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**STANDING COMMITTEE ON
URBAN DEVELOPMENT
(2014-2015)**

SIXTEENTH LOK SABHA

MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION

**DEMANDS FOR GRANTS
(2014-2015)**



**LOK SABHA SECRETARIAT
NEW DELHI**

December 2014, Agrahayana 1936 (Saka)

SECOND REPORT

**STANDING COMMITTEE ON
URBAN DEVELOPMENT
(2014-2015)**

(SIXTEENTH LOK SABHA)

MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION

**DEMANDS FOR GRANTS
(2014-2015)**

Presented to Lok Sabha on 18.12.2014

Laid in Rajya Sabha on..... 18.12.2014



**LOK SABHA SECRETARIAT
NEW DELHI**

December 2014, Agrahayana 1936 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON
URBAN DEVELOPMENT (2014-2015)**

Shri Pinaki Misra* - *Chairperson

MEMBERS

LOK SABHA

2. **Shri Rajendra Agrawal**
3. **Shri Ramesh Bidhuri**
4. **Shri Ram Charan Bohra**
5. **Shri Dushyant Chautala**
6. **Shri Ashok Chavan**
7. **Shri Dilip Kumar Gandhi**
8. **Shri Maheish Girri**
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19. **Prof. K. V. Thomas**
20. **Shri Parvesh Sahib Singh Verma**
21. **Dr. Dharam Vira**

RAJYA SABHA

22. **Smt. Vandana Chavan**
23. **Shri Husain Dalwai**
24. **Shri Anil Desai**
25. **Shri Parvez Hashmi**
26. **Shri Mukul Roy**
27. **Shri Rangasayee Ramakrishna**
28. **Shri Satish Sharma**
29. **Shri C.P. Thakur**
30. **Shri S.Thangavelu**
31. **Shri Khekiho Zhimomi**

* **Shri Mukul Roy** has been nominated to this Committee by Hon'ble Chairman, Rajya Sabha w.e.f. 9th December, 2014 in place of Md. Nadimul Haque who has resigned from the Committee w.e.f. 4th December, 2014

SECRETARIAT

1. Shri R.K. Jain - Joint Secretary
2. Shri D.S Malha - Director
3. Smt. J.M. Sinha - Additional Director
4. Smt. K. Rangamani N. - Under Secretary
5. Shri Sumit Kumar Grover - Committee Assistant

INTRODUCTION

I, the Chairperson of the Standing Committee on Urban Development (2014-15) (Sixteenth Lok Sabha) having been authorized by the Committee to submit the Report on their behalf, present the Second Report on Demands for Grants (2014-15) 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 13th August, 2014. 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. However, during the current year, being election year, the Demands were passed by both the Houses of Parliament without subjecting them to examination by the DRSCs. As per directions of the Hon'ble Speaker, the demands have been examined by the Committee and reported upon with the intention that the recommendations of the Committee can be utilised by the Ministry for future Demands for Grants.

3. The Committee took evidence of the representatives of the Ministry of Housing and Urban Poverty Alleviation on 25th September, 2014. 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 (2014-15).

4. The Committee considered and adopted the Report at their sitting held on 12 December, 2014.

5. 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;
12 December, 2014
21 Agrahayana1936(Saka)**

**Pinaki Misra,
Chairperson
Standing Committee
on Urban Development**

REPORT
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 can provide 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, 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, urban poverty alleviation and slum development.

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 Constitution 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 has a business allocation that is fairly focused, being the formulation of housing policy and programmes, the implementation of specific programmes of Urban

Employment (UE) and Urban Poverty Alleviation (UPA) and policy, planning and monitoring of matters related to human settlements and urban development “including Slum Clearance Schemes and the Jhuggi and Joonpri Removal Schemes”.

1.4 The Important Schemes of the Ministry are as under :-

- Rajiv Awas Yojana including Affordable Housing in partnership.
- Integrated Housing and Slum Development Programme (IHSDP) and Basic Services to the Urban Poor (BSUP) schemes under JNNURM.
- National Urban Livelihood Mission (NULM)
- Rajiv Rinn Yojana (RRY)
- Street Vendor Act, 2014
- Real Estate (Regulation and Development) Bill, 2013.

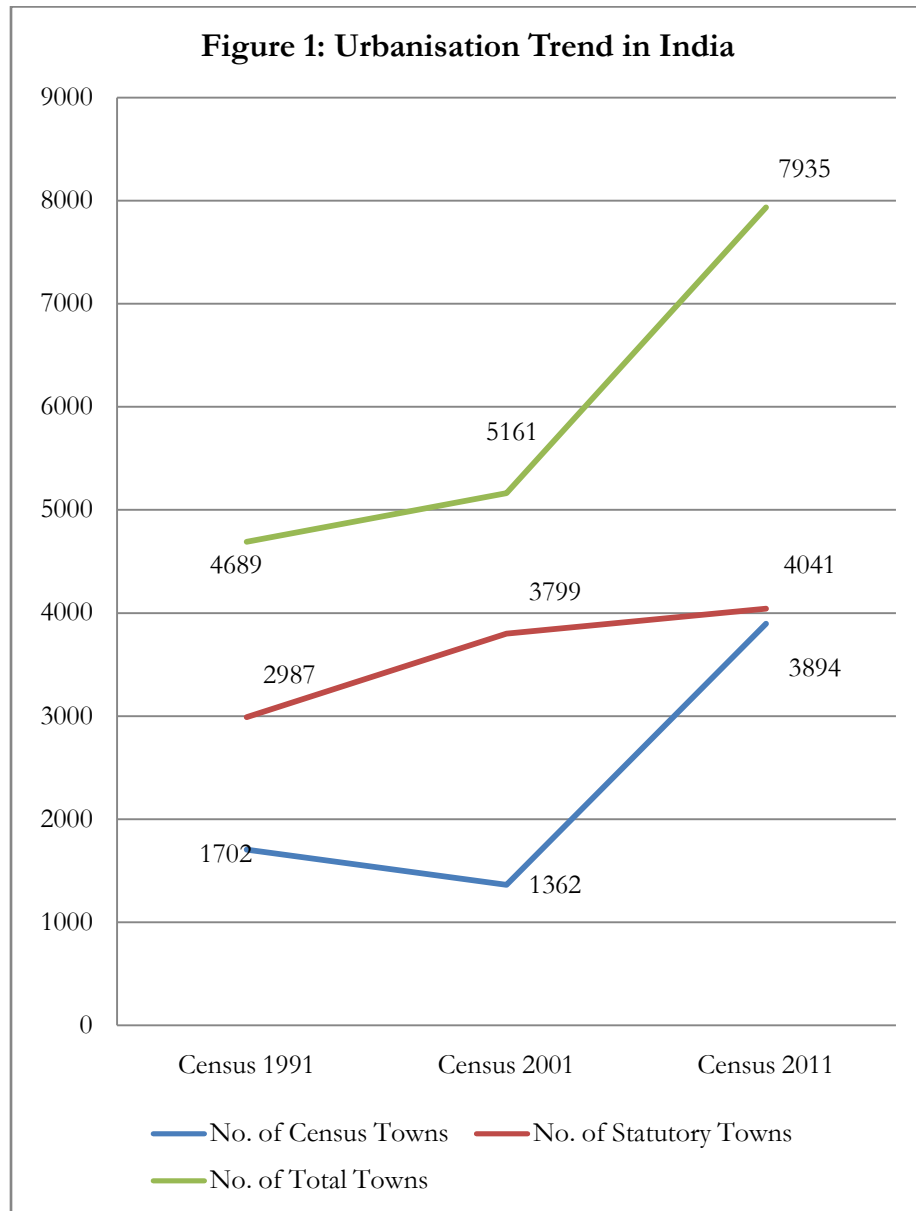
Growth of Urban Population

1.5 The total population of India, the total Urban Population and Urban population as a percentage of total population as per the census of India figure for 1991, 2001 & 2011 are as under :-

Aspect/ Year	1991 (in Cr)	2001 (in Cr)	2011 (in Cr)
Total population	84.63	102.86	121.02
Urban population	21.76	28.61	37.71
Urban population as a percentage of total population	25.71%	27.81%	31.16%

- (i) Findings of these Census data indicate an escalating urbanisation trend from 27.81% to 31.16%.
- (ii) Total numbers of towns have increased more than 50% from 2001 to 2011 from 5161 to 7954.

- (iii) The decade from 2001 to 2011 is the first ever census decade in which the absolute growth in urban population is more than that of its rural areas. During the same period, while the rural population grew by merely around 12 per cent, the urban population has grown to the extent of almost 32 per cent.
- (iv) Between 2001 and 2011, the numbers of census towns have increased more than 185% to 3894 from 1362, whereas the numbers of statutory towns have increased merely around 6% to 4041 from 3799.



Availability of Housing For Urban Population

1.6

- a) Housing stock required in next 16 years = 60.0 million
- b) Required Additional Annual Housing = 3.4 million
- c) Current annual supply = 2.4 million
- d) Annual Deficit in housing stock creation = 1.00 million

1.7 The target and achievement of construction of houses/DUs under all the schemes such as JNNURM, RRY and AHP is given below:-

Scheme	Year	DUs Approved (I)	DUs Completed (II)
JNNURM	2005-06	51,300	-
	2006-07	4,89,650	-
	2007-08	3,19,719	-
	2008-09	3,19,670	57,906
	2009-10	55,476	2,11,854
	2010-11	88,175	1,46,734
	2011-12	1,17,241	1,93,640
	2012-13	-	88,494
	2013-14	-	1,03,563
	2014-15	-	42,086
	TOTAL	14,41,231	8,44,062
RRY	2011-12	8,400	0
	2012-13	24,958	0
	2013-14	87,554	1154
	2014-15	32,414	252
	Total	1,53,326	1406
AHP	2011-12	5,776	0
	2012-13	992	0

	2013-14	-	3,320
	2014-15	13,704.00	1,308
	Total	20,472.00	4,628

The Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) was launched in 11th Five Year Plan period with an aim to provide interest subsidy on housing loans to the urban poor for the purposes of construction/acquisition of houses. As on 31.06.2013, a sum of Rs. 17.86 crores has been released as Net Present Value (NPV) of interest subsidy covering about 14,304 beneficiaries under the scheme of ISHUP. Year-wise details are mentioned as under:

(in lakh)

RRY	Year	Total No. of beneficiaries	Total NPV of interest subsidy released
		2008-09	Nil
	2009-10	531	36.83
	2010-11	5859	476.64
	2011-12	4308	473.86
	2012-13	3267	735.49
	2013-14	339	64.00
		14304	1786.82

The Cabinet Committee on Economic Affairs has decided on 3rd September, to continue the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) and rename it as the Rajiv Rinn Yojana (RRY).

1.8 On the basis of the above information provided by the Ministry, the Committee are given to understand that if this deficit is not addressed on priority basis, the problem will become gigantic. When asked about the steps proposed to be taken, the Ministry in its written replies stated that

“The demand and supply and the resultant deficit of housing are determined by market forces. However Government of India along with the State governments are doing their best to address the deficit. However, the mammoth funding requirements of housing and allied infrastructure in addressing the housing deficit are beyond the means of Government of India alone. Hence collaboration with all stakeholders will be essential. This will include State Governments and its entities (Housing Boards and Development Authorities), Urban Local Bodies, Private sector, Civil society, Banking and financial institutions etc. Further, a Mission mode approach for “Housing for All” is being undertaken by this Ministry. Accordingly, an Expenditure Finance Committee (EFC) Memorandum (viz. New National Mission for Urban Housing) has been circulated on 01.09.2014 for inter-ministerial consultations”.

Urban Poverty

1.9 The percentage of Urban Poverty in India during Tenth, Eleventh and Twelfth Plan period is as under :-

“Planning Commission estimates percentage and number of people living below poverty line using large sample survey data of Household Consumer Expenditure collected by National Sample Survey Office (NSSO). These surveys are carried out by the NSSO every 5 years. Last two surveys have been conducted during 2004-05 and 2009-10. As per these surveys, the number of urban poor in the country has reduced from 81.4 million in 2004-05 to 76.5 million in 2009-10 i.e. 25.70% to 20.90%. Further, as per estimates released by Planning Commission in the year 2011-12, the number of urban poor has reduced to 53.1 million i.e. 13.7% of urban population.”

Population of Slum Dwellers

1.10 The total population of slum dwellers as per 2001 and 2011 census is as under :-

Year	Slum Population (in crore)	No. of Slum Households (in crore)
2011	6.549	1.392
2001	5.24	1.02

Status of Infrastructure Facilities in Slum Areas along with facilities in total urban area in terms of percentage is as below:

	Tap water from treated source	Drinking water Within Premises	Source of Lighting- Electricity	Latrine facility within the premises	Flush/ pour flush latrine	Closed drainage
Urban	62.01%	71.22%	92.67%	81.36%	72.57%	44.5%
Slum	65.3%	56.7%	90.5%	66.0%	57.7%	36.9%

1.11 With regard to extension of provision of basic sanitary facilities and other infrastructure such as housing, electricity and water, the Ministry has stated that :-

“The Ministry is not satisfied with regard to provision of basic sanitary facilities and other infrastructure such as housing, electricity and water etc. However, within the available resources efforts are made to provide onsite infrastructure in the projects undertaken by the Ministry whereas its convergence with trunk infrastructure is taken care of by MoUD.

In the new mission under formulation, it is proposed to provide civic infrastructure like water, sanitation, drainage, roads, street lights, etc. to unauthorized colonies/slums after regularizing such colonies/slums so to make them part of formal settlements in the city.”

1.12 The detailed Demands for Grants of the Ministry of Housing and Urban Poverty Alleviation comprises of one Demand for Grants *i.e.* Demand No.58. The Ministry of Housing and Urban Poverty Alleviation laid the detailed Demands for Grants in Parliament on 13th August, 2014 and has been discussed in succeeding chapters of this Report.

CHAPTER II

OVERALL ANALYSIS OF DEMAND FOR GRANTS (2014-2015)

Budget of the Ministry of Housing and Poverty Alleviation comprises one Demand for Grants i.e. Demand No. 58. The overall BE for the year 2014-2015 is Rs.6008.62 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.6000.00 Crore and Rs.8.62 Crore respectively.

2.1 The Budget Allocation for 2014-15 (Plan and Non-Plan) is as under:

(Rs. in crore)

Demand No. 58	Gross			Net			Net		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Revenue	Capital	Total
	6000.00	8.62	6008.62	6000.00	8.62	6008.62	6008.62	0.00	6008.62
Total	6000.00	8.62	6008.62	6000.00	8.62	6008.62	6008.62	0.00	6008.62

The overall BE for the year 2014-15 is Rs. 6008.62 crore (Gross), including both Plan and Non-Plan. The entire Plan out lay of Rs. 6000.00 crore is on Revenue side. The break-up of Plan & Non-Plan provision is Rs. 6000.00 Crore and Rs.8.62 Crore respectively.

2.2 Out of the said Plan provision of Rs.6000 Crore, specific allocations have been made as under:

- (i) Provision for North Eastern Areas - Rs. 600.00 crore
- (ii) Scheduled Caste Sub-Plan - Rs. 0.00 crore
- (iii) Tribal Sub-Plan - Rs. 144.00 crore

2.3 The BE, RE 2013-14 and BE 2014-1 indicating percentage variation in respect of Ministry of Housing and Urban Poverty Alleviation is as under:-

NET BASIS

(Rs. in Crore)

Demand No.58	BE 2013-14		RE 2013-14		BE 2014-15		% Variation over BE 2013-14 and BE 2014-15 Excess(+) Saving (-)		% Variation over RE 2013-14 & BE 2014-15 Excess(+) Saving (-)	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Revenue	1460.00	8.02	1200.00	7.72	6000.00	8.62	310.96%	7.48%	400.00%	11.66%
Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%	0.00%	0.00%
TOTAL	1460.00	8.02	1200.00	7.72	6000.00	8.62	310.96%	7.48%	400.00%	11.66%

The huge jump in budget allocation during the year 2014-15 is due to transfer of ACA funds of RAY and JNNURM in demands of the Ministry of Housing and Urban Poverty Alleviation w.e.f. 2014-15 as centrally sponsored schemes in accordance with Planning Commission O.M. No. M-12043/03/2013-PC dated 11th July, 2013.

2.4 As per the information furnished by the Ministry, the proposed 12th Plan outlay was Rs.27028 Crore against which the approved outlay was Rs.7850 Crore only. Against that the allocation for 2014-15 is Rs. 6000. 00 Crore (Plan). The percentage allocation for the current year against the total 12th Plan allocation is 8.60%.

2.5 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
2010-11	3914.60	1000.00	880.00	821.42
2011-12	1134.89	1100.00	1000.00	854.47
2012-13	2835.48	1155.00	950.00	930.10
2013-14	1721.10	1468.02	1207.72	1078.52
2014-15	6862.56	6008.62	Not decided	-

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

Keeping in view the wide gap between the projection and allocation and between the BE & RE during the last five years and consequential impact on the schemes, the Committee in their earlier Reports on Demands for Grants and Action Taken Reports thereon, had desired the Ministry to tone up its machinery for meaningful utilization of the resources made available for implementation of schemes. In their Action Taken Replies to the 25th Report on Demands for Grants (2013-14), the Ministry had informed that the reduction of allocation at RE stage was mainly due to slow off take of certain schemes like ISHUP and shortage of staff in the Ministry to look after the schemes. The main concern of the Committee was

to ensure even utilization of the allocation provided at BE stage and to arrest reduction at RE stage so as to ensure meaningful implementation of the schemes. During the year 2014-15, the BE is Rs. 6008.62 crore. In comparison to BE of 2013-14, there is 310.96 percent increase during the year 2014-15. A huge jump in the allocation during 2014-15 is due to transfer of ACA funds of RAY and JNNURM in Demands of the Ministry of Housing and Urban Poverty Alleviation w.e.f. 2014-15 as Centrally Sponsored Schemes in accordance of the directions of Planning Commission, keeping aside this fact, the growth of budgetary allocation is very marginal.

2.6 When asked about compelling reasons for changing the fund release pattern for all Centrally Sponsored Schemes (CSS), from Additional Central Assistance (ACA) and need to transfer ACA to the implementing agency at the fag end of the schemes of JnNURM the Ministry submitted as under:-

"As per information available with this Ministry, the Planning Commission had constituted a Committee under the Chairmanship of Shri B.K. Chaturvedi, Member, Planning Commission to address concerns about lack of flexibility in CSS/ACA schemes and the questionable utility of operating a large number of CSS with thinly spread resources at the field level. The Committee in its Report had, inter alia, recommended for the reform in the procedure for transfer of funds to the States. Accordingly, for the 12th Five Year Plan, the Government of India on the proposal of the Planning Commission has accordingly restructured the existing CSS/ACA/Flagship schemes.

2.7 On being asked as to what will happen if the projects still remain incomplete even after the extended time period, the Ministry have stated as under:-

"As the projects are being implemented by the State Governments, the implementation period of the Mission was extended on their requests to facilitate the completion of ongoing projects sanctioned. It is submitted that actual completion of the projects depends upon the efficacy and capacity of the concerned States/ULBs and this Ministry's role is of a facilitator only.

Ministry is taking up completion of projects with States. States have been advised during the course of numerous CSMC/CSC meeting and Review meetings at Central/Regional and State level to:

- (i) Start the non-starter projects and take action to complete projects and ensure occupancy of completed houses according to a time-bound action plan;
- (ii) To drop the projects which cannot be started even after reasonable efforts made;
- (iii) Achieve the completion of DUs within the Mission period and as early as possible;
- (iv) Provide additional state share to implementation agencies to meet cost escalation;
- (v) Projects which have not started have been cancelled and dwelling units have been curtailed to the extent of them remaining non-started till date."

2.8 The year wise budgetary allocation against the total Central Government outlay both in absolute and percentage term during the last six years and the percentage share of budgetary allocation of the Ministry against the GDP is as under:-

(Rs. in crore)

Year	Total central Govt. outlay	Ministry's Budget Allocation	% of Central Govt. Budget	Against GDP at current Prices*
2009-10	1020837.68	857.97	0.084 %	0.013 %
2010-11	1108749.24	1007.03	0.090 %	0.013 %
2011-12	1257728.83	1107.60	0.088 %	0.012 %
2012-13	1490925.00	1163.00	0.078%	0.012%
2013-14	1665297.00	1468.02	0.088%	0.013%
2014-15	1794891.96	6008.62	0.33%	0.33%

Chapter III

Scheme Wise Analysis

I) RAJIV RINN YOJANA (RRY)/ GRUH HAMARA AWAS RINN (GHAR) SCHEME

- 3.1 The budget estimates, revised estimates and actual expenditure for the year 2009-2010, 2010-2011 and 2011-2012 and budget estimates for 2012-2013 showing separately Plan and non-Plan expenditure under RRY is as under:

(Rs. in Crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Budget Estimates	95.00	180.59	200.00	50.00	10.00
Revised Estimates	30.00	5.00	50.00	10.00	5.00
Actual Expenditure	Nil	0.83	12.8	5.07	5.01*

- 3.2 The Reasons for variations in budget estimates, revised estimates and actual expenditure during 2008-2009, 2009-2010, 2010-2011, 2011-2012 and BE 2012-2013 are as under:-

"The Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) scheme was approved by the Cabinet Committee on Economic Affairs (CCEA) on 26th December, 2010. The guidelines of the scheme were firmed up in February, 2009 and effectively put in place only in 2009-10. ISHUP was demand driven loan based scheme aimed at facilitating institutional loans to Economically Weaker Section (EWS) and Low Income Group (LIG). Though the subsidy is to be credited directly to the beneficiary account, generation of applications with requisite documentation is essentially linked to ability of States in creation of additional housing stocks by the states.

The Banks and State Governments had 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 then relaunched the scheme in the name of Rajiv Rinn Yojana (RRY) in the 12th Five Year Plan in its revised form considering all the above mentioned constraints. "

3.3 The contours of the proposed RRY to overcome the challenges faced would include:

- Increase in permissible loan quantum limits upto Rs. 5 Lakhs from the earlier limit of Rs. 1 lakh for EWS and upto Rs. 8 lakhs for LIG. However the admissible subsidy will be limited to the first Rs. 5 lakhs of loan only.
- Mortgagable title of land i.e. pattas have been given to slum dwellers in few States like Madhya Pradesh, Tamil Nadu etc. Also, this one of the major policy initiative of Government of India to ensure title rights even under Rajiv Awas Yojana (it is a mandatory reform).
- On recommendations of the Central Steering Committee constituted in the Ministry in order to suggest revamping ISHUP, the Ministry has revised the income criteria for EWS & LIG and has notified it to be Rs. 1,00,000 per household per annum for EWS and Rs. 2,00,000 per household per annum for LIG to cover larger groups.
- RRY would be target-based scheme. The banks/HFCs would be allocated specific targets for which the necessary annual subsidy would be computed in advance. Once the Banks sign an MOU with the Central Nodal Agencies, 25% of the computed subsidy would be provided to the banks for facilitating immediate transfer of benefits to the borrowers.
- Payment of subsidy will be on an Annuity Basis to cater for credit needs of greater number of beneficiaries through reduced upfront subsidy. Thus increasing the impact and improved visibility of the Scheme.

- Some of the States have facilitated urban poor through provision of standardized approved plans. The same would be advocated in all States.
- Many banks have already waived processing fees. Such best practices would be advocated among other lending institutions.
- Allowance of loan for new purchases as well as for alterations and additions to existing units etc. to address the issue of congestion factors in causing housing shortage.
- State Governments will be allowed to dovetail their State Housing Schemes with RRY.
- Both individuals and association of individual beneficiaries in the form of co-operative societies or self help groups would be entitled to approach the banks for loans jointly and/or severally.
- In order to incentivise the facilitators including the State Government officials, officials/volunteers in the ULBs or NGOs it is proposed to pay Rs. 100/- for every sanctioned application. This initiative is expected to provide necessary outreach to the scheme and bring in the necessary awareness among the target beneficiaries apart from providing a helping hand to them and difficulty in dealing with scattered/distributed applicants
- Further in order to compensate the banks and financial institutions for the costs involved in processing the loan applications and facilitating annual adjustment of the claims, a onetime compensation of Rs. 500/- will be provided per sanctioned loan under the scheme.

The committee in their 25th Report on Demands for Grants had recommended to give wide publicity to the scheme through print and electronic media about its nature and scope for successful implementation of the scheme.

Rajiv Rinn Yojana is a target driven scheme. The overall target for the 12th Plan period is 1 million (or 10 lakh) dwellings across country including slum and

non-slum dwellers. The targets for the States for the current financial year (2013-14 and 2014-15) are periodically fixed and conveyed to the concerned States.

Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) have been designated as the Central Nodal Agencies for the Scheme.

- 3.4 On the issue of the percentage of achievement of plan targets (both in the physical and financial terms) during the 12th Plan and the reasons for slow progress, if any, in the achievement of the targets, the Ministry submitted as under:-

"An amount of Rs. 50 crore has been released to both the Central Nodal Agencies i.e. HUDCO and NHB (Rs. 25 crore each) in last financial year (2013-14) and as on date, no releases of interest subsidy have been made because RRY has been launched on 03rd September, 2013 and the funds were released to this Ministry only in the month of March, 2014."

- 3.5. The budget estimates, revised estimates and actual expenditure for the year 2013-14 and 2014-2015 is as under:

(Rs. in Crore)

	2013-14	2014-15
Budget Estimates	10.00 (for ISHUP)	698.98
Revised Estimates	50.00 (for RRY through Supplementary Demands for Grants	N.A.
Actual Expenditure	50.00	N.A.

*Extra expenditure is subject to reappropriation form the other Heads of the Ministry.

- 3.6 The Ministry further informed the Committee as under:-

"The scheme of RRY has been launched on 03rd September, 2013. Since, RRY is a target driven scheme, hence targets to benefit 2.5 lakh beneficiaries in each financial year 2013-14 and 2014-15, have been assigned to states. As on date, both the Central Nodal Agencies i.e. NHB and HUDCO have not reported any progress. The Ministry is working out on the ways to enhance the progress under RRY."

3.7 When asked about the difficulties faced by HUDCO and National Housing Bank.

The Ministry in its written replies submitted the following:

- (i) General reluctance on part of Banks particularly and HFCs to lend to the target beneficiaries with informal income and informal titles
- (ii) State Government and ULBs were unable to fully appreciate and communicate the financial benefits accrued to the beneficiaries under the scheme
- (iii) Beneficiaries could not appreciate the financial benefits accrued through reduced EMIs
- (iv) Not enough push to the Primary Lending Institutions (PLIs) by the Central Nodal Agencies
- (v) State Level Banking Committees (SLBCs) have not allocated the targets to the Banks (thus far only 6 SLBCs have allocated the targets to Banks)
- (vi) Lack of developers in creation of low ticket housing in the market
- (vii) Lack of financial inclusion of the urban poor
- (viii) Lack of clarity in the PLIs about the Scheme
- (ix) Intrinsic shortcomings viewed by Banks
 - a) Current mode of disbursement of subsidy to the PLIs on a quarterly basis and apprehensions about the account turning Non-Performing Assets (NPA)
 - b) The mode of calculation of the Subsidy amount is not clear and hence the PLIs are not submitting the claims
 - c) The cumbersome reimbursement of subsidy amount over 60 installments, or more

GHAR Scheme is the further modification of the existing scheme of RRY. During the year 2014-15 Rs. 698.98 crore has been kept under the scheme RRY.

The funds under RRY (698.98) will be re-appropriated into the proposed GHAR Scheme.

II. RAJIV AWAS YOJANA (RAY)/ SARDAR PATEL NATIONAL MISSION FOR URBAN HOUSING

3.8 In pursuance of the Government's vision of creating a Slum-free India, Rajiv Awas Yojana (RAY) was launched on 02.06.2011. Under RAY, Central Assistance will be extended to States that are willing to assign property rights to slum dwellers and undertake reservation of land/Floor Area Ratio (FAR)/dwelling units for Economically Weaker Sections (EWS)/Low Income Groups (LIG), earmark 25 per cent of municipal budget for changes to redress land and affordable housing shortages for the urban poor. Fifty per cent (50%) of the cost of provision of basic civic and social infrastructure and amenities and of housing, including rental housing and transit housing -for in-situ redevelopment in slums - would be borne by the Centre. However, for the North Eastern and Special Category States the share of the Centre would be 90%, including the cost of land acquisition, if required basic services to the urban poor/slum-dwellers and bring in legislative amendments and policy.

3.9. The Phase I of Rajiv Awas Yojana, was for a period of two years from the date of approval of the scheme, i.e. till June 2013. This is the preparatory phase of RAY to undertake preparatory activities like slum survey, GIS mapping, preparation of Slum-free City Plans and prepare pilot projects. Funds have been released to 195 cities for undertaking preparatory activities under Slum Free City Planning Scheme in the preparatory phase of Rajiv Awas Yojana. The Phase II of RAY shall be for the remaining period of the 12th Five Year Plan.

3.10 In the 25th report, the committee desired the Ministry to ensure that all the preparatory activities should be completed at the earliest without any further delay. The Committee further desired that the scheme should not be limited to 195 cities only rather it should be spread to all the cities in the country so that they can carry out the survey and

make realistic assessment to make India a slum free country. Pertaining to the present status, the Ministry has informed that

“In pursuance of the vision of “Slum Free India”, Rajiv Awas Yojana (RAY) was launched in June 2011 in two phases; the preparatory phase for a period of two years which ended in June 2013 and implementation phase. Central Government has approved the implementation phase in September 2013. RAY envisages two step implementation strategy i.e. preparation of Slum Free City Plan of action (SFCPoA) on “whole city” basis and Preparation of Detailed Project Reports (DPRs) on “whole slum” basis for selected slums. The SFCPoA is an overall action plan and preparation of SFCPoA is an involved process beginning from survey of all slums for infrastructure, households, planning, GIS mapping and convergence with other services. It requires approval and participation from ULBs and community at various levels. It has been completed in 50 cities of 15 States and in 124 cities work is in progress and are at various stage of completion. 55 cities have completed slum survey and in 69 cities survey is under progress. 48 cities have also completed GIS mapping and integration of slum survey data.”

3.11 In response to the recommendation of the Committee to extend the scheme to all cities, the Ministry has stated that :-

“The implementation phase of RAY was launched in September 2013. The scheme in implementation phase is applicable to all cities/UAs of the country. The selection for seeking assistance under the scheme will be made by the States in consultation with the Centre. Till date 228 cities have been included under RAY and projects have been approved for 145 cities in 22 States.”

3.12 During examination of Demands for Grants (2013-14), the Committee were informed by the Ministry that it was going to move a proposal to the cabinet for not to insist upon 50% criteria to be borne by the Municipality and slum dwellers. It was proposing flexible criteria like for big cities the criteria should be 60% while in small cities it may be enhanced to 80% and for the North Eastern States it might kept 90%. In the Action Taken Replies the Ministry has informed that the above funding pattern has been incorporated in the EFC memo and it is under Inter–Ministerial consultation. Explaining the present status, the Ministry has stated as under :-

“The Central Government has approved the implementation phase of Rajiv Awas Yojana in September 2013. Central Government support under RAY has been revised in the implementation phase. In case of bigger cities with population 5 lakhs

and above (as per 2011 census) the central assistance is 50% and for smaller cities having population less than 5 lakhs (as per 2011 census) the central assistance is 75%. The central assistance has been revised to 80% for cities in North-Eastern Region and Special Category States (Jammu & Kashmir, Himachal Pradesh and Uttarakhand). A cost ceiling of Rs.5.0 lakh per DU for bigger cities and NE, special category state and Rs.4.0 lakh per DU for smaller cities has also been provided.”

3.13 The preparatory activities during phase-1 of RAY were tardy. During 12th Five Year Plan one million households are expected to be benefitted through provision of decent shelter, civic and social amenities. The Ministry is in the process of developing a new scheme to cater to housing for all by 2022. The scheme of RAY is to be discontinued and the liabilities created by way of approval projects are proposed to be subsumed in the new scheme i.e. Sardar Patel National Mission for Urban Housing. The precious two years of RAY from 2.6.2011 to June 2013 has been lapsed and no concrete result has been yielded. In this regard when asked to state how only changing the nomenclature will help to solve the housing problems and about the strategies adopted by the Ministry to overcome the problems faced in implementation of RAY, so that the new scheme will be implemented in letter and spirit, the Ministry in its written replies stated as under :-

“On the proposed strategies of the Ministry for new mission for Urban Housing following points are submitted:-

Rajiv Awas Yojana is basically a slum-redevelopment programme, which is budget driven, where financial assistance of 50% to 80% is provided by GoI depending upon State and population of the city with upper cap of Rs. 4 lakh and Rs. 5 lakh per house including 25% cap on cost of infrastructure.

However, the proposed new mission for Urban Housing has much bigger objective, i.e. to provide housing for all by 2022. Accordingly, the four types of urban poor, which need to be targeted for Government intervention under the Mission - Housing For All are (i) Slum Dwellers; (ii) Urban Poor not living in slums; (iii) Prospective migrants; and (iv) Homeless destitute.

The proposed Mission intends to cover all the above categories by the following different strategies / interventions:-

- a) Slum Rehabilitation for Slum Dwellers on PPP basis.
- b) Affordable Housing through interest subvention for urban households including urban poor.
- c) Rental Housing for migrants and homeless.
- d) Improvement of Infrastructure in unauthorized colonies

It is expected that at a conservative cost of Rs. 7.5 lakh per house investment requirement for constructing 3 crore houses, estimated shortage by 2022, would be Rs. 22.5 lakh crore. Seeing the unfeasibility of providing such resources from the Budget, other alternatives have been explored. It has been proposed that slum redevelopment would be done in PPP Mode using land as a resource for which tender would be called. The viability gap would be needed in proportion of 75:25 basis by Government of India and State Governments. Land as a resource, where part of the land along with additional FSI and TDR given by State Governments and Urban Local Bodies is exploited for non-slum, commercial purposes to cross subsidize the houses for slum dwellers in the same plot, rehabilitating them “in situ”. Since housing essentially is a private good, other alternative of interest subvention for non-slum dwellers has also been explored and adopted. Under interest subvention scheme it is proposed that Government of India will provide interest subvention to the borrowers for meeting the affordability.

The cost of project is also proposed to be as per prevailing DSR/SOR of States along with tender premium, if any without providing any upper ceiling on per house infrastructure cost. After that no cost escalation will be permitted.”

3.14 The total outlay for RAY including liabilities under BSUP and IHSDP component of JNNURM in the 12th Five Year Plan has been Rs. 32,230 crore. The total allocation for RAY, ACA from 2012-13 to 2014-15 is Rs. 6020 crore. The allocation at RE stage is Rs. 1146.41 crore. Against this the actual release is Rs. 1186.15 crore. The reasons for such less financial target under the scheme, as stated by the Ministry are as under :-

“The implementation phase of RAY was launched as recently as September 2013. Model Code of Conduct for General Election 2014 was in operation from 1st March to May 2014. Subsequently, the mandate of this Ministry got enhanced to Housing for All by 2022. Accordingly, this Ministry is in the process of formulating new scheme for Urban Housing.

Pace of expenditure under RAY has been slow in the 2012-13 to 13-14 for the reason that scheme for its implementation phase got cabinet approval in September, 2013 and thereafter States started submitting the projects. As stated above, after February, 2014 because of model code of conduct new projects could not be taken up. Now Government of India has decided to launch new programme with much enhanced scope in place of RAY.”

3.15 It is stated that as on 1.8.2014, 166 DPRs with a total project cost of Rs. 6472.06 crore involving Central Share Rs.3531.19 crore for construction/upgradation of 120912 Dwelling Units have been approved under RAY Scheme. Rs. 1205.81 crore has been

released towards these projects so far. The implementation phase of RAY was launched as recently as on September 2013. Moreover, achievement of this target is dependent on the pace of projects submitted by the States/UTs/Central Government agencies. When asked about the measures taken by the Ministry to encourage the State/UTs to submit more and more projects under the scheme, the Ministry has stated as under :-

“Various levels of launch/capacity building activities were organized by this Ministry to encourage the State/UTs. After the Cabinet approval in September 2013, Ministry issued scheme guidelines in September, 2013 very expeditiously and thereafter to disseminate the scheme and guidelines, Ministry conducted 01 National Workshop, 05 regional workshops. Ministry also conducted 4 regional workshops and 39 state level workshops for handholding support on preparation of SFCPoAs/DPRs/Community mobilization/MIS etc.

Regional level meetings were also taken by senior officers of this Ministry to disseminate information on the modalities of the scheme. A total of 212 projects from 22 states (145 cities) have been sanctioned under RAY till date with a central assistance of Rs. 4470.41 crore for construction of 153326 dwelling units. Rs. 1340.64 crore has been released till date. The total state share is Rs. 3669.37 cr.

The central share are released to states and states in turn releases to cities in addition to their share. The detail regarding releases to cities is available only on submission of UCs by the States while claiming their next installment.”

3.16 From the preliminary material it is inferred that the BE for 2010-11 that is Rs.1210.20 crore was reduced to Rs. 1040 crore. The actual expenditure is nil. During 2011-12, against the RE of Rs.1011 crore the actual expenditure is Rs. 67.94 crore. During the year 2012-13, the BE of Rs. 1522 crore has been reduced to Rs.100 crore and the actual expenditure is Rs. 97.18 crore. During the year 2013-14 the BE was Rs. 2102 crore and the RE was Rs. 1146.41 crore. The actual expenditure is only Rs. 705.73 crore. The BE for 2014-15 is Rs. 2400 crore. Hence, there is very less expenditure during last four years. Citing the reasons for variation in BE, RE and actual expenditure the Ministry has stated that:

"RAY is a reform and demand driven scheme for attaining slum-free status in a State and it will depend upon the level of aspiration of the State, willingness to assign property rights to slum dwellers, initiative to mobilise manpower and undertake reforms for the urban development strategies and structures and the allocation of resources. RAY will be led by the pace of States and will not be target-driven. In 2013-14, scheme got approved in September, 2013, thereby leaving only 6 months for implementation therefore less in RE. The allocation for BE-2014-15 is

more for anticipation of scheme picking up pace during the full availability of financial year."

3.17 Keeping in view the slow pace of reforms undertaken by ULBs and State Governments and resultant effect on slow pace of expenditure and almost nil physical achievements, when asked to suggest the corrective measures, the Ministry has submitted as under :-

In-situ redevelopment of slum is the preferred choice and it is a time consuming process as beneficiaries have to be relocated and places to be handed over to contractor for work. In many cases beneficiaries are reluctant to move and ULB find difficult to temporarily relocate slum dwellers. ULBs are getting experience now in such projects and it is expected to help in faster pace in future. Moreover, most of the RAY projects have been approved recently from October, 2013 onwards.

The following corrective measures have been taken by this Ministry:

- a) For effective monitoring and implementation of reforms, Memorandum of Agreement signed by State/UTs for participating in the Scheme provides timeline for implementation for the mandatory reforms including this commitment.
- b) Regular/periodic video-conferencing/ review meetings are held at national/regional/state/city level with the concerned State Government officials by senior officers of the Ministry including Secretary (HUPA).
- c) Field visits by Senior Officers of this Ministry.
- d) Organization of workshop/capacity building programmes at regular interval.

RELOCATION OF SLUM/SLUM DEVELOPMENT

3.18 There are several ways to bring about a slum free city. There are private players who have come in and taking the plot which has a particular slum. They are given a premium FSI. They allocate that area to the slum dwellers and the additional is given to such kind of displaced people and then of course to the Municipal Corporations or the local Governments.

There is an observation that the buildings that are built for slum are tall buildings. The classic example of that is Dharavi. Tall buildings were built and it was noticed that the people who had livelihoods of selling small time vegetables or small time peanuts, they were totally out of livelihood just because they went into that vertical building which ultimately transforms into a slum. When asked about

the steps taken in this regard, the Secretary Ministry of HUPA during deposition before the committee stated that:

"I would say that to the extent possible we should not have a too tall building but if we have them, we should have a fund where maintenance can be mandatorily taken care of. In fact, the Ministry has taken this into account in our consultations. That is why, in the new scheme which provides for using land as a resource and using private sector participation, we are specifying these things."

There is also an observation from the city from where I come that when such tall buildings are built, there is no maintenance of those buildings and the elevators which are provided absolutely do not work. The old people and everybody for that matter face problem in climbing up to 8th or 9th floor. When asked whether the Ministry has really given consideration to these kinds of issues", the Secretary Ministry of HUPA during Oral Evidence has stated that

"In some of the good projects what they have done is that they have built a corpus fund where 15 years maintenance cost is provided by the developers as part of the slum development. Immediately there is no issue. I saw some of the lifts and buildings, it is very true. There is no comparison between the room which is in the first or ground floor and something which is on the 7th or 8th floor because the poor does not only use the space as per their carpet area but they also build around it. That flexibility goes. I have seen two or three slums in Mumbai and one in Ahmedabad that people have been brought out from the river bed. They are happy in the sense that they feel that they have got a clean accommodation with all facilities and they have got a provision also that whenever you give project you also incorporate maintenance for a number of years. But there is an issue here that we have to actually see the kind of cost which is coming here, I mean, a detailed calculation. It may make it increasingly difficult after ten years, for them to bear the cost."

3.19 When asked is there any policy to ensure that the local Government takes an interest to make sure that as soon as the people from the slums are provided with alternative good house, the slum in which they stay is totally razed off because that is the observations that they take the new house and then come back to the slum and give that house on rent, the Secretary Ministry of HUPA has submitted that:

"The other issue that you mentioned is that slum people are being rehabilitated and they still do not leave the slum land and this is something which we have been saying. Just as we need some kind of a policy for accommodating people who have been staying on a particular land could be encroached or they might have been bought over by the land mafia, there has to be some accountability on the part of the State Government to protect that land which is freed."

Rental Housing

3.20. The recommendations of the Rental Housing Committee under the Chairmanship of Shri Jaitirth Rao have been examined in the Ministry and following decisions have been taken:

- a) The report has been sent for the comments of other Ministries and States Governments. Subsequently, the Model Rental Housing Policy will be formulated after approval of the Cabinet.
- b) The sub-component of rental housing for migrants and homeless have been incorporated in National Urban Livelihood Mission (NULM)
- c) A sub-component of rental housing is being included in the proposed new mission of Housing for All by 2022.
- d) A draft Model Residential Tenancy Act is being formulated based on the recommendation of the Committee Report.

3.21 Sardar Patel National Mission for Urban Housing envisages creation of sufficient number of rental houses which can be made available to such migrants as also to the homeless and destitute. This rental housing is proposed primary of 2 types (a) for families and (b) for single person –dormitory. It is envisaged that a house upto 30 sq. mtr area for families and single room hostels/dormitories be constructed in sufficient numbers to be let out by the Urban Local Bodies or other agencies including Private Sector to people who cannot afford to buy a house initially. It is proposed to fund 75% of the construction cost of such rental houses. Such houses are proposed to be given on rent for the time period of 5 years and thereafter occupants except homeless and destitute are expected to move to own houses. Urban local bodies shall manage the rental housing stock including identification of tenants, fix up rent, ensuring re use of the stock. Corporate houses under their Corporate Social Responsibility (CSR) activities would also be allowed to fund these rental housing.

3.22 Explaining the present status of the scheme, the Secretary, Ministry of HUPA during Oral Evidence has submitted that

“ Our scheme is in the process of inter-Ministerial consultation. In another 1 and half month or so it will be final. Then, it will be open to everybody and we will, of course, discuss this thing. One issue is of rental housing. We are now thinking of multiple facets of the challenge. For example, we are now writing to the industry. Recently, in Tirupur, Tamil Nadu we sanctioned this project. In context of the expansion, we saw some photographs of the place where wage labor of the textile industry were staying. You should see their condition. It is absolutely pathetic. So, it is not the industries, who also get subsidy on other accounts of the Government, they should consider housing as a part of their priority. The workers need not own it. So, it can come form industry. It can come as a part of CSR. It can also be promoted by the urban local bodies. The new scheme will promote all the conditions. As soon as the scheme is finalized, we will share it with you”.

3.23 With regard to a query of providing houses by the corporate for all kinds of employees, by utilizing the 2% year mark for CSR according to the New Companies Act, the Secretary, Ministry of HUPA during Oral Evidence before the Committee has stated that

“I think it is a very useful suggestion. Sir, this is something which I think is quite doable. For example, when you give a letter of something, let them do the manpower planning as well as habitat planning at the same time. For older industries also, we are trying to get some information from urban local bodies as well as industries. There is lot of money lying. For example, I had a very interesting discussion with the Labour Secretary. We were just thinking of if a housing scheme can be promoted under the PF fund. It is a very early stage of discussion and we have a lot of barriers to overcome. For example, Contract Workers Cess Fund is available. Their money is lying. If we have an appropriate scheme, then that fund can be utilised”.

III. AFFORDABLE HOUSING IN PARTNERSHIP (AHP) SCHEME

3.24 The Government has also approved the scheme of Affordable Housing in Partnership (AHP) as part of Rajiv Awas Yojana (RAY) on 03.09.2013 to increase affordable housing stock, as part of the preventive strategy.

3.25 The scheme of Affordable Housing in Partnership aims to encourage private sector participation in creation of affordable housing stock. It was earlier introduced in 2009 as part of BSUP component of JNNURM and subsequently, Affordable Housing in Partnership was dovetailed with Rajiv Awas Yojana (RAY) in 2011. AHP was modified in September, 2013 as part of implementation phase of RAY and now central support is provided at the rate of Rs.75,000 per house for Economically Weaker Sections (EWS)/Low Income Group (LIG) for houses of size 21 to 40 sqm. in affordable housing projects taken up under various kinds of partnerships including private partnership. A project size of minimum 250 dwelling units a mix of EWS/LIG-A/LIG-B/Higher Categories/Commercial of which at least 60 percent of the FAR/ FSI is used for dwelling units of carpet area of not more than 60 sq.m. can be taken up. In addition, 35% of the total number of dwelling units constructed should of carpet area 21-27 sqm for EWS category.

Rs.2,500 crore has been earmarked for AHP under RAY in 12th Plan. However, under new mission for Urban Housing, it is proposed to incentivize Affordable Housing stock through interest subvention to beneficiaries and FAR, FSI and TDR only.

A total of 18 projects of 3 States (5 cities) have been sanctioned under the Affordable Housing in partnership Scheme with a central assistance of Rs. 112.53 Cr. for construction of 20472 Affordable dwelling units. Rs. 44.19 Cr has been released till date. Out of the 20472 sanctioned DUs, construction of 4628 has been completed and construction of 13945 DUs is under progress.

IV The Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

3.26 The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on 3rd December, 2005 to implement reform-driven, planned development of cities in a Mission mode with focus on up-gradation of urban infrastructure, creation of housing stock and provision of basic services to the urban poor, community participation and accountability of Urban Local Bodies (ULBs). The Mission comprises four components of which two, viz., the Sub-Mission for Urban Infrastructure and Governance (UIG) and the Sub-Mission for Basic Services to the Urban Poor (BSUP) are implemented in 65 select cities. The other two components, namely, Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) and Integrated Housing and Slum Development Programme (IHSDP) are implemented in other cities/towns. The Ministry of Housing and Urban Poverty Alleviation (MoHUPA) is implementing BSUP and IHSDP components of

JNNURM. The other two components, viz. UIG and UIDSSMT are implemented by the Ministry of Urban Development (UD).

3.27 Duration of the Mission was 7 years from 2005-06 to 31.3.2012, which was earlier extended for 2 years upto 31.03.2014. For the BSUP & IHSDP Components, the period has further been extended upto 31.03.2015 only for completion of projects sanctioned upto 31.3.2012.

3.28 Under XIIth Plan, total allocation available to Ministry including RAY is Rs.32230 crore. Expenses till 2013-14 are Rs.5409.51 Crore (as on 5.8.2014), including RAY.

3.29 The estimated Mission period physical target is construction of 1.5 million housing units under BSUP and IHSDP based on ACA allocation.

3.30 Statement showing budget estimates, revised estimates and actual expenditure for the year 2010-2011, 2011-2012, 2012-13, 2013-14 and budget estimates for 2014-2015 showing separately Plan Non-Plan expenditure:

(Rs. in crore)

Year	BSUP			IHSDP		
	BE	RE	Actual expenditure	BE	RE	Actual expenditure
2010-11	2357.60	1629.75	1925.40	1015.43	587.43	880.25
2011-12	2928.60	1721.00	1592.23	1000.20	700.00	699.66
2012-13	2447.00	1202.74	1123.74	900.50	800.50	799.89
2013-14	1688.00	918.82	1121.58	1006.10	743.59	591.33
2014-15	1000.00	NA	477.39 (As on 5.8.2014)	620.01	NA	45.92 (As on 5.8.2014)

Reasons for variations in budget estimates, revised estimates and actual expenditure during 2011-2012, 2012-13 and 2013-14 and variations in BE 2014-15 in comparison to BE, RE and actual expenditure of 2013-14;

During the year 2010-11, the Ministry of Home Affairs has reduced the allocation of ACA to UTs in RE to Rs.225.10 crore from Rs. 366.95 crore. The Ministry of Finance has also reduced the allocation of ACA in RE 2010-11. During the year 2011-12, the Ministry of Home Affairs has reduced the allocation of ACA to UTs in RE to Rs.371 crore from Rs. 628.80 crore. The Ministry of Finance has also reduced the allocation of ACA in RE 2011-12 to Rs.2050 crore. During the year 2012-13, ACA allocation was reduced at RE Stage to Rs.2003.24 crore as from Rs.3347.50 crore. During the year 2013-14, the overall allocation was reduced at RE stage to Rs.1662.41 crore from Rs.2694.10 crore. As regards expenditure during 2014-15, it is stated that the release of ACA and approval of CSMC/CSC for the installments of ACA is demand driven and depends upon the Utilisation Certificates furnished by the States/UTs. CSMC/CSC would also take into consideration the updated progress on the implementation of the 3 Pro-Poor reforms / analysis of Third Party Inspection & Monitoring Agency (TPIMA) reports while approving the installments.

3.31 When asked, with this type of problems of getting less demands from State Governments, inadequate reforms undertaken by ULBs, receiving less utilisation certificate from State/UTs, how the goal of 1.5 million housing units is going to be fulfilled during one year period, the Ministry has stated as under :-

“Under JNNURM a total of 1517 projects with a total project cost of Rs.37,514.39 crore involving Central Share of Rs. 20,169.32 crore have been approved for construction of total 14,41,231 dwelling units (DUs), out of which 8,44,062 DUs have been completed. 6,20,074 DUs have been occupied and 3,49,014 DUs are under progress.

Many States also have not started all projects and all DUs in the started project. Ministry is reviewing the progress regularly and in consultation with States has till

now curtailed/cancelled about one lakh sixty thousand dwelling units which has not been started till now.

Reasons for slow progress have been the following:-

- a) States are unable to bear the cost escalation
- b) reluctance of slum dwellers to temporarily relocate in case of in-situ development of project and
- c) availability of encumbrance free land.

To complete projects under progress on time, States/UTs have been advised:

- a) To provide additional state share to implementing agencies to meet cost escalation ;
- b) To resort to beneficiary led execution of projects to avoid cost and time overruns.
- c) The States may fund the cost of escalations in the projects from their own resources or through loan from financial institutions like HUDCO to complete it within the stipulated time.

State Governments of Gujarat, Madhya Pradesh, Maharashtra, Rajasthan, UP West Bengal have agreed to take the cost escalation."

3.32 It is stated in the preliminary material that the projects sanctioned under BSUP and IHSDP are completed in the shortest possible time span after they are approved. However, assessment of the implementation of the scheme shows that with the rise in prices of steel, cement, raw material and shortfalls in the beneficiaries' contribution, the projects are struggling against cost and time overruns. So the Mission period has been extended upto 31 March, 2015 for completing the spillover projects. When asked how the Ministry is going to solve the problems in the extended period, it has been stated as under:-

“Under JNNURM a total of 1517 projects with a total project cost of Rs.37,514.39 crore involving Central Share of Rs. 20,169.32 crore have been approved for construction of total 14,41,231 dwelling units (DUs), out of which 8,44,062 DUs have been completed. 6,20,074 DUs have been occupied and 3,49,014 DUs are under progress. It is true that most of the projects have suffered cost overruns as rest of these were approved.Under the scheme, States/UTs are not able to complete

the sanctioned projects in the year 2007-08 to 2009-2011. Moreover, under IHSDP, cost of DUs was fixed at Rs.1 lakh only which was unrealistic. As regards to funding of cost escalation by Government of India is concerned proposals were sent twice to Planning Commission/Ministry of Finance for approval, however, the proposal was not agreed to. Therefore, States have been requested to fund the extra cost for ongoing projects from their funds. Many States have agreed to fund additional cost through their contribution or resorted to beneficiary led construction to avoid cost overrun.”

3.33 On being asked to why the Ministry failed to take note of such unrealistic cost, the Ministry has stated as under:-

"Originally when the Government approved JNNURM in 2005, under IHSDP cost ceiling for per dwelling units was kept at Rs.80,000 with the stipulation that the same would be reviewed after one year. Accordingly, the Ministry had initiated the process and in 2009 had enhanced the ceiling unit cost of dwelling units under IHSDP from Rs.80,000 to Rs.1,00,000 for the projects sanctioned during 2008-09 onwards for the purpose of determining Central share, with States/UTs/Urban Local Bodies (ULBs) having the freedom to fix higher unit cost for housing and composite cost for housing and back infrastructure, meeting the additional cost by themselves.

Thus by the ‘review’ provision in the guidelines, option was kept to revise the cost ceiling in future. However, as already explained, subsequent efforts of this Ministry to further enhance the cost ceiling could not succeed."

3.34 On being asked to enlighten the Committee about the factors that made the calculations and estimations of the Ministry wrong, in seeking the extension for BSUP and IHSDP in the year 2012-13, to such an extent that even after getting the desired extension of 2 years, the Ministry could not get the projects completed in the extended time period and had to seek another extension of one more year, i.e upto 31.03.2015, it is submitted as under :-

“The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on 3rd December, 2005 with the Mission duration as seven years beginning from 2005-06 till 2011-12. Ministry of Housing and Urban Poverty Alleviation is implementing Basic Services to the Urban Poor (BSUP) and Integrated Housing & Slum Development Programme (IHSDP) components of JNNURM. During the entire Mission period approximately 1.56 million houses were sanctioned. However, at the end Mission period, it was noticed that a large chunk of sanctioned houses are at

various stages of completion. Accordingly, there were demands from the States to extend the implementation period of the Mission. Accordingly, initially, Mission period was extended for two years, (i.e. upto 2013-14) for completion of the projects sanctioned till 31.3.2012 under these two components.

Subsequently, during the year 2013, when the Ministry was in the process of launching Rajiv Awas Yojana (RAY), it was again noticed that out of 1.56 million houses that were sanctioned under JNNURM, approximately 3.8 Lakh houses were still under various stages of completion. State Governments were again requesting to further increase the implementation period so as to complete ongoing projects. Accordingly, extension of time by one more year i.e. till 31st March 2015 for completing the already approved works was sought from the Cabinet.

As the projects are being implemented by the State Governments, the implementation period of the Mission was extended on their requests to facilitate the completion of ongoing projects sanctioned. It is submitted that actual completion of the projects depends upon the efficacy and capacity of the concerned States/ULBs and this Ministry's role is of a facilitator only."

- 3.35 No doubt the reply is having a pinch of truth in it, but more evidently, it appears to be a buck passing attitude. As the capacity building programmes were taken up by the Ministry at the launch of JnNURM. When asked whether the above submission means that the capacity building measures taken up by the Ministry were a failure and why the states failed to comply with the given time-lines, the Ministry has further stated that:-

"Ministry regularly conducts National Workshop, regional workshops, state level workshops to improve the efficacy and capacity of the concerned States/ULBs.

As the projects are being implemented by the State Governments, the actual completion of the projects depends upon the efficacy and capacity of the concerned States/ULBs and this Ministry's role is of a facilitator only. Therefore, in order to enhance the efficacy and capacity of States/ULBs. This Ministry had conducted national/ regional/ state/ city level workshops with the concerned State Government officials by senior officers of the Ministry including Secretary (HUPA).

However, Timeline for completing the projects in the Mission was increased by 2 years upto 31st March, 2014 for completing ongoing projects.

Ministry was monitoring the progress of the projects very closely through periodic meetings at various levels, submission of MIS system etc. The Mission time was further extended to 31st March, 2015 on the request of States as large number of projects could not be completed by the States in the given timeline of 31st March, 2014. The main reason for delay in implementation with the projects apart from the fact that projects of the scheme are prepared, submitted and implemented by State Government and ULBs are

- (i) Availability of suitable land
- (ii) Reluctance of the slum dwellers to shift
- (iii) Difficulty in implementation of in-situ rehabilitation
- (iv) Cost escalation
- (v) Under IHSDP a very low upper ceiling cost per DU were imposed i.e. Rs. One lakh with GoI share of Rs. 80,000/- which resulted into

Allotment of houses under the JnNURM Scheme is under the domain of States/UTs. States have informed that due to delay in completion of projects, identification of beneficiaries, provision of social and civic infrastructure, escalation of beneficiary contribution are some of the reasons for slow occupancy of houses. Ministry is aggressively pursuing with State Government to expedite occupancy of the houses constructed so far.

3.36 Delay in identification of beneficiaries has been forwarded as one on the reasons for slow occupancy of houses. When the Committee inquired about the reasons for not identifying the beneficiaries by the state governments when the dwelling units were under construction, the Ministry in their written reply stated as under:

"Identification of beneficiaries and allotment of houses under the Scheme is under the domain of States/UTs. Ministry is pursuing with State Governments at all levels to identify beneficiaries and allot constructed houses. At present 6,20,074 DUs have been occupied against 8,44,062 completed DUs. Ministry has also written to Chief Ministers and Chief Secretaries for completing the ongoing DUs and allotment of the same as soon as possible. In Delhi, DUs are not allotted because Delhi Government is not able to finalise its policy. Ministry has taken up with Delhi

Government on this issue many times. It is learnt that Delhi Government is about to finalise its policy of allotment. In subsequent scheme of RAY, Ministry has insisted on whole slum approach so that all slum dwellers in that particular slum are identified as beneficiaries to avoid various problems which came in identification of beneficiaries during JNNURM."

3.37 One more reason for slow occupancy that appears to be strange is, the delay in provision of social and civic infrastructure. When the Committee raised the query that whether these provisions were not thought of in the initial stages, the Ministry in their reply stated as under:

"Under JNNURM & RAY provision of adequate infrastructure including social infrastructure is the integral part of the DPRs of the projects and States are also compelled for completion of supporting infrastructure of ongoing sanctioned projects and putting the assets created to use at the earliest.

It is submitted that there are projects which are still at various stages of implementation and many a times ULBs take up infrastructure work after completion of DUs. Project would be considered completed only if it is completed as per approved DPR including infrastructure, if any."

3.38 On being asked to elaborate the measures that have been taken by the Ministry to ensure the completion of remaining work within the latest deadline, as the Committee has observed that it has become a common practice that often the deadlines are missed in various projects, it is stated by the Ministry as under :-

"Achievement of physical/ financial targets under JNNURM is dependent on the pace of projects submitted by States/UTs/Central Government agencies.

Under the scheme, States/UTs are not able to complete the sanctioned projects. Ministry is reviewing the progress regularly and in consultation with States has till now curtailed/cancelled about one lakh sixty thousand non starter dwelling units which cannot be completed within the extended Mission period.

To ensure completion of remaining work within the deadline the following measures have been taken:

- a) This Ministry for ensuring completion of remaining work within the deadline, regular/periodic video-conferencing/ review meetings have been held at national/ regional/ state/ city level with the concerned State Government officials by senior officers of the Ministry including Secretary (HUPA).
- b) Field visits by Senior Officers of this Ministry.
- c) To provide additional state share to implementing agencies to meet cost escalation ;
- d) To resort to beneficiary led execution of projects to avoid cost and time overruns. "

Physical Achievement under JNNURM

3.39 Under JNNURM a total of 1517 projects with a total project cost of Rs.37,514.39 crore involving Central Share of Rs.20,169.32 crore have been approved for construction of total 14,41,231 dwelling units (DUs), out of which 8,44,062 DUs have been completed. 6,20,074 DUs have been occupied and 3,49,014 DUs are under progress.

3.40 Allotment of houses under the Scheme is under the domain of States/UTs. States have informed that due to delay in completion of projects, identification of beneficiaries, provision of social and civic infrastructure, escalation of beneficiary contribution are some of the reasons for slow occupancy of houses. Ministry is aggressively pursuing with State Government to expedite occupancy of the houses constructed so far.

3.41 The Committee in their earlier reports have been recommending for not transferring the cost overrun to the State Governments as the States are already burdened and they are not able to provide their respective share. Despite this the Ministry is asking the States/UTs to provide additional state share to implementing agencies to meet the cost escalation from their own resources or through loan from financial institutions like HUDCO to complete it within the stipulated time. In this context when asked to state how the physical and financial targets will be achieved, it is submitted by the Ministry as under:-

“Ministry has tried to fund cost escalation from Govt. of India fund as per the recommendation of Standing Committee earlier also but it did not get approval of Planning Commission and Deptt. of Expenditure. This Ministry in the Meeting of the Expenditure Finance Committee on RAY/RRY held on 9.7.2013, had

highlighted the fact that the States are not able to mobilize additional resources to meet cost escalation. Hence, in the presentation before the EFC, it was contended to allow enhancement in the GoI subsidy at the rate of Rs. 50,000 per DU in case of 'in-progress' houses under BSUP and enhancement in the Government of India subsidy at the rate of Rs. 60,000 per DU (80% of Rs. 75,000) in case of 'in-progress' houses under IHSDP. However, proposal was not agreed to. Ministry has accordingly, advised States to fund the extra cost for ongoing projects from their funds. Many States have agreed to fund additional cost through their contribution or resorted to beneficiary led construction to avoid cost overrun."

3.42 In the Action Taken Replies to the 25th Report of the Committee on Demands for Grants 2013-14, it has been stated that the Ministry is again taking up the matter with the Planning Commission and Ministry of Finance for enhancing the ceiling of unit cost for non-starter DUs under IHSDP from Rs. 1 lakh to Rs. 1.75 lakh for determining Central share. Explaining the final outcome thereof, the Ministry has stated that :-

"It has been informed by the Ministry that in order to monitor and have control over the performance of each scheme, the Ministry of Housing and Urban Poverty Alleviation periodically monitor the scheme through various review meetings with States etc. State level nodal agency also send quarterly progress report to the Ministry. Central Sanctioning and Monitoring Committee also meets often to sanction and review/ monitor the progress of projects sanctioned under the Mission.

The Ministry of Housing & Urban Poverty Alleviation on 5.7.2012 had moved a Note for Cabinet Committee on Infrastructure (CCI) for enhancement of ceiling cost for dwelling units under IHSDP from Rs. one lakh to Rs. 1.75 lakh / DU w.e.f. 1.4.2010 for ensuring that the non-starter projects are started and completed within the extended mission period. However, proposal did not find favour with the Ministry of Finance, Department of Expenditure and Planning Commission. Accordingly, the note was withdrawn on 12.10.2012. The issue of funding cost escalation was discussed with Ministry of Finance, Planning Commission, etc. at various levels but it did not find favour. Later on, EFC for RAY, which was chaired by Secretary (Expenditure) and Secretary (Planning Commission) was its one of the Member, was requested to allow cost escalation to certain extent. However, the same was also not allowed."

V. URBAN STATISTICS FOR HR AND ASSESSMENT SCHEME (USHA)

3.43 The Central Sector Scheme of “Urban Statistics for HR and Assessments (USHA)” aims at the development and maintenance of national a database, MIS and knowledge repository relating to urban poverty, slums, housing, construction and other urbanization-related statistics. Its key objective is to support the Ministry of Housing & Urban Poverty Alleviation, other Ministries and State Governments with an information base and knowledge inputs for the purpose of planning, policy making, project design, formulation, implementation, monitoring and evaluation, particularly in the context of programmes relating to urban poverty, slums and housing. The four pillars of USHA are database including MIS and sample surveys; action research; impact assessment and capacity building / training. The scheme has the following deliverable objectives:

- I. Data centre and MIS on Urban poverty, slums, housing, building, construction and related Urbanization Statistics.
- II. One time grants to State Governments / UT administrations for computerization.
- III. Knowledge centre / National resource centre for Urban Poverty, slums.
- IV. Sample surveys in areas of urban poverty, slums, housing and building construction.
- V. Socio-Economic research studies in areas of Urban poverty, slums, housing & building construction; and
- VI. Capacity building & training in areas of urban poverty, slums, housing & building construction statistics.

3.44 This Ministry has been implementing the scheme of Urban Statistics for HR and Assessment (USHA) for development and maintenance of urbanization, slums, urban poverty and housing related statistics. USHA would be continued as a capacity building measure under Rajiv Awas Yojana (RAY) Scheme and will be further augmented and strengthened.

3.45 From the year 2014-15 onwards, as per Planning Commission initiative, all smaller schemes have been merged with Umbrella Scheme of the Ministry. Hence, the USHA Scheme has been merged with the Rajiv Awas Yojana (RAY) Scheme of this Ministry.

3.46 During the year 2012-13 to 2014-15 against the budgetary allocation of Rs.53 crore the expenditure is only Rs.27.72 crore. Explaining the reasons for the same the Ministry has submitted as under :-

“The reasons for Non-utilization of Budgetary allocation during the year 2012-13 to 2014-15 are as follows:-

i) Reason for Non-Utilization of Budgetary allocation during the year 2012-13:-

For the year 2012-13, the budgetary allocation was Rs. 15.00 Crore and the revised allocation was Rs. 10.00 Crore. Reason for the less expenditure is mainly due to the fact that activities of preparation of slum Free City Plan of Action, which was earlier funded under USHA scheme, was undertaken Under RAY during 2012-13. Hence, no expenditure could be booked under USHA Scheme during 2012-13 as earmarked for this purpose.

ii) Reason for Non-Utilization of Budgetary allocation during the year 2013-14:-

For the year 2013-14, the funds allocated for the USHA scheme was Rs.13.00 crore. As soon as it was estimated that there might be savings in some of the subheads of the scheme, a proposal was moved to reappropriate the savings of Rs. 7.99 crore to grants-in-aid head, so that the same could be released to the states. However, Ministry of Finance did not agree to the above mentioned reappropriation. Hence, the amount of Rs. 7.99 crore could not be spent.

iii) Reason for Utilization of Budgetary allocation during the year 2014-15:- For the year 2014-15, Rs. 25.00 Crore under the USHA scheme. Out of this allocation Rs. 18.30 Crore (73%) have already been utilized up to 31.08.2014.”

TECHNICAL ASSISTANCE FROM DEPARTMENT FOR INTERNATIONAL DEVELOPMENT FOR SUPPORT TO NATIONAL POLICIES FOR URBAN POVERTY REDUCTION (SNPUPR)

3.47 **Support to National Policies for Urban Poverty Reduction (SNPUPR)** is a joint initiative of the M/o HUPA and UK govt. The project commenced in July 2010 with a total budget of £14.5 million, comprising £7.8 million Financial Aid (FA) to M/o HUPA. The project is run for a period of five years, to June 2015.

1. AIMS/OBJECTIVES: The purpose is to assist National programs being implemented to benefit the urban poor by providing technical support.

2. INTENDED OUTPUTS:

The project has 4 outputs.

Output 1 is related to helping Ministry in Institutional co-ordination with other Ministries, Planning Commission, States and ULBs (for effective implementation of national policies and programmes).

Output 2 functions as the Policy Unit (PPSU) in M/o HUPA helping in development and disseminating policy on urban poverty reduction and pro-poor governance, learning from International and State experiences.

Output 3 through a Network of Resource Centres assists M/o HUPA and the states in developing pro-poor urban policies and programme implementation and

Output 4 strengthens the technical capacities of State and city/town governments to effectively implement pro-poor reforms and programmes.

3.48 Proposal by the Ministry and amount actually agreed to by the Planning Commission and actually provided for each scheme in Annual Plans for 2009-2010, 2010-2011, 2011-2012, 2012-13 and 2013-14 (so far) year-wise. Copies of the Annual Plan proposal as finalized for 2009-2010, 2010-2011, 2011-2012, 2012-13, 2013-14 and 2014-15 is given below :-

Project 10th	12th Plan				
	2010-11	2011-12	2012-13	2013-14	2014-15

Plan	Agreed by Planning Commission	Actually Provided	Agreed by Planning Commission	Actually Provided	Agreed by Planning Commission	Actually Provided	Agreed by Planning Commission	Actually Provided	Agreed by Planning Commission	Actually Provided
Technical Assistance from DFID for Support to National Policies for Urban Poverty Reduction.	0.21	0.21	8.00	8.00	10.0	10.0	5.57	5.57	20.00	20.00

3.49 The actual expenditure for FY 2010-11 was short by Rs 0.10 crore from the revised estimates as the process for selection of 20 cities was completed in February 2011. In the FY 2011-12 the BE were revised higher to incorporate allocation for the challenge fund activities. Delay in the commencement of PMU and Challenge Fund resulted in variation in 2012-2013 and 2013-14. Stating the reasons for delay in the commencement of PMU and challenge fund, the Ministry has submitted as under :-

“As regards delay in commencement of PMU it may be stated that as the period of the SNPUPR project was extended to June 2015 it was considered appropriate to defer the setting up of the PMU. Tenders have been floated for setting up of PMU to monitor the scheme which are under evaluation. PMU is

expected to be set up before the end of SNPUPR Project in June 2015 to ensure smooth transition.

The Challenge Fund (CF) was jointly proposed under the World Bank supported Capacity Building for Urban Development (CBUD) project and the DFID supported Support to National Policies for Urban Poverty Reduction (SNPUPR) project to promote the implementation and replication of good practice.

Originally the tenure of CF was upto June 2016, co-terminus with exit of CBUD. But, later it was decided that CBUD fund will not be used under Challenge fund. Hence funding is available till June 2015 co-terminus with SNPUPR.

The delay in commencement of CF is mainly due to lukewarm responses of ULBs as well as delays in finalizing the concept and operational manual.”

VI. STUDY ON IMPACT OF INVESTMENT IN THE HOUSING SECTOR ON GDP AND EMPLOYMENT IN THE INDIA ECONOMY

3.50 A study to understand the impact of investment in housing and construction on both employment and income has been carried out by the Ministry. The National Council for Applied Economic Research was awarded the Study. In doing this, the study has broadly attempted to update an earlier study conducted by IIM-A faculty in the year 2000. The study which was carried out based on the input-output framework was submitted to the Ministry on February 25, 2014.

3.51 On being asked about the findings of the above-mentioned study carried out by the National Council for Applied Economic Research, the Ministry has submitted as under :-

“Overview:

The study is based on Input Output Model (IO). An IO model describes the interdependence between different sectors in an economy. In other words, it simply shows the transaction between sectors. The scope of transaction mainly covers three purposes namely

- (i) sell or buy inputs
- (ii) sell or buy goods for final consumption, and

- (iii) sell or buy goods for future use.

Key findings:

The construction sector is disaggregated into residential construction, non-residential construction and other construction sector and the **residential construction sector is treated as housing sector**. The key findings of the report are as follows:

- (i) The residential construction (housing sector) accounts for
 - a) 1.24% of the total output of the economy (total construction sector is 11.39%)
 - b) 1.00% of GDP (total construction sector is 8.2%)
 - c) 6.86% of the employment (total construction sector is 11.52%)
- (ii) Housing sector is fourth largest employment generating sector.
- (iii) 99.41 per cent of the jobs in housing sector are informal jobs.
- (iv) Its labour to output ratio i.e. number of persons employed to produce a lakh units of output, is 2.34 and is the highest among all the sectors.
- (v) The type I output multiplier for housing sector is 2.33 and type II is 5.11 i.e. the increase of 1 unit in the final demand of housing translates into induced cumulative revenues of 5.11 units in the economy.
- (vi) For every lakh invested in the housing sector, 2.69 new jobs (2.65 informal and 0.4 formal) are created in the economy. With induced effect, the number of jobs created would be 4.06 (3.95 informal and 0.11 formal).
- (vii) For every investment in the housing sector, the household income increases by Rs. 0.41. With induced effect, this is estimated to be Rs. 0.76.
- (viii) For every unit of housing created the household income increases by 0.41 units. With induced effect, this is estimated to be 0.76 units.
- (ix) The type I income multiplier for housing sector is 1.54 and type II is 2.84. This would mean that a unit of increase in the final expenditure in the

housing sector would generate additional income as high as 3 times the income generated within the housing sector itself.

- (x) Every additional rupee invested in the housing sector will add Rs. 1.54 to the GDP and with household expenditure considered, this is going to add Rs. 2.84.
- (xi) For every rupee invested in creation of housing, Rs. 0.12 gets collected as indirect taxes.”

3.52 When asked whether the findings have been analysed by the Ministry and the outcome thereof, the Ministry has stated as under :-

“Yes, the Ministry had analysed the findings of the Report. Based on this, the Ministry had requested with the Ministry of Finance for inclusion of “affordable housing” in the harmonized master list of infrastructure sub-sectors, as housing contributes significantly to the GDP and is fourth largest employer in the Nation. Further, skill development and enhancing employment has been included as focus areas under the NULM Scheme of this Ministry.”

VII. Foreign Direct Investment (FDI)

3.53 The Government of India has allowed Foreign Direct Investment (FDI) through automation route in construction and development sector. The FDI covers development of townships, housing, built-up infrastructure and construction-development related projects. As per the Department of Industrial Promotion and Policy, the Construction and Development Sector secured investments to the tune of Rs. 107,492 (US\$ 23,132m) cumulatively from April 2000 to February, 2014 which is 11% of the net FDI inflow of equity.

3.54 Since April, 2000 till date it has been more than 14 years for the FDI flow in construction and development sector. When asked whether the Ministry has conducted any survey on assessing the impact of this FDI flow in the Housing Sector needs of the country, particularly in reference with housing for poor's, the Ministry has stated as under :-

"No survey has been undertaken by the Ministry to assess the impact on FDI inflows into housing sector and especially with reference to urban poor.

However, a Study to understand the impact of investment in housing and construction on both employment and income has been carried out by the Ministry.

The National Council for Applied Economic Research was awarded the Study. The study has broadly attempted to update an earlier study conducted by IIM-Ahmedabad faculty in the year 2000. The study which was carried out based on the input – output framework has submitted its report to the Ministry on February 25, 2014."

VIII. National Street Vendors (Protection of Livelihood and Regulation of Street Vending) Bill, 2012

3.55 The Street Vendors (Protection of Livelihood and Regulation of Street Vending) Bill, 2012 introduced in Lok Sabha on 6th September, 2012 was referred to this Committee on 10th September, 2012 for examination and Report thereon, by the Speaker Lok Sabha under Rule 331 E of the Rules of Procedure and Conduct of Business in Lok Sabha.

3.56 The committee after considering the memoranda received from various stakeholders and hearing the views in person of various NGOs and experts working in the field of street vending gave its report to the Parliament on 13.3.2013. The Street Vendors Protection of Livelihood and Regulation of Street Vending Act has been passed by Parliament. One of the key-recommendations of the committee was to designate proper vending zones for Street Vendors for which the urban local bodies were supposed to form Town Vending Committees. Further the street vendors were supposed to get themselves registered. However, it has been reported in various press that the street vendors are finding hard to get themselves registered. And still they are being harassed by the police force. In many places vendors are still occupying public footpath to sell their products and spreading unhygienic conditions around their vending places. The designated vending zone has not been earmarked.

3.57 On being asked to state the reasons thereof the Ministry has stated as under:-

“As per the provision of the Act, rules and schemes has to be framed by the State Governments. Further, it is the responsibility of the concerned State Governments to constitute Town Vending Committee under the Act for ensuring the protection of the Street Vendors from harassment, prevent unhygienic conditions being created around the vending places and other such issues.

The M/o HUPA has already advised all the States/ UTs to implement the Act by framing its rules & schemes under the Act within one year and six months, respectively."

3.58 The Ministry were further asked to give details regarding keeping track of implementation of its advice by states with regard to constitution of Town Vending Committees etc. The details were as under:-

- (i) Minister of Housing & Urban Poverty Alleviation, vide letter's dated 28th February, 2014 had written to all the State Government in this regard. Again the Minister vide letter dated 30th August, 2014, has requested all States/UTs Government to frame Rules and formulate a scheme within the time limit prescribed under Section 36 and Section 38 of the Street Vendors Protection of Livelihood and Regulation of Street Vending Act, 2014.
- (ii) The Ministry is in constant touch with all the States/UTs Governments to keep track of implementation of this Act by the States/UTs.
- (iii) As per the information available in the Ministry, the States are still in the process of constituting Town Vending Committee.

3.59 The issue was also raised during evidence of the Ministry before the Committee wherein it was pointed out that the local self-government is trying to allocate space on the foot-path and drawing a square thereby earmarking places for street vendors on footpath which are already narrow. In this regard, the representative of the Ministry stated as under:-

"The Street Vendors Protection of Livelihood and Regulation of Vending Bill has become Act on 1st May, and we have requested all the State Governments to come out with their schemes and rules in six months time. We are also hand-holding, but the approach that you mentioned about allocating existing congested footpath is not the right way. In fact, that happens only when they are not going comprehensively about the entire programme, which I understand is very difficult. What is required to be done is that basically a survey of all street vendors and give them some kind of right so that they are protected from everyday harassment. But at the same time, there is a very critical aspect of space planning for them, and for that you have to come up with vending zones. There is a certain percentage of population of the area, which can be accommodated there and rest have to be taken out. They may not easily move and they may say that no we will not go there because we are used to this space. This is where the counselling and hand-holding is required. There is a Town Vending Committee, which takes into account the interest of pedestrians as well as vendors, and gradually relocates some of them to areas, which are not productive today but with habitation increasing it will happen. For example, certain cities like Hyderabad and Ahmedabad are planning, but there are

certain metros that are slightly scare of the problem and they are doing it so piecemeal that you are seeing situations like allocating the same congested footpath, which is going to increase the problem of the city.

Sanitation has become very important. Street vendors play a very important part in maintaining sanitation of the city. We are working with the State Governments on all these things. I would say that it is one of the most difficult Act to implement, but with great degree of willingness on the part of the State, some changes can be made. We may not do it in all areas of the city, but let them at least take parts of the area and start."

3.60 As per the provision of The Street Vendors (Protection of Livelihood And Regulation of Street Vending) Act, 2014, provides for the identification of street vendors. Section 3 of the Act, mandates the Town Vending Committee to conduct a survey of all existing street vendors within the area under its jurisdiction once every five years with a view to protect street vendors from threat of eviction or relocation. NULM supports this provision of the Act by providing financial support to cities to conduct a street vendors survey in all NULM cities.

IX. National Urban Livelihood Mission (NULM)

3.61 The Ministry of Housing and Urban Poverty Alleviation has launched a "National Urban Livelihoods Mission (NULM)" in the 12th Five Year Plan w.e.f 24th September, 2013 by replacing the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY). The NULM will focus on organizing urban poor in self help groups, creating opportunities for skill development leading to market-based employment and helping them to set up self-employment venture by ensuring easy access to credit. The Mission is aimed at providing shelter equipped with essential services to the urban homeless in a phased manner. In addition, the Mission would also address livelihood concerns of the urban street vendors.

The NULM has seven major components:

- 1) Social Mobilizations and Institution Development (SM&ID)
- 2) Capacity Building and Training (CB&T)

- 3) Employment through Skills Training and Placement (EST&P)
- 4) Self-employment Programme (SEP)
- 5) Support to Urban Street Vendors
- 6) Shelter for Urban Homeless (SUH)
- 7) Innovative & Special Projects (I&SP)

3.62 The factors like low budgetary support, lack of community awareness, absence of dedicated staff to implement the scheme, lack of linkage between skill development and employment opportunities provided by the market and reluctance of banks to extend loans for micro-enterprises, etc., were found to be the foremost obstacles affecting the accomplishments under the scheme which has lead to launch a new Scheme NULM. In this regard, Ministry were asks to state the measures proposed to address these issues for the successful implementation of the scheme under NULM. In this regard, the Ministry stated as under:-

"The budgetary support under NULM has been enhanced substantially so as to provide more support to States for urban poverty alleviation in 790 cities of the country. More funds have been allocated under the IEC component of the scheme to generate community awareness. Further, dedicated staff to manage the Mission has been proposed at the National, State and City level. Also there will be one Community Organizer (CO) per 3,000 urban poor families. Skill Gap Analysis is to be undertaken at the city level so as to provide linkage between skill development and employment opportunities. Third party certification acceptable to the industry has also been introduced. In order to provide better credit availability to micro-enterprises, a task force, with lead bank manager as one of the members, for short-listing of applications has been introduced which is likely to reduce the rejection rate by banks and other financial institutions."

3.63 As for the targets both physical and financial for the implementation of NULM in the 1st year of 2013-14 of the Schemes under its various components and the actual achievements, it was observed that during the year 2013-14 the amount released was Rs. 71497.27 lakh while the amount of Rs. 61866.22 lakh only was utilised. Similarly some of the states have not utilised the funds; some have not been allocated funds. The reasons for

this under-utilization, non-allocation etc. have been sought from the Ministry. The reply is as under:-

“After the release of funds by the Central Government, the States in turn, release the funds to skill training agencies in installments. Hence, there is a carry over of funds to the next financial year to meet the committed liability of the training conducted towards the end of the previous financial year.”

3.64 Further it has also been observed that physical targets and achievements for important components of NULM such as (i) Target for placement of Skill Trained beneficiaries (ii) Beneficiaries assisted for setting of Group Micro-enterprises etc. (iii) Beneficiaries assisted through revolving fund for T&Cs under UWSP are very less. The reasons for this low achievement has also been sought from the Ministry. The Ministry in their reply stated as under:-

“ (i) Target for placement of Skill Trained Beneficiaries;

During 2013-14 training was conducted under SJSRY, in which there was no provision for mandatory placement by training agencies. In the current FY 2014-15 under NULM, it is mandatory for the Skill Training Providers (STPs) to provide placement / self-enterprise set-up support for a minimum 50% of successfully trained candidates.

(ii) Number of Beneficiaries assisted for setting of Group Micro-enterprises;

From the past experience it is observed that setting up of Group enterprises has been difficult as compared to setting up of Individual micro – enterprises. Hence there is low achievement of Group micro – enterprises.

(iii) Number of Beneficiaries assisted through revolving fund for T&CS under UWSP.

Some States/ UTs have made slow progress in formation of Self Help Groups and providing assistance through revolving funds for T&CS under UWSP. Therefore achievement under this component has been low for many States.”

3.65 Statement showing budget estimates, revised estimates and actual expenditure for the year 2010-2011, 2011-2012, 2012-13, 2013-14 and budget estimates for 2014-2015 showing separately Plan and non-Plan expenditure:

(Rs. in Crore)

Years	Budget Estimates	Revised Estimates	Actual Expenditure
2010-2011	564.60	591.38	587.96
2011-2012	813.00	800.50	790.37
2012-2013	838.00	704.46	778.18
2013-2014	950.00	777.53	720.43
2014-2015	1003.00	-	105.00*

* As on 31.07.2014

3.66 On being inquired about the findings/observations of the Governing Council meetings at the Centre and the States, the Ministry in their written reply submitted as under:

“Meeting of the Governing Council (GCs) has not been held till now at the central level. At the State level some States/ UTs has already formed the Governing Council; and some States/ UTs are still in process for formation of GCs.”

3.67 Employment through Skills Training and Placement (EST&P):- It is an important component of NULM and aims at providing assistance for skill development/ up-grading of the urban poor to enhance their capacity for self-employment or better salaried employment.

3.68 When inquired about the skills that have been identified state-wise, proposed to be implemented and whether they have been decided as per the market requirement, the Ministry informed the Committee as under:

“States are supposed to identify the skills as per demand in a particular City & State. The States have also been advised to conduct Skill Gap Analysis (SGA) for identification of skills and trades for which demand exists in the industry.”

3.69 On being enquired about how the development of skills in different areas would be achieved, the Ministry replied as under:

“Skills have to be imparted through private skill training providers and Government Institutions like ITI’s, Polytechnic colleges, technical universities etc. Skill training can also be provided through Industrial houses which provide for in-house placement of trained beneficiaries.”

3.70 On the issue of keeping a track record of the persons trained by various governments, the Ministry informed the Committee as under:

“Yes, the Skill Training Providers (STP) is to track the trained persons for a period of 6 months. The Skill Training Providers (STP) have the responsibility of regular reporting on progress of training, placement and micro-enterprise establishment to the ULB and SULM on a regular basis.”

3.71 As per the information provided in the 12th Plan Period, the target is to cover 2.8 million urban poor for skill training. When the Committee enquired the Ministry if there is a need or not to consider securing gainful employment apart from providing skill training, the Ministry replied as under:

“The Skill Training Providers will also work towards providing job-placement or setting up self-enterprise for all the successful candidates. It is

mandatory for the STP to provide placement / self-enterprise set-up support for minimum 50% of successfully trained candidates.”

3.72 In the current plan period, it is proposed to provide assistance for setting up micro-enterprises for 2.8 lakh urban poor. On being asked about the basis for arriving at this figure. The Ministry submitted as under:

“The target for Employment for Skill Training & Placement (EST&P) under NULM was 2.8 Million for the current plan period. On the basis of the presumption that at least 10% of the skilled persons would take up micro-enterprises, a target of providing assistance for setting up of micro-enterprises for 2.8 lakh urban poor has been fixed.”

X. Real Estate and Regulatory Authority, 2012.

3.73 The Real Estate (Regulation and Development) Bill, 2013 was drafted by the Ministry of Housing and Urban Poverty Alleviation for establishing oversight mechanism to enforce disclosure, fair practice and accountability norms in the real estate sector, and to provide adjudication machinery for speedy dispute redressal. The Bill was drafted in consultation with all the stakeholders and vetted by Law Ministry. The main objective of the Bill is restoring confidence of the general public in the real estate sector; by instituting transparency and accountability in real estate and housing transactions. Currently the real estate and housing sector is largely unregulated and opaque, with consumers often unable to procure complete information, or enforce accountability against builders and developers in the absence of effective regulation and will enable the sector to access capital and financial markets essential for its long term growth. The Bill is expected to ensure greater accountability towards consumers, and to significantly reduce frauds and delays.

3.74 The Bill is also expected to promote regulated and orderly growth through efficiency, professionalism and standardization. It seeks to ensure consumer protection, without adding another stage in the procedure for sanctions.

3.75 The Real Estate (Regulation and Development) Bill, 2013 was introduced in Rajya

Sabha on 20th August, 2013 and was referred to Standing Committee on Urban Development on 9th September, 2013 for examination and Report thereon, by the Speaker Lok Sabha under Rule 331 E of the Rules of Procedure and Conduct of Business in Lok Sabha.

3.76 The Committee had sought public opinion through a press release and analysed the memoranda/suggestions received from various stakeholders/experts such as CII, FICCI and Associations working in the field of real estate on various provisions of the Bill. The Committee after having detailed deliberation with all stakeholders, considering their memoranda in detail, having experts in the field and concerned Ministries etc.

3.77 The committee presented its report to Parliament on 17.2.2014. To a query about status of the Real Estate and Regulatory Authority after reported upon by the committee, the Ministry stated as under:-

"The Report of the Standing Committee of Parliament on the Real Estate (Regulation and Development) Bill, 2013 has been examined by the Ministry. Currently, the Ministry is engaged in seeking stakeholders views on the provisions of the Bill, pursuant to which it is proposed to move a draft Cabinet Note for making amendments to the Bill, based on Standing Committee recommendations and stakeholders suggestions for inter-ministerial comments. Thereafter a Cabinet Note seeking cabinet approval for the amendments will be put up. After the Cabinet has approved the proposal, it will be introduced in the Parliament."

3.78 During oral deposition before the Committee, when asked to state the reasons for repeated consultation of stakeholders, the secretary M/o Housing and Urban Poverty Alleviation (HUPA) has clarified as under:-

"I mean the state at which it was, it could not have been moved in the last budget session. It was not possible. So, our option is now to take it to the next session that is what the hon. Minister has also suggested. After the new Government has come, the Minister also wanted a first hand feedback from all the concerned people. So, we just organised one new consultation. That was done last week where large body of consumer organisations came and where developers came. We also had independent professionals, bankers everybody. Now, all these things have been collected together and we are going to give ti final. In my opinion, there is no

absolutely stone walling or anything. There will be regulators because this industry needs regulator and we cannot leave all the consumers. Courts are also finding it difficult to deliver judgment without local regulators being in place."

3.79 In another written reply to the above query, the Ministry stated as under:-

"The Real Estate (Regulation and Development) Bill, 2013 was introduced in the Parliament on 14th August 2013. The Standing Committee of Parliament laid its report on the said Bill in Parliament in February, 2014. However, since then and after the formation of the new Government, the Ministry received many representations from various stakeholders on the provisions of the Bill. It was felt that prior to moving the Cabinet Note subsequent to the recommendations of the Standing Committee, a stakeholders consultations may be held to take their concerns, so that adequate provisions/modifications could be proposed. In this regard, a stakeholders consultation with consumer associations, developers associations, expert bodies, legal and town planning experts, various Ministries/Departments of Government of India and State and Urban Local Body representatives were held on the 19th of September 2014 and detailed comments received on the Bill. It is now proposed to finalize the draft Cabinet Note for seeking inter-ministerial comments on the proposed official amendments, before moving the Union Cabinet for approving the amendments in the Bill".

XI. BUILDING MATERIALS & TECHNOLOGY PROMOTION COUNCIL **(BMTPC)**

3.80 The Building Materials and Technology Promotion Council (BMTPC), established in 1990, is an autonomous organisation under the aegis of the Ministry of Housing & Urban Poverty Alleviation, Govt. of India with the prime objective of bridging gap between the laboratory development and large scale field application of cost effective, environment-friendly and energy-efficient innovative building materials and disaster resistant construction technologies. The grant under the head is being provided to meet its administrative expenses and to facilitate research and promotional activities in the fields of building materials and safer construction technologies.

3.81 With the efforts of the Council, a number of building materials and technologies based on agro-industrial wastes such as flyash based bricks/blocks, cellular light weight concrete, bamboo based materials, bagasse boards etc. have been successfully introduced in the housing sector. Partial pre-fabrication is another area which has been implemented successfully in housing construction in different parts of the country. For increased productivity and quality, the Council has been instrumental in developing easy-to-operate simple machines, which are being used in construction with encouraging results all over the country. The Council provides necessary inputs for policy interventions in the areas of saving of forest wood, top soil layer of fertile land, environment, energy, etc.

3.82 The Council is working towards bringing emerging technologies like Rapidwall Construction System, Monolithic Construction System & several other precast prefabricated construction systems, which are successful elsewhere in the world, to bring cost, economy, quality, environmental protection and speed in housing construction. Further, the Council is evaluating these emerging technologies under the guidance of Technology Advisory Group setup by Ministry of Housing & Urban Poverty Alleviation. The Council has also initiated a process for inclusion of emerging technologies in the Schedule of Rates of CPWD and State Governments.

3.83 For field level application of cost effective technologies, the Council has constructed demonstration houses in several places like Dehradun, Bilaspur, Trichy, Nagpur, Kudalu, Bangalore. In order to further propagate the cost effective, energy efficient, environment friendly technologies, the Council recently constructed demonstration structures such as houses, informal market, community buildings etc. in Uttar Pradesh, Haryana and Andhra Pradesh.

3.84 To promote Bamboo as construction material, the Council has taken various initiatives such as construction of demonstration houses in Mizoram, Tripura and Meghalaya, establishment of Bamboo Mat Production Centres in North Eastern Region and Kerala.

3.85 The Council is playing a proactive role towards disaster mitigation & management. It has brought out Vulnerability Atlas of India, Landslide Hazard Zonation Atlas of India, Guidelines for Improving Earthquake and Wind/Cyclone prone Housing Construction, Building Hazard Resistant Houses: a Common Man's Guide and other promotional literature in English as well as in vernacular languages. With IIT Kanpur, BMTPC brought out easy to understand Earthquake Tips on various important aspects of earthquake resistant construction. To demonstrate seismic strengthening techniques for retrofitting of structures, the Council carried out seismic strengthening of some lifeline buildings such as Kupwara Sub-Divisional Hospital in Jammu & Kashmir, seven MCD Schools in Delhi and two school buildings in Uttarakhand, besides several buildings in Gujarat. The Council assisted the State/UT Governments in strengthening techno-legal regimes for safety against natural hazards. Recently, the Council has initiated the Training of Trainers (TOTs) programmes on earthquake resistant design and construction for engineers of State of Bihar.

3.86 The Council is also expanding its activities in the area of Project Management & Consultancy and BMTPC is one of the appraisal and monitoring agencies for BSUP and IHSDP projects under Jawahar Lal Nehru National Urban Renewal Mission (JNNURM), Rajiv Awas Yojana (RAY) and projects under 10% Lump-sum Provision for NER States including Sikkim. The Council, on regular basis, organizes and participates in Awareness Generation Programmes, Workshops, Exhibitions, Capacity Building and Training Programmes for construction professionals and artisans. The Council in recent years has reoriented its approach towards promotion and marketing of technologies through intensive evaluation, dissemination and demonstration of cost effective building materials and construction techniques.

3.87 The role of the Council is reflected in the following objectives:

1. **Building Materials & Construction Technologies:** To promote development, standardization, mechanization and

large scale field application of proven innovative and emerging building materials and technologies in the construction sector.

2. **Capacity Building and Skill Development:** To work as a Training Resource Centre for capacity building and promotion of good construction practices to professionals, construction agencies, artisans and marketing of building technologies from lab to land.
3. **Disaster Mitigation & Management:** To promote methodologies and technologies for natural disaster mitigation, vulnerability & risk reduction and retrofitting/ reconstruction of buildings and disaster resistant planning for human settlements.
4. **Project Management & Consultancy:** To undertake project management and consultancy services including appraisal, monitoring and third party inspection of housing projects under the various Central/State Schemes.

3.88 As per information provided by the ministry the total outlay in the 12th Five Year Plan and proposals made by the Ministry for 12th Five Year Plan year-wise/project-wise.

The proposal by the Ministry and amount actually agreed to by the Planning Commission and actually provided for each scheme in Annual Plans for 2009-2010, 2010-2011, 2011-12, 2012-13, 2013-14 (so far) year wise.

(Rs. in crore)

Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Amount Proposed	7.00	5.50	5.50	7.20	8.50	10.31
Amount sanctioned	5.50	4.00	5.50	5.00	5.00	1.60*

* Allocated Rs.5.00 crore and sanctioned Rs.1.60 crore till July 2014.

3.89 Statement showing budget estimates, revised estimates and actual expenditure for the year 2010-11, 2011-12, 2012-13, 2013-14 and the budget estimates for 2014-2015 showing separately plan and non-plan expenditure; and the Reasons for variations in budget estimates, revised estimates and actual expenditure during 2011-2012, 2012-13 and 2013-14 and variations in BE 2014-15 in comparison to BE RE and actual expenditure of 2013-14, the reply of the Ministry is as under:-

(Rs. in crore)

Year	2010-11	2011-12	2012-13	2013-14	2014-15
Budget Estimates	5.50	5.50	7.20	8.50	10.31
Revised Estimates	4.00	5.50	7.20	8.50	10.31
Actual Expenditure	7.05	8.22	8.39	10.27*	2.71**

* Provisional. ** Actual expenditure till July 2014.

There is no variation in BE and RE in the years 2011-12, 2012-13, 2013-14 and 2014-15. For the year 2010-11 an amount of Rs 84 lakhs was carried forward respectively with the approval of Executive Committee and the controlling Ministry. These amounts have been utilized during the respective year. The proposed budget for the year 2014-15 has been prepared keeping in mind the normal increase in personnel expenditure due to increments and increased dearness allowance and to keep the present activities of the Council going in such a manner so as to fulfill the desired objectives in best of the public/nation interest such as bring in and identify more emerging housing technologies suitable to Indian conditions."

3.90 The Council is striving for fulfilling the requirements of the professionals engaged in the housing and building construction so as to enable them to have state-of-the-art exposure in the field. In this age of information based development, the Council will make further efforts to strengthen the database by providing meaningful information to the use of

community so that the quality of construction can be improved by choosing the best options available for different regions and geo-climatic situations.

3.91 While promotion of available building material technologies from within the country will be a continuing effort, the Council proposes to focus on the following strategic areas during the 12th Plan:

- i) Selection and evaluation of newer materials and processes.
- ii) Upscaling and modernisation of home-grown production technologies
- iii) Selection, evaluation and establishing economics of emerging methods of construction
- iv) Economy and efficiency in housing/building construction projects
- v) Strengthening technology dissemination and demonstration capabilities.
- vi) Training and skill upgradation including entrepreneurship development.
- vii) Field level applications of innovative building materials and construction technologies in mass housing projects.
- viii) Use of bamboo in housing and building construction in bamboo growing regions.
- ix) Vulnerability reduction, risk assessment and disaster resistant construction.
- x) Technology Transfer

3.92 The National Urban Housing and Habitat Policy 2007 stresses the need for construction of demonstration houses in order to provide thrust to the technology dissemination activities in the different regions of the country. Therefore, the Council besides providing technical assistance to large housing projects using cost effective housing technologies, proposes to showcase Innovative, Green and Disaster Resistant Technologies through Demonstration Construction in different region.

3.93 In order to create more awareness about the disaster resistant technologies, more emphasis will be given on skill upgradation of professionals on disaster resistant technologies including retrofitting. Emphasis will also be given on preparing guidelines, do's and don'ts and manuals, organization of workshops/seminars at various levels and hands-on training to the construction workforce.

3.94 In view of the increased focus for development of North Eastern Region, the Council plans to give thrust to its activities in the NE region by way of construction of demonstration houses using bamboo based technologies, development of bamboo processing units for employment generation, development and upgradation of simple machines and technology for bamboo processing.

3.95 The Council also proposes to organize training of construction workforce enabling the spreading of cost effective and innovative technologies at the grass root levels.

3.96 When asked about the sources of internal revenue generated by BMTPC since last five years and the expenditure thereof, the Ministry stated as under:

The sources of revenue generation by BMTPC are:

- (i) Appraisal and monitoring fee under JNNURM and RAY
- (ii) Sale of publication
- (iii) Project specific funding (consultancy)
- (iv) Seminar/Exhibition/Training Programmes
- (v) Interest

The revenue generated by BMTPC for last five years and the total expenditure is as under:

(Rs. In lakhs)

Year	Grant-in-aid from Ministry of HUPA	Revenue Generation	Total Expenditure

2009-10	550	262	789
2010-11	400	194	705
2011-12	550	530	822
2012-13	500	391	839
2013-14	500	199	1027

3.97 In the 25th Report on Demands for Grants (2013-14), the Committee had recommended to increase grant -in- aid for BMTPC. In the Action Taken Replies the Ministry has stated that it does not intend to increase budgetary support while at the same time the Ministry will encourage BMTPC to become self-sustained. In this regard when asked about the self-sustained measures adopted by the Ministry for housing for all by the year 2022, and the adequacy of budgetary allocation, the Ministry has stated as under:-

"BMTPC is striving to bridge the gap between the laboratory development and large scale field application of cost effective, sustainable building materials and housing technologies including disaster resistant construction practices. In order to realize its objectives, BMTPC initiated several multi-faceted activities enshrined in the mandate of the Council so as to create enabling environment for sustainable building construction.

The Council in recent years has reoriented its approach towards promotion of not only sustainable technologies through intensive identification, evaluation, dissemination but also looking at emerging prefabricated housing technologies from abroad for social mass housing. The Ministry of HUPA is also laying special emphasis on adoption of emerging technologies for social mass housing. The Council is also involved in skill upgradation and capacity building of professionals and artisans. Apart from this, BMTPC has been assigned various projects from other Ministries/Departments like National Disaster Management Authority (NDMA) and Bihar Institute of Public Administration and Rural Development (BIPARD). At present,

the activities of the Council have been restricted keeping in view the grants sanctioned and the external cash flow generated during the relevant years.

The role of BMTPC will be more challenging in the Government of India's aim of Housing for All by the year 2022. The present budgetary support and revenue generation by BMTPC is bare minimum and in order to enhance the activities of BMTPC there is a need to increase the budgetary support".

3.98 During oral evidence of the Ministry of HUPA, when asked about whether BMTPC follow the traditional, environmental friendly housing technologies, the Secretary has stated as under:-

"You mentioned about the local materials. I feel very alarmed when I see, project after project, those box or barrack like houses and we completely lack not only planning for space but also planning for materials. We have to address the different aspects, for example, the building code. Whenever we try to promote a new material, organised coding machinery, I would say, gets overawed by it and they try to resist it. So, we have to see how we can put these local practices also in some manner. In fact, we need an alternate system of Government procurement because if we again look after GFR and look at the process of tendering, some of these things will never come in. We never had this kind of organised procurement or tendering before. So, this system has killed a lot of local thinking and initiatives. We are trying in our new technology mission, which is in the nascent stage, at the thinking stage, I must say, how to promote these alternatives."

XII. CENTRAL GOVERNMENT EMPLOYEES WELFARE HOUSING ORGANIZATION (CGEWHO)

3.99 Central Government Employees Welfare Housing Organization (CGEWHO) was formed by the Government of India, under the aegis of the Ministry of Housing & Urban Poverty Alleviation, as a 'welfare organization, for construction of dwelling units exclusively for the Central Government Employees, on 'No Profit-No Loss' basis. It is

registered as a Society, in Delhi, under the Societies Registration Act of 1860 on 17th July, 1990.

3.100 Statement showing budget estimates, revised estimates and actual expenditure for the year 2010-11, 2011-12, 2012-2013, 2013-14 and budget estimates for 2014-2015 showing separately plan and non-plan expenditure;

(Rs. In crore)

Year	2010-11	2011-12	2012-13	2013-14
Budget Estimates	0.10	0.10	0.10	0.10
Revised Estimates	0.10	0.10	0.10	0.10
Actual Expenditure	0.10	0.10	*0.650	0.10

* Out of BE/RE of Rs.10.00 lakhs, Rs.6.50 lakhs were released to CGEWHO.

3.101 As for the reasons for variations in budget estimates, revised estimates and actual expenditure during 2010-2011, 2011-2012, 2012-2013 & 2013-2014 and variation in BE 2014-2015 in comparison to BE, RE and actual expenditure of 2013-14, the Ministry stated that the proposed budget for the year 2010-11 onwards was Rs.10.00 lakhs per year. In the year 2012-13, the release of Rs.1.50 lakhs (second instalment) as against Rs.5.00 lakhs is due to restriction to 15% of RE provisions.

3.102 On the issue of physical target set for each year in 2010-2011, 2012-2013, 2013-2014 and BE 2014-2015 achievement thereof with reasons for shortfall, if any, in achievement targets; & Co-relation between physical and financial targets fixed during 2009-2010, 2010-2011, 2011-2012, 2012-2013 & 2013-2014 together with reasons for variations, if any, during the said years in maintaining the co-relation, the Ministry stated that Since the grant is given to partially meet the administrative expenditure, no quantifiable/physical targets are fixed.

3.103 To a question regarding the steps taken/proposed to be taken and suggestions, if any, for improvement in the implementation of each scheme; & System of monitoring and control over the performance of each scheme; the Ministry has stated as under:-

"The CGEWHO is an autonomous body registered under the Society Registration Act of 1860. It was established by the then Ministry of Urban Development, Govt. of India in 1990. The activities of the Society are monitored through representation of senior officers of this Ministry and other Ministries in its "Governing Council" and the "Executive Committee. Since this is a Non-Plan Scheme, no review/evaluation is made by the Planning Commission."

3.104 The Committee in their 25th Report had recommended for launching new projects at regular intervals in almost all important cities to accommodate more and more Central Government employees. In the Action Taken Replies the Ministry has stated that new projects shall be planned at important cities by conducting demands survey. When asked to apprise the present position in this regard, the Ministry replied as under:-

"The projects where land is available is under planning and present status is as under:

- (i) SAS Nagar, Mohali – The project consisting of 226 DUs was announced for subscription on May 2014 and against the advertisement CGEWHO received 147 number of applications. The Executive Committee, CGEWHO had already approved appointment of M/s Modern (I) Architects as architect consultant for the project and it is expected that the contract agreement with the agency shall be signed shortly.
- (ii) Chennai (Ph III) – Though CGEWHO had already made all the demands raised by Chennai Metropolitan Development Authority on 27 Mar 2014 towards development charges etc., the formal planning permission is yet to be received, according to the GO

No.C3(N-12908/2011 dated 24 Dec 2012 issued by Govt of Tamil Nadu. It is reliably learnt that the delay in according the formal planning permission is mainly due to an application received by CMDA from the Member of Parliament from local constituency, who had requested CMDA not to accord planning permission towards the earmarked land of CGEWHO for Chennai (Ph III) project. The matter is being pursued regularly and it is expected that the planning permission shall be accorded shortly as the project is being proposed strictly as per rules on a land owned by CGEWHO in which necessary GO has already been issued by Govt of Tamil Nadu.

- (iii) Vishakhapatnam – As per the directives of Governing Council, CGEWHO, the project is being taken up in multi-storey configuration consisting of 574 DUs and accordingly application has already been moved to Vishakhapatnam Urban Development Authority (VUDA) to revive the application for planning permission which has since been accepted by VUDA. Accordingly the authority has also raised a demand of Rs.1,05,94,315/- and CGEWHO is in the process of taking further necessary action on the above.
- (iv) Meerut (Ph II) – Action has been initiated towards obtaining planning permission for taking up the project consisting of approx. 600 DUs at Shatabadi Nagar, Meerut for which architect consultant has already been appointed. As and when the planning permission is obtained CGEWHO shall announce the scheme after obtaining approval from EC, CGEWHO.

As it has been decided by Governing Council, CGEWHO as well as M/o HUPA not to proceed further towards turnkey projects and since there is no

governmental land allotment is coming forth, no further demand survey is being planned to be issued as on date as CGEWHO could not fulfill the earlier commitments at 06 stations for which Demand Survey was conducted in 2009. The further projects will be planned only on availability of land/ plot for the project”.

3.105 CGEWHO in past three years have completed and handed over 2473 dwelling units in various parts of the country, for the welfare of Central Government employees and further 3793 dwelling units are in the pipeline to be completed in four to five years. Since inception, CGEWHO on an average has been constructing 3 dwelling units in two days. The following are the constraints for slow performance of CGEWHO:

- “a) There is no land bank with CGEWHO for its future projects, since CGEWHO is not getting support from the State Govts.
- b) CGEWHO functions on self-finance basis, there have been shortage of funds due to the under-subscription of CGEWHO schemes at the initial stages”.

XIII Hindustan Prefab Limited (HPL)

3.106 Hindustan Prefab Limited an ISO 9001:2008 is a schedule ‘C’ Central Public Sector Enterprise under administrative control of Ministry of Housing & Urban Poverty Alleviation. It is engaged in the execution of projects on Turnkey basis i.e. from concept to completion on Project Management Consultancy. It is brain child of first Prime Minister and established with the prime objective of providing Prefab Houses to the people displaced from West Pakistan. The main objective of the company is to develop more

business with high margin value in Project Management Services and to become a Rs 500 crore turnover company within 5 years.

3.107 HPL's area of operations include Mass Housing & Infrastructure works for Slum Dwellers and Urban Poor, Institutional Buildings, Residential Complexes, Hospital Buildings & Health Infrastructure, Environmental Engineering Projects, Interiors & Furniture, Sports Complexes, Campus Development, Relocatable Prefab Multipurpose Shelters, Prefab Concrete Construction and Pre-Engineered Steel Structure, Disaster Rehabilitation Projects etc.

3.108 HPL has the capacity to work in remote & difficult locations like NER, Ladakh, naxalite affected areas etc.

3.109 On being asked about the details of Government Organisations and Private Sector builders that have contacted HPL for using their technology and innovations, the Ministry in their written reply submitted as under:-

“HPL is currently providing Project Management Consultancy (PMC) for construction projects in 15 States awarded to it through various State Governments and its agencies. HPL has also taken up several works relating to pre-engineered buildings as also prefab construction in different projects including projects under CSR grant from various PSUs”.

3.110 On the issue of cost effectiveness, eco-friendliness and durability of technologies of HPL in comparison to the presently used construction technologies across the country, the Ministry has submitted in their written reply as under:-

“The Prefab technologies provide ready to use building components directly from factory while ensuring proper quality and cost effectiveness. By using these components and other prefab technologies, the time required for construction of projects reduces significantly thereby reducing the overall project period considerably.

Currently the prefab technologies costs are comparable to the conventional technologies since the demand for prefab technologies is still limited. The cost of prefab components is directly related to the volume of production and with the increase in demand the cost will come down considerably making it much cheaper than the conventional technology, however to achieve that, the prefab sector has to grow significantly.

The current constraints for the lower growth of prefab sector is primarily due to the mindset of the people at large and architects, engineers and policy makers in specific, to take up prefab construction on a large scale. Further, lack of standardization in building dimension and components coupled with absence of the technologies in the Schedule of Rates of Government agencies of the Centre and States, inhibit the use of prefab technologies in a large way.

HPL on its part has been actively taking up Government agencies manufacturers and other stakeholders in the sector regularly towards promotion of prefab sector. Recently, HPL has signed an MOU with Construction Industry Development Council(CIDC) to promote the adoption of pre-fabricated and pre-engineered technologies for achieving fast track construction especially for the attainment of the goal of providing “Housing for all by 2022.

The prefab products rate higher on durability and eco-friendliness in comparison with conventional methods. The prefab components provide ready answer for replacement of burnt bricks etc. and also use considerable amount of fly ash and other agricultural waste in production of such components, impacting the environment positively”.

Part-II

Observations/Recommendations

1. Under utilization of funds

The Ministry of Housing and Urban Poverty Alleviation (HUPA) has been, *inter-alia*, entrusted with the implementation of programmes of Urban Employment and Poverty Alleviation including Housing sector programmes in urban areas. During the 12th Five Year Plan, the Ministry is in the process of revamping some of its old schemes in addition to introducing new programmes for benefits of urban poor. The Committee observe that from the year 2010-11 to 2013-14, there has been a huge difference between the projections and allocations at BE stage. The allocations made at BE stage have been reduced at RE stage. The actual expenditure is also less in comparison to the allocation at RE stage. The overall BE for the year 2014-15 is Rs. 6008.62 crore which includes both plan and non-plan expenditure. In comparison to the budget estimate of 2013-14, the percentage increase during 2014-15 has been 310.96 per cent. The huge jump in budget allocation during the year 2014-15 is due to transfer of ACA funds of RAY and JnNURM in the Demands of the Ministry of Housing and Urban Poverty Alleviation, in accordance with the instructions of Planning Commission. However, keeping aside the growth of budgetary allocation, the real growth is very marginal. The Committee in their earlier reports on Demands for Grants have been recommending for enhancing the budgetary allocation for the Ministry. The Committee note that the Ministry is

proposing various ambitious schemes like creation of 100 smart cities, providing Housing for All by 2022, etc. Keeping in view all these factors, the Committee recommend that Ministry should make out all efforts to utilise its budget allocations after removing all bottlenecks that come in the way. They further recommend that adequate allocation should be provided to the Ministry so that ambitious schemes should not face any fund starvation. The Committee are of the view that the changing funding pattern for JnNURM and RAY should be supported by an in-built mechanism for their greater implementation and timely submission of utilization certificates.

2. Better Implementation Strategy be taken up under RRY/ (Gruh Hamara Awas Rinn) GHAR Scheme.

The Committee note with constraint that in-spite of the implementation of Interest Subsidy Scheme for Housing the Urban Poor since 2008-09 and its subsequent modifications during 12th Plan as Rajiv Rinn Yojana, till 2013-14 only Rs. 51.46 crore has been spent against the revised estimate of Rs. 130.00 crore. There has been a huge gap between BE and RE vis-a-vis actual expenditure since 2008-09. The BE for this Scheme during the current financial year i.e 2014-15 is Rs 698.98 crore. The overall target for the 12th Plan period is 1 million dwellings for slum and non-slum dwellers across the country. Unlike other schemes, the scheme is target oriented. Hence targets to benefit, 2.5 lakh beneficiaries in each financial year i.e. 2013-14 & 2014-15 have been assigned. However, the Committee are constrained to note that as on date the central Nodal agencies i.e. NHB and HUDCO have not reported any progress. The Ministry is working on the ways to enhance the progress under RRY. According to the Ministry, the reasons for not achieving any progress by CNA are:

- (i) **General reluctance on part of Banks particularly and HFCs to lend to the target beneficiaries with informal income and informal titles**

- (ii) **State Government and ULBs were unable to fully appreciate and communicate the financial benefits accrued to the beneficiaries under the scheme**
- (iii) **Beneficiaries could not appreciate the financial benefits accrued through reduced EMIs**
- (iv) **Not enough push to the Primary Lending Institutions (PLIs) by the Central Nodal Agencies**
- (v) **State Level Banking Committees (SLBCs) have not allocated the targets to the Banks (thus far only 6 SLBCs have allocated the targets to Banks)**
- (vi) **Lack of developers in creation of low ticket housing in the market**
- (vii) **Lack of financial inclusion of the urban poor**
- (viii) **Lack of clarity in the PLIs about the Scheme**
- (ix) **Intrinsic shortcomings viewed by Banks**
 - a) **Current mode of disbursement of subsidy to the PLIs on a quarterly basis and apprehensions about the account turning Non-Performing Assets (NPA)**
 - b) **The mode of calculation of the Subsidy amount is not clear and hence the PLIs are not submitting the claims**
 - c) **The cumbersome reimbursement of subsidy amount over 60 instalments, or more**

In view of the Government's proposal for Housing for All by the year 2022, the Committee note that there has been an annual deficit of one million houses. The Committee urge upon the Ministry to make concerted efforts to remove all the bottlenecks and implement the scheme in true spirit otherwise, the target for Housing for All would remain a distant dream.

3. Rajiv Awas Yojana/ Sardar Patel National Mission for Urban Housing

The Committee note that Rajiv Awas Yojana is basically a slum-redevelopment programme, which is budget driven, where financial assistance of 50% to 80% is provided by Government of India depending upon State and population of the city with upper cap of Rs. 4 lakh and Rs. 5 lakh per house including 25% cap on cost of infrastructure. In pursuance of the vision of "slum free India", RAY was launched in two phases. The preparatory phase was for a period of two years from June 2011 to June 2013 and 195 cities were targeted for this purpose. The Central Government has approved the implementation phase in September 2013.

The Committee are distressed to note that the preparation activities during Phase I of RAY were tardy. Till date preparatory activities have been completed only in 50 cities of 15 states and work is in progress in 124 cities and is at various stages of completion. 55 cities have completed slum survey while survey is under progress in 69 cities. 48 cities have also completed GIS mapping and integration of slum survey data. Even after lapse of three years the targeted 195 cities have not been achieved. The implantation Phase of RAY was launched in September 2013 and is applicable to all cities/ urban areas of the country. Till date, 228 cities have been included under RAY and projects have been approved for 145 cities in 22 states. The Committee are distressed to note that as on 1.8.2014, 166 DPRs with a total project cost of Rs. 6472.06

crore involving Central Share of Rs. 3531.19 crore for construction/upgradation of 120912 crore DUs have been approved and Rs. 120581 crore has been released. During the year 2013-14, the BE of Rs. 2102 crore was reduced to Rs. 1146.41 crore at RE stage but the actual expenditure was only 705.73 crore. The BE for 2014-15 is Rs. 2400 crore. The Committee have been informed that RAY is a reform and demand driven scheme for attaining slum-free states and it depends upon the level of aspiration of the state, willingness to align property rights to slum dweller, undertake reforms for the urban development etc. Moreover, *in-situ* development of slum is the preferred choice and is a time consuming process as there are various problems in shifting and relocating the slums, etc. The Committee are given to understand that the Ministry is undertaking effective monitoring by organizing seminars, field visit workshops, video conferencing etc.

The Committee are further informed that the Ministry is in the process of developing a new scheme to cater to housing for all by 2022. The scheme of RAY is to be discontinued and the liabilities created by way of approval of projects are proposed to be subsumed in the new scheme i.e. Sardar Patel National Mission for Urban Housing.

The above facts are indicative of the fact that RAY is a battle and new mission for Urban Housing is a war. The Committee fail to understand as

to how the war would be won when the battle was lost in the preparatory phase itself.

Therefore, the Committee recommend that the Ministry should strive vigorously to complete the preparatory activities at the earliest and carry out effective measures for monitoring the scheme and sensitise the state Governments at the highest level about the goal of the scheme. They also wish to recommend that the difficulties experienced in the implementation of RAY should be examined carefully while taking up the new mission.

4. Relocation of slum/ slum development

The Committee observe that in many cities like Mumbai, slum people are being rehabilitated in the vertically built buildings. In Dharavi, people are staying in tall buildings having 8 to 9 floors. In these buildings maintenance is very poor. The elevators do not work. The Committee have been informed that in some good projects, there is a corpus fund where 15 years maintenance cost is provided by the developer as part of the slum development. The Committee is apprehensive as to what will happen when the period of 15 years is over. It will be extremely difficult for the inhabitants to bear the cost. The Committee have been informed by the Secretary, Urban Development that the Ministry is having consultations with the private builders who are assigned the task of building houses for slum dwellers, to take care of maintenance mandatorily.

In the new scheme, with Private sector participation, the Ministry is specifying the things. The Committee appreciate the concern of the Ministry and are hopeful that the situation will improve in future.

The Committee also desire the Ministry to ensure the livelihood of slum dwellers till they are rehabilitated in new dwellings.

Another issue related to relocation of slum is that people are being shifted to new buildings but at the same time the slum areas are not being

razed as a result, the slum dwellers sublet the new houses and come back to the slum. The Committee has been informed by the Ministry that in this regard the accountability on the part of the state government should be fixed to protect that vacated land. Therefore, the Committee strongly recommend that this fact should be brought to the knowledge of all the state governments in clear terms and they should be informed of the steps taken in this regard from time to time.

5. Rental Housing

The Committee observe that the Sardar Patel National Mission for Urban Housing envisages creation of sufficient number of rental houses which can be made available to migrants as also to the homeless and destitutes. It is envisaged that a house upto 30 sq. mtr area for families and single room hostels/dormitories be constructed in sufficient numbers to be let out by the Urban Local Bodies or other agencies including Private Sector to people who cannot afford to buy a house initially. Such houses are proposed to be given on rent for a period of 5 years and thereafter the occupants except homeless and destitutes would be expected to move to their own houses.

But the Committee have serious doubts about family/individual becoming capable enough to buy their own house in a span of five years. The Committee, therefore, recommend that government sector organisations and corporate organisations should be impressed upon to create their own stock of housing, which can be rented to a new employee who is migrating into the city for job or is not having his own house in the city. This will spare the houses for the migrants who come to the cities in search of jobs, or without prior employment opportunity in their hands. The Committee also recommend that such houses be rented to the individuals/families for either ten years or till becoming a house owner, whichever is earlier.

The Committee observe that the corporate houses under their Corporate Social Responsibility activities would also be allowed to fund these rental housing. The Corporate sector can promote housing scheme by utilizing the Provident Fund. The New Companies Act has proposed to earmark two percent of net profits for Corporate Social Responsibility. However, this scheme is in a nascent stage. The Committee welcome the steps initiated by the Government in this regard and desire that all the necessary formalities be cleared at the earliest and the model Rental Housing Policy formulated at the earliest and the Committee may be apprised of in this regard.

6. Affordable Housing Partnership (AHP) Scheme

The Government has approved the scheme of Affordable Housing in partnership as part of Rajiv Awas Yojana on 3 September, 2013 to increase affordable housing stock as part of the preventive strategy.

The Committee observe that a total of 18 projects of 3 States (5 cities) have been sanctioned under the Affordable Housing in partnership Scheme with a central assistance of Rs. 112.53 Cr. for construction of 20472 Affordable dwelling units. Rs. 44.19 Cr has been released till date. Out of the 20472 sanctioned DUs, construction of 4628 has been completed and construction of 13945 DUs are under progress.

The Committee, being not satisfied with the progress under AHP, strongly recommend that construction of all the remaining houses be completed within one year, so that no spill-over of AHP is carried forward in the new Mission on Housing. The Committee also want that the information relating to 1899 DUs may be furnished to them at the earliest.

7. Spill-over projects under BSUP and IHSDP

The JnNURM which was launched on 3rd December, 2005 to implement reform-driven, planned development of cities in a mission mode was initially for a period of 7 years. This was further extended by 2 years upto 31.03.2014. For the BSUP and IHSDP components, the period has been further extended upto 31.03.2015 only for completion of projects sanctioned upto 31.03.2012. The Committee observe that the assessment of the implementation of the Scheme shows that with the rise in prices of raw materials, cement, shortfalls in beneficiary contribution, the projects are faced with cost and time overrun. Therefore, the Mission period has been extended upto March, 2015. The Committee strongly feel that the period of extension up to 31st March, 2015 for the projects sanctioned up to 31.03.2012 is inadequate. They desire that the extended period should run for completion of the projects sanctioned up to 30th September, 2013 for a meaningful impact of the extended period and to adequately cover all the incomplete projects.

The Committee in their earlier reports during 15th Lok Sabha had, time and again, observed that the projects under BSUP and IHSDP components of JnNURM were being delayed. To the despair of the Committee, the Ministry did not pay any heed to the Committee's repeated anguish and failed to formulate and put in place any mechanism to avoid these delays. As a result of which now spill-over of the projects has surfaced. The Committee want that the spill-over projects are completed without any further delay.

8. National Urban Livelihood Mission (NULM)

A. Budgetary Allocation for National Urban Livelihood Mission (NULM)

The Committee observe that the Ministry of Housing and Urban Poverty Alleviation has launched National Urban Renewal Mission (NULM) in the 12th Five Year Plan w.e.f 24th September 2013 by replacing the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY).

During the year 2013-14, the allocation at BE was Rs. 950.00. This allocation has been reduced to Rs. 777.53 Crore at RE stage. The actual expenditure was Rs. 720.43 crore. During the year 2014-15 the allocation at BE stage is Rs. 1003 crore, out of which Rs. 105 crore have been utilized as on 31.07.2014. The Ministry is making efforts to spend the balance funds. The Committee are not happy with under utilization of NULM allocation, which is an ambitious mission. Therefore, they strongly recommend the Ministry to make all out efforts to utilize the allocated amount to achieve the goal to arrest urban unemployment. For this, the Committee want that targets may be fixed and schemes properly monitored. They also recommend that responsibility of the officials who willfully delay the project should be fixed.

B. Skill Development and Enhancing Employment in Construction Sector (including Housing Sector)

The Committee observe that the Housing sector is the fourth largest employment generating sector in the country and contributes significantly to the GDP. The Committee are appreciative of the fact that skill development and enhancing employment, which is one of the components of NULM, has been included as the focus area under the NULM Scheme of the Ministry of Housing and Urban Poverty Alleviation. As proposed by the Ministry, the Committee desire that if needed, specific percentage of funds be allocated to this field. The Committee are given to understand that the budgetary support under NULM has been enhanced substantially so as to provide more support to States for urban poverty alleviation in 790 cities of the country. More funds have been allocated under the IEC component of the scheme to generate community awareness. Further, dedicated staff to manage the Mission has been proposed at the national, state and city levels. Also there will be one Community Organizer (CO) per 3,000 urban poor families. Skill Gap Analysis is to be undertaken at the city level so as to provide linkage between skill development and employment opportunities. Third party certification acceptable to the industry has also been introduced. In order to provide better credit availability to micro-enterprises, a task force, with lead bank manager as one of the members, for short-listing of applications has been introduced which is likely to reduce the rejection rate by banks and other financial institutions. The Committee on the basis of above

observation and keeping in view the fact that need of Urban Housing is immense in our country, strongly recommend that special emphasis be laid on skill development and employment enhancement in construction sector (including the housing sector), under NULM to fully tap the potential of young work force available in the country. Steps taken by the Ministry in this regard may be intimated to them on regular basis.

C. Governing Council of NULM

In connection with the National Urban Livelihood Mission (NULM) the Ministry has informed that meeting of the Governing Council at central level has not been held till now, because the notification regarding constitution of the Governing Council (GC) was issued on 21st February, 2014. However, in view of the Lok Sabha election, the meeting of Governing Council could not take place. Necessary action is being taken to hold the meeting of the Governing Council. At the State Level some states/ UTs have already formed the Governing Council and some States/ UTs are still in the process for formation of Governing Council. The Committee are finding it hard to understand that with this tardy pace, how the Ministry will monitor the progress of NULM in an effective way. Therefore, they recommend the Ministry to ensure formation of Governing Council in all States at the earliest. The Committee further desire that the meeting of the Governing Council should be convened at regular intervals and the findings/ outcome thereof should be taken seriously in making further improvement in the implementation of NULM.

D. Employment through Skill Training and Placement (EST&P) under NULM

One of the important components under NULM is Employment through Skill Training & Placement (EST&P). Under this the objective is to target the urban poor who are occupationally vulnerable for employment through Skills Training & Placement and provide training to the urban poor as per the skill demand from the market so that they can set up self employment venture or secure salaried employment. In this regard the Committee are informed that National Skill Development Corporation (NSDC) has conducted district-wise Skill Gap Analysis (SGA) for all the States. The analysis is being used by some states, while other states have initiated the process of having Skill Gap analyzed through other agencies. The Committee are of the view that since this is an important component of NULM, the Ministry should ensure that all the State Governments complete the SGA and regularly update the same as per the changing scenario of job requirements.

The Committee observe that the skill training providers will also work towards providing job- placement or setting up self-enterprise for all the successful candidates. The skill training provider is to track the trained persons for a period of six months. It is the responsibility of STP to regularly report on progress of training, placement and micro-enterprise establishment to the ULBs and SULM on a regular basis.

Further, as per guidelines it is mandatory for the STP to provide placement, self-enterprise set-up support for minimum 50% of successfully trained candidates.

However, the STPs will have to track all the candidates for a period of 6 months. The NULM MIS which has been designated for tracking of ST&P candidates will provide the necessary information regarding all the candidates.

The Committee strongly feel that by stipulating the requirement of 50% in the guidelines, the STPs will never have a track record of all the ST&P candidates. Therefore, they desire the Ministry to revise the guidelines to keep track of all the EST&Ps. They also feel that this period of six months is too small a period and after six months, there will be no record of such candidates. Hence, the Committee desire that this period should be enhanced suitably. Further the ULBs and State Urban Livelihood Missions(SULMs) should play a proactive role to check tracking system of skill training providers and send regular reports to the Ministry of Housing and Urban Poverty Alleviation.

9. Study on impact of investment in the Housing Sector on GDP and employment in the Indian Economy

The Committee observe that a study to understand the impact of investment in housing and construction on both employment and income has been carried out by the Ministry through the National Council for Applied Economic Research (NCAER). The Report has been submitted to the Ministry on 25th February, 2014. Based on the recommendations of the Report, the Ministry has requested the Ministry of Finance for inclusion of “affordable housing” in the harmonized master list of infrastructure sub-sections as housing contributes significantly to the GDP. The Committee desire the Ministry of HUPA to appraise them about the outcome thereof. The Committee further observe that skill development and enhancing employment has been included as focus areas under NULM Scheme of this Ministry. The Committee also note that 99.41% of the jobs in housing sector are informal jobs. Therefore, the Committee strongly desire that the Ministry of HUPA should strive to provide skill development training on housing sector to the urban unemployed youth through NULM to enable them to avail of the job opportunities being provided in the housing sector thereby facilitating in alleviating the urban poverty.

10. Foreign Direct Investment (FDI)

The Committee observe that the Government of India has allowed Foreign Direct Investment (FDI) through automation route in construction and development sector. The FDI covers development of townships, housing, built-up infrastructure and construction-development related projects. As per the Department of Industrial Promotion and Policy, the Construction and Development Sector secured investments to the tune of Rs. 107,492 (US\$ 23,132m) cumulatively from April 2000 to February, 2014 which is 11% of the net FDI inflow of equity.

However, the Committee are dismayed to note that no survey has been undertaken by the Ministry to assess the impact on FDI inflows into housing sector and especially with reference to urban poor. Keeping in view the fact that the majority of urban housing needs in India are related to the EWS and LIG segment, the Committee are of the view that there is an urgent need to conduct such study so that the real impact of FDI in housing especially with reference to housing for urban poor can be assessed. The Committee, therefore, strongly recommend the Ministry to get one such study conducted across the country urgently. The Committee further believe that allowing FDI through automation route in construction and development sector is a very welcome step of the Government. But, it needs very vigorous follow up in the sense that unless the various loopholes in the laws relating to construction and housing sector are adequately plugged and unless a conducive environment for

investment in this sector is promoted and widely propagated this FDI Proposal would remain an initiative only on the paper and would not benefit the common masses which it is intended to do.

11. Real Estate and Regulatory Authority (RERA) Bill

The Real Estate (Regulation and Development) Bill, 2013 was introduced in the Parliament by Government on 14th August, 2013 after wide consultations with all the stakeholders. The Bill was referred to the Standing Committee on Urban Development for examination and report. The Committee after having wide consultations with all the stakeholders had given an objective report to the Parliament on 17th February, 2014. The Committee were also informed by the Ministry that it had consultations with the stakeholders, expert bodies, Ministries/ Department of Government of India and State and ULBs on 19th September, 2014. It is now proposed to finalise the draft Cabinet Note for inter-Ministerial comments on the proposed official amendments before moving the Union Cabinet for approving the amendments in the Bill. In view of the above perspective, the Committee strongly feel that the Ministry should avoid duplication of work resulting in delaying the re-introduction of Bill in the Parliament because real estate sector is highly unregulated and the common man is being harassed by the builders and their associations. Therefore, the Committee strongly recommend the Ministry to expedite the matter and to urgently bring this Bill to be passed by the Parliament in order to give relief to the common masses who are being continually harassed at the hands of unscrupulous builders' lobby.

12. Building Materials and Technology Promotion Council (BMTPC)

The Committee observe that the BMTPC mainly endeavours to promote the use of innovative and environment- friendly building materials and construction technologies and have thus initiated services of multifaceted activities for the accomplishment of its objectives enshrined in the mandate of the council.

The council is also working towards bringing emerging technologies from all over the world such as disaster mitigation and management, seismic strengthening Capacity building and skill development by working as a training Resource Centre, project management, consulting etc. Further the council proposes to focus on selection and evaluation of newer methods and process, upscaling and modernization of homegrown production technologies, use of bamboo in housing and building construction in bamboo growing regions, etc.

The Committee observe that during the last five years starting from the year 2009-10, the amount sanctioned for BMTPC has always been lesser than the proposed amount, whereas, the actual expenditure has always been in excess to the total of budgetary allocation and the revenue generated by the BMTPC. The Committee in their 25th Report on Demands For Grants (2013-14) had recommended to increase the grant-in-aid for BMTPC. The Committee are constrained to note that the Ministry does not intend to increase its budgetary support but want the BMTPC to become self-sustained. The Committee cannot but deplore the continuous neglect of BMTPC.

The Committee are further informed that at present, the activities of the council have been restricted keeping in view the grants sanctioned and the external cash flow generated during the relevant years. Further, the role of BMPTC will be more challenging in Government of India's aim of Housing For All by the year 2022. The present budgetary support and revenue generation by BMTPC is bare minimum and in order to enhance the activities of BMTPC, there is a need to increase the budgetary support.

The Committee, therefore, strongly reiterate their earlier recommendation made in 25th Report (15th Lok Sabha) that budgetary allocation for BMTPC should be enhanced sufficiently not only to meet the current expenses but also to enable the organisation to take up new research and development projects and exercises. The Committee further desire that this enhanced and sufficient allocation should be continued for BMTPC, till the organisation becomes self-sufficient.

The Committee would also like the BMTPC and the Ministry to formulate the Standards/ Specifications for Affordable Housing for different regions, at the earliest.

13. Central Government Employees Welfare Housing Organisation (CGEWHO)

CGEWHO, is a welfare organization under the Ministry of Housing and Poverty alleviation for construction of dwelling units exclusively for the Central Government Employees on No- profit – no loss basis. The Committee in their 25th Report had recommended for launching new projects at regular intervals in almost all important cities to accommodate more and more Central Government Employees. The Ministry had assured the committee to plan new projects at important cities by conducting demand survey.

However, the Committee are constrained to note that the Governing Council CGEWHO as well as Ministry of HUPA has decided not to proceed further turnkey projects since there is no government land allotment. CGEWHO could not fulfill the earlier commitments at 6 stations for which Demand survey was conducted in 2009. The slow performance of CGEWHO is attributed to many factors such as non-availability of land, lukewarm response from the State Governments, shortage of funds, etc. As the Government has announced housing for all by 2022 and a mission mode approach for “Housing for all” is being undertaken by the Ministry, by involving all the governmental and private agencies, the Committee strongly feel that the Ministry should take pro-active steps to strengthen its own agencies like CGEWHO and eradicate all the bottlenecks being faced by it. The Committee further observe that in many places government lands are being encroached from time to time. Therefore, the Ministry should have consultation with state

Government for allocating land to CGEWHO to take up more projects and complete the projects in hand in a time bound manner. The Committee strongly feel that these steps will further strengthen the land holding of Government to accomplish its goal of “Housing for All”.

14. Urban Statistics for HR and Assessment Scheme (USHA)

The Committee observe that as per Planning Commission initiative, all smaller schemes have been merged with umbrella schemes of the Ministries. Hence, Urban Statistics for HR and Assessment (USHA) Scheme has been subsumed with the main scheme of the Ministry namely Rajiv Awas Yojana (RAY). Under RAY, USHA has been continued as a capacity building measure and it has been further augmented and strengthened. The Scheme has the following objectives:

- I. Data centre and MIS on Urban poverty, slums, housing, building, construction and related Urbanization Statistics.
- II. One time grants to State Governments / UT administrations for computerization.
- III. Knowledge centre / National resource centre for Urban Poverty, slums.
- IV. Sample surveys in areas of urban poverty, slums, housing and building construction.
- V. Socio-Economic research studies in areas of Urban poverty, slums, housing & building construction; and
- VI. Capacity building & training in areas of urban poverty, slums, housing & building construction statistics.

However, the Committee note with concern that during the years 2012-13 to 2014-15, against the budgetary allocation of Rs. 53 Crore, the expenditure has

been only Rs. 27.72 Crore. The Committee are distressed to note that the initial target to undertake preparatory activities of RAY like slum survey, GIS Mapping, preparation of Slum Free City Plan have not been achieved. The Ministry has not undertaken any survey to assess the impact of Foreign Direct Investment (FDI) on housing sector, a study to understand the impact of investment in housing and construction on both employment and income has been carried out by the Ministry through the National Centre for Applied Economic Research (NCAER).

In view of the above, the Committee are compelled to come to the conclusion that the full potential of USHA Scheme has not been utilized. Therefore, the Committee strongly recommend that USHA should be strengthened by giving adequate budgetary provision, manpower and other necessary infrastructure. Its objectives should be utilized to its fullest extent.

15. Technical Assistance from Department for International Development for Support to National Policies for Urban Poverty Reduction (SNPUPR)

The Committee observe that SNPUPR, a joint initiative of Ministry of Housing and Urban Poverty Alleviation and UK Government had commenced in July 2010 with a budget of £ 14.5 million to assist National Programme being implemented to benefit the urban poor by providing technical support. The Committee are distressed to note that during the period 2010-11 to 2014-15, the BE allocation was Rs. 59.08 Crore, the RE allocation was Rs. 27.17 Crore, while the actual expenditure was Rs. 14.41 Crore. The less expenditure during the year 2010-11 was because of late selection of cities. The delay in the commencement of PMU and Challenge Fund resulted in variation in less expenditure during 2012-13 to 2013-14. The delay in commencement of Challenge Fund (CF) has been mainly due to lukewarm responses of ULBs as well as delays in finalizing the concept and operational manual. The Committee are distressed to note that the highly ambitious programme remains on paper only due to such type of delays and lack of enthusiasm on the part of ULBs and the scarce resources remained unutilized. Therefore, the Committee wish to impress upon the Ministry to take concerted steps to implement the scheme in letter and spirit in the current financial year.

16. National Scheme for Support to Street Vendors

The Committee note that the ‘Street Vendors Protection of Livelihood and Regulation of Street Vending Act’, has been passed by Parliament. It appears that this Act has remained an Act only on paper and very few intended benefits of the Act have actually percolated to the street vendors in fact. However, as per press report street vendors are finding it hard to get themselves registered. The street vendors are being harassed by the police and Urban Local Bodies. In many places, vendors are still occupying public footpath creating unhygienic conditions around their vending places. The designated vending zones have not been earmarked. Stating the reasons, the Ministry has informed the Committee that it has already advised all the States/UTs to implement the Act by framing its rules and scheme under the Act within one year and six months. The Committee agree with the Ministry that it is the responsibility of the concerned State Government to implement the provisions under the Act. However, at the same time the Committee wish to urge upon the Ministry that it should undertake follow up action with the State Governments to ensure its timely implementation, as the Ministry through its National Urban Livelihood Mission (NULM) addresses the Livelihood concerns of the Urban Street Vendors.

17. Hindustan Prefab Limited (HPL)

Hindustan Prefab Limited an ISO 9001:2008 is a schedule 'C' Central Public Sector Enterprise under administrative control of Ministry of Housing & Urban Poverty Alleviation. It is engaged in the execution of projects on Turnkey basis i.e. from concept to completion on Project Management Consultancy. It is a brainchild of first Prime Minister and established with the prime objective of providing Prefab houses to the people, displaced from Pakistan. HPL is currently providing Project Management Consultancy (PMC) for construction of projects in 15 States awarded to it through various State Governments and its agencies. From the information provided by the Ministry, the Committee can easily infer that by using building components and other prefab technologies, the time required for construction of projects reduces significantly thereby reducing the overall project cost considerably. Also, the prefab products rate higher on durability and eco-friendly in comparison with conventional methods. The prefab components provide ready answer for replacement of burnt bricks. They use considerable amount of fly ash and other agricultural waste in production of such components, which are environment friendly measures.

The Committee note with dismay that despite having the above-mentioned advantages and potential to grow, the prefab technologies costs are comparable to the conventional technologies since the demand for prefab technologies is still limited. The Committee cannot but deplore the fact that the mindset of the people at large and

architects, engineers and policy makers in specific, to take up prefab construction on a large scale is limited. Further lack of standardization in building dimension and components coupled with absence of the technologies in the schedule rates of Government agencies at the Centre and States inhibit the use of prefab technologies in a large scale. From the replies of the Ministry on the progress made on JNNURM & RAY, the Committee are distressed to note that the Dwelling projects under JNNURM & RAY are lagging behind and these are suffering from time & cost overrun. The Committee are happy to note that HPL has signed an MoU with Construction Industry Development Council (CIDC) to promote the adoption of pre-fabricated and pre-engineered technologies for achieving fast tract construction especially for the attainment of the goal of providing ‘Housing for all by 2022’. The Committee therefore recommend that Ministry of HUPA should take concerted efforts and strive vigorously to change the mind set of all concerned engaged with construction agencies and complete all the projects without cost and time overrun by adopting Prefab technologies. The Committee are of the strong opinion that Prefab technologies are the only answer to build smart cities and construction of Houses by 2022.

The Committee desire that the Ministry bring necessary changes in schedule rates of the Government agencies. Thus, the Committee would like to recommend that the Government should make an all-out effort through seminars, exhibitions and advertisements, to make this prefab technology popular amongst all the concerned,

for the benefit of not only HPL but also, the common man and the nation as a whole. In order to promote prefab technologies and arrest of cost and time run of various projects, the Committee also wish to recommend that it should be made mandatory on the part of all Government and private agencies to adopt prefab technologies. During the study visit of the Committee to Pune, the Committee were very impressed with the quality of construction and the more importantly the speed of construction that was adopted by Hindustan Prefab Limited. The Committee are of the opinion that with increase in the volumes of Prefab technology, the prices of such technology will come down significantly and, therefore, the Committee strongly feel that such attractive and innovative options should be keenly considered and adopted by all the agencies related to constructions and development.

**New Delhi;
12 December, 2014
21Agrahayana 1936(Saka)**

**Pinaki Misra,
Chairperson
Standing Committee
on Urban Development**

APPENDIX-I
STANDING COMMITTEE ON URBAN DEVELOPMENT (2014-2015)

**MINUTES OF THE SECOND SITTING OF THE COMMITTEE HELD ON
THURSDAY, 25TH SEPTEMBER, 2014**

The Committee sat on Thursday, the 25th September, 2014 from 1400 hrs. to 1700 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Pinaki Misra - Chairperson

MEMBERS

LOK SABHA

2. Shri Rajendra Agrawal
3. Shri Maheish Girri
4. Shri R.Gopalakrishnan
5. Shri Choudhury Mohan Jatua
6. Shri P.C. Mohan
7. Shri Kesineni Nani
8. Shri K. Parasuraman
9. Shri Kapil Moreshwar Patil
10. Shri Rahul Ramesh Shewale
11. Prof. K. V. Thomas

RAJYA SABHA

12. Shrimati Vandana Chavan
13. Shri Husain Dalwai
14. Md. Nadimul Haque
15. Shri Rangasayee Ramakrishna
16. Shri C.P. Thakur
17. Shri S.Thangavelu

SECRETARIAT

- | | | | |
|----|----------------------|---|------------------|
| 1. | Shri R.K. Jain | - | Joint Secretary |
| 2. | Shri D.S. Malha | - | Director |
| 3. | Smt. J.M. Sinha | - | Deputy Secretary |
| 4. | Smt. K. Rangamani N. | - | Under Secretary |

LIST OF WITNESSES

- | | | |
|-----|-----------------------------|------------------------------|
| 1. | Ms. Anita Agnihotry | Secretary (HUPA) |
| 2. | Shri Sanjeev Kumar | Joint Secretary |
| 3. | Shri K.B. S. Sidhu | Joint Secretary |
| 4. | Shri B.K. Aggarwal | Joint Secretary |
| 5. | Shri S.K. Tewari | Economic Adviser |
| 6. | Shri Pradeep Kumar Berwah | Chief Controller of Accounts |
| 7. | Shri S.B. Sinha | Director |
| 8. | Smt. Alka Selot Asthana | Director |
| 9. | Shri Premjit lal | Director |
| 10. | Shri Animesh Bharti | Director |
| 11. | Dr.M. Ravi Kanth | Chairman & MD (HUDCO) |
| 12. | Shri Rajesh Goel | Chairman & MD (HPL) |
| 13. | Shri Shailesh Kumar Agrawal | Executive Director, BMTPC |
| 14. | Shri Akhilesh Kumar | EEO, CGEWHO |
| 15. | Sh. V.P. Sharma | Consultant |

2. At the outset, the Hon'ble Chairperson welcomed all the Members to the second sitting of the Committee. Then Hon'ble Chairperson welcomed the representatives of the Ministry of Housing and Urban Poverty Alleviation and drew their attention towards Direction 59(1) of the Directions by the Speaker.

3. The Secretary of the Ministry then made a presentation on overall demands of the Ministry, various on-going projects and explained in detail on the status of the projects and the budgetary allocation made towards implementation of various schemes and projects, Viz JNNURM, RAY, NULM, RRY, Affordable Housing, Protection of Street Vendors.

Members of the Committee expressed their views on the components/issues concerning Demands for Grants (2014-15) of the Ministry of Housing and Urban Poverty Alleviation and funding of various Centrally Sponsored Schemes. The main concerns raised by the Members and Chairperson were mainly regarding Housing for all by 2022; new economically and environmently friendly technologies for constructions of homes, National Urban livelihood Mission; provision of Night Shelters, provision for accommodations for displaced persons such as construction of dormitories, rental housing, making slum free cities; prevention of illegal encroachment; basic services to urban poor; speedy implementation of Street Vendors Act; enactment of the Real Estate Regulatory Bill, 2013 reported by the Standing Committee.

4. The Secretary of the Ministry of Housing and Urban Poverty Alleviation responded to the issues raised by the Members. The Committee directed the representatives of the Ministry to furnish written replies to the queries of the Members to the Lok Sabha Secretariat on which they could not respond during the meeting.

The witnesses then withdrew.

A verbatim record of the proceedings of the Sitting has been kept.

The Committee then adjourned.

APPENDIX-II

STANDING COMMITTEE ON URBAN DEVELOPMENT (2014-2015)

MINUTES OF THE FOURTH SITTING OF THE COMMITTEE HELD ON FRIDAY, 12 DECEMBER, 2014

The Committee sat from 1530 hrs. to 1630 hrs. in Committee Room 'C' Parliament House Annexe, New Delhi.

PRESENT

Shri Pinaki Misra - *Chairperson*

MEMBERS

LOK SABHA

2. **Shri Rajendra Agrawal**
3. **Shri Ram Charan Bohra**
4. **Shri Dushyant Chautala**
5. **Shri Maheish Girri**
6. **Smt. Meenakshi Lekhi**
7. **Shri Kapil Moreshwar Patil**
8. **Shri Rahul Ramesh Shewale**
9. **Shri Parvesh Sahib Singh Verma**
10. **Dr. Dharam Vira**

RAJYA SABHA

11. **Shri Rangasayee Ramakrishna**
12. **Shri Khekiho Zhimomi**

SECRETARIAT

1. **Shri R.K. Jain** - Joint Secretary
2. **Shri D.S. Malha** - Director
3. **Smt. J. M. Sinha** - Additional Director
4. **Smt. K. Rangamani N.** - Under Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the draft Reports on (i) Demands for Grants (2014-15) of the Ministry of Urban Development (ii) Demands for Grants (2014-15) of the Ministry of Housing & Urban Poverty Alleviation; and (iii) Action Taken Report on the observations/ recommendations contained in the Thirty- First Report of the Standing Committee on Urban Development (Fifteenth Lok Sabha) on “Functioning of Delhi Development Authority (DDA) particularly with reference to affordable houses in Delhi and its role in regularization of unauthorized colonies in Delhi and matters connected thereto” one by one. After deliberations, the Committee adopted all the reports unanimously without any change.

3. **** **** **** **** ****

4. The Committee then authorised the Chairperson to present the reports to both the Houses of Parliament.

The Committee then adjourned.

**** This portion of the Minutes does not relate to the Report.