



**STANDING COMMITTEE ON  
URBAN AND RURAL DEVELOPMENT  
(2001)**

**THIRTEENTH LOK SABHA**

**MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION**

**(DEPARTMENT OF URBAN DEVELOPMENT)**

**DEMANDS FOR GRANTS  
(2000-2001)**

**SIXTEENTH REPORT**

*[Action taken by Government on the recommendations contained  
in the Tenth Report of the Standing Committee on Urban and  
Rural Development (Thirteenth Lok Sabha)]*

*Presented to Lok Sabha on 7 March, 2001  
Laid in Rajya Sabha on 7 March, 2001*



**LOK SABHA SECRETARIAT  
NEW DELHI**

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COMPOSITION OF THE STANDING COMMITTEE  
ON URBAN AND RURAL DEVELOPMENT (2001)

Shri Anant Gangaram Geete - *Chairman*

MEMBERS

*LOK SABHA*

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3. Shri Padmanava Behera
4. Shri Jaswant Singh Bishnoi
5. Shri Ambati Brahmaniah
6. Shri Swadesh Chakraborty
7. Shri Haribhai Chaudhary
8. Shri Bal Krishna Chauhan
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42. Shri Solipeta Ramachandra Reddy
43. Shri Man Mohan Samal
44. Shri Suryabhan Patil Vahadane

SECRETARIAT

1. Shri S.C. Rastogi - *Joint Secretary*
2. Shri K. Chakraborty - *Deputy Secretary*
3. Shrimati Sudesh Luthra - *Under Secretary*

## INTRODUCTION

I, the Chairman of the Standing Committee on Urban and Rural Development (2001) having been authorised by the Committee to submit the Report on their behalf, present the Sixteenth Report on Action taken by the Government on the recommendations contained in the Tenth Report of the Standing Committee on Urban and Rural Development (1999-2000) on Demands for Grants (2000-2001) of the then Ministry of Urban Development.

2. The Tenth Report was presented to Lok Sabha on 24<sup>th</sup> April, 2000. The replies of the Government to all the recommendations contained in the Report were received on 30<sup>th</sup> November, 2000.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 19<sup>th</sup> February, 2001.

4. An analysis of the action taken by the Government on the recommendations contained in the Tenth Report of the Committee (1999-2000) is given in Appendix VII.

New Delhi;  
28 February, 2001  
9 Phalguna, 1922 (Saka)

ANANT GANGARAM GEETE  
*Chairman,*  
*Standing Committee on*  
*Urban and Rural Development.*

## CHAPTER I

### REPORT

This Report of the Committee on Urban and Rural Development (2001) deals with the action taken by the Government on the recommendations contained in their Tenth Report on Demands for Grants (2000-2001) of the then Ministry of Urban Development, which was presented to Lok Sabha on 24<sup>th</sup> April, 2000.

2. Action Taken notes have been received from the Government in respect of all the 32 recommendations which have been categorised as follows:

- (i) Recommendations which have been accepted by the Government: 2.3, 2.4, 2.10, 2.15, 2.17, 3.3, 3.5, 3.12, 4.4, 4.6, 4.8, 4.10, 4.15, 4.16, 4.18, 4.21, 4.22, 4.25, 4.27, 4.29, 4.32, 4.35, 4.41 and 4.42.
- (ii) Recommendations which the Committee do not desire to pursue in view of Government's replies: 2.7 and 3.10.
- (iii) Recommendations in respect of which replies of the Government have not been accepted by the Committee: 2.5, 4.12 and 4.38.
- (iv) Recommendations in respect of which final replies of the Government are still awaited: 2.13, 3.7 and 3.8.

**3. The Committee desire that final replies in respect of the recommendations for which only interim replies have been given by the Government should be furnished to the Committee within three months of the presentation of the Report.**

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

**A. Full utilisation of available Funds**

**Recommendation (Para No.2.5)**

5. The Committee in their earlier recommendation had noted as under:

“The Committee are constrained to note that BE 1999-2000 for plan schemes was reduced from Rs.774.34 crore to Rs.680.87 crore at the RE stage (*i.e.* a reduction of 12.04 per cent). They further note that the Ministry could utilise only Rs.441.42 crore during 1999-2000 (upto February 2000). The Committee feel that not only inadequate allocation is being made for different programmes/schemes but also whatever allocation is made could not be utilised fully. They, would therefore, strongly recommend that the Government should gear up and streamline the existing implementing machinery at the field level so as to ensure 100% utilisation of available funds.”

6. The Government in their reply have stated as under:

“The Committee’s observations have been circulated among the Divisions to take steps to have maximum utilisation of funds. D.O.No. K-14011/64/95-UD.III(M) dated 26<sup>th</sup> May, 2000 has been issued by the Ministry in respect of Mega City Scheme. It may be mentioned that actual expenditure on Plan Schemes upto July, 2000 is Rs. 195.87 crore as against Rs.54.07 crore upto July, 1999 of the Department of Urban Development including CPWD.

Thus pace of expenditure during the year is better than the previous year.

(In Rs. crore)

	2000-2001		1999-2000	
	Allocation	Expenditure	Allocation	Expenditure
Ministry of Urban Development	785.03	145.69	664.63	41.61
CPWD	115.40	13.96	109.46	12.46
Total	900.43	159.65	774.09	54.07

It will be seen from the above that pace of expenditure during the year is better than the previous year.”

7. **The Committee are not satisfied with the action taken reply furnished by the Government on the serious issue of under utilisation of scarce resources allocated for the different urban development schemes meant for the urban poor. Instead of taking specific action to ensure cent per cent utilisation of scarce resources the Government have tried to justify the under utilisation by mentioning that the pace of expenditure during 2000-2001 is better than that of the year 1999-2000. The Committee take serious exception to the way the Government have tried to deal with the recommendation and would like that the Government should take this issue seriously and the Committee be apprised of the steps taken in this regard.**

**B. Exact staff strength of the Ministry**

**(Recommendation Para No.2.13)**

8. The Committee had noted as under:

“The Ministry as acknowledged in the written note does not maintain data regarding exact staff strength which is singularly surprising. They would therefore, like to know the staff strength in various offices of the Ministry. The Committee desire that the Ministry should make all out efforts to bolster efficiency and to cut down the non-plan expenditure.”

9. The Government have replied as under:

“The various Organisations under this Ministry including C.P.W.D. were requested to furnish the data relating to Staff Strength. The requisite information is still awaited from DG(W), CPWD. The Department is spread throughout the length and breadth of the country and it may take some more time before the requisite information becomes available from them. Thereafter, the requisite data will be made available to the Hon’ble Committee.

The Committee’s observation regarding bolstering efficiency and cutting down Non-Plan expenditure have been noted and every efforts will be made to achieve the same.”

10. **The Committee are not inclined to accept the reply of the Government that it would take some more time to collect the requisite information from all divisions particularly from DG(W), CPWD. They are surprised as to how the budget estimates could be prepared by the Ministry without having the exact data in respect of their staff strength. They recommend that the requisite data should be furnished within three months of the**



**presentation of this report. The Committee further desire that the said data should also be computerised on priority basis.**

**C. Maintenance/construction of old/new bungalows in DIZ Area**

**Recommendation (Para Nos.3.7 and 3.8)**

11. The Committee had recommended as under:

“The Committee note that in spite of spending huge amount on annual maintenance of old bungalows which according to Government’s own admission are old and have outlived their life, these are still in dilapidated condition. The Committee therefore, recommend that the Government should identify those bungalows which are in very poor and dilapidated condition in spite of incurring huge expenditure on their annual maintenance and should demolish them so that new bungalows could be constructed in their places without violating the provisions of LBZ.

The Committee recommend that a blueprint for demolition of old bungalows and construction of new ones in place of them in a time bound manner, may be evolved so that within a span of every 5 to 10 years around 100 old bungalows are demolished and new constructions are put in place for easing the tight position in allotment of bungalows to VIPs and others. The Government must also appropriately tie up with the Planning Commission and other agencies concerned for securing the necessary allocations.”

12. In their reply to recommendation para Nos.3.7 and 3.8 the Government have stated as under:

“The CPWD is taking action on the recommendations of the Committee.”

**13. While noting the reply furnished by the Government, the Committee would like to be apprised of the specific action taken/being taken by the CPWD in this regard. They would also like to be informed of any time bound programme, prepared by the CPWD to replace the old bungalows.**

**D. Modernisation of Government of India Presses**

**Recommendation (Para No.3.12)**

14. The Committee had noted as under:

“The Government are yet to take a final decision regarding modernisation of all Government of India Presses (GIPs). They would, therefore, like to urge the Government

to take a final decision for modernisation of all GIPs at the earliest so that the entire unspent amount can be utilised during 2000-2001.”

15. The Government have replied as below:

“The question of retention/closure/restructuring etc. of Government of India Presses/Units are under consideration of Government. The question of modernisation of presses can be considered after a decision on the above said question has been taken. It is submitted that budget grant of a particular financial year, which remain unspent in that year, cannot be utilised in the subsequent financial year.”

**16. The Committee feel that it is needless to mention that any delay in arriving at a final decision regarding restructuring of Government of India Presses not only leave the unspent balance but also leads to under utilization/non-utilization of existing resources. They therefore urge the Government to decide the matter without any further delay.**

**E. Maintenance of assets/infrastructure created under IDSMT Scheme**

**Recommendation (Para No.4.6)**

17. The Committee had noted as below:

“The Committee are unhappy to note the way the Government have washed their hands on the issue of maintenance of assets/infrastructure created under IDSMT by submitting that it is the responsibility of State Government or Local Bodies. They take serious view of it and strongly recommend that the Government should analyse the position of maintenance of assets/infrastructure created under the scheme and consider providing an inbuilt mechanism for the purpose. Keeping in view the fact that the scheme is a centrally sponsored scheme, necessary guidelines in this regard should be issued to State Governments and the Committee be apprised accordingly.”

18. The Government have replied as below:

“Though the actual maintenance of assets under the scheme is undertaken by State Government/Urban Local Bodies, the Ministry will work out ways and means to ensure that assets/infrastructure created under the scheme are maintained properly. A status report from the State Governments will be called for in this regard. Random visits to towns/cities by the officials of the Ministry, Town & Country Planning Organisation will also be taken to assess the situation at the ground level.”

**19. The Committee note that the Government are yet to procure the status report from the State Government in this regard to check maintenance of**

**assets/infrastructure created under IDSMT Scheme. They would like that the Government should take the issue of maintenance of assets/infrastructure created under IDSMT seriously and expeditiously and apprise the Committee about the specific action taken in this regard. The Committee would also like to be informed about the salient features of the guidelines proposed with regard to the scheme and hope that the details in this regard will be finalised without further delay.**

**F. Evaluation/Review of IDSMT Scheme**

**Recommendation (Para No.4.12)**

20. The Committee had recommended as below:

“The Committee urge that the Government should make a review as to whether IDSMT was successful in arresting the migration of population to cities/towns.”

21. The Government have replied as below:

“One of the objectives of the IDSMT Scheme is to facilitate arresting the migration of population to cities/towns as in the long run the pull factor of the metropolitan cities would get reduced. However, of the 4565 small and medium towns in the country, only 1005 towns have been covered i.e. only 22% of the total small and medium towns. The towns covered have been provided only a small portion of the required funds for infrastructure developments. Further, migration from smaller towns is also dependent upon number of other factors also. Keeping the above in view it may not be feasible to undertake a review at this stage, so as to ascertain whether IDSMT has been successful in arresting migration.”

**22. The Committee are not satisfied with the way the Government have tried to reply to their recommendation to review as to whether IDSMT was successful in arresting the migration of population to cities/towns. The Committee find that IDSMT is in operation since 1979-80 and the basic objective of the scheme is to arrest migration of people to cities/towns. Since the scheme is in operation in small and medium towns for more than over two decades, the need for a review cannot be over emphasised. The Committee also note that the scheme has not gathered the required momentum for which no specific reason has been advanced. The Committee are also surprised to note that only a small portion of the required funds have been provided to the towns covered for infrastructure development. Such vacillating action on the part of the Government gives rise to concern and calls for immediate review of the scheme. The Committee, therefore, would like to**

**reiterate their earlier recommendation and hope that the Government would review IDSMT without any further delay.**

**G. Non-availability of electricity and water in the houses constructed by the DDA**

**Recommendation (Para No.4.38)**

23. The Committee had recommended as under:

“The Committee are appalled at the state of affairs in DDA when the Government informed them that out of 16,133 houses constructed upto the end of the third quarter of 1999, 65.8% houses did not have electricity and 34.14% did not have water connection thus leaving houses with no takers. DDA being a premier agency should have constructed the houses only after reassuring themselves about the provision of basic facilities like electricity and water. Having sunk huge Government funds in the constructions which have no takers, the DDA have mindlessly caused enormous losses to the Government. The Committee, therefore, strongly recommend to the Government, to identify those responsible for this terrible loss, for initiating punitive action with a view to deterring DDA from indulging in further loss making misadventures.”

24. The Government have replied as below:

“Delhi Development Authority upto 31.12.1999 had constructed 2,63,754 flats comprising of 50253 SFS, 60910 MIG, 74838 LIG, 77753 Janta. Before giving a formal clarification to the specific issue raised by the Parliament Committee, it will be appropriate to indicate the system in which the land assembly takes place in Delhi. By virtue of Delhi Development Act, 1957, the DDA is primarily responsible for peripheral and internal development within the areas defined as “development areas”. Trunk services like water treatment plants, sewerage treatment plants and trunk mains of these two services have to be provided by DJB (previously Delhi Water Supply and Sewerage Disposal Undertaking, MCD). The outfall drains for the peripheral storm water drainage system with a carrying capacity of 1000 cusecs and above are required to be provided by the Irrigation and Flood Control Department. Roads upto 30 Mtr. R/W and above either within the development area or outside, are required to be constructed by the PWD, Government of NCT of Delhi (previously Delhi Administration), External electrification work is done by DVB (previously DESU).

Whereas DDA has defined commitment to the project, other organisations, which have to provide important and viable inputs for integrated development, are often not able to maintain the pace of development, because of their own priorities

and funding problem. It may be pertinent to mention here that from the very conceptual stage, these services departments are apprised of such developments. Before embarking on any project, there is a system of getting these proposals discussed and approved by Authority, DUAC, the Screening Committee, the Technical Committee, etc.

which are duly represented by the heads of local bodies and the concerned Planners and Engineers of services departments like DJB, MCD, DVB, I&F, etc. Thereafter, the individual proposals are also submitted to the local bodies for their approval of the services plans before actual execution on the ground. It is the obligatory responsibility of the DJB under the Act of Parliament to provide safe drinking water at the city level. At times they indicate their helplessness mainly because of the inter-state problems regarding the release of raw water from the adjoining States.

Whereas the DDA not merely wishes these developments to happen, it also makes the best possible efforts to see them properly coordinated by appropriate linkages with the concerned local bodies and authorities. Despite all this, the mismatch between the DDA development and the other agencies remain. In case, total perfection is desired and land left unutilised, unplanned development may take place.

Thereafter, there had been a lot of interaction between DDA and DWS&SDU (now DJB) for release of water, at all levels and the commitments made were deferred time and again as they expressed their helplessness mainly because of inter-state problem regarding the release of raw water from the adjoining States. DDA tried to make an interim arrangement by boring tubewells but the discharge from these tubewells was not found fit for human consumption. However, now DJB has recently released 1 MGD of water for Narela and the water is now available to all the houses (5508) mentioned in the report.

As far as non-electrification of 10625 houses mentioned in the report are concerned, it may be quite relevant to apprise that the DDA had deposited its share of development with DVB as per details given below:-

Rs.18.89 lacs in 1993-94	for 192 flats.
Rs.197.56 lacs in 1995-96	for 1880 flats.
Rs.654.56 lacs in 1997-98	for 3813 flats.
Rs.206.73 lacs in 1998-99	for 1640 flats.
Rs.365.44 lacs in 1999-2k	for 2100 flats.

In spite of repeated assurances, the targets have been deferred by DVB time and again. The work in each of the housing pocket is now in progress and targeted by them to be completed in next 6 months or so.

In view of the above, no punitive action against any of the DDA official is called for.”

**25. On the serious issue of constructing houses without reassuring the provision of basic facilities like electricity and water by DDA, the Government have tried to shift the responsibility to several other agencies like DVB and DJB, etc. The Committee deplore the way the Government have tried to wash their hands of such a serious issue. While agreeing that such facilities are to be provided by agencies like DVB and DJB etc., DDA cannot avoid the responsibility for the terrible loss being incurred due to non-occupation of houses because the primary responsibility of planning lies with DDA. The Committee are deeply concerned to note the plea of the Government that in case total perfection is desired and land left unutilised, unplanned development would take place. While noting that water has already been provided to the houses as mentioned in the Report, the Committee hope that electricity will also be provided by DVB without any further delay. While reiterating their earlier recommendation the Committee desire that DDA should have better and prior coordination, both at the planning and execution stages, with local bodies and authorities so as to provide basic infrastructure facilities in the areas where the houses are constructed by them.**

## **CHAPTER II**

### **RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation (Para No. 2.3)**

The Committee are concerned to note that the BE for 1999-2000 has been reduced from Rs.2017 crore to Rs.1851.78 crore at the RE stage resulting in a reduction of Rs.165.74 crore (*i.e.* a reduction of 8.23%). The Committee deduce that the non-satisfactory performance of Plan schemes in the first quarters of the financial year has compelled the Government to scale down the outlay at the RE stage by a sizeable amount adversely affecting the execution of several schemes aimed at urban development. They, therefore, are critical of the unsatisfactory performance of the Government in fully utilising the outlay and recommend that in future, the outlay meant for the Ministry be fully spent by stepping up the efficiency levels.

#### **Reply of the Government**

The observations of the Hon'ble Committee have been respectfully noted. It may be assured that there will be optimum utilisation of funds in future. It may, however, be mentioned that this Ministry had projected the RE requirements of Rs.2074.92 crore. (Plan Rs.1085.02 crore Non-Plan Rs.989.90 crore) before the Ministry of Finance. However, the Ministry of Finance curtailed the R.E. allocation. The deductions in both Plan and Non-Plan may not be attributable solely to expenditure on Plan Schemes. The reduction in Plan was Rs.93.22 crore and Non-Plan Rs.75.52 crore.

[Ministry of Urban Development OM No.H-11013/8/2000-Bt. dated 23.10.2000]

#### **Recommendation (Para No. 2.4)**

The Committee note that there is an increase of Rs.338.40 crore in the outlay of 2000-2001 as compared to RE 1999-2000. They are concerned to note that while the percentage of people living in the urban areas has gone up from 17 per cent in 1951 to 26 per cent in

1991 the allocation for the Ministry for Plan schemes had decreased from 8 per cent in 1951 to about 2.6 per cent. They agree with the view expressed by the Secretary that at least a sum of Rs.12000 to Rs.13000 crore would be required annually to provide basic necessities in the urban areas of the country. They feel that Rs.2017.52 crore allocated for 2000-2001 will be very meagre to meet the future challenges. They would, therefore like to strongly recommend that the Government should build a strong case before the Planning Commission so that the allocation for the Ministry of Urban Development is substantially stepped up.

#### **Reply of the Government**

The observation of the Hon'ble Committee have been noted. Every effort will be made to secure maximum allocation in respect of the Plan schemes of this Ministry.

[Ministry of Urban Development OM No.H-11013/8/2000-Bt. dated 23.10.2000]

#### **Recommendation (Para No. 2.10)**

The Committee note that there is a continuous increase in the non-plan outlay/expenditure of the Ministry since 1998-99. They do not agree with the view of the Ministry that the increase in the non-plan expenditure was not significant and that there was hardly any scope for reducing the non-plan expenditure. They feel that there is a considerable scope to reduce the non-plan expenditure *viz.* travel expenses, office expenses, minor works etc. which is increasing in recent years. They would like to impress upon the Ministry to initiate economies in the non-plan expenditure so that the said expenditure is kept to the barest minimum. The Committee observe that the non-plan outlay/expenditure of the Ministry has always exceeded the plan outlay/expenditure since 1998-99. They further observe that the entire Demand No.86 (i.e. for Stationery and Printing) has been kept under non-plan head. In this regard they would like to recommend that the Government should find out ways and means so that the non-plan outlay does not exceed the plan outlay.

#### **Reply of the Government**

There is not much scope to reduce non-plan expenditure under the head travel expenses, office expenses, minor works etc., due to revision of transfer grants, increase in rail/airfare, increase in tariff charges on electricity, water charges etc., and other consumable/stationery items. However, efforts shall be made to keep the expenditure to the minimum.

As regards Demand No.86 – (*i.e.* printing and Stationery), it is stated that funds are provided under non-plan for the Directorate of Printing and the Presses/units under it, the



Government of India Stationery Office and the Department of Publication. These are service Deptts. and presently there is no plan scheme under implementation in any of the Deptts. covered by this Demand.

The non-plan outlay exceeds the Plan outlay because the entire provision under Demand relating to Stationery & Printing is non-plan. Practically the entire salary provision under the three demands of the Department of UD is non-plan. Added to this is the huge maintenance and repairs provision for office and residential accommodation. Construction of view building for certain specified Departments.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Recommendation (Para No. 2.15)**

The Committee strongly recommended that the Government should make all out efforts to ensure that the outlay earmarked for the respective central sector schemes/programmes like IDSMT and Urban mapping etc. in a particular year are used only for the specific programme scheme for which the allocation is made and the chances of having unspent outlay are minimised. The Committee also urge that necessary steps should be taken by the Government to ensure that unspent outlay do not get accumulated with the State Governments/implementing agencies. The next instalment under the specific schemes/programmes should not be released to the defaulting States. The Committee recommend that strict guidelines in this regard should be framed and circulated to State Governments and the Committee apprised accordingly.

### **Reply of the Government**

Funds under the IDSMT scheme are sanctioned with the condition that the State Government will release the same to the implementing agencies for execution of the projects within one month. Release of subsequent instalment under the scheme is dependent on the condition that 70% of the Central assistance and the State share released earlier should have been utilised. The State Government has to take the permission of the Ministry for utilisation of unspent balance which they have failed to pass to the implementing agencies/Urban Local Bodies. Such permission is only given with the condition that no further releases to State will be made till they submit Utilisation Certificates for the above amount.

In so far as Mega City Scheme is concerned, instructions have been issued to the concerned State Governments/Nodal Agencies to ensure that unspent balances are minimised.

In the case of the Central Sector Scheme of Urban mapping is concerned, funds are released to National Remote Sensing Agency (NRSA) by TCPO for aerial photography and mapping as per their demand/progress of work.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

**Recommendation (Para No. 2.17)**

The Committee find that the Performance Budget of the Ministry does not contain the information relating to the physical and financial achievement of the respective schemes in the States/UTs. They desire that the detailed information in this regard for the last three years including the current year should be given in the Performance Budget so as to have a comparative analysis of the performance of the Schemes/Programmes of the Ministry.

**Reply of the Government**

All the divisions concerned have been apprised of the Hon'ble committee's observations. Every effort will be made to provide maximum information in the next performance budget.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

**Recommendation (Para No. 3.3)**

The Committee consider that the hike in the Major head 2052 (Secretariat: General Service) 22.7 percent in BE 2000-2001 is an unwarranted quantum jump over the hike of 9.9 percent in the previous year. The Committee also deplore the reduction in outlay for Water supply in BE 2000-2001 by 60.7 percent over the outlay for BE 1999-2000. The Committee further deplore the reduction of outlay for Housing (GPA) by 15.56% over the outlay for BE 1999-2000 as well as the reduction of outlay for Water supply and sanitation by 11% over the outlay for BE 1999-2000. The Committee find that instead of initiating the steps to contain expenditure on Secretariat-General service, the outlay earmarked for the critical components of Urban Development like Water supply and Housing has been reduced. The Committee view this seriously and urge upon the Government to take appropriate steps for restoration of the outlay.

**Reply of the Government**

The provision under MH-2052 is mainly Non-plan and is meant for unavoidable type of expenditure like payment of salary and day to day running of office. Committee's observation regarding keeping the Non-plan expenditure to the minimum have been noted. Comparative position of allocations (Plan) under their sectors referred to by the Committee and as under:-

**Table**

Sl.No.	Sector/programme/ Schemes	Outlay BE 1999-2000	Outlay BE 2000-01
1.	GPA (Residential)	80.00	75.00
	Non-residential	20.00	20.00

2.	Water Supply & Sanitation	135.15	210.83
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It will thus be seen that against the 6.25% decrease in GPA the increase in Water Supply & Sanitation Sector is in the range of 56%.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 3.5)**

The Committee are totally dissatisfied with the poor utilization of the allocation during 1999-2000 where the utilisation fell short by 32.92% and now with the allocation of Rs.859.85 crore for 2000-01, the Committee strongly direct the Government to properly plan the utilisation of money for various works so that the funds are fully utilized and absolutely satisfactory maintenance is provided.

#### **Reply of the Government**

During the financial year 1999-2000 Budget Allotment (Gross) under Demand No.85 was Rs.810.91 crore and the total expenditure incurred amounted to Rs.740.38 crore. The difference is only 9% (approx.). The allotment in the RE was 757.32 crore only.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 3.12)**

The Committee note that the Government are yet to take a final decision regarding modernisation of all Government of India Presses (GIPs). They would, therefore, like to urge the Government to take a final decision for modernisation of all GIPs at the earliest so that the entire unspent amount can be utilised during 2000-01.

#### **Reply of the Government**

The question of retention/closure/restructuring etc. of Government of India Presses/Units are under consideration of Government. The question of modernisation of presses can be considered after a decision on the above said question has been taken. It is submitted that budget grant of a particular financial year, which remain unspent in that year, cannot be utilised in the subsequent financial year.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Comments of the Committee**

(Please *see* Para No.21 of the Chapter I of the Report)

#### **Recommendation (Para No. 4.4)**

The Committee feel that IDSMT is in operation in only 1005 towns *i.e.* 22.02% of the total towns having population upto 5 lakh. The rest of the 3560 towns are yet to be covered under the scheme. It is further noted that the allocation during 2000-2001 has marginally been increased from Rs.44 crore during 1999-2000 to Rs.60 crore during 2000-2001. Keeping in view the large number of towns that are yet to be covered by the scheme, the Committee find that the allocation being made is too low. In view of this, the Committee strongly recommend that the allocation under the scheme should be enhanced so as to cover more and more towns. Besides the Committee would also like to know the allocation required to cover all the remaining 3560 towns and the planning made on the part of the Government for their coverage.

#### **Reply of the Government**

The Ministry endorses the view of the Committee for enhancing the allocation under the scheme for coverage of more towns. For covering the remaining 3560 small and medium towns, it is estimated that around Rs.2350 crore of Central funds would be required. This is based on the existing funding pattern of the IDSMT scheme.

Planning for coverage of more towns is dependent on budgetary allocation for the Scheme. Besides, the coverage of town is also dependent on the initiatives taken by the State Governments. Selection of town projects, preparation of project reports, timely implementation of the scheme as also making adequate provision in the State budgets for providing matching State share has to be given priority by the State Government for coverage of towns under the Scheme.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 4.6)**

The Committee are unhappy to note the way the Government have washed their hands on the issue of maintenance of assets/infrastructure created under IDSMT by submitting that it is the responsibility of State Government or Local Bodies. They take serious view of it and strongly recommend that the Government should analyse

the position of maintenance of assets infrastructure created under the scheme and consider providing an inbuilt mechanism for the purpose. Keeping in view the fact that the scheme is a centrally sponsored scheme, necessary guidelines in this regard should be issued to State Governments and the Committee be apprised accordingly.

### **Reply of the Government**

Though the actual maintenance of assets under the scheme is undertaken by State Government/Urban Local Bodies, the Ministry will work out ways and means to ensure that assets/infrastructure created under the scheme are maintained properly. A status report from the State Governments will be called for in this regard. Random visits to towns/cities by the officials of the Ministry, Town & Country Planning Organisation will also be under taken to access the situation at the ground level.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Comments of the Committee**

(Please *see* para No.24 of Chapter I of the Report)

### **Recommendation (Para No. 4.8)**

While noting the position of monitoring of IDSMT, the Committee would like to be apprised of the findings of the State Level Sanctioning Committees constituted to monitor the programme. Besides, it is recommended that the monitoring of IDSMT should further be strengthened by developing a good information system through the use of computers.

### **Reply of the Government**

State Level Sanctioning Committee are in operation in various States. Some of the major findings recommendations suggested by the State Level Sanctioning Committees in the last two years relate to:

- (i) inclusion of more towns under the scheme:
- (ii) seeking permission for utilisation of unspent balances with the State Government;
- (iii) directions to implementing agencies/local bodies to expedite physical and financial progress under the scheme and also to avail the institutional finance;
- (iv) directives for completion of schemes within the time schedule.

Presently, Town & Country Planning Organisation the nodal agency for IDSMT is monitoring the scheme by maintaining the data base information system. Efforts are on to develop a good information system covering major aspects of the scheme.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 4.10)**

The Committee note with concern the delay in the finalisation of the recommendations of the Review Committee. They would like to be apprised of the main recommendations of the Review Committee when finalised and the action taken thereon.

#### **Reply of the Government**

The Review Committee has suggested certain modifications to the guidelines which have been sent to Planning Commission and the Ministry of Finance for their concurrence as the same can only be finalised with the approval of CCEA. Report for the Committee constituted for suggesting modifications to the guidelines of Mega City or IDSMT schemes is at Appendix-III.

[Ministry of Urban Development OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 4.15)**

The Committee appreciate the cent percent release of Rs.79.80 crore in RE 1999-2000 (central share) under the Mega City Scheme. They also appreciate the higher allocation for the scheme for 2000-2001 which has been increased to Rs.91 crore. They also note that out of 375 approved projects till 31.12.1999, the work for 109 projects is yet to be started and out of the approved total project cost of Rs.3089.78 crore only Rs.1906.43 crore has been released by the Centre, States and the financial institutions. The Committee recommend, that since the allocation of central share for 2000-2001 has been hiked the Government should impress upon the respective State Governments to release their share in time so that the works for the remaining 109 approved projects may be started without delay.

#### **Reply of the Government**

The recommendation of the Committee has been noted. The concerned State Governments and the Nodal Agencies have been addressed in the matter. In this connection a copy of the D.O. Letter No.K-14011/64/95-UDIII(M) dated 26.5.2000 is at Appendix-I.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

**Recommendation (Para No. 4.16)**

The Committee are concerned to note that a sum of Rs.705.96 crore was left unspent with the implementing agencies till 31.12.1999 which reflects a very poor stage of implementation of various projects under the Mega City Scheme. The Committee recommend that the implementing agencies should be geared up to speed up the implementation of projects and to reduce the chances of having unspent balances towards the close of the year.

**Reply of the Government**

The recommendation of the Committee has been noted. The concerned State Governments and the Nodal Agencies have been addressed in the matter. In this connection a copy of the D.O. Letter No.K-14011/64/95-UDIII(M) dated 26.5.2000 is at Appendix-I.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

**Recommendation (Para No. 4.18)**

The Committee note that so far 68.88% of the released amount has been spent for the urban mapping scheme. They also note that an amount of Rs.3.42 crore is reported to be lying with the NRSA as unspent. They further note that the work of mapping of 52 per cent of the targeted towns has been started. They would, therefore, like the Government to impress upon the executing agency *i.e.* NRSA to take up mapping of the rest of the 12 towns in 2000-2001. They also recommend that mapping of all the towns in India should be taken up on mission mode as information gleaned from maps is crucially required for development and other programmes.

### **Reply of the Government**

As on 31.3.2000 an amount of Rs.11.18 crore was released to TCPO under the Urban Mapping Scheme. TCPO has incurred an expenditure of Rs.9.93 crore which is 88.8% of the amount released. This includes payment of Rs.9.52 crore made to NRSA and the balance of Rs.0.41 crore for augmentation of computer room, annual maintenance and other misc. expenditure incurred by TCPO. The balance of Rs.1.25 crore of which Rs.1.00 crore is a committed liability for procurement of Hardware & Software and remaining Rs.0.25 crore is for contingency required by the TCPO for the Urban Mapping Scheme.

As per the terms of NRSA, 90% of the payment is required to be made in advance to the agency for undertaking the work and the work for 12 towns in the second phase is under progress.

For the remaining towns private sector agencies are proposed to be involved and for that purpose pre-qualification tenders are being finalized.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Recommendation (Para No. 4.21)**

The Government appreciate that provision of potable water to all the towns having less than 20000 population under the AUWSP is a task which has to be completed at all costs at the earliest. They feel that the infinitesimal allocation of Rs.100 crore through little higher than the allocation for the previous year for the AUWSP for 2000-2001, is a paltry sum compared to the gigantic task ahead. Taking note of the fact that out of 2151 towns, only 95 towns have so far been covered, the Committee are of the opinion that the Government's efforts in this regard appear to be an eye-wash exercise. Further the fact that the Government could spend only 82.54% of the funds allocated last year, compounds the irony of the situation. The Committee deplore the Government for under utilisation of funds meant for AUWSP as well as for the paltry allocation for this monumental task.

### **Reply of the Government**

The Ministry share the views expressed by the Hon'ble Committee above and would like to inform the Hon'ble Committee that the Working Group on Water Supply & Sanitation for 9<sup>th</sup> Five Year Plan had recommended Rs.9187 crore for AUWSP. However, the Planning Commission made a provision of Rs.370 crore in the 9<sup>th</sup> Plan period and Rs.87.90 crore had been allocated for AUWSP during the financial year 2000-2001. The allocation is indeed less in comparison to the gigantic task of providing water supply to 2151 towns having population less than 20,000 as per 1991 census.



As on 13.7.2000, water supply schemes for 448 towns have been approved at a project cost of Rs.515.81 crore and a Central share of Rs.201.57 crore has been released against the sanctioned schemes. Water supply schemes in 115 towns have been completed/commissioned. It may, however, be clarified that Rs.65.00 were provided during 1999-2000 and the entire amount was released during the financial year. The Hon'ble Committee may like to note that the balance amount out of Rs.65.00 crore (taking into account earlier release of Rs.53.65 crore), *i.e.* Rs.11.35 crore was released on 14.3.2000. As such the entire amount of Rs.65.00 crore was released.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

**Recommendation (Para No. 4.22)**

The Committee however are at a loss to know whether the Government at all have details about the demand and availability of potable drinking water in towns having population above 20000. The Committee strongly recommend that as a facet of the overall objective of providing potable drinking water to all, the towns with population above 20000 should also be covered.

**Reply of the Government**

This Ministry shares the views expressed by the Hon'ble Committee above and would like to inform the Hon'ble Committee that the Ministry has already given a study to National Institute of Urban Affairs (NIUA), New Delhi to assess the status of water supply and sanitation including solid waste management in selected 300 Class-I and Class-II towns and also to estimate the future investment requirements for improving the services for full coverage of population for sampled cities/towns as well as for all size class of towns by the year 2002.

As recommended by the Hon'ble Committee, this Ministry has already taken up the issue of extension of AUWSP to towns having population upto one lakh with the Planning Commission in the past. However, the Planning Commission "is of the view that instead of enlarging the scope of the scheme it would be more practical to emphasise implementation in towns having a population of 20,000 (1991 census). To achieve even this, approximately Rs.800 to Rs.1000 crore under the Central Plan would be required, provided, of course, present procedures for formulation of schemes, pattern of financing and use of technology etc., are adopted."

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

**Recommendation (Para No. 4.25)**

The Committee express their displeasure over the fact that no funds has been released under LCS scheme in 1999-2000. They are at a loss to point out that even after lapse of 11 months, the proposal for the release of Rs.27.35 crores to HUDCO is still being processed and as such, conversion of 5.8 lakh dry units is yet to be started. The Committee feel that the Government are yet to take the scheme seriously, as only 75.41% of the allocated funds has been released, since inception of the Scheme. They would therefore like to recommend that the Government should take immediate steps to ensure better financial achievement under the Scheme.

### **Reply of the Government**

This Ministry shares the views expressed by the Hon'ble Committee and would like to inform the Hon'ble Committee that Rs.27.35 crore were provided in this Ministry's budget for LCS during 1999-2000 and the entire amount was released during the financial year 1999-2000 to HUDCO under the scheme on 10<sup>th</sup> March, 2000. The concern expressed by the Hon'ble Committee regarding slow progress of the scheme and release of funds is understandable. However, this Ministry would like to inform the Hon'ble Committee that slow progress of the scheme can be attributed to the following:

- (a) Slow generation of schemes by the State/Local Bodies.
- (b) Lack of awareness amongst the people about the benefits of the LCS scheme.
- (c) Unwillingness among the beneficiaries to bear the beneficiary contribution and subsequent repayment of loan.
- (d) Lack of proper monitoring system for effective implementation of programme at the State level.
- (e) Delay in giving guarantee by the State Governments.

In order to ensure better monitoring of the scheme review meetings are being held from time to time under the Chairmanship of Secretary in this Ministry and the next such meeting to review this Central sponsored scheme is scheduled on 24<sup>th</sup> August, 2000.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Recommendation (Para No. 4.27)**

The Committee note that the Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993, has so far been made applicable to the States of Andhra Pradesh, Goa, Karnataka, Maharashtra, Tripura, West Bengal since its enactment in June 1993.

Subsequently, the States of Orissa, Punjab, Assam, Haryana, Bihar and Gujarat have also adopted it. As manual scavenging is one of the most detestable dehumanising practice of the decades that had gone by, the Committee strongly recommend that the rest of the States should be compelled to follow suit in adopting the Act through a tactics of harmonious admixture of pressure and persuasion which may include linking of the issue to release of Central funds to these States for various schemes for urban development.

#### **Reply of the Government**

This Ministry shares the concern of the Hon'ble Committee in respect of the problem of manual scavenging prevalent in the country and the recommendations by the Committee have been noted. The Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993 came into force with effect from 26<sup>th</sup> January, 1997 in all the Union territories and States of Andhra Pradesh, Goa, Karnataka, Maharashtra, Tripura and West Bengal. Subsequently, the State Governments of Orissa, Punjab, Assam, Haryana, Bihar and Gujarat have also adopted the Act. All the remaining State Governments have been reminded from time to time to adopt the Act. A D.O. letter from Minister, Urban Development & Poverty Alleviation to the Chief Ministers of the remaining States has been sent on 25<sup>th</sup> August, 2000 urging them to adopt this Act (Appendix-IV).

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 4.29)**

The Committee are distressed to note that all the new Schemes expected to be started during the 9<sup>th</sup> Five Year Plan (1997-2002) could not commence as no fund has been released as of today by the Ministry for any of the schemes. They further note that in the BE 2000-2001 an amount to the tune of Rs.3.00 crore for 4 new schemes (*viz.* New Township Scheme, Development of Cultural Cities, Special Schemes for Water Supply and Solid Waste Management and Sanitation) has been allocated. The Committee hope that the Government will give due importance to the new schemes and urgently commence the operation of these schemes during 2000-2001.

#### **Reply of the Government**

Planning Commission is not in a position to support New Schemes for Urban Water Supply, Solid Waste Management and Sanitation in view of the fact that the continuance of ongoing Centrally sponsored schemes remains to be decided. In this connection a copy of the DO

letter dt.29.6.1998 from the Spl. Secretary (Planning Commission) addressed to Secretary UD is enclosed at Appendix-V.

In so far as the scheme of Development of Cultural cities is concerned a draft scheme has been prepared which is yet to be finalised.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 4.32)**

The Committee note that as on 31.01.2000, 21337 applications have been received by L&DO Office for conversion from leasehold to freehold property, out of which 17500 applications have since been processed/disposed off. The Committee hope L&DO would be able to dispose of the remaining applications within the stipulated time of three months from the date of receipt. While appreciating the steps taken by the Government to computerize L&DO Office, the Committee would like that the Government should take necessary steps to check the rampant corruption prevalent in that office.

#### **Reply of the Government**

Keeping in view the pendency of conversion applications and shortage of staff to process the cases, 3 special drives have been launched to clear the pending conversion applications. During Special Drives, the officers and staff have been asked to work after office hours and also on holidays and Saturdays. Ministry of Urban Development & Poverty Alleviation have provided the services of 11 UDCs for assisting the staff of L&DO. Five Special Conversion Cells have been constituted to process the conversion applications. Efforts are being made to dispose of all the conversion of applications received up to 31.3.2000 by 31.8.2000.

With a view to eliminate corruption in the Land and Development Office, the status of the office have been upgraded from Subordinate Office to that of an attached Office of the Ministry of Urban Development and Poverty Alleviation *w.e.f.* 4.4.2000. This will facilitate inter-transferability of officers and staff of Land and Development Offices. The vigilance Administration in the office has also been strengthened. Signboards advising the lessees not to pay bribe/approach touts and also to report the instances of corruption to the CVC/CVO/L&DO have been displayed at prominent places.

Computerization of various functions of the office has started. Processing of conversion application through computer has also commenced. It is expected that computerization will go a long way in eliminating corruption in the office.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 4.35)**

The Committee note that Rs.814.78 crore has been released as loan against the sanctioned amount of Rs.1426.95 crore for 135 projects reportedly started in the NCR. The Committee note that the participating States are yet to release their share and the released amount by NCRPB is only 44.35% of the estimated cost of Rs.3217.35 crore. The Committee would like to recommend that the NCRPB should impress upon the participating States to release their share for the overall development of NCR without further delay.

#### **Reply of the Government**

National Capital Region Planning Board has been constantly persuing with the participating States to ensure timely completion of projects. Monitoring of the projects is done through various review meetings taken by the Member Secretary, NCRPB from time to time with the officials of the three participating States and their Implementing Agencies. Various issues for better management of projects and speedy implementation were also discussed in the Project Sanctioning and Monitoring Group Meetings chaired by the Secretary (U.D.) from time to time.

#### **Reply of the Government**

As per the existing guidelines, the NCR Planning Board provide loan assistance upto 75% of the project cost, while the rest 25% is to be contributed by the State Governments or the Implementing Agencies. It is submitted that upto March, 2000, the Board has released loans amounting to Rs.890.52 crore for development projects (completed and ongoing). As the estimated cost if for several components over a long period of time, the State Governments/Implementing Agencies do not approach NCRPB for the entire loan assistance of the estimated cost. Hence the released amount *vis-à-vis* estimated cost will be less than 75% as stipulated for loan assistance. Of the total expenditure of Rs.1294.37 crore on implementation of these projects upto March, 2000, the State Governments have contributed Rs.403.85 crore *i.e.* 31.25%, which is more than the stipulated share of 25% by the State Governments, however, this has not been evenly achieved by all the

participating State Governments Sub-region wise details of the loan released and expenditure incurred as on 31.3.2000, is as under:

(Rs. in crore)

States	No. of Schemes	Estimated Cost	Loan Released	Total Expenditure Upto 31.3.2000	Expenditure by States	State's Expnd. As % of Estimated cost
U.P.	55	1269.58	334.54*	322.88	-	-
Rajasthan	45	375.54	134.25	173.21	38.96	22.49
Haryana	34	1735.62	386.99	741.32	354.33	47.80
<b>Sub-total</b>	<b>134</b>	<b>3380.74</b>	<b>855.78</b>	<b>1247.41</b>	<b>391.63</b>	<b>31.95</b>
Counter Magnet Areas	4	433.80	34.74	46.96	12.22	26.02
<b>Total</b>	<b>138</b>	<b>3814.54</b>	<b>890.52</b>	<b>1294.37</b>	<b>403.85</b>	<b>31.20</b>

\*Out of this amount, Rs. 50 crore were released only in March, 2000.

The recommendations of the Committee to impress upon all the participating States to release their share for overall development of NCR have been noted for compliance.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 4.41)**

While noting the achievement made under MRTS, the Committee would like to be apprised of the scheduled date of completion of the Nangloi Rail Project. The Committee would also like to be informed about the target of taking over the balance land required for MRTS.

#### **Reply of the Government**

- (i) The planned date of completion of Shahdara-Nangloi Rail Corridor of MRTS is 31.3.2005.
- (ii) (a) The target of taking over of balance land for Shahdara-Tri Nagar section of Rail Corridor and Metro Corridor is June, 2000.
- (b) Target for taking over of all remaining land is September, 2000.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Reommendation (Para No. 4.42)**

The Committee would further like to be informed of the information in respect of number of affected persons who have to be rehabilitated in the process of taking over land for MRTS and the planning on the part of the Government in this respect. The policy/guidelines should be so framed that rehabilitation is effected first and the project work commenced thereafter.

### **Reply of the Government**

- (i) Number of affected persons/families who have to be rehabilitated in the process of taking over land for MRTS is:-

Corridor	Residential & Non-residential	Jhuggies	Total
(a) Vishwa Vidyalaya to Central Secretariat	240	1560	1800
(b) Shahdara to Nangloi	1291	1295	2586
(c) Subzimandi to Holambi Kalan	513	3609	4122
Total	2044	6464	8505

- (ii) Planning on part of the Government to rehabilitate the affected persons/families is as under:-

1. Displaced from private land – Compensation as per Land Acquisition Act is being paid. No separate rehabilitation policy has been framed by the Government of Delhi in this connection for the MRTS project.
2. Jhuggies are rehabilitated at an alternate site through Slum & JJ Deptt. of Government of National Central Territory of Delhi.
3. Government residences – Alternate accommodation is provided to the allottees by respective departments, cost being borne by DMRC.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

## CHAPTER III

### RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

#### **Recommendation (Para No. 2.7)**

The Committee note that the Ministry only propose financial outlays at the beginning of the Five Year Plan. They note that the Ministry at present do not plan the physical and financial targets for different Plan schemes annually. They further note that annual plans are operational plans which take into account, among others, the past performance of planned schemes while making allocations for the next financial year. They would, therefore, like to recommend that the Ministry should plan the financial and physical targets annually, in line with the amount allocated by the Planning Commission for each Five Year Plan, before the commencement of the ensuing year.

#### **Reply of the Government**

Most of the Projects under the Mega City Scheme are of long gestation and, therefore, it is difficult to indicate physical and financial targets. However, as per the Mega City Scheme Guidelines, the Nodal Agencies are required to indicate the target date for completion of projects while submitting the proposals to the State level Sanctioning Committee.

The MRTS, Delhi Project is being executed by the DMRC and targets fixed are closely monitored. In the case of many other schemes of the Ministry, the execution is with the State Governments or their agencies and releases are made according to the guidelines of the respective schemes and further releases are made taking in to account the past utilisations etc.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

#### **Recommendation (Para No. 3.10)**

While noting the reply of the Government that the proposal to extend the facility of addition/alteration on payment of 10% of the cost of such addition/alteration in the houses belonging to other points is under consideration of the Government, the committee recommend that the final decision to restore this facility to allottees of all pools particularly where the quarters were constructed by them, is taken expeditiously so as to restore the said facility for the better maintenance of Government quarters. The question of provision of funds by the controllers of



these pools, if any, should be sorted out by the Ministry by sitting across the table with concerned officers of those Departments.

**Reply of the Government**

Necessary orders have been issued under this Ministry's order No.11014/22/90-W 3, dated 7.7.200 (Appendix-II).

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

## CHAPTER IV

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

#### **Recommendation (Para No. 2.5)**

The Committee are constrained to note that BE 1999-2000 for Plan schemes was reduced from Rs.774.34 crore to Rs.680.87 crore at the RE stage (*i.e.* a reduction of 12.04 per cent). They further note that the Ministry could utilise only Rs.441.42 crore during 1999-2000 (upto February, 2000). The Committee feel that not only inadequate allocation is being made for different programmes/schemes but also whatever allocation is made could not be utilised fully. They, would, therefore, strongly recommend that the Government should gear up and streamline the existing implementing machinery at the field level so as to ensure 100% utilisation of available funds.

#### **Reply of the Government**

The Committee's observations have been circulated among the Divisions to take steps to have maximum utilisation of funds. Copy of D.O. No.K-14011/64/95-UD.III(M), dated 26<sup>th</sup> May, 2000 issued by the Ministry in respect of Mega City Scheme is at Appendix-I. It may be mentioned that actual expenditure on Plan Scheme up to July, 2000 is Rupees 195.87 crore as against Rs.54.07 crore up to July, 1999 of the Department of UD including CPWD.

Thus pace of expenditure during the year is better than the previous year.

	2000-2001		1999-2000	
	Allocation	Expenditure	Allocation	Expenditure
Ministry of Urban Development	785.03	145.69	664.63	41.61
CPWD	115.40	13.96	109.46	12.46
Total	900.43	159.65	774.09	54.07

It will be seen from the above that pace of expenditure during the year is better than the previous year.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Comments of the Committee**

(Please *see* para No.7 of Chapter I of the Report)

### **Recommendation (Para No. 4.12)**

The Committee urge that the Government should make a review as to whether IDSMT was successful in arresting the migration of population to cities/towns.

### **Reply of the Government**

One of the objectives of the IDSMT Scheme is to facilitate arresting the migration of population to cities/towns as in the long run the pull factor of the metropolitan cities would get reduced. However, of the 4565 small and medium towns in the country only 1005 towns have been covered *i.e.* only 22% of the total small and medium towns. The towns covered have been provided only a small portion of the required funds for infrastructure developments. Further, migration from smaller towns is also dependent upon number of other factors also. Keeping the above in view it may not be feasible to undertake a review at this stage, so as to ascertain whether IDSMT has been successful in arresting migration.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Comments of the Committee**

(Please *see* para No.27 of the Chapter I of the Report)

### **Recommendation (Para No.4.38)**

The Committee are appalled at the state of affairs in DDA when the Government informed them that out of 16133 houses constructed upto the end of the third quarter of 1999, 65.8% houses did not have electricity and 34.14% did not have water connection thus leaving houses with no takers. DDA being a premier agency should have constructed the houses only after reassuring themselves about the provision of basic facilities like electricity and water. Having sunk huge Government funds in the constructions which have no takers, the DDA have mindlessly caused enormous losses to the Government. The Committee, therefore, strongly recommend to the Government, to identify those responsible for this terrible loss, for initiating punitive action with a view to deterring DDA from indulging in further loss making misadventures.

### **Reply of the Government**

Delhi Development Authority upto 31.12.1999 had constructed 263754 flats comprising of 50,253 SFS, 60,910 MIG, 74,838 LIG, 77,753 Janta. Before giving a formal clarification to the specific issue raised by the Parliament Committee, it will be appropriate to indicate the system in which the land assembly takes place in Delhi. By virtue of Delhi Development Act, 1957, the DDA is primarily responsible for peripheral and internal development within the areas defined as "development areas". Trunk services like water treatment plants, sewerage treatment plants and trunk mains of these two services have to be provided by DJB (previously Delhi Water Supply & Sewerage Disposal Undertaking, MCD). The outfall drains for the peripheral and above are required to be provided by the Irrigation & Flood Control Department. Roads upto 30 Mtr. R/W and above either within the development area or outside, are required to be constructed by the PWD, Government of NCT of Delhi (previously Delhi Administration). External electrification work is done by DVB (previously DESU).

Whereas DDA has defined commitment to the Project, other organisations, which have to provide important and viable inputs for integrated development, are often not able to maintain the pace of development, because of their own priorities and funding problem. It may be pertinent to mention here that from the very conceptual stage, these services departments are apprised of such developments. Before embarking on any project, there is a system of getting these proposals discussed and approved by Authority, DUAC, the Screening Committee, the Technical Committee, etc. which are duly represented by the heads of local bodies and the concerned Planners and Engineers of services departments like DJB, MCD, DVB, I&F etc. Thereafter, the individual proposals are also submitted to the local bodies for their approval of the services plans before actual execution on the ground. It is the obligatory responsibility of the DJB under the Act of Parliament to provide drinking water at the city level. At times they indicate their helplessness mainly because of the inter-State problems regarding the release of raw water from the adjoining States.

Whereas the DDA not merely wishes these developments to happen, it also makes the best possible effort to see them properly coordinated by appropriate linkages with the concerned local bodies and authorities. Despite all these, the mismatch between the DDA development and the other agencies remain. In case, total perfection is desired and land left unutilised, unplanned development may take place.

Thereafter, there had been a lot of interaction between DDA and DWS & SDU (now DJB) for release of water, at all levels and the commitments made were deferred time and again

as they expressed their helplessness mainly because of inter-State problem regarding the release of raw water from the adjoining States. DDA tried to make an interim arrangement by boring tubewells but the discharge from these tubewells was not found fit for human consumption. However, now DJB has recently released 1 MGD of water for Narela and the water is now available to all the houses (5508) mentioned in the report.

As far as non-electrification of 10625 houses mentioned in the report are concerned, it may be quite relevant to apprise that the DDA had deposited its share of development with DVB as per details given below-

Rs.18.89 lakh in 1993-94 for 192 flats

Rs.197.56 lakh in 1995-96 for 1880 flats

Rs.654.56 lakh in 1997-98 for 3813 flats

Rs.206.73 lakh in 1998-99 for 1640 flats

Rs.365.44 lakh in 1999-2k for 2100 flats.

Inspite of repeated assurances, the targets have been deferred by DVB time and again. The work in each of the housing pocket is now in progress and targeted by them to be completed in next 6 months or so.

In view of the above, no punitive action against any of the DDA official is called for.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Comments of the Committee**

(Please see para No.30 of Chapter I of the Report)

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

**Recommendation (Para No. 2.13)**

The Committee note that the Ministry as acknowledged in the written note does not maintain data regarding exact staff strength which is singularly surprising. They would, therefore, like to know the staff strength in various offices of the Ministry. The Committee desire that the Ministry should make all out of efforts to bolster efficiency and to cut down the Non-plan expenditure.

**Reply of the Government**

The various Organisations under this Ministry including C.P.W.D. were requested to furnish the data relating to Staff Strength. The requisite information is still awaited from DG(W), CPWD. The department is spread throughout the length and breadth of the country and it may take some more time before the requisite information becomes available from them. Thereafter, the requisite data will be made available to the Hon'ble Committee.

The Committee's observation regarding bolstering efficiency and cutting down Non-Plan expenditure have been noted and every efforts will be made to achieve the same.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

**Comments of the Committee**

(Please *see* para No.13 of Chapter I of the Report)

**Recommendation (Para No. 3.7)**

The Committee note that inspite of spending huge amount on annual maintenance of old bungalows which according to Governments own admission are old and have outlived their life, these are still in dilapidated condition. The Committee, therefore, recommend that the Government should identify those bungalows which are in very poor and dilapidated condition in spite of incurring huge expenditure on their annual maintenance and should demolish them so that new bungalows could be constructed in their places without violating the provisions of L.B.Z.

### **Reply of the Government**

The CPWD is taking action on the recommendation of the Committee.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Comments of the Committee**

(Please *see* para No.13 of Chapter I of the Report)

### **Recommendation (Para No. 3.8)**

The Committee recommend that a blue print for demolition of old bungalows and construction of new ones in place of them in a time bound manner, may be evolved so that within a span of every 5 to 10 years around 100 old bungalows are demolished and new constructions are put in place for easing the tight position in allotment of bungalows to VIPs and others. The Government must also appropriately tie up with the Planning Commission and other agency concerned for securing the necessary allocations.

### **Reply of the Government**

The CPWD is taking action on the recommendation of the Committee.

[Ministry of Urban Development & P.A. OM No.H-11013/8/2000-BT. dated 23.10.2000]

### **Comments of the Committee**

(Please *see* para No.13 of Chapter I of the Report)

NEW DELHI;

28 February, 2001

9 Phalguna, 1922 (*Saka*)

ANANT GANGARAM GEETE

*Chairman,*

*Standing Committee on*

*Urban and Rural Development.*

## APPENDIX I

### BETTER UTILISATION OF FUNDS UNDER THE MEGA CITY SCHEME

S. BANERJEE  
JOINT SECRETARY (UD)  
TELE. NO.: 301 2309

D.O. No.K-14011/64/95-UDIII (M)  
May 26, 2000.

Dear Shri

The Parliamentary Standing Committee on Urban and Rural Development in its report on Demands for Grants for the Ministry of Urban Development for the year 2000-2001, had expressed concern over the slow progress of implementation of the projects under the Mega City Scheme and the amount left unspent by the implementing Agencies at the end of the year 1999. The Committee has recommended that the implementing Agencies should be geared up to speed up by the implementation of the projects and reduce the chances of having unspent balance towards the close of the year.

2. The Committee has also recommended that the State Governments should release their share in time so that works for the approved projects (where the work has not yet started) get started without further delay. Implementing Agencies may please be advised to speed up their efforts to start the work on the project where it has not been started.

3. In view of the concern expressed by the Parliamentary Standing Committee, it is requested that the information with regard to release of State Share till date and the provisions made during the current financial year for the Mega City Scheme alongwith the information on the status of the implementation of the project (on going as well as projects yet to start) sanctioned by the State Level Sanctioning Committee may please be furnished to this Ministry immediately. It is also requested that the implementing agencies may be impressed upon the need to speed up the implementation of the projects. It will be difficult for this Ministry to release the first instalment of the Central share till the State Governments release the matching share and confirm the provision made for the matching share during the current financial year.

With regards,

Yours sincerely,

Sd/-

(S. Banerjee)



To

As per list attached.

Shri S.V. Joshi,  
Principal Secretary (UD&LSG),  
Government of Maharashtra,  
Mantralaya, Mumbai  
(Fax: 022 202 8594/285 4573)

Shri Ajit Warte,  
Metropolitan Commissioner,  
MMRDA,  
Plot No.C-14 & C-15,  
Bandra Curla Complex,  
Bandra (East)  
Mumbai (Fax: 022 640 0306)

Shri N.L. Basak,  
Secretary (UD),  
Government of West Bengal,  
No.18, Rabindra Sarani,  
Calcutta (Fax: 033 225 8262)

Smt. Nandita Chatterjee,  
Chief Executive Officer,  
CMDA, No.3-A, Auckland Place,  
Calcutta (Fax: 033 247 49671)

Smt. S. Malathi,  
Secretary (MA & WS),  
Government of Tamil Nadu,  
Secretariat, Fort St. George,  
Chennai (Fax: 044 580611)

Shri T.P. Nagarajan,  
Chairman-cum-Managing Director,  
TUFIDCO,  
No.84, T.T.K. Road,  
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Shri N.S. Hariharan,  
Principal Secretary (UD),  
Government of Andhra Pradesh,  
Secretariat,  
Hyderabad (Fax: 040 322 0876)

Shri Ajoyendra Pyal,  
Managing Director,

APUFIDC, MCH Office Complex,  
4<sup>th</sup> Floor, Tank Road,  
Hyderabad (Fax: 040 322 0874)

Shri Krishna Kumar,  
Principal Secretary (UD),  
Government of Karnataka,  
M.S. Building, Dr. Ambedkar Veedhi,  
Bangalore (Fax: 080 225 8913)

Dr. A. Ravindra,  
Managing Director  
KUIDFC, 8 KSMF Building,  
MSB-3, Cunningham Road,  
Bangalore (Fax: 080 220 7854)

## APPENDIX II

### ADDITIONS/ALTERATIONS IN GENERAL POOL ACCOMMODATION

No.11014/22/90-W.3  
Government of India  
Ministry of Urban Development and Poverty Alleviation  
(Works Division)

New Delhi, the 7<sup>th</sup> July, 2000

#### Office Memorandum

Subject : Additions/alterations to be carried out in general pool accommodation at the request of the allottees.

The undersigned is directed to say that orders were issued *vide* this Ministry's O.M. No.11014/22/90-W3 dated 9.1.96 for carrying out works of addition/alteration of a non-structural nature on priority basis in the residences allotted to eligible Central Government employees on payment of 10%, 20% or 100% cost of the works depending upon the nature of the work. Subsequently, it was clarified in this Ministry's O.M. of even number dated 19.12.97 that these orders were not applicable to pools other than general pool residential accommodation. It was stated that in case of any addition/alteration is desired by the allottees of pools other than general pool accommodation then the concerned authorities may take the required contribution from the allottee and may meet 100% expenditure from their own funds and place the funds at the disposal of the CPWD for carrying out the work. Representations have been received from the Lok Sabha Secretariat and Rajya Sabha Secretariat for reconsideration of the orders issued on 19.12.97 on the ground that they have only administrative control over the quarters and the licence fees being deducted from the employees is being credited to the Government account.

2. Accordingly, the matter has been reconsidered and it has been decided now to restore the facilities of additions/alterations on payment of charges as contained in our O.M. of even number dated 9.1.96 in respect of those houses which though belong to other departmental pools and maintained by CPWD for which funds are allotted to them under an exclusive and distinct sub-head "2216 Other Housing (Non-Plan)".

3. This issues with the concurrence of Finance Division vide their Dy. No.1282-f/AS&FA/UD dated 20.6.2000 and with the approval of UDPAM.

Sd/-

(Sewa Ram)

Under Secy. to the Govt. of India.

1. All Ministries/Departments of the Government of India.
2. CAG of India, Bahadur Shah Zafar Marg, New Delhi.
3. Secretary General, Lok Sabha/Rajya Sabha, New Delhi.
4. DG(W), CPWD, New Delhi (Shri N. Krishnamoorthy),
5. Chief Secretaries, of Union territories.
6. Director, Directorate of Estates (Ms. Achla Sinha).

*Copy to:*

- (i) PS to UDPAM
- (ii) PS to MOS (UPDA).
- (iii) Sr. PSS to Secretary (UD).
- (iv) PS to Secretary (UPA)
- (v) All Jt. Secretaries/Directors/Dy. Secretaries/Under Secretaries
- (vi) All Desks/Sections in the Ministry.
- (vii) Hindi Section for Hindi version.

Sd/-

(Sewa Ram)

Under Secy. to the Govt. of India.

## APPENDIX III

### REPORT OF THE COMMITTEE CONSTITUTED FOR SUGGESTING MODIFICATIONS TO THE GUIDELINES OF THE MEGA CITY SCHEME AND IDSMT SCHEMES

#### 1. Introduction

1.1 Urban infrastructure, particularly water supply, sewerage and solid waste management have been falling tremendously short of both needs and requirement. The problem is further aggravated by the steadily increasing urban population. As the India Infrastructure Report estimates there is a shortfall of more than Rs.2000 crore per annum in terms of availability of resources *vis-à-vis* the need in this sector. The inadequate resources have resulted in further deterioration of quality in urban infrastructure services. It was in this background that an in-depth review had become necessary to gauge how far the ongoing Centrally Sponsored Schemes of Infrastructure Development in Mega Cities and Integrated Development of Small and Medium Towns (IDSMT) have been able to achieve their objectives. The review was further necessitated in the context of the instructions received from the Planning Commission for a Mid Term Appraisal of the Scheme. Most importantly, the Parliamentary Standing Committee on Urban and Rural Development has also been enquiring in the past about such a review of these Schemes.

1.2 Accordingly, a comprehensive review of the above mentioned schemes was carried out in 1999 under the chairmanship of Additional Secretary (UD) in this Ministry. A Committee was constituted under the chairmanship of Joint Secretary (UD) in the Ministry of Urban Development to study the issues relating to implementation of the Centrally Sponsored Schemes of Infrastructure Development in Mega Cities and Integrated Development of Small and Medium Towns (IDSMT) and suggest modifications to the existing Guidelines of these Schemes.

1.3 The composition of the Committee and its terms of reference are enclosed as Annexure A and B respectively.

1.4 As the result of the deliberations of the Committee (minutes are enclosed at Annexures C and D), the following recommendations emerged:

#### 2. Scheme for Infrastructure Development in Mega Cities

2.1 The Centrally Sponsored Scheme of infrastructure Development in Mega Cities (Mega City Scheme) which commenced in 1993-94 for development of city-wide infrastructure, with inbuilt cost recovery measures to create a Revolving Fund was applicable to the five Mega Cities having population of 40 lakhs and above of Mumbai, Calcutta, Chennai, Hyderabad and

Bangalore. Delhi was not included in the Scheme as it gets funds from other sources being the Capital City. The scheme was conceived to tackle the problems being faced due to migration from rural areas on which city authorities have little control thereby trying to decongest them. These underlying assumptions were kept in the background while gauging the impact of the scheme. The review led to the emergence of the following issues.

### **3. Criteria for selection and prioritisation of projects and towns**

3.1 The illustrative list of projects which would be taken up under the Mega City Scheme according to the existing guidelines is at Annexure-E. After perusing the illustrative list of projects contained in the Guidelines of the Mega City Scheme, it was agreed unanimously that the list of projects eligible for funding under the scheme would have to be clearly worded to remove any ambiguity. It was decided that the illustrative list now would include the following items:

- (i) Development of urban fringes (These areas are generally neglected and new slums often come up in these areas)
- (ii) Urban renewal (*i.e.* redevelopment of inner (old) city areas). This would include items like widening of narrow streets, shifting of industrial/commercial establishments from non conforming (inner city) areas to 'conforming' (outer city) areas to reduce congestion, renewal of sewerage/drainage/solid waste disposal, water supply system, etc. land acquisition costs, however, shall not be financed under this component of the programme.
- (iii) Laying/improvement/widening of arterial/sub-arterial roads within the metropolitan areas to remove transport bottlenecks.
- (iv) Laying of ring roads/outer ring roads and bypasses around mega cities.
- (v) Improvements to the water supply and sewerage and drainage systems in the city.
- (vi) Solid waste disposal schemes and setting up of urban waste composting plants in the city to convert garbage (biodegradable portion) into manure.
- (vii) Environmental improvement and sanitation.
- (viii) Truck terminals
- (ix) Storm water drains

The above mentioned projects will be eligible for loans carrying differential rates of interests ranging between 5% and 15% depending on the category of projects. No grants shall be sanctioned under the Mega City Scheme, so that over a period of time the Revolving Fund would emerge.

#### **4. Project Mix Ratio**

4.1 It was unanimously agreed that while the existing Project Mix Ratio of 40:30:30 between commercially viable projects (category A), user charge based projects (category B) and basic services projects (category C), would be retained, this would be considered only an indicative ratio and not to be mandatory for the purpose of *inter-se* allocation of central share not for use of project funding. However, attempt should be made towards clearance of commercially viable projects in tune with the urban agenda.

#### **5. Criteria for inter-se allocation of funds**

5.1 It was recommended that the following criteria would be adopted for *inter-se* allocation of central share under Mega City Scheme replacing the existing criteria.

<b>Factor</b>	<b>Weightage</b>
A. Population	30%
(a) Population as on 1991 census	20%
(b) Decadal Population Growth (1981-91)	10%
B. Geographical Areas of the City/Towns/Agglomeration covered under the Mega City Scheme	10%
C. Urban Sector Reforms	60%
(a) Preparation of 5-10 year rolling Capital Investment Programmes (CIPs)	20%
(b) Computerisation of municipal functions billing of property and other taxes and charges	5%
(c) Property tax reforms and recoveries	10%
(d) Adoption of double entry accounting system	10%
(e) Investment graded rating for ULBs	5%
(f) Use of innovative methods, such as leasing, BOT etc. for financing full or part of the Cost of projects	10%

5.2 These criteria would be used only after a minimum period of one year of informing all the nodal agencies. It is to give them adequate time for initiating actions in this regard.

## **6. Prioritise Urban Sector Reforms specifying the essential**

6.1 The Urban Sector Reform have been identified for the purpose of providing weightage for *inter-se* allocation as mentioned above. In addition the Mega Cities should make efforts to take up other Urban Sector Reforms for resource mobilisation such as using land as resource, adopting innovative ideas such as Tradable Development Rights (TDR) etc. There was unanimous agreement on this issue.



## **7. Revolving Fund**

7.1 It was decided that the time limit to achieve the target of Revolving Fund as specified in the earlier Guidelines shall be extended for a further Five Year Plan period. As regards reducing the quantum of Revolving Fund from the existing 75% to 50%, it was accepted as this would be more realistic.

7.2 On the issue of use of the Revolving Fund, it was recommended that the Revolving Fund should be utilised for ploughing back into urban infrastructure projects of the city itself in the same way as the funds are utilised at present under the scheme. There would not be any objection if the Revolving Fund is established by either the Implementing Agencies or at the level of Nodal Agencies as at present. Both would be acceptable so long as the funds are emerged and utilised for the Urban Infrastructure Projects in the city.

## **8. Training needs/Projects Preparation Facility**

8.1 It was recommended that there should be a separate fund for training of personnel at the nodal/implementing agency level for preparation of projects and efficient implementation. In the absence of adequate availability of funds it is necessary to explore other avenues for this purpose. It was agreed that one per cent of the central share under the Mega City Scheme is to be earmarked for training and another one per cent for project preparation facility.

## **9. Other issues considered by the Committee**

### *Project Size*

9.1 The present policy is to allow the Nodal Agencies to take up projects six times of the Central Share released. However, on the suggestions from Members, it was agreed to increase the size from the existing six times to eight times of Central Share subject to availability of funds as the pipeline and gestation period of infrastructure projects is long.

### *Expeditious completion of projects*

9.2 Nodal agencies, it is felt are required to take all possible steps to avoid cost and time overrun of the sanctioned projects. Suitable mechanisms and systems need to be devised along with close monitoring.

*Additional assistance to municipalities to which rural areas are added*

9.3 The suggestion for providing additional assistance to municipalities which are moving from rural areas towards urban areas was noted. However, due to budgetary constraints it was not found possible to provide additional assistance for this purpose.

*Inclusion of elected representatives in the Sanctioning Committee*

9.4 On the issue of inclusion of elected representatives in the Sanctioning Committee of the Scheme, it was noted that as under the 74<sup>th</sup> Constitutional Amendment Act, elected representatives have already been given representations in the District/Metropolitan Planning Committees, participation of elected representatives in the State Level Sanctioning Committees should be strictly in those terms.

*Provision of moratorium*

9.5 It was agreed to consider the suggestion that there should be a moratorium on the repayment of loan by the implementing agencies atleast for a period upto five years depending on the nature of the project for the purpose of repayment of loan. This moratorium could be subject to the condition of having some securitisation of loan either through escrow account or non recourse financing or other novel ways of project financing which the nodal agency could consider.

### *Funds under National Highway Authority of India*

9.6 The suggestion that National Highway Authority of India would be requested to transfer a portion of the grants available to them for construction/improvement of bypasses in urban areas or inducting representative from the concerned nodal agencies in their Committee while considering issues relating to construction/improvement of bypasses was accepted. While there was agreement, however as a precaution, the Ministry of Surface Transport/National Highway Authority of India have been addressed in the matter.

### *Exemption from payment of Income Tax by TUDICDO under section 10(23G) of Income Tax Act*

9.7 This issue has already been taken up with the Ministry of Finance (Department of Revenue).

### *Preparation of check list for projects while submitting to Sanctioning Committees*

9.8 It was recommended that the implementing agencies should prepare a check list of various aspects of the projects before submitting them for the consideration of State Level Sanctioning Committee so that projects at a later stage are not disbanded due to lack of understanding of the basics.

## 10. *Institutional Finance from other sources*

10.1 The suggestion for mobilising Institutional Finance from any Non Budgetary Resources under the Mega City Scheme was accepted.

## **11. IDSMT Scheme**

### *Introduction*

11.1 To improve the economic and physical infrastructure and also to provide essential facilities and services and also to slow down the growth of large cities by developing small and medium towns through increased investments in these towns, the Centrally Sponsored Scheme of Integrated Development of Small and Medium Towns (IDSMT) was initiated in the year 1979-80. The scheme is continuing with timely amendments and modifications. Investments in the development of small urban centre would also help in reducing migration to large cities and support the growth of surrounding rural areas as well. The issues which were considered by the Committee under the Scheme are as under:

### *Simplification*

11.2 It was agreed that projects under IDSMT need not be referred to the Ministry second time for approval once those have been approved at the State Level Sanctioning Committees after proper appraisal by TCPO. The central share could be released by the Ministry in lump-sum and the State Government would be free to release the amount according to the terms and conditions under the guidelines.

*Training needs/Project Preparation Facility*

11.3 It was recommended that there should be a separate fund for training of personnel at the nodal/implementing agency level for preparation of projects and efficient implementation. In the absence of adequate availability of funds it is necessary to explore other avenues for this purpose. It was agreed that one percent of the central share under the IDSMT Scheme is to be earmarked for training and another one per cent for projects preparation facility.

*Redeployment of funds*

11.4 It was agreed that the State Level Sanctioning Committees should be empowered to re-deploy funds under IDSMT so long as no expenditure has been incurred out of the funds released for a particular town.

*Flexibility in selection of projects*

11.5 It was recommended that the states/urban local bodies should have flexibility and wider choice in the matter of prioritisation and selection of projects and project towns to which there was general consensus among the Committee members.

*Support of creation of data base, preparation of Master Plan etc.*

11.6 It was recommended that a portion of the fund could be earmarked under the scheme for creation of a data base and its updating and also for preparation of Regional Perspective Plan and Master Plan for various sectors.

No.F-14011/43/95-UD.III (M)

Government of India

Ministry of Urban Development

New Delhi, the 12<sup>th</sup> August, 1999

OFFICE MEMORANDUM

**Subject:** Constitution of a Committee to undertake examination of issues relating to the implementation of Centrally Sponsored Scheme of IDSMT, Mega City and Urban Mapping.

The undersigned is directed to say that it has been decided to constitute a Committee to undertake an indepth examination of various issues which came up during the review of the above mentioned schemes and suggest suitable modifications to the existing guidelines of these schemes. The composition of the Committee is as under:

Chairman

Shri S. Banerjee, Jt. Secretary (UD)

Members

Shri P.K. Pradhan, Chief Executive Officer, Calcutta Metropolitan Development Authority, Calcutta.

Shri N.S. Hariharan, Pt. Secretary (UD), Government of Andhra Pradesh.

Smt. S. Malathi Secretary (MA&WS), Government of Tamil Nadu.

Dr. A., Ravindera, Managing Director, Karnataka Urban Infrastructure Development Finance Corporation, Bangalore.

Shri S.K. Sharma, Secretary(UD), Government of Bihar.

Shri D.S. Meshram, Chief Planner, Town & Country Planning Organisation, New Delhi.

Director (UD), Ministry of Urban Development.

2. The Committee shall examine in detail the following issues and suggest suitable modifications to be made in the existing guidelines of each of the schemes.

*ANNEXURE B*

- Criteria for selection and prioritisation of projects and towns
- Criteria for use of 'Revolving Fund'
- Formula for project mix in lieu of existing formula for 40:30:30 (commercially viable: remunerative : basic services)
- Criteria for *inter-se* allocation of funds
- Simplification of procedures in the schemes
- Urban Sector reforms specifying the essential
- Training needs for the scheme.

Sd/-

(P.J. Mathew)

Under Secretary to the Government of India

To

1. All the Members of the Committee as mentioned above.
2. Sr.PPS to Secretary (UD)
3. PS to AD(UD)

MINUTES OF THE MEETING OF THE REVIEW COMMITTEE  
ON MEGA-CITY, IDMSM AND URBAN MAPPING HELD  
AT 11 AM ON 15.11.99

The Meeting of the Committee set up to review the Guidelines/implementation of the Centrally Sponsored Scheme of Infrastructure Development in Mega Cities and IDMSM and the Central Scheme of Urban Mapping was held at 11.00 A.M. on 15.11.99 under the Chairmanship of Shri S. Banerjee, Joint Secretary (UD). The list of participants is annexed.

2. Chairman of the Review Committee welcomed the participants and briefly referred to the terms of reference for the Committee and review paper circulated by this Ministry to the participants. Thereafter, the representative of National Institute of Urban Affairs (NIUA) made a brief presentation on the Inception Report submitted by him on the Impact Assessment Study on the implementation of Mega City Scheme. He briefly covered the issues relating to Project Mix Ratio, Revolving Fund, Mobilisation of Institutional Finance, Urban Sector Reform etc. This is the first stage of study by NIUA and the second stage of the study would be taken up shortly.

3. After the presentation by NIUA, the following issues were discussed.

#### **Criteria for selection and prioritisation of projects**

4. The Mega City Guidelines provide that the Nodal Agencies would provide project related finance for urban infrastructure including water supply, sewerage, drainage, sanitation, city transport network, land development, slum improvement, solid waste management etc. Projects which are highly capital-intensive or of long duration are not eligible under the guidelines. After perusing the illustrative list of projects which could be considered for financing under the Mega City Scheme, it was agreed that the illustrative list of projects eligible for funds would be clearly worded to remove any ambiguity. Interest would be charged on all loans sanctioned but with differential rates ranging between 5%-15%. Thus the list would now include only loans for projects carrying differential rates of interest ranging between 5-15. No grants shall be sanctioned under the Mega City Scheme, so that over a period of time the Revolving fund would emerge.

The illustrative list would be on following lines:

- Development of urban fringes (these areas are generally neglected and new slums often come up in these areas).
- Urban renewal [*i.e.* redevelopment of inner(old) city areas]. This would include items like widening of narrow streets, shifting of industrial/commercial establishments from non-conforming (inner-city) areas to 'conforming' (outer-city) areas to reduce congestion, replacement of old and worn out water pipes by new/higher capacity ones, renewal of sewerage/drainage/solid waste disposal system, etc. Land acquisition costs, will not be financed under this component of the programme.
- Laying/improving/widening of arterial/sub-arterial roads within the metropolitan areas to remove transport bottlenecks.
- Laying of ring roads/outer ring roads and bypasses around Mega Cities.
- Improvements to the water supply and sewerage and drainage systems in the city.
- Solid waste disposal schemes and setting up of urban waste composting plants in the city to convert garbage (biodegradable portion) into manure.
- Environmental improvement and sanitation
- Truck Terminals
- Storm water drains



- Working Women's Hostels

### **Project Mix Ratio**

5. The Mega City Scheme Guidelines provide for three categories of projects which could be taken up under the scheme. These are:

- Category "A" which are commercially viable and profitable;
- Category "B" for which user charges could be levied and projects where cost recovery in the sense of meeting the operation and maintenance cost and a part of capital cost is expected through direct/indirect revenue generation, and
- Category "C" projects are of basic services nature which are absolutely essential for upgradation of quality of living in metro city but where user charges cannot be recovered.

6. The Project Mix Ratio indicated in the guidelines is 40:30:30 among the three categories. The purpose of indicating such a ratio is to ensure that the overall package rather than each project should be viable in the sense of creating a sizeable corpus for future investment. However, all the members felt that there was no need for indicating any Project Mix Ratio since the funds provided by the nodal agencies are to be loans which are paid back with interest forming part of the Revolving Fund. It was also agreed that the stipulation regarding Project Mix Ratio would no longer be insisted upon as one of the criteria for deciding the *inter-se* allocation of funds is to be dispensed with altogether.

### **Criteria for *inter-se* allocation of funds by the Centre to the Nodal Agencies**

7. The existing criteria for *inter-se* allocation of funds under the Mega City Scheme was reviewed. It was felt that while there is no objection in retaining the criteria regarding population, decadal growth of population and geographical area, all the members felt that there is a need to re-examine the criteria relating to urban sector reforms. Reforms are carried out despite the Mega City Scheme. Further, it is difficult to quantify various reforms undertaken by each Mega city. However, the Chairman emphasised that one of the main purpose of the Mega City Scheme was to promote urban sector reforms. The need for effecting financial and institutional reforms will have to be given top most priority by the State Governments/Nodal Agencies as envisaged in the Constitution 74<sup>th</sup> Amendment Act, 1992. He, therefore, suggested to the members to give a thought to the issue and provide suitable suggestions at the earliest so that these could be

considered for providing weightage for *inter-se* allocation of funds. It was agreed that the criteria need to be objective and transparent clearly spelling out the issues.

### **Revolving Fund**

8. The Mega City Scheme Guidelines provide that by the end of Ninth Plan a minimum of 75 per cent remain in the corpus of the nodal agencies after accounting for interest on borrowed capital, appraisal/processing/servicing and related costs. However, members felt that major projects are related to basic services where cost recovery is not possible, thus it would be difficult to achieve the target of 75% of the revolving fund by the end of Ninth Plan. It was suggested that the target of 75% could be brought down to 50%. The Chairman indicated that since National Institute of Urban Affairs is already engaged in the Impact Assessment Study of the scheme they could consider this issue and suggest suitable recommendations in this regard.

9. On the issue of how to use the Revolving Fund, it was agreed that the Revolving Fund could be utilised for undertaking urban infrastructure projects in the same way as the funds are utilised at present under the Mega City Scheme.

### **Prioritisation of Urban Sector Reforms**

10. In this regard also Chairman desired that the members give their suggestions to this Ministry at the earliest.

11. Shri K. Rajivan, CEO, TNUDF expressed a view that there should be a moratorium on the repayment of loan by the implementing agencies as in the case of World Bank loans. The provision of moratorium can be with a stipulation of having some securitization of the loan through escrow accounts or any other means of security which the Nodal Agency is ready to consider. It was agreed that this proposal could be examined for inclusion in the guidelines.

### **Training needs under the scheme**

12. It was generally felt that there was need for providing training to the persons of the implementing agencies for project preparation, implementation etc. However, on account of limited availability of funds in the Mega City Scheme it was difficult to provide any assistance for training purposes out of the scheme fund. Chairman suggested for exploring the possibility of obtaining funds from the Research and Training budget of this Ministry or external aid for this purpose.

### **Funds under National Highway Authority of India**

13. Shri K. Rajivan, CEO, TNUDF mentioned that funds (grants upto 40%) are available with the National Highway Authority of India (NHAI) for construction/improvement of by-passes in urban areas. He suggested that either the NHAI could be requested to transfer this

fund to the Ministry of Urban Development so that the same could be provided to the nodal agencies under the Mega City Scheme for construction of by-passes. Alternatively the NHAI could be requested to include a representative from the nodal agencies of the mega cities in their Committee while considering issues relating to construction of by-passes in urban areas. This aspect needs to be taken up by the Ministry of Urban Development with NHAI and Ministry of Surface Transport. Chairman, agreed that this shall be taken up on priority.

#### **Payment of Income Tax by TUFIDCO**

14. The issue regarding exemption of payment of income tax to the Central Board of Direct Taxes (CBDT) by the Nodal Agency – TUFIDCO was raised in the meeting. This Ministry has already taken up the matter regarding exemption under Section 10(23-G) of the Income Tax Act with the Ministry of Finance. However, Mumbai Metropolitan Regional Development Authority indicated that they have already obtained income tax exemption. They were requested to provide a copy of the orders issued by the CBDT in this regard so that TUFIDCO also can take up the matter with the Board/Department of Revenue on similar lines.

#### **Preparation of checklist for projects while submitting to Sanctioning Committee**

15. Director (UD) indicated in the meeting that nodal agencies are proposing dropping of projects which were sanctioned earlier by the sanctioning committee as they felt that those projects were incapable of implementation. This lead to funds getting blocked for long time which otherwise could have been utilised for other projects. It was therefore, agreed that the implementing agencies should prepare a checklist of various aspects of the projects for placement to the sanctioning committee so that only eligible projects which are capable of implementation are placed before them for approval. The Chairman agreed to the suggestion.

The meeting ended with a vote of thanks to the Chair.

#### **List of Participants**

S/Shri

1. S. Banerjee, Joint Secretary (UD) – *in the Chair*.
2. Smt. S. Malathi, Secretary (Municipal Admn. & Water Supply), Government of Tamil Nadu, Chennai-600009
3. K. Rajivan, CEO, Tamil Nadu Urban Development Fund, 112, Vairam Complex, Chennai-600018
4. Ajit Warty, Metropolitan Commissioner, Mumbai Metropolitan Region Development Authority, Bandra Kurla Complex, Bandra (E), Mumbai-400051
5. D.S. Meshram, Chief Planner, TCPO, I.P. Estate, New Delhi.

6. S.P. Pendharkar, Chief, Planning Division, Mumbai Metropolitan Region Development Authority, Bandra Kurla Complex, Bandra (E), Mumbai-400051
7. Smt. V.L. Joshi, Director (UD), Ministry of Urban Development.
8. Prof. V.K Dhar, Associate Professor, NIUA, India Habitat Centre, Lodhi Road, New Delhi.
9. M.L. Chotani, Associate Planner, TCPO, I.P. Estate, E-Block, New Delhi.
10. K. Mahanth, S.R.O., TCPO, I.P. Estate, E-Block, New Delhi.
11. V.P. Sharma, Under Secretary (UD), M/o Urban Development.
12. P.J. Mathew, Under Secretary (UD), M/o Urban Development

MINUTES OF THE SECOND MEETING OF THE COMMITTEE  
CONSTITUTED TO EXAMINE THE ISSUES RELATING TO  
MODIFICATIONS TO THE GUIDELINES FOR MEGA  
CITY, IDSMT SCHEMES HELD ON 31.1.2000  
AT 11.00 A.M.

The second meeting of the Committee constituted to review the Guidelines/implementation of the Centrally Sponsored Schemes of Mega City and IDSMT and the Central Scheme of Urban Mapping was held on 31.1.2000 at 11.00 A.M. under the chairmanship of Joint Secretary (UD).

2. Chairman welcomed the Members of the Committee. He referred to the decision taken in the first meeting of the Committee and enquired from the representative of NIUA regarding finalisation of the report on the Impact Assessment Study of Mega City Scheme. The representative of the NIUA stated that the report is being finalized and the draft final report would be submitted by March, 2000. Chairman directed that the report should be completed and submitted at the earliest so as to enable the Committee to finalize its recommendations soon.

3. Referring to the decision taken in the first meeting, Chairman enquired about the suggestions which were to be submitted by the committee members on various issues such as criteria for *inter-se* allocation of funds, prioritisation of urban sector reforms etc. Since the suggestions in this regard had been received only from Mumbai (MMRDA), those suggestions were discussed in detail. It was decided to accept the suggestions of MMRDA with certain modifications.

4. On the suggestion of MMRDA to earmark 10 per cent weightage for full recovery of operation and maintenance costs of water and sewerage operations through charges and taxes concerning such operations representative of Government of Andhra Pradesh stated that this suggestion is difficult to implement for the reason that provision of water supply and sewerage operations are basic services and it is not always possible to effect full cost recovery. Further, for giving weightage for preparation of Financing and Operations Plans suggested by MMRDA, it was not found feasible to accept the same.

5. Representative of Government of Bihar recommended inclusion of a fresh criterion of credit rating of the urban local bodies for the purpose of *inter-se* allocation of funds. This suggestion was accepted and it was agreed to give 10 per cent weightage for this criterion.

6. The final recommendations in this regard are summarised in the concluding paragraphs.

The other items discussed are as under:

### **Project Mix Ratio**

Though some members felt that it is difficult to adhere to the existing project mix ratio of 40:30:30 under the Mega City and IDSMT Schemes, Chairman indicated that while the existing project mix ratio could be retained as it is, it should be clarified that it is only indicative and not mandatory. It was also agreed to dispense with the criterion of project mix ratio for the purpose of *inter-se* allocation of funds. However, attempt shall be made towards clearance of commercially viable projects in tune with the urban agenda.

### **Revolving Fund**

The Members were of the opinion that achieving the target of 75% in the revolving fund under the Mega City Scheme at the end of the 9<sup>th</sup> Plan is extremely difficult to comply with and, therefore, suggested that more time need to be provided for this purpose. Chairman agreed to the suggestion. Accordingly, it was agreed to provide an extension over the Tenth Five Year Plan period for achieving the target. As regards the quantum of revolving fund, the general view was that it should be brought down from 75% to 50%. However, Chairman wanted to confirm this on the basis of the recommendations of NIUA.

On the issue of use of the revolving fund, it was recommended that the revolving fund should be utilised for ploughing back into urban infrastructure projects of the city itself in the same way as the funds are utilised at present under the scheme.

On the issue whether the revolving fund should be created at the level of nodal agencies or Implementing Agencies, it was decided that there should not be any objection if the Revolving Fund is created at the level of implementing agencies so long as the funds are emerged and utilised for the Urban Infrastructure Projects in the city.

### **Expeditious completion of Projects**

Chairman referred to the recent comments of Planning Commission regarding the slow progress of implementation of the projects under the Mega City Scheme and wanted the Nodal Agencies to pay special attention to the speedy implementation of projects sanctioned to avoid cost time over-run. One reason mentioned for the slow progress of implementation was the long gestation of the projects undertaken under the scheme. In this regard, he requested the

representative of NIUA to make available immediately the latest position on the progress of implementation of the projects.

### **Additional assistance to Municipalities to which rural areas have been added**

Shri N.S. Hariharan, Principal Secretary (UD) mentioned the need for providing additional assistance to those municipalities which are slowly moving from rural areas towards the urban areas because the incentives available to them under the Rural Development Scheme would not be available to them once they become part of urban areas. The suggestion was noted and found practical. However, it would mean further allocation of funds for the same which presently was not possible.

### **Inclusion of elected representatives in the Sanctioning Committee**

On the suggestion from Member of Parliament received through Planning Commission for inclusion of elected representatives in the Sanctioning Committees, it was noted that as under the Constitution 74<sup>th</sup> Amendment Act, elected representatives have already been given representation in the District/Metropolitan Planning Committees, the relevant provisions should be implemented.

### **Redeployment of funds under IDSMT**

MD-TUFIDCO suggested for flexibility in regard to redeployment of funds between towns within the norms prescribed in the Guidelines. According to him this would enable faster utilisation of funds. However, representatives from Bihar and AP were of the opinion that redeployment of funds should be within the town itself from project to project and not between towns. CP-TCPO also expressed reservations on the suggestions for redeployment of funds among towns as he felt that this would create monitoring and accounting problems. Chairman wanted this issue to be examined in detail and asked CP-TCPO to put up a detailed note on the subject with suitable suggestions.

### **Release of funds directly to nodal agency under IDSMT**

On the issue of release of funds directly to the nodal agencies instead of the existing practice of releasing funds to the State Governments, it was felt that since a provision is already available in the existing Guidelines, there is no need for making any further changes in this regard.

### **Selection of projects under IDSMT**



The Members expressed the view that there should be wider choice in the matter of selection of projects and the States and local bodies should have their say in selecting the projects.

Shri P.K. Pradhan, CEO, CMDA, Calcutta, who could not attend the meeting, furnished his suggestions on various issues subsequently. These include need for stepping up the investment level, flexibility in the matter of project mix ratio, enhancement of project size, institutional finance component, revolving fund, *inter-se* allocation of funds, creation of data base, preparation of master plan and urban mapping etc. These suggestions have also been taken into consideration while finalising the recommendations.

## **Conclusion**

### **Criteria for selection/prioritisation of Projects**

As already decided in the first meeting of the Committee, it was decided to change the illustrative list mentioned in the Mega City Scheme Guidelines. The modified list is indicated in the Annexure-E.

### **Project Mix Ratio**

While the existing project mix ratio of 40:30:30 would be retained, this would be only an indicative ratio and not to be given weightage for the purpose of inter-se allocation of funds. However, attempt shall be made towards clearance of commercially viable projects in tune with the urban agenda.

### **Criteria for Inter-se allocation of funds**

Based on the suggestions received from MMRDA, it was decided to adopt the following criteria for inter-se allocation of funds under Mega City Scheme in regard to Urban Sector Reforms (60%) while retaining 40% weightage fixed for population and geographical area:

- |     |   |     |
|-----|---|-----|
| (a) | Preparation of 5-10 year rolling Capital Investment Programmes (CIPs)                     | 20% |
| (b) | Computerisation of municipal functions<br>billing of property and other taxes and charges | 5%  |
| (c) | Property tax reforms  | 5%  |
| (d) | Adoption of double entry accounting system  | 10% |
| (e) | Credit rating for ULBs  | 5%  |

- |     |  |     |
|-----|--|-----|
| (f) | Preparation of Annual Environmental Status Report  | 5%  |
| (g) | Use of innovative methods, such as leasing, BOT etc., for financing full or part of the cost of projects | 10% |

These criteria be used only after a minimum period of one year after informing all the nodal agencies. It is to give them adequate time for initiating actions in this regard.

### **Prioritise Urban Sector Reforms specifying the essential**

The Urban Sector Reforms have been identified for the purpose of providing weightage for *inter-se* allocation as mentioned above. In addition, the Mega Cities should make efforts to take up other Urban Sector Reforms for resource mobilisation such as using land as resource, adopting innovative ideas such as Tradable Development Right (TDR) etc. There was unanimous agreement on this issue.

### **Revolving Fund**

It has been agreed to accept the suggestion for extension of time limit to achieve the target of revolving fund as specified in the Guidelines for another Plan period from the last year of the 9<sup>th</sup> Five Year Plan. As regards the suggestion to bring down the quantum of Revolving Fund from the existing 75% to 50%, while it was agreed to, the decision would be finalised on receipt of NIUA report which is expected before march 2000.

On the issue of use of the Revolving Fund, it was recommended that the Revolving Fund should be utilised for ploughing back into urban infrastructure projects of the city itself in the same way as the funds are utilised at present under the scheme.

On the issue whether the Revolving Fund should be created at the level of nodal agencies or implementing agencies, it was decided that there should not be any objection if the revolving fund is created at the level of implementing agencies so long as the funds are emerged and utilised for the Urban Infrastructure Projects in the city.

### **Project size**

As there has been repeated requests from various nodal agencies to increase the size of the projects that can be approved by the Mega City Sanctioning Committee, it has been agreed to accept the suggestion to increase the size of the project from the existing 6 times of Central share to 8 times subject to availability of funds as the gestation period for infrastructure project is long.

### **Expeditious completion of projects**

The nodal agencies/implementing agencies are required to take all possible measures to avoid cost and time overrun of the sanctioned projects. Suitable mechanisms and systems need to be devised with close monitoring.

#### **Additional assistance to Municipalities to which rural areas have been added**

The suggestion for providing additional assistance to Municipalities which are moving from rural areas towards urban areas was noted and found practical. However, it would mean further allocation of funds for the same which presently was not possible.

#### **Inclusion of elected representatives in the Sanctioning Committees**

Under the Constitution 74<sup>th</sup> Amendment Act, elected representatives were already involved with the various Development Plans as Members of the Metropolitan Planning Committee etc. It was felt that participation of elected representatives in the State Level Project Sanctioning Committees should be strictly in those terms.

#### **Re-deployment of funds under IDSMT Scheme**

As there were divergent views on this issue, it was decided to examine the matter in detail. CP-TCPO has been requested to examine this issue and suggest suitable guidelines in this matter.

#### **Scheme of funds to the nodal agencies under IDSMT Scheme**

As provision for release of funds under IDSMT scheme directly to the nodal agencies is already available in the existing Guidelines, it was decided not to make any further changes in the Guidelines for this purpose. However, funds could be released under IDSMT scheme in two instalments.

#### **Selection of Projects**

It has been recommended that the States/Urban Local Bodies should have more flexibility and wider choice in the matter of prioritisation and selection of projects and project towns to which there was general consensus among Committee members.

#### **Support for creation of data base, preparation of Master Plan and Project Development Facility etc.**

The projects should conform to a perspective plan rather than selecting them on *ad hoc* basis. This needs creation of proper data base and their updating and also preparation of Regional

Perspective Plan and Master Plan for various sectors. This requires resources. For this purpose, it has been agreed to consider the suggestion for earmarking a portion of the Funds under the respective schemes. Alternatively, obtaining external funding for this purpose should be explored.

The meeting ended with the vote of thanks to the Chair.

**Illustrative List**

Government of India

Ministry of Urban Affairs & Employment

Mega City Programme

*Illustrative List of projects which may be considered for financing under the Mega City Programme*

1. *Development of urban fringes* (these areas are generally neglected and new slums often come up in these areas).
2. *Urban renewal* :[i.e. redevelopment of inner(old) city areas]. [this would include items like widening of narrow streets, shifting of industrial/commercial establishments from non-conforming (ininter-city) areas to ‘conforming’ (outer-city) areas to reduce congestion, replacement of old and worn-out water pipes by new/higher capacity ones, renewal of sewerage/drainage/solid waste disposal systems, etc.]. Land Acquisition Costs will not be financed under this component of the programme.
3. *Increasing the provision of serviced land and sites/houses, at affordable costs, specially for the urban poor, to meet the growing urban needs.* However, the construction cost of the housing units will not attract any grant assistance under the Mega-City Programme and reduction of costs of such units for the poor should be brought about through mechanisms like cross-subsidisation, HUDCO’s scheme of land bank for the shelterless’, MHADA’s scheme of land-sharing and pooling to reduce the acquisition costs, etc.
4. *Slum improvement and rehabilitation projects*
5. *Laying/improvement/widening of arterial/sub-arterial roads within the metropolitan areas to remove transport bottlenecks;*
6. *Laying of ring roads/outer ring roads and by-passes around mega cities, provided certain cost recovery measures like tolls are built into such schemes.*

7. *Construction and development or expansion of “truck terminals”.*
8. *Improvements to the water-supply and sewerage and drainage systems in the city, provided they are not too capital-intensive and enhanced user charges are built into the scheme.*
9. *Solid waste disposal schemes and setting up of urban waste composting plants in the city to convert garbage (biodegradable portion) into manure.*
10. *Environmental improvement and sanitation and city beautification schemes.*
11. *Construction of large Commercial and trade complexes and National/International Convention Centres, World Trade and Exhibition Centres, and the like, provided they are shown to be financially and commercially viable.*
12. *Construction of buildings like Working Womens’ hostels, tourist complexes (but not hotels), barat ghars, old age and destitute Children’s homes, night shelters with community toilets, etc. provided their necessity and viability is established.*

**APPENDIX IV**

**IMPLEMENTATION OF THE EMPLOYMENT OF MANUAL  
SCAVENGERS AND CONSTITUTION OF DRY LATRINES  
(PROHIBITION) ACT, 1993**

MINISTER  
URBAN DEVELOPMENT & POVERTY ALLEVIATION  
GOVERNMENT OF INDIA  
NIRMAN BHAWAN  
NEW DELHI-110 011  
D.O. No.Q-11021/21/91-PHE-2392  
August 25, 2000

Dear Shri Manik Sarkarji,

The Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993, came into force with effect from January 26, 1997, in all the Union Territories and States of Andhra Pradesh, Goa, Karnataka, Maharashtra, Tripura and West Bengal. Subsequently, the State Governments of Orissa, Punjab, Assam, Haryana., Bihar and Gujarat have also adopted the Act. All the concerned State Governments have been reminded from time to time to adopt the Act, the last reminder being sent *vide* D.O. letter of even number dated January 20, 1998, from this Ministry. No information has been received from your State regarding steps taken for bringing into force this Act.

2. The National Human Rights Commission (NHRC) has taken a serious view of the matter. This matter is also being raised in the Parliament from time to time.

3. I would request you to kindly look into this matter personally and ensure that this Act is adopted by your Government so that the social evil of manual scavenging is eradicated.

With kind regards,

Yours sincerely,

Sd/

(JAGMOHAN)

To CM's

A.P., J&K, M.P., Manipur, Meghalaya, Mizoram, Rajasthan, Tamil Nadu, Tripura, U.P.

**APPENDIX V**  
CONTINUANCE OF THE ON-GOING CENTRALLY  
SPONSORED SCHEMES

SPECIAL SECRETARY  
PLANNING COMMISSION  
YOJANA BHAVAN  
NEW DELHI-110 001  
D.O. No.PC/WS/10(6)2/96  
June 29, 1998

Dear Mrs. Aggarwal,

Please refer to your letter No.K-14011/31/97-UD. III, dated 19.2.1998 addressed to the Member Secretary, Planning Commission. The Schemes proposed by the Department related to the setting up of a new National Institute of Urban Development during the Ninth Plan. You would recall that this proposal had earlier been examined in the Planning Commission and our comments were communicated *vide* our letter No.PC/M(GT)/389/97, dated 11.8.97. Thereafter on receipt of another communication from your Department the matter has been examined afresh. However, we are of the view that the problems that have affected the regional centres would apply with greater force to national centres and it may be desirable to improve upon the existing institutes that undertake training programme instead of starting a new National Institute in the area of human settlement and housing. In view of the fact that the NIUA and the Human Settlement Management Institute are apex institutions with regard to Human Settlement and Housing, other programmes relating to Municipal Administration/Management could be entrusted to the existing regional institutes *eg.*, Institute of Local Government and Urban Affairs, Calcutta. The Department could also see how the working in the NIUA and HSMI could be enriched to accommodate some more training programmes.

2. The Department has also *vide* their letter No.Q-11015/6/96-PHE dated 9.5.1998 recommended clearance of some new Centrally Sponsored Schemes while forwarding Action plan on National Agenda for Governance with regard to Urban Water Supply and Sanitation.

3. On the issue of the proposed enlargement of the ongoing AUWSP to cover towns with a population of upto one lakh, the Planning Commission is of the view that it would first be desirable to saturate all the urban population living in towns having 20000 population instead of extending it to one lakh. In any case this population relates to the 1991 census and coverage of all these places would involve a Central Plan Investment sum of about Rs.1000 crore on a rough estimate basis. Even for this, the critical review of the performance of the scheme during the Eighth Plan would be necessary to know the weaknesses and strength of the present scheme as



also the acceptance/readiness of the State Governments to implement the scheme in a significantly large magnitude so that the scheme could be modified/restructured suitably.

4. As regards the proposed Centrally Sponsored Scheme to cover 20 selected towns with the objective of improving/augmenting the drinking water/sanitation facility, *it may be difficult to support the new schemes in view of the fact that the continuance of on-going Centrally Sponsored Schemes themselves are yet to be decided upon.* We are of the view that the matter may be considered in consultation with the State Governments to see how these ventures could be started by the States themselves. We could support the programme through technical guidance. These cities can generate funds from their internal resources and/or raise institutional finance (domestic and/or external) and involve private sector participation. For these, they may have to adopt the Municipal reform process as suggested in the 74<sup>th</sup> Constitutional Amendment Act and also visualised in the Ninth Five Year Plan. The tariff structure may also have to be adequately enhanced in addition to higher budgetary support by the State Governments.

5. Sanitation and drainage are programmes which require to be encouraged and the existing sewerage/drainage arrangements in big cities certainly require upgradation. However, in order to rejuvenate/upgrade/augment the existing systems, it may first be necessary to have the city/town profiles of the selected places along with the exact programme of action. It is difficult to appreciate how uniform approach

can take care of all these cities whose infrastructure facilities are different from each other. In view of the increasing demand of urban resources, it is also very necessary that your Department may request the cities to generate funds from their internal resources and/or raise institutional finance in addition to the States' budgetary support.

6. *Though the Planning Commission is aware that the solid waste management levels in the cities require to be upgraded, the answer to this may not lie in the starting of new Centrally Sponsored Schemes.* It may be advisable for these cities to first work on an action plan keeping in mind the ongoing programmes, the coverage and financial involvements as also the existing infrastructure facilities that could take on new ventures. It is precisely for this reason that the Planning Commission has been repeatedly requesting the Urban Development Ministry to prepare city/town wise profile, so that we may have a fair idea of the exact requirement of funds etc.

7. As far as the new schemes for leak detection and preventive maintenance as also recycling and reuse of treated waste water is concerned, we would like to agree that this is a

useful idea and needs to be worked upon. However, in view of the fact that there are several ongoing programmes in the different cities *e.g.*, Chennai Metropolitan Water Supply and Sewerage Board (with OEFC assistance), it may not be necessary to start upon Centrally Sponsored/Pilot projects for the purpose. A critical review of their performance and their dissemination to other States could help emulate the successful models in other states also.

With regards,

Yours sincerely,

Sd/-  
(V.K. Pandit)

Smt. Kiran Aggarwal,  
Secretary,  
Ministry of Urban Affairs & Employment,  
Nirman Bhavan, New Delhi.

## APPENDIX VI

### EXTRACTS OF THE MINUTES OF THE FOURTH SITTING OF THE COMMITTEE HELD ON MONDAY, THE 19<sup>TH</sup> FEBRUARY, 2001

The Committee sat from 1500 hrs. to 1745 hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

#### PRESENT

Shri Anant Gangaram Geete - *Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri Mani Shankar Aiyar
3. Shri Jaswant Singh Bishnoi
4. Shri Ambati Brahmanaiah
5. Shri Swadesh Chakraborty
6. Shri Haribhai Chaudhary
7. Shri Bal Krishna Chauhan
8. Shrimati Hema Gamang
9. Shri P.R. Kyndiah
10. Shri Bir Singh Mahato
11. Dr. Ranjit Kumar Panja
12. Shri Chandresh Patel
13. Prof. (Shrimati) A.K. Premajam
14. Shri Maheshwar Singh

##### *Rajya Sabha*

15. Shri S. Agniraj
16. Shrimati Shabana Azmi
17. Shri N.R. Dasari
18. Prof. A. Lakshmisagar
19. Shri C. Apok Jamir
20. Shri Faqir Chand Mullana
21. Shri Onward L. Nongtdu
22. Shri Solipeta Ramachandra Reddy
23. Shri Man Mohan Samal

SECRETARIAT

1. Shri S.C. Rastogi - *Joint Secretary*
2. Shri K. Chakraborty - *Deputy Secretary*
3. Shrimati Sudesh Luthra - *Under Secretary*
2. xxx xxx xxx
3. xxx xxx xxx
4. The Committee then considered Memorandum No.2 regarding draft report on the

action taken by the Government on the recommendations contained in the Tenth Report of the Committee (13<sup>th</sup> Lok Sabha) on Demands for Grants (2000-2001) of the then Ministry of Urban Development. After some discussion, the Committee adopted the draft action taken Report with certain modifications as indicated in *Annexure*.

5. The Committee then authorised the Chairman to finalise the said draft action taken Report on the basis of factual verification from the concerned Ministry/Department and to present the same to Parliament.

*The Committee then adjourned.*

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\*\*\* Relevant portions of the minutes not related to the subject have been kept separately.

[See para 5 of the Minutes of the Fourth Sitting of the Committee (2001) held on 19.2.2001]

Sl. No.	Page No.	Para No.	Line No.	Modifications
1	2	3	4	5
1.	3	7	4	<i>For</i> “serious note of” <i>substitute</i> from bottom “serious exception to”
2.	4	10	3	<i>For</i> “They recommend that not only the requisite data be furnished without further delay, but it should also be computerised on priority basis.” <i>Substitute</i> “They recommend that the requisite data should be furnished within three months of the presentation of this Report. The Committee further desire that the said data should be computerised on priority basis”.
3.	7	16	-	<i>For</i> the existing para <i>substitute</i> the following: “The Committee feel that it is needless to mention that any delay in arriving at a final decision regarding restructuring of Government of India Presses not only leave unspent balance but also leads to under utilization/non-

1	2	3	4	5
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utilization of existing resources. They, therefore, urge the Government to decide the matter without any further delay.”

4.	9	19	5 from bottom	<i>After</i> “seriously” <i>insert</i> “and expeditiously”
5.	11	-	4 from bottom	<i>For</i> “shilly-shally” <i>substitute</i> “vacillating”
6.	15	25	9	(i) <i>For</i> “further sorry” <i>substitute</i> “deeply concerned”
7.	15	25	4 from bottom	(ii) <i>Before</i> the words “The Committee” <i>insert</i> ” while reiterating their earlier recommendation”
	15	25	3 from bottom	(iii) <i>For</i> “better coordination” <i>substitute</i> better and prior coordination, both at the planning and execution stages,”

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## APPENDIX VII

[Vide Para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE TENTH REPORT OF THE STANDING  
COMMITTEE ON URBAN AND RURAL DEVELOPMENT  
(13<sup>TH</sup> LOK SABHA)

I.	Total number of recommendations	32
II.	Recommendations that have been accepted by the Government	24
	(Para Nos. 2.3, 2.4, 2.10, 2.15, 2.17, 3.3, 3.5, 3.12, 4.4, 4.6, 4.8, 4.10, 4.15, 4.16, 4.18, 4.21, 4.22, 4.25, 4.27, 4.29, 4.32, 4.35, 4.41 and 4.42).	
	Percentage to the total recommendations	75.00
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies	2
	(Para Nos. 2.7 and 3.10)	
	Percentage to total recommendations	6.25
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee	3
	(Para Nos. 2.5, 4.12 and 4.38)	
	Percentage to total recommendations	9.375
V.	Recommendations in respect of which final replies of the Government are still awaited	3
	(Para Nos. 2.13, 3.7 and 3.8)	
	Percentage to total recommendations	9.375