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**STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT
(2003)**

THIRTEENTH LOK SABHA

FORTY-FIFTH REPORT

**MINISTRY OF URBAN DEVELOPMENT AND
POVERTY ALLEVIATION**

**(DEPARTMENT OF URBAN EMPLOYMENT AND
POVERTY ALLEVIATION)**

**DEMANDS FOR GRANTS
2003-2004**



Presented to Lok Sabha on 22.04.2003

Laid in Rajya Sabha on 22.04.2003

**LOK SABHA SECRETARIAT
NEW DELHI**

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**COMPOSITION OF THE STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT (2003)**

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41. Shri Man Mohan Samal
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43. Shri G.K. Vasan

SECRETARIAT

- | | | | |
|----|------------------------|---|----------------------|
| 1. | Shri P.D.T. Achary | - | Additional Secretary |
| 2. | Shri N.K. Sapra | - | Joint Secretary |
| 3. | Shri K. Chakraborty | - | Deputy Secretary |
| 4. | Shrimati Sudesh Luthra | - | Under Secretary |
| 5. | Shri N.S. Hooda | - | Under Secretary |

ABBREVIATIONS

ACA	-	Additional Central Assistance
BE	-	Budget Estimate
BMTPC	-	Building Material and Technology Promotion Council
BPL	-	Below Poverty Line
CBO	-	Community Based Organisation
DUs	-	Dwelling Units
DUDA	-	District Urban Development Agency
DWCUA	-	Development of Women and Children in Urban Areas
EWS	-	Economically Weaker Section
HFI	-	Housing Finance Institution
HPL	-	Hindustan Prefab Limited
HUDCO	-	Housing and Urban Development Corporation
IIPA	-	Indian Institute of Public Administration
LIG	-	Low Income Group
MIS	-	Management Information System
NGO	-	Non-Governmental Organisation
NHB	-	National Housing Bank
NP	-	Non Plan
NSDP	-	National Slum Development Programme
RE	-	Revised Estimate
SJSRY	-	Swarna Jayanti Shahari Rozgar Yojana
SUDA	-	State Urban Development Agency
UCs	-	Utilisation Certificates
UEPA	-	Urban Employment and Poverty Alleviation
UI	-	Urban Infrastructure
UNCHS	-	United Nations Centre for Human Settlements
UPA	-	Urban Poverty Alleviation
USEP	-	Urban Self Employment Programme
UTs	-	Union Territories
UWEP	-	Urban Wage Employment Programme

INTRODUCTION

I, the Chairman of the Standing Committee on Urban and Rural Development (2003) having been authorised by the Committee to submit the Report on their behalf, present the forty-fifth Report on Demands for Grants (2003-2004) of the Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation).

2. Demands for Grants have been examined by the Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation) on 25 March 2003.

4. The Committee considered and adopted the Report at their sitting held on 4 April 2003.

5. The Committee wish to express their thanks to the officials of the Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation) for placing before them the requisite material and their considered views in connection with the examination of the subject.

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

NEW DELHI;
10 April, 2003
20 Chaitra, 1925 (Saka)

CHANDRAKANT KHAIRE
Chairman,
Standing Committee on
Urban and Rural Development

Chapter-I

Introductory

1.1 The Ministry of Urban Development and Poverty Alleviation addresses the various issues of urban sector through policy, legislative guidance and Sectoral programmes. The Ministry has two Departments namely (i) Department of Urban Development and (ii) Department of Urban Employment and Poverty Alleviation. The Department of Urban Employment and Poverty Alleviation is entrusted with the responsibility of broad policy formulation and monitoring of programmes in the areas of housing and urban poverty alleviation. These are also essentially State subjects but this Department plays a co-ordinating and monitoring role and also support these programmes through Centrally Sponsored Schemes. Under its administrative control, the Department of Urban Employment and Poverty Alleviation has one Attached Office, two Public Sector Undertakings and three Statutory/Autonomous Bodies. The Business Allocation of the Department is given below:

- (i) Formulation of housing policy and programme (except rural housing), review of the implementation of the Plan schemes, collection and dissemination of data on housing, building materials and techniques, general measures for reduction of building costs and nodal responsibility for National Housing Policy;
- (ii) Human Settlements including the United Nations Commission for Human Settlements and International Cooperation and Technical Assistance in the field of Housing and Human Settlements;
- (iii) Slum Clearance Schemes and the Jhuggi and Jhonpri Removal Schemes. International Cooperation and Technical Assistance in this field;
- (iv) National Cooperative Housing Federation;
- (v) Implementation of the specific programmes of Urban Employment and Urban Poverty Alleviation including other programmes evolved from time to time; and
- (vi) All matters relating to the Housing and Urban Development Corporation (HUDCO) other than those relating to urban infrastructure.

1.2 The Department implements the above work through formulation of appropriate policies, implementation of specific Plan programmes of Housing and generation of employment in urban areas, and supporting autonomous bodies for undertaking relevant programmes and schemes.

A Draft National Slum Policy with the objective to strengthen the legal and policy framework to facilitate the process of slum development and improvement on a sustainable basis is under finalisation.

1.3 The Plan programmes implemented by the Department are – (i) Swarna Jayanti Shahari Rozgar Yojana (SJSRY); (ii) Valmiki Ambedkar Awas Yojana (VAMBAY), (iii) Night Shelter Scheme; (iv) Urban Indicators Programme; (v)

Building Centres; and (vi) Rehabilitation of displaced persons in West Bengal. During the year 2002-2003, the Department has set up a fund called 'Urban Reforms Incentive Fund (URIF) to provide reform linked assistance to States as part of the Central assistance to State Plan.

1.4 Budget of the Department of Urban Employment and Poverty Alleviation comprises of one Demand for Grants, i.e. Demand No. 101- Department of Urban Employment and Poverty Alleviation.

Chapter-II

Analysis of Demands for Grants (2003-2004)

Demand No.: 101

Department of Urban Employment and Poverty Alleviation

(Rs. in crore)

	Revenue	Capital	Total
Charged	-	-	-
Voted	355.10	286.89	641.99

2.2 The overall B.E. 2003-2004 is Rs. 641.99 crores (Gross) both plan and Non-Plan. The respective provisions on the Revenue and capital sides are Rs. 355.10 crores and Rs. 286.89 crores. The break-up of Plan and Non-Plan provision is Rs. 625.00 crores and Rs. 16.99 crores, respectively.

Major Head-wise break-up over the last five years showing the percentage variations is given in *Appendix-I*.

Comparative Budget Proposals

(Rs. in crore)

Demands No. 101	BE 2002-2003		RE 2002-2003		BE 2003-2004		% Variation over 2002-03 Excess (+) Saving (-)			
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Revenue	413.75	6.97	413.75	6.97	347.90	7.20	-	3.30	15.92	-
Capital	211.25	10.00	211.25	10.00	277.10	9.79	31.17	-	-	2.10
Total	625.00	16.97	625.00	16.97	625.00	16.99	Nil	0.18	Nil	

2.3 When asked about the reasons for reduced outlay in Revenue Expenditure on Plan side in BE 2003-2004 *vis-à-vis* BE 2002-2003, the Department has stated that allocation under Revenue Section on Plan side has been reduced in BE 2003-2004 as decided by Planning Commission. However, corresponding funds under Capital Section on Plan side have been provided. The increase of Rs. 65.85 crore under Capital Expenditure on Plan side in BE 2003-2004 *vis-à-vis* RE 2002-2003 is for the existing schemes.

2.4 When asked about the reasons for release of funds in the last quarter by the Department to States/UTs in respect of various Centrally Sponsored Schemes, the Department has stated that the primary reason for release/utilisation of the funds in the last quarter by the Department in various schemes, is that the funds can be released to the States/UTs only on receipt of utilisation certificates for the previous releases (living out one previous year) as also after the States contribute their own share, where applicable.

2.5 During the course of oral evidence, it was pointed out to the Secretary, Urban Employment and Poverty Alleviation that in order to ensure that there is no unnecessary accumulation of funds in the hands of the State level agencies and at the same time, the implementation of the programme is not adversely affected and that the flow of funds to and their utilization by the implementing agencies is regulated and monitored in an effective way, the Government of India have adopted the following procedure in the release of funds under various Centrally Sponsored Schemes of the Department of Rural Development:

The number of instalments has been kept at two, the first instalment of 50% being released on ad-hoc basis. The second instalment may be released on the fulfillment of all other conditions, with the following modifications:

(a) the quantum of second instalment releases may be made dependent on the time of reporting of utilisation. Depending on the receipt of complete proposal for second instalment, the quantum will be governed as below:

Proposal received in December	-	50% of allocated funds
Proposal received in January	-	40% of allocated funds
Proposal received in February	-	30% of allocated funds
Proposal received in March	-	20% of allocated funds

(b) It has also been decided to restrict the permissible carry over balance to 15% of the previous year's allocation.

In this context, when asked about the procedure/guidelines being followed by the Department and whether the above procedure has been adopted by the Department for their schemes, the Secretary Urban Employment and Poverty Alleviation has stated as follow:

"The Budget is passed and the requirement comes for the schemes. They come out with a Demand, the Demand is examined in the Committee meeting, it is sanctioned, and funds are allocated. That is the procedure. But the utilisation certificate should come. That is what is necessary.

We are examining the guidelines. We will hold a meeting with the Expenditure Secretary and go to the Cabinet for amending the guidelines. I cannot say right now what will be the shape of the guidelines."

2.6 The Committee note that the overall Budget Estimate of the Department of Urban Employment and Poverty Alleviation for the year 2003-2004 is Rs. 641.99 crore both Plan and Non Plan. The respective provisions on the Revenue and Capital sides are Rs. 355.10 crore and Rs. 286.89 crore. The break-up of Plan and Non-Plan provision is Rs. 625.00 crore and Rs. 16.99 crore, respectively. The Committee further note that Revenue Section on Plan side has been reduced in BE 2003-2004 vis-à-vis BE 2002-2003 as decided by Planning Commission. However, corresponding funds under Capital Section on Plan side have been provided in BE 2003-2004. There is increase of Rs. 65.85 crore under Capital Expenditure on Plan side in BE 2003-2004 vis-à-vis RE 2002-2003 for the existing scheme. Thus there is no increase in BE 2003-2004 over the BE 2002-2003. Further more, taking into consideration the increase in inflation rate, there is decrease in BE 2003-2004 over the BE for the year 2002-2003 in absolute term. The Committee feel that the Department has done financial jugglery just to give an impression that there is no decrease in BE 2003-2004 over the BE 2002-2003 first by reducing Revenue Section on Plan side and then correspondingly increasing allocation under Capital Section on Plan side in BE 2003-2004 which clearly depict that the poverty alleviation schemes of the Department are not performing well. They recommend that the projection of funds should be based on realistic assessment of the schemes/programmes of the Department.

2.7 The Committee are further constrained to note the reply of the Government that the reason for release of funds in the last quarter by the Department in various schemes is due to the insistence for utilisation certificates from States/UTs for the previous releases. In all cases, this seems to be one of the reasons for repeated underspending. As such, the Committee desire that the Government should rationalise and streamline their procedure regarding allocation and release of funds to States/UTs under different Centrally Sponsored and Central Sector Schemes in such a way that there is no unnecessary accumulation of funds in the hands of States/UTs and at the same time, the implementation of the Schemes is not adversely affected and the flow of funds to and their utilization by the implementing agencies is regulated and monitored in an effective way. They, therefore, strongly recommend that in accordance with the suggestions made by the Committee during the oral evidence, the Government should adopt the same procedure for release of funds under various Centrally Sponsored Schemes of the Department of Urban Employment and Poverty Alleviation as in the case of Department of Rural Development. It is imperative that the suggestions/opinions of the States/UTs and other implementing agencies should be taken into consideration and there should be coordinating meeting atleast twice in a year between the Department and the States/UTs before finalizing the Schemes and allocation of funds is made to ensure that the Schemes are in consonance with the States requirements and are implemented or completed on time.

Chapter-III

Urban Poverty Alleviation Programme

1. Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

With a view to provide gainful employment to the urban unemployed or underemployed through encouraging the setting up of self-employment ventures or provision of wage employment, a new urban poverty alleviation programme, namely, Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched on 01.12.1997 after subsuming the earlier three Urban Poverty Alleviation Schemes, namely Urban Basic Services for the Poor (UBS), Nehru Rozgar Yojana (NRY) and Prime Ministers Integrated Urban Poverty Eradication Programme (PMIUPEP).

3.2 This programme targets the urban poor, as those living below the urban poverty line, as defined from time to time by the Planning Commission.

SJSRY is funded on a 75:25 basis between the Centre and the States.

Salient Features of SJSRY

3.3 Swarna Jayanti Shahari Rozgar Yojana (SJSRY) consists of two major components, namely:

- (a) The Urban Self Employment Programme (USEP)
- (b) The Urban Wage Employment Programme (UWEP)

The Urban Self Employment Programme (USEP)

3.4 The salient features of this component are:

- (i) Assistance to individual urban poor beneficiaries for setting up gainful self-employment ventures;
- (ii) Assistance to groups of urban poor women for setting up gainful self-employment ventures. This sub-scheme has been titled as “The Scheme for Development of Women and Children in the Urban Areas (DWCUA)”
- (iii) Training of beneficiaries, potential beneficiaries and other persons associated with the urban employment programme for upgradation and acquisition of vocational and entrepreneurial skills;
- (iv) Special attention is given to women, persons belonging to Scheduled Castes/Tribes, disabled persons and other such categories as may be indicated by the Government from time to time;
- (v) The percentage of women beneficiaries under this programme should not be less than 30%.

All other conditions being equal, women beneficiaries belonging to women-headed household, *viz.* widows, divorcees, single women or even households, where women are the sole earners, are ranked higher in priority.

SCs and STs must be benefited at least to the extent of the proportion of their strength in local population.

A provision of 3% should be reserved for the disabled;

- (vi) There is no minimum educational qualification for beneficiaries under this programme. However, this scheme is not applicable to the persons educated beyond the IXth standard;
- (vii) A house-to-house survey for identification of genuine beneficiaries is prescribed. Non-economic parameters are also applied to the urban poor in addition to the economic criteria for the purpose of prioritization within the BPL;
- (viii) Setting up Micro-Enterprises with maximum unit cost of Rs. 50,000 and Skill Development of beneficiaries and to provide training and infrastructure support; and
- (ix) Development of women and Children in Urban Areas (DWCUA) by encouraging the women to take up Self-Employment.

The Urban Wage Employment Programme (UWEP):

- 3.5
- (i) This component seeks to provide wage employment to prospective beneficiaries living below the poverty line within the jurisdiction of urban local bodies by utilising their labour for construction of socially and economically useful public assets;
 - (ii) This programme applies to the urban local bodies having population less than 5 lakh as per the 1991 Census;
 - (iii) The material labour ratio for works under this component is to be maintained at 60:40; and
 - (iv) The prevailing minimum wage rate, as notified from time to time for each area, has to be paid to beneficiaries under this component.

Information, Education and Communication (IEC) and Community Structure Components

Salient features under IEC & CS components:

- 3.6
- (i) With a view to play an effective role in coordination and in organising training, monitoring, evaluation, dissemination of information etc. the component of IEC has been evolved under SJSRY. It seeks to provide a coordinated and uniform level of training across the country for training of trainers, elected representatives, functionaries of Urban Local Bodies and field functionaries like Project Officers, Community Organisers etc. through National Training Institutes and selected State Training/Field Training Institutes.
 - (ii) All the State Governments have taken action to set up community structures, create Community Development Societies (CDSs) and form thrift & Credit Society etc., in all the urban towns under their charge, all over the country.

Allocation of funds under Swarna Jayanti Sahari Rozgar Yojana (SJSRY)

3.7 Total outlay for the SJSRY scheme during the 9th Five Year Plan and 10th Five Year Plan is Rs. 1009 crore and Rs. 541 crore respectively. Year-wise outlay details are as under:

9th Five Year Plan (Total outlay Rs. 1009 crore)

Year	Amount	
1997-98	Rs. 102.54 Crore	
1998-99	Rs. 162.28 Crore	
1999-2000	Rs. 126.35 Crore	
2000-2001	Rs. 95.03 Crore	
2001-2002	Rs. 45.50 Crore	
10 th Five Year Plan (Total outlay Rs. 541 crore)		
2002-2003	Rs. 105.00 crore	(Rs. 92.18 crore upto 28.2.2003)
2003-2004	Rs. 94.50 crore	(B.E.)

3.8 When asked whether the decreasing allocation of funds every year is an indicator of poor performance of the Yojana, the Department has submitted as under:

The decreasing allocations of funds is not an indicator of failure/poor performance of the Yojana since the State Governments are having unspent balances from old UPA programmes. Moreover, if we take into account total funds for the North Eastern Areas for SJSRY programmes are proposed to be spent from out of the lump sum for North East in 2003-04 then the allocation for 2002-03 and 2003-04 would be the same and no decline. The States/UTs have reported 77.33% of expenditure upto 28.02.2003. This includes the amount released to them during the current financial year upto 28.02.2003. Statement of funds position of the SJSRY as on 28.02.2003 is enclosed as *Appendix-II*.

3.9 When asked about the amount of unspent balances left with States/UTs as 28.2.2003 under SJSRY, the Department stated that as on 28.02.2003, the States/UTs are having unspent balances of Rs. 299.14 crore, (including State share) with them.

3.10 When enquired about the irregularities noticed in the implementation of the Yojana, the Department stated that irregularities relating to diversion of funds were reported in the C&AG report of 2001 and the matter was taken up with the concerned State Governments. They were advised not to divert funds and also take remedial measures for recoupment of the already diverted funds.

3.11 The Committee are dismayed to note the steady decrease in the allocation over the last five years under the SJSRY. Only about 50 per cent of funds allocated during the 9th Plan Period were utilised under the Scheme. The Committee are not satisfied with the reply of the Department that the decreasing allocations of funds is not an indicator of poor performance of the Scheme since the States/UTs are having unspent balances from old UPA Programmes to the tune of Rs. 299.14 crore with them. The Committee have also taken serious view of the fact that some States have diverted the funds of SJSRY. The Committee recommend that corrective steps be taken to reduce the unspent balances with the States/UTs and release the funds under SJSRY either by modifying the existing allocation procedure or by adopting new procedure. The Committee further recommend that the Government should also take strict action to stop the diversion of funds under SJSRY and for recoupment of already diverted funds and the measures adopted in this regard be intimated to the Committee.

Physical progress under SJSRY

3.12 Under Swarna Jayanti Shahari Rozgar Yojana (SJSRY), the targets are left to be decided by the State/UT Governments in accordance with the guidelines of the Scheme and the results of beneficiary surveys and funds allocated to them by Central Government on yearly basis.

3.13 Physical progress reported by the States upto 31.03.2002 is given as under:

Community Structures:

- a) No. of Urban Poor identified under the Scheme – 296.90 lakhs
- b) No. of towns where house to house survey conducted – 3716 towns
- c) No. of Community Development Societies formed – 6140

Urban Self Employment Programme (USEP) & Development of Women and Children in Urban Areas (DWCUA)

- a) No. of beneficiaries assisted to set up micro Enterprises – 3,59,013
- b) No. of DWCUA groups formed - 21,796
- c) No. of women beneficiaries assisted under DWCUA
Groups to set up Community Self-Employment Ventures – 36,618
- d) No. of persons trained for skill upgradation - 3,61,949
- e) No. of Thrift & Credit Societies formed - 74,073

Urban Wage Employment Programme (UWEP)

- a) No. of mandays of work generated - 386.75 lakhs

3.14 The Committee during their study visits noticed that beneficiaries were not properly informed about the innovative and profitable Schemes under different component of SJSRY.

3.15 The Committee note that under SJSRY, the States/UTs fix the physical targets based on the Central allocations provided to them on yearly basis and result of the beneficiaries surveys conducted by them. The Committee desire that house-to-house surveys in remaining towns, where

survey is not yet complete, should be completed at the earliest for the identification of beneficiaries, and services of NGOs can also be utilised for this purpose. The Committee also desire that the States/UTs, which are not performing well, should be encouraged to improve their performance and the Government should also see that the physical progress made by States/UTs is in consonance with the funds made available to them.

3.16 The Committee during their study visits noticed that beneficiaries were not properly informed about the innovative and profitable Schemes under different component of SJSRY, because of which benefits could not accrue to those people for whom it is meant, thereby defeating the very purpose of the Scheme. The Committee desire that wide publicity should be given for the innovative and profitable schemes under different component of SJSRY through an identified body at the urban, local/community level, so that different component of SJSRY schemes may gain desired momentum.

The Committee note that under Urban Self Employment Programme, micro- enterprises with a maximum unit cost of Rs. 50,000/- can be set up. The Committee feel that the guidelines of the Scheme should be reviewed with a view to enhance the maximum unit cost for setting up micro-enterprises.

Monitoring/Evaluation of SJSRY

3.17 The scheme is being monitored through quarterly progress reports and periodical review meetings under the Chairmanship of Minister/Secretary/Joint Secretary/Deputy Secretary of the Ministry. To further improve the implementation of the Scheme, a proposal to modify the guidelines of the scheme is under consideration of the Government on the basis of the problems faced by the States/UTs.

3.18 Concurrent evaluation of SJSRY in six States of Andhra Pradesh, Karnataka, Madhya Pradesh, West Bengal, Rajasthan and Uttar Pradesh has been got conducted through Indian Institute of Public Administration (IIPA) and renowned agencies.

3.19 When asked whether the views of the States/UTs were taken into consideration before revising the guidelines of the Yojana, the Department submitted as under:

“The States had suggested for revision of SJSRY guidelines, as they had been experiencing difficulties in the implementation of the scheme with regard to inter-component diversion, enhancement of educational qualification of beneficiaries, enhancement of subsidy, elimination of margin money, enhancement of training cost, enhancement of funds under A&OE, reduction in duration of the training period etc.”

3.20 When enquired about the current status of the revision of SJSRY guidelines, the Government stated that the revision of SJSRY guidelines is at the advance stage of finalisation. On the suggestion of the Ministry of Finance, EFC Memo has been prepared and circulated to all concerned Ministries/Departments

to seek their comments. The comments have since been received and are under consideration of the Ministry.

3.21 The Committee note that the Scheme is being monitored through quarterly progress reports and periodical review meetings and also the revision of SJSRY guidelines is at an advance stage of finalisation. The Committee hope that keeping in view the performance of Scheme since its inception and the problems being faced by the States/UTs in implementing the Scheme, the Government in close coordination and consultations with States/UTs and all agencies involved in the implementation of the Scheme, would make the Scheme more attractive, realistic and feasible. The Committee desire that the Government should implement the revised guidelines of the Scheme in consultation with States/UTs for the betterment of urban poor beneficiaries without any further loss of time.

2. Night Shelter Schemes

3.22 During 1990-91, construction of night shelters was taken up with Central assistance and with suitable contribution by the Municipal bodies/States and loan assistance from HUDCO for the rehabilitation of footpath dwellers in the cities with over one million population. The Scheme provides night shelter facilities in exclusive lots to single men, women and children living on pavements, depending on the characteristic needs of an urban centre. HUDCO has so far (upto 30.09.2002) sanctioned 115 schemes with project cost of Rs. 143.54 crore of which HUDCO's loan component is Rs. 43.57 crore. Completion of these schemes will lead to creation of 16,959 beds, 28,980 WC'S, 2147 baths and 1928 urinals for the benefit of footpath dwellers.

3.23 Out of 115 schemes, 2 schemes with a total project cost of Rs. 0.36 crore with Government of India subsidy of Rs. 0.16 crore has been sanctioned during the current financial year 2002-03 (upto 30.09.2002). On completion, these schemes would lead to creation of 75 WC seats, 33 baths and 42 urinals for the benefit of footpath dwellers.

3.24 This scheme has since been reviewed by the Ministry in consultation with Planning Commission and Ministry of Finance. Consequently, the financial assistance (subsidy) has been enhanced from Rs. 1000/- per capita to 50% of the per capita ceiling cost of the night shelters limited to Rs. 20,000/-. Pay & Use Toilet Components has been de-linked & merged with VAMBAY.

Allocation under Plan Period

**Actual Expenditure during 9th Plan period:
(Subsidy released to HUDCO)**

(Rs. in crore)

Year	1997-98	1998-99	1999-2000	2000-01	2001-02
Actual Expenditure	1.00	1.00	1.20*	3.40	Nil

* Additional Rs. 20.00 lakh diverted from IYSH.
Actual Expenditure during the 10th Plan period upto 28-2-2003:
(Subsidy released to HUDCO)

Year	2002-2003
Actual Expenditure	3.00

3.25 When asked why nil expenditure reported during the year 2001-02, the representatives of the Department stated that during the year 2001-02 they could not spend any money for the whole country as the scheme was not very attractive. In fact, there was a need to revise the guidelines of the night shelter scheme to make it more attractive. Now they have made it attractive.

3.26 The Committee note that to ameliorate the condition of the shelterless and pavement dwellers in the cities with over one million population, the Night Shelter Scheme is being implemented through HUDCO's assistance since 1990-91. The Committee also note that financial assistance (subsidy) has been enhanced from Rs. 1000/- per capita to 50% of the per capita ceiling cost of the night shelters limited to Rs. 20000/- and pay and use toilet components have been delinked and merged with VAMBAY.

3.27 The Committee express their deep displeasure with the reply of the Department that during the year 2001-2002, no expenditure was incurred on the Night Shelter Scheme as the scheme was not attractive. The reply of the Department is unacceptable since they themselves have formulated the guidelines and the Scheme is in operation since 1990-1991. When a Scheme is launched, it should be ensured that the same is acceptable to the beneficiaries in all respects. By not incurring the expenditure simply on the plea that it was not attractive, the Government had deprived many, who could have been benefited by the Scheme. Such an explanation is ludicrous and cast adverse aspersion on those who plan. The Committee desire that the Ministry in close coordination and consultations with State Governments should further modify the guidelines of the Scheme, in order to make it more attractive and practicable, so that States/UTs submit more projects to the Central Government and the funds earmarked for this Scheme are optimally utilised. The Committee also desire that Government should also increase budgetary support to such an important scheme keeping in view the abject conditions of shelter less people in metro cities.

3. Valmiki Ambedkar Awas Yojana (VAMBAY)

3.28 With a view to provide shelter or upgrade the existing shelter for people living below poverty line in urban slums in a march towards the goal of slumless cities with a healthy and enabling urban environment, a new Centrally Sponsored Scheme called Valmiki Ambedkar Awas Yojana (VAMBAY) was launched during the year 2001-2002 in accordance with the announcement made by the Hon'ble Prime Minister on 15th August, 2001. The target group under VAMBAY is all slum-dwellers in urban areas, who are below the poverty line including

members of EWS, who do not possess adequate shelters. Nirmal Bharat Abhiyan is an integral component of VAMBAY for construction of community toilets and sanitation. The funding pattern under VAMBAY would be 50:50 basis between the Central and State Governments.

Financial allocation

3.29 Valmiki Ambedkar Awas Yojana (VAMBAY) was formally launched on 02.12.2001 with a budget provision of Rs. 69.00 crore provided out of the savings of the Departmental budget during the year 2001-2002. However, a sum of Rs. 73.56 crore was finally released out of the savings of the Departmental budget during the year 2001-2002.

10th Five Year Plan: (Total outlay – Rs. 2040.00 Crore)

2002-2003 - Rs. 256.85 crore (Rs. 181.38 crore upto 15.03.2003)

2003-2004 - Rs. 500.00 crore (proposed)

Target

3.30 VAMBAY being a demand driven scheme, no target has been fixed for 2002-2003. However, the Prime Minister has announced that one lakh dwelling units will be constructed in the current financial year. As on January 2003, Central subsidy has been released for construction of 78767 dwelling units and 16212 toilet seats. It is expected that by the end of the financial year 2002-03, the target will be achieved. VAMBAY being a demand driven scheme no target has yet been fixed for the next financial year i.e., 2003-04.

3.31 During the study visit to Mumbai, the Committee had seen that the State Government of Maharashtra had implemented a novel Scheme 'Slum Rehabilitation Scheme' (SRS) in association with NGOs/Builders, in the city of Mumbai in order to make Mumbai a slumless city. Under Slum Rehabilitation Programme, every slum dwellers, whose name appears in the electoral rolls as on 01.01.1995 and who continues to stay in the slum, is eligible for rehabilitation. Every eligible residential slum structure is provided with an alternative tenement measuring 225.00 sq. ft. preferably at the same site, irrespective of the area of slum structure. Every eligible slum structure that is being used for commercial purposes is granted an alternative tenement having area equal to the structure subject to an upper limit of 225.00 sq. ft. Atleast 70% of eligible slum dwellers in a slum pocket come together to form a co-operative housing society for implementation of Slum Rehabilitation Scheme (SRS). The slum dwellers appoint a developer for execution of SRS. The developer puts in resources in the form of money, men and material for construction of free houses for the slum dwellers. The developer is compensated for his efforts in the form of free sale component. The developers are allowed to construct tenements for sale in the open market. The area allowed for sale in the open market is equal to the area of tenements constructed for Rehabilitation of slum dwellers. When asked whether the Central Government is considering to adopt and implement the SRS Scheme

in the whole country, the Department stated that State Governments are free to implement their own schemes independently or in tune with the Central Government Schemes to suit the local requirements. There is no such proposal under consideration by the Central Government. The guidelines under VAMBAY stipulate that the implementation of the Scheme will be dovetailed and synergised with other existing programmes.

3.32 The Committee note VAMBAY was launched with a budget provision of Rs. 69.00 crore provided out of the savings of the Departmental budget during the year 2001-2002, whereas release reported during the 2001-2002 was Rs. 73.56 crore. In the year 2002-2003 Rs. 256.85 crore was provided whereas actual expenditure upto 15.03.2003 was Rs. 181.38 crore only. The BE for the year 2003-2004 has been fixed at Rs. 500 crore. The Committee desire that realistic assessment of the funds for the scheme should be made and fund be allocated accordingly.

3.33 The Committee are not satisfied with the reply of the Department that the scheme being demand driven, no targets are fixed. In fact, the targets have already been fixed when Hon'ble Prime Minister announced that one lakh dwelling units will be constructed during the current financial year. Without fixing the target, nothing can be achieved. Keeping in view the ever increasing slums in big cities, the Committee feel that it is absolutely essential to fix a target for assessment of implementation of a scheme and to make the cities slumless within a fix period of time. Government, if found feasible, should involve NGOs in this field as the Maharashtra Government has done for Mumbai slum areas.

Monitoring/Evaluation

3.34 The VAMBAY scheme is being monitored at the National Level through regular review meetings at Secretary/Joint Secretary levels with the State Governments' Secretaries/nodal Officers. Core groups from HUDCO have also been formed which have started visiting the States for overseeing the implementation of the programme. The Government of India has issued an order for the formation of a State Level Coordination Committee (SLCC) for monitoring the implementation of VAMBAY at the State Level.

3.35 When asked about the difficulties being faced by the States/UTs in implementing the Yojana, the Department stated that the following difficulties have been reported by State Governments/UT in implementation of VAMBAY:

- i) The VAMBAY does not cover the Above Poverty Line (APL) families whereas it is possible that APL families are also residing in the slum;
- ii) Reservation for beneficiaries to be decided locally depending on the ratio of the population existing in that slum, so that the reservation is not 100% without representing the general category who may otherwise be eligible also, gain from VAMBAY; and

- iii) The title of the land has been issued in the names of the male member of the household earlier and the beneficiaries identified under VAMBAY later. VAMBAY guidelines prescribe that the title should be in the name of the husband and wife jointly or preferably in the name of the wife.

The Government have informed the Committee that as per the Poverty Estimates (1999-2000) of Planning Commission, the poverty line (implicit) at all-India level is work out from the expenditure, class-wise distribution of persons and the poverty ratio at all-India level. The poverty ratio at all-India level is obtained as the weighted average of the State-wise poverty ratio which is Rs. 454.11 per capita per month for Urban areas.

3.36 The Committee note that the VAMBAY Scheme is being monitored at the National Level through regular review meeting at Secretary/Joint Secretary levels with the State Government Secretaries/nodal officers. Besides, the Committee note that the Core groups from HUDCO have also started visiting the States for overseeing the implementation of the programme. The Committee would like to know the outcome of the above move by HUDCO. The Committee would also like to know the States which have formed State level monitoring Committee in pursuance of the order of Government of India. The Committee desire that the evaluation study of the Yojana should be conducted by the Indian Institute of Public Administration (IIPA) and other renowned agencies which have the competence. There should be monitoring at the higher level i.e. the Central Government should have interaction with the concerned State Ministers atleast twice in a year before finalisation of the budget allocation for different Centrally Sponsored Schemes including VAMBAY.

3.37 The Committee note that some difficulties are being faced by the States/UTs in implementing VAMBAY. They desire that the guidelines of the Scheme should be modified in consultation with the State Governments, keeping in view the difficulties being faced by them so as to ensure that VAMBAY does not meet the fate of other poverty alleviation schemes of the Department. The definition of BPL in urban areas, as people earning Rs. 454.11 per month, is very low. As such it is necessary to include in the Scheme, those groups that are Above Poverty Line, but living in slums and qualify as economically weaker sections. As such, the Committee recommend that VAMBAY should also be extended to all people living in slums, including SCs/STs and APL. This is the only way to ensure that metropolitan cities with high percentage of slum pockets are benefited in reality rather than the Scheme remaining on paper.

4. National Slum Development Programme

3.38 Under National Slum Development Programme, Additional Central Assistance (ACA) is being released to the States/UTs for the development of urban slums. The objective of this programme is upgradation of urban slums by providing basic civic amenities like water supply, storm water drains, community bath, widening and paving of exist lanes, sewers, community latrines, street lights etc. Besides, funds under NSDP can be used for provision of community infrastructure and social amenities like pre school education, non formal education, adult education, maternity, child health and primary health care including immunization etc. The programme also has a component of shelter upgradation or construction of new houses.

3.39 Under the programme, funds in the form of Additional Central Assistance (ACA) are allocated by the Planning Commission annually on the basis of slum population of the State/UT. While the Ministry of Finance & Company Affairs releases funds to the States under this Programme, the Ministry of Home Affairs also releases the funds to the Union Territories under the same Programme. The States release the funds to the implementing Agencies as per their requirements. The Ministry of Urban Development and Poverty Alleviation has been nominated as the Nodal Ministry to monitor the progress of the programme in respect of States.

3.40 During the years 1996-97 to 2001-2002, a total amount of Rs. 1807.33 crore was released to the States and UTs under this programme as indicated below:

Sl. No.	Year	Amount Released (Rs. in crore)
1.	1996-97	250.01
2.	1997-98	290.99
3.	1998-99	351.63
4.	1999-2000	384.96
5.	2000-2001	247.34
6.	2001-2002	282.40
Total		1807.33

3.41 For the year 2002-2003, an amount of Rs. 365.00 crore has been allocated by the Planning Commission for NSDP. As on 01-02-2003 an amount of Rs. 202.54 crore has been released to the States by the Ministry of Finance on the recommendation of this Ministry.

3.42 As reported by the States/UTs, since the inception of the programme and upto 1-1-2003 out of the total funds of Rs. 2009.87 crore released by the Central

Government, an amount of Rs. 1386.55 crore has been spent and about 3.48 crore of slum dwellers have been benefited from this programme.

3.43 When asked to what extent the condition of Urban Slum Dwellers has been improved under NSDP during the 9th Five Year Plan, the Department stated that the Planning Commission has been requested in February, 2003, to take up impact assessment study of National Slum Development Programme (NSDP) among other major schemes. The proposed objectives of the evaluation are:

- (i) To evaluate the progress and performance of the programme;
- (ii) To identify the problems in the implementation of the programme so that measures could be taken to streamline and strengthen it; and
- (iii) To analyse the real impact of these facilities given to the beneficiaries under this scheme.

3.44 The Department during the examination of Demands for Grants (2002-2003) had stated that the Draft Slum Policy was under finalisation. When asked about the current status of Draft Slum Policy, the Department submitted that the Ministry is finalizing the draft National Slum Policy in consultation with the concerned Ministries and Planning Commission. However, in view of the directions of the Hon'ble Supreme Court and Delhi High Court, the matter is to be examined in consultation with the Ministry of Law and Justice. Efforts are being made to finalize the draft Slum Policy at the earliest.

3.45 The Committee note that since the inception of the NSDP programme in 1996-97 and upto 01.01.2003, out of the total funds of Rs. 2009.87 crore released by the Central Government, an amount of Rs. 1386.55 crore has been spent and about 3.48 crores of slum dwellers have benefited from NSDP. When calculated in real terms, in a period of six years, this amounts to Rs. 66 per person per annum. It is outrageous to suggest that this amount can ever be considered sufficient to achieve the targeted objective of the programme, which is upgradation of slums. In order to ensure that this issue is addressed with the urgency, it requires, so that citizens of the country are rescued from living in sub human conditions, the Committee recommend that Additional Central Assistance released should be realistic and based on the targets of upliftments of urban slums dwellers and the money released should be fully utilised so that NSDP is successfully implemented and slum dwellers get really benefited from this programme. The Committee also recommend that the Ministry should impress upon the Planning Commission to expedite the evaluation study of NSDP in order to analyse the real impact of the programme on the living conditions of urban slum dwellers so that the short falls and lacunae noticed during the 9th Plan Period in NSDP may be corrected/plugged during the 10th Plan Period.

3.46 The Committee note that Draft Slum Policy is still pending with the Ministry. They desire that keeping in view the directions of the Hon'ble Supreme Court and Delhi High Court and also in consultation with the Planning Commission, the Ministry of Law & Justice, State Governments and NGOs, the Government should finalize the Draft Slum Policy at the

earliest. The absence of policy in great measure is responsible for the sorry state of affairs, the way the slums are increasing.

5. Development of Indicators' Programme

3.47 This programme is meant basically for collection of data on Urban Indicators, conducting of surveys as well as monitoring and evaluation of the programme, setting up of National Urban Observatory at Towns and Country Planning Organisation (TCPO) and also Local Urban Observatories. There is likely to be substantial expenditure while implementing National Urban Observatory Scheme through TCPO. A provision of Rs. 10 lakh has been made for this programme during the Annual Plan 2002-2003. A provision of Rs. 20 lakh has been allocated for the programme during the Annual Plan 2003-2004. The total 10th Plan Outlay is Rs. 1.00 crore.

3.48 The Committee have been informed that under this programme, the target is to set up one National Urban Observatory and six local urban observatories. The National Urban Observatory has been set up in TCPO, New Delhi but the local observatories are yet to be set up.

3.49 The Committee note that Development of Indicators' programme is meant for development of Urban Indicators, basically for collection of data on Urban Indicators, conducting of surveys as well as monitoring and evaluation of the programme, setting up of National Urban Observatory at Towns and Country Planning Organisation (TCPO) and also Local Urban Observatories. The Committee recommend that priority is given for taking the necessary steps for setting up of six Local Urban Observatories during the year 2003-2004 itself so that the correct data-base is available with the Government to finalise Urban Poverty Alleviation and Housing Schemes. Without correct data-base, realistic budgetary support can not be given.

Chapter IV **Urban Housing**

National Housing and Habitat Policy

A National Housing Policy (NHP) was evolved in 1988, taking into account the development on national and international scene on shelter and related issues at that time. The policy document outlining the strategy under the 8th Plan was endorsed by Parliament in 1994. The long-term goal of the NHP was to eradicate homelessness, to improve the housing conditions of the inadequately housed and to provide a minimum level of basic services and amenities to all. It recognized that the magnitude of housing task calls for involvement of various agencies including Government at different levels, cooperatives, the community and the private sector. The policy envisaged a major shift in Government's role to act more as a facilitator than as a provider. The policy provided for review and modification in the light of changing scenario in the housing sector as and when needed.

4.2 After a thorough review, a National Housing & Habitat Policy has been formulated to address the issues of sustainable development, infrastructure and for strong public private partnership for shelter delivery. The policy was tabled in the Parliament on 29.07.98. The objectives of the policy were to create surpluses in housing stock and facilitate construction of 2 million dwelling units each year in pursuance of the National Agenda for Governance. It also seeks to ensure that housing, along with supporting services, is treated as priority sector at par with infrastructure.

4.3 The central theme of the policy relates to building a strong public-private partnership for tackling housing and infrastructure problems. The Government would provide fiscal concessions, carry out legal and regulatory reforms and create an enabling environment. The private sector, as the other partner, would come forward to undertake actual construction activities and invest and run infrastructure services.

National Agenda for Governance

4.4 The National Agenda for Governance has identified housing as a priority area, with particular emphasis on the needs for the vulnerable groups. As per this programme, it is proposed to facilitate construction of 20 lakh additional units every year, with emphasis on EWS & LIG sections of the population, as also the needs of SC/ST and other vulnerable groups. Out of 20 lakh additional houses, 7 lakh houses will be constructed in urban areas and the remaining 13 lakh houses in rural areas. This would require an additional investment of around Rs. 4000 crore. HUDCO is expected to meet more than 55% of target i.e. 4 lakh units and the balance 3 lakh units per year will be met by other Housing Finance Institutions (HFIs) recognized by National Housing Bank (NHB), the Cooperative Sector and the Corporate Sector. An action plan for implementation of the new policy for achievement of targets has been drawn up and the progress is being monitored closely.

Dwelling Units Sanctioned under 2MHP [1998-99 to 2001-02]:

Agency	Target	Achievement
HUDCO (Urban)	16,00,000	17,62,576
Cooperative Sector (Urban)	4,00,000	4,17,720
Other HFIs/Public Sector Banks	8,00,000	14,75,613
TOTAL URBAN	28,00,000	36,55,909
HUDCO (Rural)	24,00,000	23,53,932
2002-2003		
HUDCO (Urban)	4,00,000	4,05,963
(Rural)	6,00,000	4,13,078

Housing Shortage in X Plan

	No. of Units (Million)
Backlog till beginning of X Plan	8.89
New requirement during X Plan	13.55
Total requirement	22.44
Investment Required (Rs. in crore)	4,01,445.19

4.5 The Committee note that housing is a State Subject. It is for the State Governments to draw their own action plans to address the housing problems in their States. Central Government only aims to create an enabling environment by removing the legal, regulatory, technical and financial constraints faced by the housing sector. The Committee feel that keeping in view the enormous housing shortage of 22.44 million units and investment requirement to the tune of Rs. 401445.19 crore during the 10th Plan Period, the Central Government should encourage strong partnership between private, public, NRIs and Cooperative Sectors to enhance the capacity of housing Sector in true sense, as Central Government alone cannot mobilise this enormous housing requirement. The Central Government should take all steps for optimum utilisation of available funds. The Committee further feel, though the housing is a State Subject, in order to meet the shortage of housing units in the country, the Central Government should encourage and provide incentives to the State Governments, private and Cooperative Sectors to fulfil this prioritised cause of housing sector.

Interest Subsidy for Two Million Housing Programme

4.6 Housing & Urban Development Corporation Ltd. (HUDCO) has been entrusted with the task of facilitating construction of 4.00 lakh additional houses in urban areas, particularly for the Economically Weaker Sections and Low Income Group of the society. Funds under this programme are for interest

subsidy to HUDCO as loans for EWS & LIG are at low rate of interest. Against the target of 4 lakh houses each year in the urban areas for EWS & LIG, HUDCO has sanctioned, 4.30 lakh houses during 1998-99, 4.60 lakh houses during 1999-2000, 4.70 lakh houses during 2000-2001 and 4.01 lakh houses during 2001-2002. During the current year 1,93,585 houses have been sanctioned (upto 31.12.2002). Details of achievements are given below:

Number of urban dwelling units

(As on 31.12.2002)

Year	Target	Sanctioned	Completed
1998-1999	4,00,000	4,30,399	11,451
1999-2000	4,00,000	4,60,218	1,12,270
2000-2001	4,00,000	4,70,881	1,62,279
2001-2002	4,00,000	4,01,078	2,86,034
2002-2003	4,00,000	1,93,585	80,201
Total	20,00,000	19,56,161	6,52,235

4.7 An allocation of Rs. 5 crore is being made in the Department's Budget under non-Plan head, since 1999-2000 onwards for providing interest subsidy to HUDCO. However, only once in 1999-2000, Rs. 5.0 crore was released to HUDCO, as interest subsidy. In the subsequent years, no amount could be released, as Ministry of Finance raised certain objections to this subsidy. The Ministry says that it is still pursuing the matter for providing this subsidy to HUDCO.

4.8 **The Committee note that HUDCO is the only Housing finance institution in the country which earmarks substantial portion of its loaning operation for weaker sections. Loans for EWS/LIG housing programmes are given at comparatively lower rates of interest which is below the cost of resources raised by the company. The Committee further note that an allocation of Rs. 5 crore is being made under Non Plan head since 1999-2000 onwards for providing interest subsidy to HUDCO. In the subsequent years, no amount could be released to HUDCO as interest subsidy, as Ministry of Finance raised certain objections to this subsidy. The Committee recommend that in order to make Two Million Housing Programme viable in the long run, the Ministry should impress upon the Ministry of Finance to provide interest subsidy to HUDCO to compensate for loss of HUDCO incurred in EWS/LIG Housing. Meanwhile, the Ministry of Urban Development and Poverty Alleviation should make provision for interest subsidy to HUDCO from the Departmental savings.**

Chapter V

Hindustan Prefab Limited

Hindustan Prefab Limited is a Government of India Enterprise functioning under the administrative control of Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation) since 1955. It is engaged mainly in the manufacture of pre-stressed cement concrete poles, railway sleepers, water storage tanks, veyutan (light weight auto calved cellular concrete) blocks for insulation, partitions etc.

Future of Company

5.2 The Company has an accumulated loss of Rs. 60.00 crore (anticipated) as on 31.3.2002. The estimated net worth as on 31.3.2002 is (-) Rs. 53.62 crore. The staff strength as on 1.1.2002 was 557, consisting of 480 regular employees, 49 contract employees and 28 appointed on compassionate ground, yet to be regularized.

5.3 Because of the poor performance of HPL, the case of HPL was referred to the Disinvestment Commission. The Disinvestment Commission, in its Report submitted in November 1997, had identified HPL as a non-core PSU. The Commission recommended the disinvestment of its shares to the extent of 74%. The Core Group of Secretaries at the meeting held on 06.03.2000, had reconsidered the recommendation of the Disinvestment Commission and recommended closure of the Company. It recommended that a Voluntary Retirement Scheme may be offered to the employees and the Ministry of Finance may sanction a suitable non-plan loan to the company to implement the scheme. The VRS scheme has been implemented in the company since 1999-2000. Presently there are 499 employees in HPL (as on 31.10.2002). The age of retirement in HPL also has been reduced from 60 to 58 years. An allocation of Rs. 4.79 crore has been proposed in the BE 2003-2004, for Loans and Advances to HPL (including loans for VRS and other purposes) under Non-Plan Head.

5.4 The Committee have been informed that a draft Cabinet Note has been prepared to decide the future operations of the HPL. The final decision regarding the future operations is under consideration of the Ministry in consultation with other concerned departments/Ministries.

5.5 The Committee note that the company has an accumulated loss of Rs. 60 crore as on 31.3.2002, and the estimated net worth of the company as on 31.3.2002 is (-) Rs. 53.62 crore. The Committee would like to know whether HPL has been incurring losses since its inception. If not, since when this loss has started accumulating and what remedial measures had been contemplated to turn the loss making Company into a profitable one. The Committee should be informed in detail about the factors responsible for such dilapidated condition of the HPL. It is understood that an allocation of Rs. 4.79 crore has been provided in BE 2003-2004 for voluntary Retirement

APPENDIX I

STATEMENT SHOWING BRIEF SUMMARY OF DEMANDS FOR THE LAST FIVE YEARS 1998-99, 1999-2000, 2000-01, 2001-02, 2002-03 & 2003-04 SHOWING THE PERCENTAGE OF INCREASE/DECREASE

Demand No. 101-Deptt. of Urban Employment & Poverty Alleviation

Revenue Section	Major Head	1998-99		1999-2000		2000-01		2001-02		2002-03		2003-04				
		Plant+Non-Plan	% Increase	Plant+Non-Plan	% Increase	Plant+Non-Plan	% Increase	Plant+Non-Plan	% Increase	Plant+Non-Plan	% Increase	Plant+Non-Plan	% Increase			
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Secretariat	2052	2.33	1.33	42.92	1.33	1.50	12.78	1.50	1.50	—	1.50	1.50	—	1.50	1.55	—
Housing	2216	15.18	18.14	19.50	18.14	20.91	15.27	20.91	19.37	7.36	19.37	275.84	1324.06	275.84	252.95	8.30
Urban Development	2217	0.00	0.00	—	0.00	0.00	—	0.00	0	—	0	0	—	0	—	—
Other General Economic Services. Swarna Jayanti Shahari Rozgar Yojana	3475	6.45	6.45	—	8.45	6.29	2.48	6.29	6.29	—	6.29	6.29	0.00	6.29	6.29	0.00
Grants in aid to State Government	3601	195.72	175.87	10.14	175.87	165.40	5.95	165.40	165.20	0.12	165.20	103.93	-37.09	103.93	91.4	12.06
Grants in aid to UTs	3802	2.53	2.53	0.00	2.53	1.91	24.51	1.91	1.91	—	1.91	1.91	0.00	1.91	1.91	0.00

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Scheme (VRS) and other purposes. The Committee also note that a draft Cabinet Note has been prepared to decide about the future operation of HPL. They, therefore, recommend that Government should take an early decision about the future operations of HPL and intimate the Committee in this regard at their earliest.

**NEW DELHI;
10 April, 2003
20 Chaitra, 1925 (Saka)**

**CHANDRAKANT KHAIRE
Chairman,
Standing Committee on
Urban and Rural Development**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
North Eastern Areas	2552	0.00	0.00	—	0.00	38.00	—	38.00	19.00	50.00	19.00	31.25	64.47	31.25	1.00	96.80
Total		222.21	204.32	8.05	204.32	234.01	14.53	234.01	213.27	8.86	213.27	420.72	97.27	420.72	355.10	15.60
Capital Section																
Capital Outlay on Housing	4216	110.00	150.00	36.36	150.00	155.00	3.33	155.00	155.00	—	155.00	180.00	16.13	180.00	215.6	19.78
North Eastern Areas	4552	0.00	0.00	—	0.00	0.00	—	0.00	19.00	—	19.00	31.25	64.47	31.25	61.5	96.80
Investment in PSUs	6216	5.00	10.00	100.00	10.00	10.00	—	10.00	10.00	—	10.00	10.00	0.00	10.00	9.79	2.10
Total		115.00	160.00	39.13	160.00	165.00	3.13	165.00	184.00	11.52	184.00	221.25	—	221.25	286.89	29.87
Grand Total		337.21	364.32	8.04	364.32	399.01	9.52	399.01	397.27	0.44	397.27	641.97	61.60	641.97	641.99	0.00

17.	Meghalaya			311.47		237.99		79.34		628.60		197.22		431.36		31.25
18.	Mizoram			90.58		90.58		90.58		90.58		778.21		218.23		78.10
19.	Nagaland			641.10		392.75		89.35		1121.40		634.24		468.16		56.45

1	2	3	4	5	6	7	8	9
6.	Goa	221.90	132.18	35.53	389.61	224.33	165.28	57.58%
7.	Gujarat	2728.98	4183.85	1502.92	8415.75	5078.98	3336.77	60.35%
8.	Haryana	404.71	650.05	215.43	1270.19	1275.24	-5.05	100.40%
9.	Himachal Pradesh	698.04	332.30	144.95	1175.29	1040.77	134.52	88.55%
10.	Jammu & Kashmir	939.20	334.74	560.91	1834.85	1115.33	719.52	60.79%
11.	Jharkhand	0.00	268.74	41.64	310.38	0.00	310.38	0.00%
12.	Karnataka	4888.75	4333.90	1280.57	10503.22	9081.88	1421.34	86.47%
13.	Kerala	846.82	1813.11	711.36	3371.29	2881.80	489.49	85.48%
14.	Madhya Pradesh	3053.95	6151.70	1746.66	10952.31	9034.46	1917.85	82.49%
15.	Maharashtra	4860.44	4779.62	1386.95	11027.01	7861.08	3165.93	71.29%
16.	Manipur	543.38	358.31	40.98	942.67	108.44	834.23	11.50%
17.	Meghalaya	311.47	237.99	79.34	628.80	197.22	431.58	31.36%
18.	Mizoram	90.58	630.08	275.78	996.44	778.21	218.23	78.10%
19.	Nagaland	641.10	392.75	89.55	1123.40	634.24	489.16	56.46%
20.	Orissa	1116.34	1744.56	572.28	3433.18	2554.94	878.24	74.42%

1	2	3	4	5	6	7	8	9
21.	Punjab	1541.47	464.28	130.74	2136.49	1831.66	304.83	85.73%
22.	Rajasthan	3160.17	2038.58	583.27	5782.02	4148.32	1633.70	71.75%
23.	Sikkim	106.16	169.93	60.05	336.14	216.50	119.64	64.41%
24.	Tamil Nadu	7514.65	4614.99	1323.18	13452.82	12546.32	906.50	93.26%
25.	Tripura	112.95	680.40	193.74	987.09	835.45	151.64	84.64%
26.	Uttaranchal	0.00	130.85	44.96	175.81	139.07	36.74	79.10%
27.	Uttar Pradesh	7364.15	9037.61	2873.78	19275.54	17146.92	2128.62	88.98%
28.	West Bengal	2679.15	3181.76	915.61	6776.52	5624.65	1151.87	83.00%
29.	A&N Islands	120.31	261.06	N.A.	381.37	103.65	277.72	27.18%
30.	Chandigarh	77.70	251.67	N.A.	329.37	53.88	275.49	16.36%
31.	D&N Haveli	73.31	273.14	N.A.	346.45	161.61	184.84	46.65%
32.	Daman & Diu	81.65	161.63	N.A.	243.28	55.98	187.30	23.01%
33.	Delhi	184.24	275.31	86.68	546.23	64.07	482.16	11.73%
34.	Pondicherry	259.13	443.50	153.81	856.44	204.62	651.82	23.89%
	Total	55467.24	58767.49	17691.90	131926.63	102012.69	29913.94	77.33%

APPENDIX III

COMMITTEE ON URBAN AND RURAL DEVELOPMENT
(2003)

**MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE HELD ON
TUESDAY, THE 25th MARCH, 2002.**

The Committee sat from 1530 hrs. to 1730 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Chandrakant Khaire - Chairman

MEMBERS

LOK SABHA

5. Shri Ranen Barman
6. Shri Padmanava Behera
7. Shri Jaswant Singh Bishnoi
8. Shri Shriram Chauhan
9. Shri Hassan Khan
10. Shri Basavanagoud Kolor
11. Shri Shrichand Kriplani
12. Shri Savshibhai Makwana
13. Shri Nawal Kishore Rai
14. Shri Gutha Sukender Reddy
15. Shri Pyare Lal Sankhwar
16. Shri Maheshwar Singh
17. Shri D.C. Srikantappa
18. Shri Chinmayanand Swami
19. Shri Ravi Prakash Verma

RAJYA SABHA

20. Shrimati Prema Cariappa
21. Shri N.R. Dasari
22. Shri Ramadhar Kashyap
23. Shrimati Gurcharan Kaur
24. Shri Rumandla Ramachandraiah
25. Shri Harish Rawat

SECRETARIAT

1. Shri P.D.T. Achary - Additional Secretary

2. Shri K. Chakraborty - Deputy Secretary
3. Shrimati Sudesh Luthra - Under Secretary
4. Shri N.S. Hooda - Under Secretary

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

(Department of Urban Employment and Poverty Alleviation)

1. Shri D.K. Biswas, Secretary (UEPA) & CMD, HUDCO
2. Shri R.S. Prasad, Joint Secretary & FA
3. Shri Pankanj Jain, Joint Secretary (HEPA)
4. Shri U.S. Pant, Chief Controller of Accounts
5. Shri Joseph Mathew, Director (Finance)
6. Shri T.N. Gupta, Executive Director (BMTPC)
7. Shri A.K. Rajpoot, Director (T)
8. Shri P.S. Rana, Sr. Executive Director, HUDCO
9. Shri Hazari Lal, CMD, HPL
10. Dr. M.L. Khurana, Managing Director, NCHF

2. At the outset, Chairman welcomed the representatives of the Department of Urban Employment and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation) to the sitting and then drew their attention to the provision of direction 55 (1) of the Directions by the Speaker. The Chairman pointed out to the representatives of the Department about the under spending of funds in the Schemes of the Department. He also pointed out that the Committee during their study visits noticed delay in sanction and disbursement of loan to self help groups under Swarna Jayanti Shahari Rozgar Yojana (SJSRY) and the involvement of Banks and their participation in the implementation of SJSRY is not upto to the mark. He, further, pointed out that there is dearth of marketing facilities for the products of self help groups. He, therefore, urged them to take note of the observations of the Committee.

3. The representatives of the Department of Urban Employment and Poverty Alleviation then made a presentation before the Committee in respect of ongoing Schemes of the Department as well as on new initiatives in the Tenth Plan.

4. Members raised clarificatory queries on Demands of Grants (2003-2004) of Department of Urban Employment and Poverty Alleviation. Some of them were answered. For others, the Government were requested to send written replies within two days of the evidence.

5. The Committee urged the Department to furnish the procedure adopted by the Department in the allocation of funds to States/UTs under Swarna Jayanti Shahari Rojgar Yojana (SJSRY) Scheme and also directed the Secretary, Urban Employment and Poverty Alleviation to furnish a comparative statement showing funds allocated and released to Bihar and other States under different Centrally Sponsored and Central Sector Schemes during the last three years. Time

permitting, it was proposed that the Committee may like to hold a sitting on 'Swarna Jayanti Shahari Rojgar Yojana' (SJSRY) shortly.

6. A verbatim record of the proceedings was kept.

The Committee then adjourned.

APPENDIX IV

COMMITTEE ON URBAN AND RURAL DEVELOPMENT (2003)

Minutes of the Fourteenth Sitting of the Committee held on Friday, the 4th April, 2003

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

PRESENT

Shri Chandrakant Khaire - *Chairman*

MEMBERS

LOK SABHA

2. Shri Ranen Barman
3. Shri Padmanava Behera
4. Shri Jaswant Singh Bishnoi
5. Shri Shriram Chauhan
6. Shrimati Hema Gamang
7. Shri Nawal Kishore Rai
8. Shri Pyare Lal Sankhwar
9. Shri Maheshwar Singh
10. Shri Ravi Prakash Verma

RAJYA SABHA

11. Shrimati Shabana Azmi
12. Shrimati Prema Cariappa
13. Shri N.R. Dasari
14. Shri Ramadhar Kashyap
15. Shrimati Gurcharan Kaur
16. Shri Faqir Chand Mullana
17. Shri Harish Rawat

SECRETARIAT

1. Shri K. Chakraborty - Deputy Secretary
2. Shrimati Sudesh Luthra - Under Secretary
3. Shri N.S. Hooda - Under Secretary

2. At the outset, the Chairman welcomed the members to the sitting of the Committee. Thereafter, the Committee took up for consideration the draft Report on Demands for Grants (2003-2004) of the Department of Urban Employment

and Poverty Alleviation (Ministry of Urban Development and Poverty Alleviation).

3. After deliberations at length, the Committee adopted the Report with certain modifications in pursuance of the suggestions given by members as indicated in 'Annexure'.

4. The Committee then authorised the Chairman to finalize the Report after getting it factually verified from the Ministry/Department concerned and present the same to both the Houses of Parliament.

The Committee then adjourned.

ANNEXURE

[See Para No.3 of Minutes dated 4.4.2003]

Sl.No.	Page No.	Para No.	Line No.	Modifications
1	2	3	4	5
1	8	2.7	4	<i>after</i> 'previous releases' <i>insert</i> 'In all cases this seems to be one of the reason for repeated underspending. As such',
2	8	2.7	12	<i>after</i> 'an effective way' <i>add</i> 'They, therefore, strongly recommend that in accordance with the suggestions made by the Committee during the oral evidence, the Government should adopt the same procedure for release of funds under various Centrally Sponsored Schemes of Department of Urban Employment and Poverty Alleviation as in the case of Department of Rural Development. It is imperative that'
3	8	2.7	20	<i>after</i> 'Coordinating meeting' <i>insert</i> 'at least twice in a year'
4	8	2.7	21	<i>after</i> 'States/Uts' <i>insert</i> 'before finalising the Schemes and allocation of funds is made'

5	8	2.7	22	<i>after</i> ‘the Schemes’ <i>insert</i> ‘are in consonance with the States requirements and’
5A	15	3.11	13	<i>after</i> ‘take’ <i>insert</i> ‘strict action’
6	17	3.16	3	<i>after</i> ‘Component of SJSRY’ <i>insert</i> ‘because of which benefits could not accrue to those people for whom it is meant, thereby defeating the very purpose of the Scheme.’
7.	20	3.21	10	<i>after</i> ‘of the Scheme’ <i>insert</i> ‘in consultation with States/UTs’
8.	23	3.27	1	<i>delete</i> ‘are not satisfied’ <i>Substitute</i> ‘express their deep displeasure’
9.	23	3.27	4	<i>delete</i> ‘not tenable’ <i>Substitute</i> by ‘unacceptable’.
10.	30	3.36	13	<i>for</i> ‘once’ <i>read</i> ‘twice’
11.	30	3.37	6	<i>after</i> ‘department’. <i>add</i> ‘The definition of BPL in urban areas, as people earning Rs.914.57 per month is very low. As such it is necessary to include in the Scheme, those groups that are above poverty line (<u>APL</u>),

but living in slums and qualify as economically weaker sections. As such, the Committee recommend that VAMBAY should also be extended to all people living in slums including SC/ST and APL. This is the only way to ensure that metropolitan cities with high percentage of slum pockets are benefited in reality rather than the Scheme remaining on paper.'

APPENDIX V

STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

Sl. No.	Para	Recommendations/Observations
1	2	3
1.	2.6	<p>The Committee note that the overall Budget Estimate of the Department of Urban Employment and Poverty Alleviation for the year 2003-2004 is Rs. 641.99 crore both Plan and Non Plan. The respective provisions on the Revenue and Capital sides are Rs. 355.10 crore and Rs. 286.89 crore. The break-up of Plan and Non-Plan provision is Rs. 625.00 crore and Rs. 16.99 crore, respectively. The Committee further note that Revenue Section on Plan side has been reduced in BE 2003-2004 <i>vis-à-vis</i> BE 2002-2003 as decided by Planning Commission. However, corresponding funds under Capital Section on Plan side have been provided in BE 2003-2004. There is increase of Rs. 65.85 crore under Capital Expenditure on Plan side in BE 2003-2004 <i>vis-à-vis</i> RE 2002-2003 for the existing scheme. Thus there is no increase in BE 2003-2004 over the BE 2002-2003. Further more, taking into consideration the increase in inflation rate, there is decrease in BE 2003-2004 over the BE for the year 2002-2003 in absolute term. The Committee feel that the Department has done financial jugglery just to give an impression that there is no decrease in BE 2003-2004 over the BE 2002-2003 first by reducing Revenue Section on Plan side and then correspondingly increasing allocation under Capital Section on Plan side in BE 2003-2004 which clearly depict that the poverty alleviation schemes of the Department are not performing well. They recommend that the projection of funds</p>

should be based on realistic assessment of the schemes/programmes of the Department.

2. 2.7

The Committee are further constrained to note the reply of the Government that the reason for release of funds in the last quarter by the Department in various schemes is due to the insistence for utilisation certificates from States/UTs for the previous releases. In all cases, this seems to be one of the reasons for repeated underspending. As such, the Committee desire that the Government should rationalise and streamline their procedure regarding allocation and release of funds to States/UTs under different Centrally Sponsored and Central Sector Schemes in such a way that there is no unnecessary accumulation of funds in the hands of States/UTs and at the same time, the implementation of the Schemes is not adversely affected and the flow of funds to and their utilization by the implementing agencies is regulated and monitored in an effective way. They, therefore, strongly recommend that in accordance with the suggestions made by the Committee during the oral evidence, the Government should adopt the same procedure for release of funds under various Centrally Sponsored Schemes of the Department of Urban Employment and Poverty Alleviation as in the case of Department of Rural Development. It is imperative that the suggestions/opinions of the States/UTs and other implementing agencies should be taken into consideration and there should be coordinating meeting atleast twice in a year between the Department and the States/UTs before finalizing the Schemes and allocation of funds is made to ensure that the Schemes are in consonance with the States requirements and are implemented or completed on time.

3. 3.11 The Committee are dismayed to note the steady decrease in the allocation over the last five years under the SJSRY. Only about 50 per cent of funds allocated during the 9th Plan Period were utilised under the Scheme. The Committee are not satisfied with the reply of the Department that the decreasing allocations of funds is not an indicator of poor performance of the Scheme since the States/UTs are having unspent balances from old UPA Programmes to the tune of Rs. 299.14 crore with them. The Committee have also taken serious view of the fact that some States have diverted the funds of SJSRY. The Committee recommend that corrective steps be taken to reduce the unspent balances with the States/UTs and release the funds under SJSRY either by modifying the existing allocation procedure or by adopting new procedure. The Committee further recommend that the Government should also take strict action to stop the diversion of funds under SJSRY and for recoupment of already diverted funds and the measures adopted in this regard be intimated to the Committee.
4. 3.15 The Committee note that under SJSRY, the States/UTs fix the physical targets based on the Central allocations provided to them on yearly basis and result of the beneficiaries surveys conducted by them. The Committee desire that house-to-house surveys in remaining towns, where survey is not yet complete, should be completed at the earliest for the identification of beneficiaries, and services of NGOs can also be utilised for this purpose. The Committee also desire that the States/UTs, which are not performing well, should be encouraged to improve their performance and the Government should also see that the physical progress made by States/UTs is in

consonance with the funds made available to them.

5. 3.16

The Committee during their study visits noticed that beneficiaries were not properly informed about the innovative and profitable Schemes under different component of SJSRY, because of which benefits could not accrue to those people for whom it is meant, thereby defeating the very purpose of the Scheme. The Committee desire that wide publicity should be given for the innovative and profitable schemes under different component of SJSRY through an identified body at the urban, local/community level, so that different component of SJSRY schemes may gain desired momentum. The Committee note that under Urban Self Employment Programme, micro- enterprises with a maximum unit cost of Rs. 50,000/- can be set up. The Committee feel that the guidelines of the Scheme should be reviewed with a view to enhance the maximum unit cost for setting up micro-enterprises.

6. 3.21

The Committee note that the Scheme is being monitored through quarterly progress reports and periodical review meetings and also the revision of SJSRY guidelines is at an advance stage of finalisation. The Committee hope that keeping in view the performance of Scheme since its inception and the problems being faced by the States/UTs in implementing the Scheme, the Government in close coordination and consultations with States/UTs and all agencies involved in the implementation of the Scheme, would make the Scheme more attractive, realistic and feasible. The Committee desire that the Government should implement the revised guidelines of the Scheme in consultation with States/UTs for the betterment of urban poor beneficiaries without any further loss of time.

7. 3.26 The Committee note that to ameliorate the condition of the shelterless and pavement dwellers in the cities with over one million population, the Night Shelter Scheme is being implemented through HUDCO's assistance since 1990-91. The Committee also note that financial assistance (subsidy) has been enhanced from Rs. 1000/- per capita to 50% of the per capita ceiling cost of the night shelters limited to Rs. 20000/- and pay and use toilet components have been delinked and merged with VAMBAY.
8. 3.27 The Committee express their deep displeasure with the reply of the Department that during the year 2001-2002, no expenditure was incurred on the Night Shelter Scheme as the scheme was not attractive. The reply of the Department is unacceptable since they themselves have formulated the guidelines and the Scheme is in operation since 1990-1991. When a Scheme is launched, it should be ensured that the same is acceptable to the beneficiaries in all respects. By not incurring the expenditure simply on the plea that it was not attractive, the Government had deprived many, who could have been benefited by the Scheme. Such an explanation is ludicrous and cast adverse aspersion on those who plan. The Committee desire that the Ministry in close coordination and consultations with State Governments should further modify the guidelines of the Scheme, in order to make it more attractive and practicable, so that States/UTs submit more projects to the Central Government and the funds earmarked for this Scheme are optimally utilised. The Committee also desire that Government should also increase budgetary support to such an important scheme keeping in view the abject conditions of shelter less people in metro cities.

9. 3.32 The Committee note VAMBAY was launched with a budget provision of Rs. 69.00 crore provided out of the savings of the Departmental budget during the year 2001-2002, whereas release reported during the 2001-2002 was Rs. 73.56 crore. In the year 2002-2003 Rs. 256.85 crore was provided whereas actual expenditure upto 15.03.2003 was Rs. 181.38 crore only. The BE for the year 2003-2004 has been fixed at Rs. 500 crore. The Committee desire that realistic assessment of the funds for the scheme should be made and fund be allocated accordingly.
10. 3.33 The Committee are not satisfied with the reply of the Department that the scheme being demand driven, no targets are fixed. In fact, the targets have already been fixed when Hon'ble Prime Minister announced that one lakh dwelling units will be constructed during the current financial year. Without fixing the target, nothing can be achieved. Keeping in view the ever increasing slums in big cities, the Committee feel that it is absolutely essential to fix a target for assessment of implementation of a scheme and to make the cities slumless within a fix period of time. Government, if found feasible, should involve NGOs in this field as the Maharashtra Government has done for Mumbai slum areas.
11. 3.36 The Committee note that the VAMBAY Scheme is being monitored at the National Level through regular review meeting at Secretary/Joint Secretary levels with the State Government Secretaries/nodal officers. Besides, the Committee note that the Core groups from HUDCO have also started visiting the States for overseeing the implementation of the programme. The Committee would like to know the outcome of the above move by HUDCO. The Committee would also like to know the

States which have formed State level monitoring Committee in pursuance of the order of Government of India. The Committee desire that the evaluation study of the Yojana should be conducted by the Indian Institute of Public Administration (IIPA) and other renowned agencies which have the competence. There should be monitoring at the higher level i.e. the Central Government should have interaction with the concerned State Ministers atleast twice in a year before finalisation of the budget allocation for different Centrally Sponsored Schemes including VAMBAY.

12. 3.37

The Committee note that some difficulties are being faced by the States/UTs in implementing VAMBAY. They desire that the guidelines of the Scheme should be modified in consultation with the State Governments, keeping in view the difficulties being faced by them so as to ensure that VAMBAY does not meet the fate of other poverty alleviation schemes of the Department. The definition of BPL in urban areas, as people earning Rs. 454.11 per month, is very low. As such it is necessary to include in the Scheme, those groups that are Above Poverty Line, but living in slums and qualify as economically weaker sections. As such, the Committee recommend that VAMBAY should also be extended to all people living in slums, including SCs/STs and APL. This is the only way to ensure that metropolitan cities with high percentage of slum pockets are benefited in reality rather than the Scheme remaining on paper.

13. 3.45

The Committee note that since the inception of the NSDP programme in 1996-97 and upto 01.01.2003, out of the total funds of Rs. 2009.87 crore released by the Central Government, an amount of Rs. 1386.55 crore has been spent and about 3.48 crores of slum dwellers have benefited from

NSDP. When calculated in real terms, in a period of six years, this amounts to Rs. 66 per person per annum. It is outrageous to suggest that this amount can ever be considered sufficient to achieve the targeted objective of the programme, which is upgradation of slums. In order to ensure that this issue is addressed with the urgency, it requires, so that citizens of the country are rescued from living in sub human conditions, the Committee recommend that Additional Central Assistance released should be realistic and based on the targets of upliftments of urban slums dwellers and the money released should be fully utilised so that NSDP is successfully implemented and slum dwellers get really benefited from this programme. The Committee also recommend that the Ministry should impress upon the Planning Commission to expedite the evaluation study of NSDP in order to analyse the real impact of the programme on the living conditions of urban slum dwellers so that the short falls and lacunae noticed during the 9th Plan Period in NSDP may be corrected/plugged during the 10th Plan Period.

14. 3.46

The Committee note that Draft Slum Policy is still pending with the Ministry. They desire that keeping in view the directions of the Hon'ble Supreme Court and Delhi High Court and also in consultation with the Planning Commission, the Ministry of Law & Justice, State Governments and NGOs, the Government should finalize the Draft Slum Policy at the earliest. The absence of policy in great measure is responsible for the sorry state of affairs, the way the slums are increasing.

15. 3.49 The Committee note that Development of Indicators' programme is meant for development of Urban Indicators, basically for collection of data on Urban Indicators, conducting of surveys as well as monitoring and evaluation of the programme, setting up of National Urban Observatory at Towns and Country Planning Organisation (TCPO) and also Local Urban Observatories. The Committee recommend that priority is given for taking the necessary steps for setting up of six Local Urban Observatories during the year 2003-2004 itself so that the correct data-base is available with the Government to finalise Urban Poverty Alleviation and Housing Schemes. Without correct data-base, realistic budgetary support can not be given.
16. 4.5 The Committee note that housing is a State Subject. It is for the State Governments to draw their own action plans to address the housing problems in their States. Central Government only aims to create an enabling environment by removing the legal, regulatory, technical and financial constraints faced by the housing sector. The Committee feel that keeping in view the enormous housing shortage of 22.44 million units and investment requirement to the tune of Rs. 401445.19 crore during the 10th Plan Period, the Central Government should encourage strong partnership between private, public, NRIs and Cooperative Sectors to enhance the capacity of housing Sector in true sense, as Central Government alone cannot mobilise this enormous housing requirement. The Central Government should take all steps for optimum utilisation of available funds. The Committee further feel, though the housing is a State Subject, in order to meet the shortage of housing units in the country, the Central Government should encourage and provide incentives to the State Governments,

private and Cooperative Sectors to fulfil this prioritised cause of housing sector.

17. 4.8 The Committee note that HUDCO is the only Housing finance institution in the country which earmarks substantial portion of its loaning operation for weaker sections. Loans for EWS/LIG housing programmes are given at comparatively lower rates of interest which is below the cost of resources raised by the company. The Committee further note that an allocation of Rs. 5 crore is being made under Non Plan head since 1999-2000 onwards for providing interest subsidy to HUDCO. In the subsequent years, no amount could be released to HUDCO as interest subsidy, as Ministry of Finance raised certain objections to this subsidy. The Committee recommend that in order to make Two Million Housing Programme viable in the long run, the Ministry should impress upon the Ministry of Finance to provide interest subsidy to HUDCO to compensate for loss of HUDCO incurred in EWS/LIG Housing. Meanwhile, the Ministry of Urban Development and Poverty Alleviation should make provision for interest subsidy to HUDCO from the Departmental savings.
18. 5.5 The Committee note that the company has an accumulated loss of Rs. 60 crore as on 31.3.2002, and the estimated net worth of the company as on 31.3.2002 is (-) Rs. 53.62 crore. The Committee would like to know whether HPL has been incurring losses since its inception. If not, since when this loss has started accumulating and what remedial measures had been contemplated to turn the loss making Company into a profitable one. The Committee should be informed in detail about the factors responsible for such dilapidated condition of the HPL. It is understood that an allocation of Rs. 4.79 crore has been provided in BE 2003-2004 for voluntary Retirement Scheme (VRS) and

other purposes. The Committee also note that a draft Cabinet Note has been prepared to decide about the future operation of HPL. They, therefore, recommend that Government should take an early decision about the future operations of HPL and intimate the Committee in this regard at their earliest.

Corrigenda to the 45th Report (13th Lok Sabha) of Committee on Urban and Rural Development (2003)

<u>Page</u>	<u>Para No.</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
30	-	5	Plant	Plan
35	-	27	Shrimati Shabana Azmi	Shrimati Prema Cariappa