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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)**

(Action Taken by the Government on the Recommendations contained in the Second Report (Sixteenth Lok Sabha) of the Standing Committee on Urban Development on Demands for Grants (2014-2015)) of the Ministry of Housing and Urban Poverty Alleviation)

FOURTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

10 April ,2015/ 20 Chaitra,1937 (Saka)

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(SIXTEENTH LOK SABHA)

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Presented to Lok Sabha on 27.4.2015

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LOK SABHA SECRETARIAT

NEW DELHI

10 April, 2015/20 Chaitra, 1937 (Saka)

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

Shri Pinaki Misra - *Chairperson*

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4. **Shri Ram Charan Bohra**
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- | | | | |
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| 2. | Shri D.S Malha | - | Director |
| 3. | Smt. J.M. Sinha | - | Additional Director |
| 4. | Smt. K. Rangamani N. | - | Under Secretary |

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INTRODUCTION

I, the Chairperson of the Standing Committee on Urban Development (2014-2015) having been authorized by the Committee to submit the Report on their behalf, present the Fourth Report (16th Lok Sabha) on the action taken by the Government on the recommendations contained in the Second Report (16th Lok Sabha) of the Standing Committee on Urban Development on "Demands for Grants (2014-2015) " of the Ministry of Housing and Urban Poverty Alleviation.

2. The Second Report was presented to Lok Sabha on 18.12.2015. Replies of the Government to all the recommendations contained in the Report were received in March, 2015.

3. The Standing Committee on Urban Development considered and adopted this Report at their sitting held on 10th April, 2015.

4. An analysis of the action taken by the Government on the recommendations contained in the Second Report (Sixteenth Lok Sabha) of the Committee is given at Annexure-II.

5. For the facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in bold letters in the body of the Report.

NEW DELHI;

10 April, 2015
20Chaitra, 1937 (Saka)

PINAKI MISRA
Chairperson,
Standing Committee on Urban Development

(iv)

CHAPTER-I

REPORT

This Report of the Standing Committee on Urban Development (2014-15) deals with the action taken by the Government on the recommendations contained in their Second Report (Sixteenth Lok Sabha) on Demands for Grants (2014-15) of the Ministry of Housing and Urban Poverty Alleviation which was presented to Lok Sabha on 18 December, 2014.

1.2 Action Taken Notes have been received from the Government in respect of all 20 recommendations contained in the Report. These have been categorized as follows:

(i) Recommendations /Observations, which have been accepted by the Government. (Chapter-II):

Recommendation serial Nos. 3, 5, 8A, 8C,9, 11,12,13, 14,15,16,17 (Total -12)
(Chapter-II)

(ii) Recommendations /Observations, which the Committee do not desire to pursue in view of Government's replies. (Chapter-III):

Recommendation serial No. (Total -Nil)
(Chapter-III)

(iii) Recommendations /Observations, in respect of which replies of Government have not been accepted by the Committee (Chapter-IV):

Recommendation serial Nos.1, 2, 4,6,7, 8B,8D,10 (Total -08)
(Chapter-IV)

(iv) Recommendations/Observations, in respect of which final replies of the Government are, still awaited (Chapter-V):

(Total -Nil)
(Chapter-V)

1.3 The Committee desire that specific replies to the comments contained in Chapter-I of this Report may be furnished to them at the earliest and in any case, not later than three months of the presentation of this Report.

1.4 The Committee will now deal with the action taken by the Government on some of their recommendations in the succeeding paragraphs.

RECOMMENDATION (SERIAL NO. 1)

UNDER UTILIZATION OF FUNDS

1.5 The Committee had recommended as under:

"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 utilize 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."

1.6 In its Action Taken Reply, the Ministry has stated as follows:

"Ministry has made all out efforts to utilize the budget allocation made available to it. It has expedited the process of fund release to states and cities. However Progress under Basic Services to the Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) components of Jawaharlal Nehru National Urban Renewal Mission (JNNURM)

is constrained because of the fact that these projects had been approved in the XIth plan and because of subsequent cost escalations, State Govt./ Cities are facing extreme difficulties in completing such projects. Ministry has been pursuing these projects very closely with States / Cities for completion and is also persuading State Govts. to enhance their share in the project. It is submitted that implementation of projects is entirely within the purview of State Govts / cities. Ministry assists the States/Cities by extending financial assistance under its scheme and in facilitating experience sharing, best practices dissemination."

1.7 The Committee note that there was huge jump in the budgetary allocation during the financial year 2014-15 due to transfer of ACA funds of RAY & JNNURM in the Demands of the Ministry of Housing & Urban Poverty Alleviation in accordance with the instructions of Planning Commission. Keeping in view the proposed ambitious schemes like creation of 100 Smart Cities, providing Housing for all by 2022, the Committee had recommended that the Ministry should make all out efforts to utilize its budget allocation after removing all bottlenecks that come in the way and to allocate adequately so that the ambitious schemes should not face any fund starvation. The Committee had further stated that funding pattern of JNNURM & RAY should be supported by an in-built mechanisms for their greater implementation.

However, the Committee are constrained to observe that the Ministry could not utilize the allocation because under BSUP & IHSDP components of JNNURM – State Govt./ cities were facing extreme difficulties in completing such projects because of cost escalation. Although the Ministry had expedited the process of fund release to States & Cities and facilitated the sharing of experience & best practices, the desired result could not yield. The Committee agree with the submission of the Ministry that implementation of projects is entirely within the purview of the State Govt. But at the same time the Committee strongly feel that by simply leaving it to the State Governments situation will never improve. Therefore the Committee strongly desire that the Centre should extend hundred percent financial support in case of cost escalation to the States which are not financially sound and ensure completion of the projects within a time-bound manner. Then only the Ministry can achieve the physical targets of its ambitious projects.

RECOMMENDATION (SERIAL NO. 2)

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

1.8 The Committee had recommended as under:

"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 installments, 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."

1.9 In its Action Taken Reply, the Ministry has stated as follows:

"A Central Sector Scheme titled "Credit Linked Subsidy Scheme" (CLSS) as a subcomponent of the "Housing for All" Scheme has been considered by the Cabinet and it is under finalization."

1.10 The implementing agencies for RRY like NHB & HUDCO have not reported any progress because of certain difficulties. In order to extend easy credit facilities to Urban poor for construction of houses, the Committee had recommended for adopting better implementation strategy under Rajiv Rinn Yojana/ Gruh Hamara Awas Rinn Scheme (GHAR Scheme). However, the Committee are constrained to note that instead of adopting any corrective measures, dedicated timeline in order to achieve the target, the Ministry is simply changing the nomenclature of the scheme like from Interest subsidy scheme for Housing the Urban Poor, then Rajiv Rinn Yojana, then GHAR and presently a Central Sector Scheme titled Credit Linked Subsidy Scheme (CLSS) as a sub-component of the "Housing for All" scheme has been considered by the Cabinet and it is under finalization.

The Committee do not approve this casual approach of the Ministry for this important sector. Therefore, they strongly desire the Ministry to adopt a positive approach to overcome the difficulties and achieve hundred percent target.

RECOMMENDATION (SERIAL NO. 4)

Relocation of slum/ slum development

1.11 The Committee had recommended as under:

"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."

1.12 In its Action Taken Reply, the Ministry has stated as follows:

"With respect to the recommendation regarding ensuring livelihood of slum dwellers till they are rehabilitated in new dwellings, it is submitted that it is for the State Government to plan and ensure livelihood linkage to the slum dwellers under relocation. The Ministry through its schemes suggest "in situ" redevelopment as the priority option to ensure minimal disruption to the livelihood. If such "in situ" redevelopment is not possible, then only State/city should consider relocation in consultation with slum dwellers. In such cases, State Government can also use our National Urban Livelihoods Mission (NULM) for providing livelihood linkage.

The Ministry also respectfully submits that it is the responsibility of the State Government to de-notify the slum after its redevelopment and guidelines of our scheme recommends de-notification after redevelopment."

1.13 With regard to relocation of slum/ slum development, though the Committee agree that it is the responsibility of the State Government to plan and ensure livelihood linkage to the slum dwellers under relocation, yet the Committee would like to impress upon the Central Government that it is their duty as well to ensure livelihood of slum dwellers throughout the country. The Committee, therefore, reiterate their earlier recommendation in this regard to ensure livelihood as well as monitoring of de-notification of slum after their redevelopment.

RECOMMENDATION (SERIAL NO. 5)

Rental Housing

1.14 The Committee had recommended as under:

"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 destitute. 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 destitute 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 organizations and corporate organizations 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."

1.15 In its Action Taken Reply, the Ministry has stated as follows:

"As part of new Mission, Ministry of Housing & Urban Poverty Alleviation will request Department of Industrial Policy and Promotion (DIPP) to impress industries to make provision for accommodation facilities for their employees through rental housing or Rent to own schemes. Ministry of Labour and State Governments will also be requested to build rental housing stock under their welfare funds. Such stock of housing created by the corporate would be rented to new employees who do not have their own houses in the city. Ministry of Corporate Affairs will also be requested to include 'housing for their employees' as one of the activities under the corporate social responsibilities.

Ministry is in the process of formulation of a revised National Urban Housing and Habitat Policy which will include rental housing policy as an integral component. "

1.16 The Committee note that the Ministry of Housing and Urban Poverty Alleviation is in the process of formulation of a revised National Housing and Habitat Policy which will include rental housing policy as an integral component. The Ministry will request the Department of Industrial Policy and Promotion (DIPP), Ministry of Labour, Ministry of Corporate Affairs and State Governments to make provision for accommodation facilities for the employees of industries, Corporate offices to make provision for accommodation facilities for their employees though rental housing or rent to own scheme. The Committee desire the Ministry to expedite the same without any loss of time and apprise the Committee about the steps taken in this regard.

RECOMMENDATION (SERIAL NO. 6)

Affordable Housing Partnership (AHP) Scheme

1.17 The Committee had recommended as under:

"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."

1.18 In its Action Taken Reply, the Ministry has stated as follows:

"Out of total 25407 DUs approved under AHP, 1899 DUs were those which had not started at the time of submission of information to the Standing Committee. Construction of these 1899 DUs have now started. Additionally 3 projects of Gujarat have been approved in November 2014 for construction of 3669 houses under the scheme.

The implementation and execution of the projects is entirely the responsibility of the State Government and its implementing agencies. It is pertinent to mention here that these are all multi-storeyed buildings and after approval to the project, start of projects involve invitation of bids for consideration, land development and concurrent activities. Ministry, however, persuade State Government and its agencies to expedite the process of implementation of these projects in a time-bound manner."

1.19 The Committee note that out of 25407 DUs approved under AHP on 3 September, 2013, 4628 DUs have been completed and construction of 13495 DUs were under progress as per information provided to them during October 2014. Construction of 1899 DUs have started now. Additionally 3 projects of Gujarat have been approved in November, 2014 for construction of 3669 houses under the scheme. In total, construction of 5844 DUs are going on and construction of 3669 DUs are yet to be started against the sanctioned units of 25407. The total of completed and ongoing units are 24141.

Still there is a shortage of 266 DUs. From the above analysis, the Committee draw the conclusion that their recommendation for not to carry forward the spill over DUs of AHP to the new mission cannot be implemented in true sense. Therefore, the Committee wish to recommend that the Ministry should seriously monitor the ongoing projects for their timely completion and expedite the process of finalisation of bids for construction of 3669 houses, land development and other concurrent activities and apprise the Committee within three months of presentation of this report.

RECOMMENDATION (SERIAL NO. 7)

Spill-over projects under BSUP and IHSDP

1.20 The Committee had recommended as under:

"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."

1.21 In its Action Taken Reply, the Ministry has stated as follows:

"Housing is a state subject and accordingly, the implementation/ execution of the projects under BSUP and IHSDP components of JNNURM Scheme is vested with the State Government and its implementing agencies. Ministry's role is limited to financing their projects as per policy decision under the schemes and in providing technical guidance, experience sharing and dissemination of best practices.

The review meetings undertaken at various levels revealed that projects were getting delayed due to various reasons, primarily being cost escalation, reluctance of slum dwellers to shift prior to in-situ development of projects and availability of unencumbered land. To correct the process, Ministry has frozen its share in the projects at the level of sanctioned costs and states have been advised to meet cost escalation from this end and complete the projects. State Governments have also been asked to allot/ arrange encumbrance free land for the approved project and in cases where adequate land is not available, to either curtail the dwelling units or not to start the project. Ministry has also curtailed almost 2 lakh DUs which were yet to commence despite the fact that these were sanctioned long back and their completion was not found feasible given limited availability of time and associated cost overrun. All efforts are being made to pursue State Governments to complete the DUs which are under progress within the available time line limits."

1.22 In their 2nd Report, the Committee had desired that the extended period of JNNURM 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 and the spill over projects are completed without any further delay. However, to the utmost surprise, the Committee note that the Ministry has curtailed almost 2 lakhs sanctioned Dwelling Units, which were yet to commence. This defeats the very purpose of extending the period by two years for completion of the projects under JNNURM. The components under JNNURM are languishing all over India. The projects were getting delayed due to various reasons, primarily being cost escalation, reluctance of slum dwellers to shift prior to in-situ development of projects and availability of un-encumbered land. The Committee agree with the Ministry's submission that housing is a State subject and the implementation execution of the projects of JNNURM is vested with the State Government and its implementing agencies. However, keeping in mind the constraints being faced by the State Governments to bear the cost escalation of the projects, the Committee strongly desire that the Ministry should extend hundred percent financial support to the backward States and ensure completion of the projects within a time-bound manner.

RECOMMENDATION (SERIAL NO. 8B)

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

1.23 The Committee had recommended as under:

"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 Information Education Communication (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."

1.24 In its Action Taken Reply, the Ministry has stated as follows:

"State Urban Livelihood Missions (SULMs) are required to identify the trades for training under EST&P as per local demand of the various industries. The SULMs shall be requested to strengthen then the focus on the construction sector."

1.25 The Committee are at dismal to note the reply of the Ministry that State Urban Livelihood Missions (SULMs) are required to identify the trades for training under EST&P as per local demand of the various industries. In view of the Committee, Central Ministry should take the onus of identifying the trades for the training under EST&P as per local demands and help the SULMs in this regard by bringing out one detailed information of various trades including construction sector in which training can be provided by SULMs.

RECOMMENDATION (SERIAL NO. 8D)

Skill Training and Placement (EST&P) under NULM

1.26 The Committee had recommended as under:

"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."

1.27 In its Action Taken Reply, the Ministry has stated as follows:

"As per the EST&P Guidelines issued by the Ministry, Para 3. Cost & Payment Norms states the following – *'The training cost will include cost of candidate mobilization, curriculum design, trainer's fees, raw materials required for training, assessment & certification, placement linkage, MIS and post-placement tracking of the candidates'*. In addition, the para 5.4 – Post Training Tracking states that *'The STP shall be required to track the successful candidates for a period of 6 months.'*; thus the STP is required to track all the candidates who have successfully been trained under this component irrespective of the post placement status of the successful candidate. The EST&P guidelines mandate provision of placement or enterprise development support to minimum 50% successful candidates and this is not related to the tracking of successful candidates.

Tracking period has been kept 6 months with the anticipation that after 6 months the candidate will become self reliant."

1.28 In their reply, the Ministry have stated that tracking period by STP has been kept for a period of six months with the anticipation that after 6 months the candidate will become self reliant. However, the Committee are of the view that under currently prevailing circumstances of getting into a job or availing a loan of starting one's own business, majority of the trained candidates can't become self-reliant within such a short

period of six months. Therefore, the Committee once again strongly reiterate it's recommendation of enhancing the tracking period suitably.

RECOMMENDATION (SERIAL NO. 10)

Foreign Direct Investment (FDI)

1.29 The Committee had recommended as under:

"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."

1.30 In its Action Taken Reply, the Ministry has stated as follows:

"Department of Industrial Promotion and Policy (DIPP) under Ministry of Industry & Commerce issues guidelines for FDI. DIPP has recently reviewed the policy based on directives of the Cabinet Committee and issued Press Note No. 10 (2014 series) with relaxed floor area norms, minimum capital requirement and definition of affordable housing for automatic approval route, etc. The data on sector-wise FDI inflows in the Fact sheet, released by DIPP, which is not sufficient to analyze the real impact on the housing sector. The observations of the committee in this regard are noted."

1.31 The Ministry in their reply has stated that the data on sector wise FDI inflows in the fact sheet, released by DIPP, is not sufficient to analyze the real impact on the housing sector. The Committee, therefore, reiterate their earlier recommendation to conduct such study so that the real impact of FDI in housing especially with reference to housing for urban poor can be assessed. In this regard, they are of the view that if the

data by DIPP is not sufficient to analyze the real impact on housing sector, the Ministry can request the DIPP to collect the data exclusively on FDI in housing sector within a period of three months, so that the impact assessment can be done.

RECOMMENDATION (SERIAL NO. 13)

Central Government Employees Welfare Housing Organisation (CGEWHO)

1.32 The Committee had recommended as under:

"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"."

1.33 In its Action Taken Reply, the Ministry has stated as follows:

"In order to strengthen the working of CGEWHO in different States, CGEWHO has already taken up with Government of Andhra Pradesh and Government of Chhattisgarh to consider allotment of land for construction of affordable houses to the Central Government employees and other eligible categories in these cities."

1.34 While the Committee appreciate the initiative taken up by the Government with the State Governments of Andhra Pradesh and Chhattisgarh for allotment of land to CGEWHO, they desire that this initiative be taken up with all the states simultaneously and issue necessary instructions in this regard.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

RECOMMENDATION (SERIAL NO. 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/ up gradation 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 sensitize 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.

Reply of the Government

2.2 The preparatory phase of RAY envisaged preparation of Slum free City Plan of Action wherein each city was required to undertake data collection of all slums irrespective of land tenure, entry of data into MIS, GIS Mapping, GIS-MIS integration. Involvement of community has also been envisaged at all stages of the programme from planning through project formulation, implementation and post project operation and maintenance.

In order to expedite various preparatory activities and streamline the process of preparation of SFCPoAs, the Ministry has been reviewing the progress of all the preparatory activities at various levels through consultations, review meetings, workshops, video conferencing etc with the States/UTs intensively and hand holding in areas identified to expedite the process. Till date, 95 SFCPoAs have been prepared. Another 94 cities are at advance stages of preparation. The recommendation of the Standing Committee to take note of the difficulties in implementing RAY while designing new scheme has been accepted and the proposed new mission is being designed to provide flexibility to the States for expediting the implementation. It is submitted that Ministry is in the process of launching new Mission.

RECOMMENDATION (SERIAL NO. 5)

Rental Housing

2.3 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 destitute. 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 destitute 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 organizations and corporate organizations 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.

Reply of the Government

2.4 As part of new Mission, Ministry of Housing & Urban Poverty Alleviation will request Department of Industrial Policy and Promotion (DIPP) to impress industries to make provision for accommodation facilities for their employees through rental housing or Rent to own schemes. Ministry of Labour and State Governments will also be requested to build rental housing stock under their welfare funds. Such stock of housing created by the corporate would be rented to new employees who do not have their own houses in the city. Ministry of Corporate Affairs will also be requested to include 'housing for their employees' as one of the activities under the corporate social responsibilities.

Ministry is in the process of formulation of a revised National Urban Housing and Habitat Policy which will include rental housing policy as an integral component. "

RECOMMENDATION (SERIAL NO. 8A)

BUDGETARY ALLOCATION FOR NATIONAL URBAN LIVELIHOOD MISSION (NULM)

2.5 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.

Reply of the Government

2.6 For the current FY 2014-15, an amount of Rs.1003.00 crore has been allocated for NULM Scheme. During the current FY 2014-15, Rs. 506.37 crore have already been released as on December 31, 2014. Efforts are on to utilize the allocated funds for NULM. Regular reviews of the States/UTs are being held by the Ministry officials, by visiting the states, holding Video Conferences with the Secretaries/Mission Directors/Nodal State officers. Regional and State-level Workshops are being organized which are attended by the ULB level officials, representative from SLBC Convener Bank, NRLM, NABARD and other concerned Stakeholders from the States for resolving the issues being faced at the grass root level. Regular monitoring is also being done through Monthly Progress Reports which are submitted by the States/UTs to the Ministry. For effective monitoring on implementation of National Urban Livelihoods Mission (NULM) in States/UTs, computer based MIS has also been designed and developed.

RECOMMENDATION (SERIAL NO. 8C)

GOVERNING COUNCIL OF NULM

2.7 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.

Reply of the Government

2.8 As per the NULM mission document, NULM will have a Governing Council (GC) chaired by the Minister for Housing & Urban Poverty Alleviation which will be the policy-making body setting overall vision and providing direction to the Mission, consistent with the national objectives. However the Executive Committee (EC), which will be constituted under the chairpersonship of Secretary, HUPA, GoI, will oversee the activities of the Mission and monitor progress.

State level Executive Committees have been constituted by 25 States and 3 UTs. Governing Councils have been constituted by 12 States. For reviewing the activities of the Mission, an Executive Committees meeting was recently held on the 29th of December 2014 under the Chairpersonship of Secretary (HUPA). Meeting of the Governing Council at the Central level would also be convened shortly.

RECOMMENDATION (SERIAL NO. 9)

STUDY ON IMPACT OF INVESTMENT IN THE HOUSING SECTOR ON GDP AND EMPLOYMENT IN THE INDIAN ECONOMY

2.9 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.

Reply of the Government

2.10 The Ministry, has requested the Ministry of Finance to include affordable housing in the harmonized master list of infrastructure sub sector. This request is based on the recommendation of a study on “Impact of investment in housing sector on GDP and employment in Indian economy”.

State Urban Livelihood Missions (SULMs) are required to identify the trades for training under EST&P as per local demand of the various industries. The SULMs shall be requested to increase the focus on the housing sector as mentioned above.

RECOMMENDATION (SERIAL NO. 11)

Real Estate and Regulatory Authority (RERA) Bill

2.11 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 finalize 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.

Reply of the Government

2.12 Based on the recommendation of Parliament Standing Committee and consultation with stake holders, the Ministry of Housing & Urban Poverty Alleviation had submitted the Note for Cabinet, with official amendments proposed to the Real Estate (Regulation and Development) Bill, 2013 for seeking the approval of Union Cabinet. The Union Cabinet after considering the matter on 17th December 2014 has deferred the proposed official amendments to the Bill. The cabinet note is being resubmitted for consideration of the Cabinet after incorporating the views received in this regard.

RECOMMENDATION (SERIAL NO. 12)

Building Materials and Technology Promotion Council (BMTPC)

2.13 The Committee observe that the BMTPC mainly endeavors 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, up scaling 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 organization 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.

Reply of the Government

2.14 BMTPC prepares its action plan every year to take up various activities viz building material and housing technology development, evaluation and project appraisal, publications, seminars/conferences/training for awareness creation etc. Based on the action plan, funding requirements are ascertained. Various activities of the BMTPC are funded through grant-in-aid and own revenue generated by the BMTPC. The budgetary support for the BMTPC will be rationalized depending upon its annual action plan.

The methods and processes of construction of housing in the real estate/construction sector are governed by Development Control Rules and Building Byelaws of respective state or Development Authorities. All Government/Non-Government construction agencies generally follow standards prescribed by Bureau of Indian Standards (BIS). The BIS, the National Standards Body of India is a statutory organization under the Bureau of Indian Standards Act, 1986 in all matters concerning Standardization, Certification and Quality. The Ministry will request the BIS to incorporate the standards/specifications of affordable housing in the new National Building Code.

RECOMMENDATION (SERIAL NO. 14)

Urban Statistics for HR and Assessment Scheme (USHA)

2.15 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."

Reply of the Government

2.16 A. National Building organization's primary function is to provide required urban data to the Ministry of Housing and Urban Poverty Alleviation on housing, buildings construction, slum development, urban poverty alleviation and related activities in the context of the fast changing socio-economic developments and also to ensure that the schemes of the Ministry of Housing & Urban Poverty Alleviation (Mo HUPA) are supported with appropriate database sources, MIS and knowledge inputs.

B. In order to support and strengthen NBO's activities on housing and buildings data collection, an amount of Rs.17.38 crore has been released as grants-in-aid during the financial year 2014-15 to Directorate of Economics and Statistics (DES) of various States/UTs for undertaking activities connected with collection, collation, compilation and online transmission of housing and building construction related data to NBO under USHA Scheme which is now part of the capacity building component of RAY. NBO does not have field unit or any state level formation for collecting primary data and therefore, it becomes necessary to take the active support from the DES of states/ UTs by providing financial support to strengthen DES in their data collection activities.

C. Grant-in-Aid have been released to state Governments/UTs for collection of the following statistics during the year 2014-15:

- (i) Building Permit for New Residential Units
- (ii) Number of Building Permits and Completion Certificates Issued
- (iii) Building Material Price
- (iv) Wages of Building Construction Labour
- (v) Format Schedule for information on dilapidated/dangerous and unauthorized construction
- (vi) Residential Housing Property Circle Rates
- (vii) Residential Housing Property Market Rates
- (viii) Residential Housing Property Rental Rates

D. In this connection it may be mentioned that on account of persistent efforts on the part of the NBO, 16 states have appointed nodal officers responsible for collection and online transmission of this statistics to NBO. Further, data is being received from selected cities of 14 states for building permits and Completion Certificates issued, 12 states for building material prices, 9 states for wages of labour and 5 states for building permits for new residential unit. Necessary action is being taken to bring all states/UTs on board at the earliest.

E. The Ministry of Housing and Urban Poverty Alleviation is in the process of constituting an Advisory Committee to review activities carried out by NBO and ways and means of strengthening its current data collection mechanism in order to meet the data requirement for the schemes of MoHUPA.

F. As regards providing additional manpower to NBO, the concerned carder controlling authorities are constantly being reminded to fill the vacant posts in NBO urgently. Meanwhile, Consultants are hired to undertake activities requiring additional manpower.

RECOMMENDATION (SERIAL NO. 15)

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

2.17 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.

Reply of the Government

2.18 The Committee's observations have been noted.

RECOMMENDATION (SERIAL NO. 16)

NATIONAL SCHEME FOR SUPPORT TO STREET VENDORS

2.19 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.

Reply of the Government

2.20 The Ministry has been following up regularly with States on framing of scheme and rules under the Street Vendors Act, 2014. It has been brought to our attentions that some States like Maharashtra, Punjab, Andhra Pradesh, Delhi, Karnataka, Tamil Nadu etc, are at an advanced stage of drafting Scheme and/ or Rules under the Act. Government of NCT of Delhi has notified the rules for the Street Vendors Act, 2014, and is in the process of framing the Scheme. To help the States in this process, Ministry has assigned the work of frame Model Rules & Scheme to AILSG, Mumbai. The Model Rules & Scheme will be circulated to all the States/UTs, so that they frame their Rules & Scheme expeditiously.

RECOMMENDATION (SERIAL NO. 17)

HINDUSTAN PREFAB LIMITED (HPL)

2.21 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.

Reply of the Government

2.21 HPL would organize few stakeholders' interactions and seminars during the next financial year to create awareness about prefabrication technology, towards which appropriate parameters have also been proposed in the MOU for the year 2015-16. HPL is also working with Bureau of Indian Standards to include this technology in their Codes which shall further help in increasing the use of prefabrication technology. Further, HPL has entered into an MOU with Construction Industry Development Council (CIDC) and would jointly work for promotion of the prefab sector. HPL would also take all supportive actions in close association with Building Materials and Technology Promotion Council (BMTPC) an autonomous organization under the Ministry for development of low cost technology in Housing. Efforts will be made to bring necessary changes in schedule of rates by consulting with the Government construction agencies.

CHAPTER III

**RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW
OF THE REPLIES OF THE GOVERNMENT**

Nil

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

RECOMMENDATION (SERIAL NO. 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 utilize 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."

Reply of the Government

4.2 Ministry has made all efforts to utilize the budget allocation made available to it. It has expedited the process of fund release to states and cities. However Progress under Basic Services to the Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) components of Jawaharlal Nehru National Urban Renewal Mission (JNNURM), however, is constrained because of the fact that these projects had been approved in the XIth plan and because of subsequent cost escalations, State Govt./ Cities are facing extreme difficulties in completing such projects. Ministry has been pursuing these projects very closely with States / Cities for completion and is also persuading State Govts. to enhance their share in

the project. It is submitted that implementation of projects is entirely within the purview of State Govts / cities. Ministry assists the States/Cities them by extending financial assistance under its scheme and in facilitating experience sharing, best practices dissemination.

4.3 For comments of the Committee please see Paragraph No.1.7 of Chapter-I of the Report.

RECOMMENDATION (SERIAL NO. 2)

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

4.4 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:

- (x) General reluctance on part of Banks particularly and HFCs to lend to the target beneficiaries with informal income and informal titles
- (xi) State Government and ULBs were unable to fully appreciate and communicate the financial benefits accrued to the beneficiaries under the scheme
- (xii) Beneficiaries could not appreciate the financial benefits accrued through reduced EMIs
- (xiii) Not enough push to the Primary Lending Institutions (PLIs) by the Central Nodal Agencies
- (xiv) State Level Banking Committees (SLBCs) have not allocated the targets to the Banks (thus far only 6 SLBCs have allocated the targets to Banks)
- (xv) Lack of developers in creation of low ticket housing in the market
- (xvi) Lack of financial inclusion of the urban poor
- (xvii) Lack of clarity in the PLIs about the Scheme
- (xviii) 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

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.

Reply of the Government

4.5 A Central Sector Scheme titled "Credit Linked Subsidy Scheme" (CLSS) as a subcomponent of the "Housing for All" Scheme has been considered by the Cabinet and it is under finalization.

4.6 For comments of the Committee please see Paragraph No.1.10 of Chapter-I of the Report.

RECOMMENDATION (SERIAL NO. 4)

Relocation of slum/ slum development

4.7 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.

Reply of the Government

4.8 With respect to the recommendation regarding ensuring livelihood of slum dwellers till they are rehabilitated in new dwellings, it is submitted that it is for the State Government to plan and ensure livelihood linkage to the slum dwellers under relocation. The Ministry through its schemes suggest "in situ" redevelopment as the priority option to ensure minimal disruption to the livelihood. If such "in situ" redevelopment is not possible, then only State/city should consider relocation in consultation with slum dwellers. In such cases, State Government can also use our National Urban Livelihoods Mission (NULM) for providing livelihood linkage.

The Ministry also respectfully submits that it is the responsibility of the State Government to de-notify the slum after its redevelopment and guidelines of our scheme recommends de-notification after redevelopment.

4.9 For comments of the Committee please see Paragraph No. 1.13 of Chapter-I of the Report.

RECOMMENDATION (SERIAL NO. 5)

Rental Housing

4.10 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 destitute. 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 destitute 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 organizations and corporate organizations 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.

Reply of the Government

4.11 As part of new Mission, Ministry of Housing & Urban Poverty Alleviation will request Department of Industrial Policy and Promotion (DIPP) to impress industries to make provision for accommodation facilities for their employees through rental housing or Rent to own schemes. Ministry of Labour and State Governments will also be requested to build rental housing stock under their welfare funds. Such stock of housing created by the corporate would be rented to new employees who do not have their own houses in the city. Ministry of Corporate Affairs will also be requested to include 'housing for their employees' as one of the activities under the corporate social responsibilities.

Ministry is in the process of formulation of a revised National Urban Housing and Habitat Policy which will include rental housing policy as an integral component.

4.12 For comments of the Committee please see Paragraph No.1.16 of Chapter-I of the Report.

RECOMMENDATION (SERIAL NO. 6)

Affordable Housing Partnership (AHP) Scheme

4.13 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.

Reply of the Government

4.14 Out of total 25407 DUs approved under AHP, 1899 DUs were those which had not started at the time of submission of information to the Standing Committee. Construction of these 1899 DUs have now started. Additionally 3 projects of Gujarat have been approved in November 2014 for construction of 3669 houses under the scheme.

The implementation and execution of the projects is entirely the responsibility of the State Government and its implementing agencies. It is pertinent to mention here that these are all multi-storeyed buildings and after approval to the project, start of projects involve invitation of bids for consideration, land development and concurrent activities. Ministry, however, persuade State Government and its agencies to expedite the process of implementation of these projects in a time-bound manner.

4.15 For comments of the Committee please see Paragraph No. 1.19 of Chapter-I of the Report.

RECOMMENDATION (SERIAL NO. 7)

Spill-over projects under BSUP and IHSDP

4.16 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.

Reply of the Government

4.17 Housing is a state subject and accordingly, the implementation/ execution of the projects under BSUP and IHSDP components of JNNURM Scheme is vested with the State Government and its implementing agencies. Ministry's role is limited to financing their projects as per policy decision under the schemes and in providing technical guidance, experience sharing and dissemination of best practices.

The review meetings undertaken at various levels revealed that projects were getting delayed due to various reasons, primarily being cost escalation, reluctance of slum dwellers to shift prior to in-situ development of projects and availability of unencumbered land. To correct the process, Ministry has frozen its share in the projects at the level of sanctioned costs and states have been advised to meet cost escalation from this end and complete the projects. State Governments have also been asked to allot/ arrange encumbrance free land for the approved project and in cases where adequate land is not available, to either curtail the dwelling units or not to start the project. Ministry has also curtailed almost 2 lakh DUs which were yet to commence despite the fact that these were sanctioned long back and their completion was not found feasible given limited availability of time and associated cost overrun. All efforts are being made to pursue State Governments to complete the DUs which are under progress within the available time line limits."

4.18 For comments of the Committee please see Paragraph No.1.22 of Chapter-I of the Report.

RECOMMENDATION (SERIAL NO. 8B)

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

4.19 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.

Reply of the Government

4.20 State Urban Livelihood Missions (SULMs) are required to identify the trades for training under EST&P as per local demand of the various industries. The SULMs shall be requested to strengthen then the focus on the construction sector.

4.18 For comments of the Committee please see Paragraph No.1.25 of Chapter-I of the Report.

RECOMMENDATION (SERIAL NO. 8D)

Skill Training and Placement (EST&P) under NULM

4.19 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.

Reply of the Government

4.20 As per the EST&P Guidelines issued by the Ministry, Para 3. Cost & Payment Norms states the following – *‘The training cost will include cost of candidate mobilization, curriculum design, trainer’s fees, raw materials required for training, assessment & certification, placement linkage, MIS and post-placement tracking of the candidates’*. In addition, the para 5.4 – Post Training Tracking states that *‘The STP shall be required to track the successful candidates for a period of 6 months.’*; thus the STP is required to track all the candidates who have successfully been trained under this component irrespective of the post placement status of the successful candidate. The EST&P guidelines mandate provision of placement or enterprise development support to minimum 50% successful candidates and this is not related to the tracking of successful candidates.

Tracking period has been kept 6 months with the anticipation that after 6 months the candidate will become self reliant.

4.21 For comments of the Committee please see Paragraph No.1.28 of Chapter-I of the Report.

RECOMMENDATION (SERIAL NO. 10)

Foreign Direct Investment (FDI)

4.22 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.

Reply of the Government

4.23 Department of Industrial Promotion and Policy (DIPP) under Ministry of Industry & Commerce issues guidelines for FDI. DIPP has recently reviewed the policy based on directives of the Cabinet Committee and issued Press Note No. 10 (2014 series) with relaxed floor area norms, minimum capital requirement and definition of affordable housing for automatic approval route, etc. The data on sector-wise FDI inflows in the Fact sheet, released by DIPP, which is not sufficient to analyze the real impact on the housing sector. The observations of the committee in this regard are noted.

4.24 For comments of the Committee please see Paragraph No.1.31 of Chapter-I of the Report.

RECOMMENDATION (SERIAL NO. 13)

Central Government Employees Welfare Housing Organisation (CGEWHO)

4.25 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”.

Reply of the Government

4.26 In order to strengthen the working of CGEWHO in different States, CGEWHO has already taken up with Government of Andhra Pradesh and Government of Chhattisgarh to consider allotment of land for construction of affordable houses to the Central Government employees and other eligible categories in these cities.

4.27 For comments of the Committee please see Paragraph No.1.34 of Chapter-I of the Report.

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT
ARE STILL AWAITED

Nil

NEW DELHI;

10 April, 2015
20 Chaitra 1937 (Saka)

Pinaki Misra
Chairperson,
Standing Committee on Urban Development

STANDING COMMITTEE ON URBAN DEVELOPMENT (2014-2015)

**MINUTES OF THE TENTH SITTING OF THE COMMITTEE HELD ON FRIDAY, 10TH APRIL,
2015**

The Committee sat from 1430 hrs. to 1600 hrs. in Committee Room 'B' Parliament House Annexe, New Delhi.

PRESENT

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 Maheish Girri

7. Shri R. Gopalakrishnan

8. Shri Chaudhary Mohan Jatua
9. Smt. Meenakashi Lekhi

10. Smt. Poonam Mahajan

11. Shri Kesineni Nani

12. Shri C.R. Patil

13. Shri Kapil Moreshwar Patil
14. Shri Rahul Ramesh Shewale
15. Dr. Dharam Vira

RAJYA SABHA

16. Shri Parvez Hashmi
17. Shri Mukul Roy
18. Shri Rangasayee Ramakrishna
19. Shri S. Thangavelu

SECRETARIAT

1. Shri D.S. Malha - Director
2. Smt. J. M. Sinha - Additional Director
3. 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 following draft Reports:-

(i) Draft Report on Action Taken by the Government on the observations/ recommendations contained in the 2nd Report on Demands for Grants (2014-15) of Ministry of Housing and Urban Poverty Alleviation;(ii) Draft Report on Demands for Grants (2015-16) of the Ministry of Urban Development; and (iii) Draft Report on Demands for Grants(2015-16) of the Ministry of Housing and Urban Poverty Alleviation.

3. After deliberations, the Committee adopted the Draft Report on Action Taken by the Government on the observations/ recommendations contained in the 2nd Report on Demands for Grants (2014-15) of Ministry of Housing and Urban Poverty Alleviation without any change. The Draft Report on Demands for Grants (2015-16) of the Ministry of Urban Development; and Draft Report on Demands for Grants(2015-16) of the Ministry of Housing and Urban Poverty Alleviation were adopted by the Committee with slight modifications.

4. The Committee then authorized the Chairperson to finalize the reports taking into consideration the consequential changes arising out of factual verification, if any, by the concerned Ministries and also to present the same to both the Houses of Parliament.

The Committee then adjourned.

[Vide para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/ OBSERVATIONS CONTAINED IN THE TWENTY FIFTH REPORT OF THE STANDING COMMITTEE ON URBANDEVELOPLMENT (FIFTEENTH LOK SABHA)

I.	Total number of recommendations	20
II.	Recommendations/Observations which have been accepted by the Government:	
	Recommendation Nos. 3, 5, 8A, 8C,9, 11,12,13, 14,15,16,17	
	Percentage to total recommendations	(60 %)
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies:	
	Recommendation Nos. Nil	
	Percentage to total recommendations	(0 %)
IV.	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee:	
	Recommendation Nos. 1, 2, 4,6,7, 8B,8D,10	
	Percentage to total recommendations	(40 %)
V.	Recommendations/Observations in respect of which final replies of the Government are still awaited:	
		-Nil-
	Percentage to total recommendations	(%)