the States about these projects by creating awareness during the 12th Plan period.

The Committee are given to understand that despite Supreme Court's Order, sewerage disposal systems in major cities like Delhi are still releasing untreated water directly or indirectly into water bodies without removing the harmful

compounds, this causes severe environmental hazards. In view of this, the Committee further recommend that time-bound steps should be taken in this direction to stop releasing of polluted water into the river by strictly adhering to the Supreme court's orders and by establishing adequate number of sewerage treatment plants.

**New Delhi;
19 April, 2012
30 Chaitra, 1934 (Saka)**

**SHARAD YADAV,
Chairman,
Standing Committee on
Urban Development**

STANDING COMMITTEE ON URBAN DEVELOPMENT (2011-2012)

**MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE HELD ON
MONDAY, 2ND APRIL, 2012**

The Committee sat from 1400 hrs. to 1530 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Kailash Joshi - *in the Chair*

MEMBERS

LOK SABHA

2. Shri M. Anandan
3. Shri Ambica Banerjee
4. Smt. J. Helen Davidson
5. Shri Gorakh Prasad Jaiswal
6. Shri Mohinder Singh Kaypee
7. Prof. (Dr.) Ram Shankar Katheria
8. Shri Ramesh Kumar
9. Dr. Kirodi Lal Meena
10. Shri Umashankar Singh

RAJYA SABHA

11. Shri P. Bhattacharya
12. Dr. Bhalchandra Mungekar
13. Shri Meghraj Jain

SECRETARIAT

1. Shri T.K. Mukherjee - Joint Secretary
2. Shri R.K. Jain - Director
3. Smt. J.M. Sinha - Deputy Secretary
4. Smt. K. Rangamani N. - Under Secretary

List of Witnesses

1. Shri Arun Kumar Mishra - Secretary
2. Dr. P.K. Mohanty - Addl. Secretary, M.D.
(JNNURM)
3. Smt. Sudha Krishnan - Joint Secretary & Financial
advisor
4. Smt. Aruna Soundrarajan - Joint Secretary(RAY)
5. Shri Susheel Kumar - Joint Secretary(Housing)
6. Shri Umesh Kumar - Joint Secretary (A&C)
7. Shri P.C. Das - Chief Controller of Accounts
8. Smt. Deepti Gaur Mukherjee - Director (RAY and HUDCO)
9. Shri D.S. Negi - Director(NBO)
10. Ms. S.R. Rajshekhar - Director(Housing)
11. Ms. S.K. Ram - Director(Finance)
12. Shri Ramesh Kumar - Director(Budget-II)
13. Shri Avinash Kr. Mishra - Dy. Secretary(UPA)
14. Shri Daljeet Singh - Economic Adviser
15. Shri V.P. Baligar - CMD, HUDCO
16. Shri Jaiveer Srivastava - CMD(HPL)
17. Shri Shailesh Aggarwal - Executive Director(BMTPC)
18. Col. Sunil Kumar - Chief Executive
Officer(CGEMHO)

2. In the absence of the Chairman, the Committee chose Shri Kailash Joshi, a Member of the Committee to act as Chairman for the sitting in accordance with Rule 258(3) of the Rules of Procedure and Conduct of Business of Lok Sabha.

3. At the outset, the acting Chairman welcomed the members of the Committee and representatives of the Ministry of Housing and Urban Poverty Alleviation to the sitting of the Committee and apprised them of the provisions of Direction 55(1) of 'Directions by the Speaker'.

4. The Secretary, Ministry of Housing and Urban Poverty Alleviation, thereafter briefly explained the overall Budgetary position with regard to various Central sector schemes and programmes of the Ministry such as BSUP & IHSDP, the components under JNNURM, SJSRY, Rajiv Awas Yojana, National Scheme for support to street vendors, a scheme for the National Programme for Urban homeless, Interest Subsidy Scheme for the Urban poor etc. for the year 2012-2013 and highlighted their targets and achievements of the previous financial year as well as reasons for shortfall, wherever applicable. The Committee then discussed in detail various issues related to the examination of the 'Demands for Grants' of the Ministry for the year 2012-2013.

5. The Members sought clarifications on various issues relating to the subject and the Secretary and representatives of the Ministry responded to the same. The Committee directed to the representatives of the Ministry to furnish written replies to the queries which could not be responded to by them.

6. The Witnesses then withdrew.

7. A verbatim record of the proceedings of the sitting of the Committee has been kept.

The Committee then adjourned.

STANDING COMMITTEE ON URBAN DEVELOPMENT (2011-2012)

**MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE HELD ON
THURSDAY, 19TH APRIL , 2012**

The Committee sat from 1130 hrs. to 1230 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Sharad Yadav - *Chairman*

MEMBERS

LOK SABHA

2. Shri J.P. Agarwal
3. Shri M. Anandan
4. Shri Ambica Banerjee
5. Smt. J. Helen Davidson
6. Shri Bijoy Krishna Handique
7. Shri Mohinder Singh Kaypee
8. Shri Ramesh Kumar

RAJYA SABHA

9. Shri Parvez Hashmi

SECRETARIAT

1. Shri T.K. Mukherjee - Joint Secretary
2. Smt. J.M. Sinha - Deputy Secretary
3. Smt. K. Rangamani N. - Under Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the following Draft Reports:-

- (i) Draft Report on Demand for Grants (2012-2013) of the Ministry of Urban Development .
- (ii) Draft Report on Demands for Grants (2012-13) of the Ministry of Housing and Urban Poverty Alleviation.

3. *****. The Draft Report on Demands for Grants (2012-13) of the Ministry of Housing and Urban Poverty Alleviation was adopted by the Committee with slight modifications at Recommendation No. 9.

4. The Committee also authorized the Chairman to finalize the above-mentioned Reports taking into consideration consequential changes arising out of factual verification, if any, by the concerned Ministries and also to present to both the Houses of Parliament.

The Committee then adjourned.

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* This portion does not relate to the Demands for Grants (2012-13) of Ministry of Housing and Urban Poverty Alleviation.