

TENTH REPORT
STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT
(1994-95)

(TENTH LOK SABHA)

MINISTRY OF URBAN DEVELOPMENT—
NEHRU ROZGAR YOJANA



Presented to Lok Sabha on _____
Laid in Rajya Sabha on _____

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DEVELOPMENT
(1994-95)

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INTRODUCTION

1. The Chairman, Standing Committee on Urban & Rural Development (1994-95) having been authorised by the Committee to submit the Report on its behalf present this Tenth Report on 'Nehru Rozgar Yojana'.

2. The Committee took evidence of the representatives of Ministry of Urban & Rural Development on 13.07.1994.

3. The Report was considered and adopted by the Committee at their sitting held on 27.09.1994.

4. The Committee wish to express their thanks to the Ministry of Urban Development for placing them the material and information they wanted in connection with the examination of the subject. The Committee also wish to thank in particular the representatives of the Ministry of Urban & Rural Development who placed their considered views before the Committee.

NEW DELHI;

September 27, 1994

Asvina 5, 1916 (Saka)

PRATAPRAO B. BHOSALE,

*Chairman,
Standing Committee on Urban
and Rural Development.*

CHAPTER I

INTRODUCTORY

1.1 Urbanisation is a natural consequence of change and transformation in a society seeking economic development. In the wake of economic change, India has witnessed a rapid growth in the population living in urban areas. The urban population has been growing rapidly due to influx of migrants from rural areas. The urban population has thus increased by 36.19% from about 160 million in 1981 to about 217 million in 1991 further aggravating the scenario of urban unemployment. According to an estimate by National Sample Survey, there are about 20.1% of the total urban population i.e., 41.8 million persons living below the poverty line. In view of this, Govt. launched Nehru Rozgar Yojana in October, 1989. The Yojana stands designed to provide employment to urban unemployed and under-employed poor. The employment contemplated under NRY is of two types: one relates to the setting up of self-employment ventures and the other relates to the provision of wage employment through the creation of socially and economically useful assets in the urban local bodies. However, women, Scheduled Castes/Scheduled Tribes beneficiaries constitute the special target group. The Yojana also seeks to involve the people's representatives at the grass root's level namely the elected representatives of municipal bodies in the task of alleviating the conditions of the urban poor.

1.2 The Yojana was launched in 1989 with a package of three Schemes comprising Urban Micro Enterprises, Urban Wage Employment and Housing and Shelter Upgradation with the facilities of providing funds, infrastructure, guidelines to alleviate urban poverty which remains a challenging task before the Govt.

1.3 The Yojana which was launched in 1989, has almost completed five years. In spite of the energetic efforts made by Central Govt. to such types of Schemes and by flowing enormous amount of funds, many States/Union Territories have yet to start the Schemes. The performance in many States/Union Territories where the Schemes have been started is poor. The financial assistance provided by banks and HUDCO is far from satisfactory. Training opportunities given under Yojana are inadequate to enable a person to set up self-employment venture. Thus, there is an urgent need to review some of the components of the Yojana like provision of loans to beneficiaries by banks & HUDCO as well as training programmes.

1.4 Against this background, the Standing Committee on Urban and Rural Development have taken up this subject for examination to give a better impetus for solving the bottlenecks faced by Central as well as State Governments during the course of implementation.

CHAPTER II

SCHEMES UNDER NEHRU ROZGAR YOJANA

2.1 In India the urban population is about 217 million. According to the guidelines of the Planning Commission the identified urban poor are about 42 million persons which is almost 20% of the total urban population. The urban poverty scenario is much more vicious and vulnerable in the urban poverty scene amongst women and children. In this perspective sometimes in October 1989, the Nehru Rozgar Yojana was launched by Government of India in order to meet the challenge posed by urban poverty. It was recast in March, 1990 and accordingly the guidelines were suitably revised. The Yojana has been designed basically to provide employment to the urban unemployed and under employed poor. The employment contemplated is of two types — one type relates to the setting up of self-employment ventures and the other types relates to provisions of wage employment through the creation of socially and economically useful assets in the urban local bodies. The programme also seeks to involve the people's representative at the grass root's level namely the elected representatives of municipal bodies — in the task of alleviation of the conditions of the urban poor. A significant proportion of the urban poor belong to Scheduled Castes, Scheduled Tribes and Women which are the special target group under the Yojana.

2.2 The Yojana consists of the following three Schemes:—

1. *The Scheme of Urban Micro-Enterprises*

The Schemes of Urban Micro Enterprises (SUME) assists eligible beneficiaries to secure technical training and to set up micro-enterprises with the help of a seed money amount provided by the Government as subsidy and loan from banks.

It is proposed to encourage under-employed/unemployed urban poor to set up small enterprises relating to servicing, petty business and manufacturing for which there is a lot of potential in urban areas.

2. *The Scheme of Urban Wage Employment (SUWE)*

SUWE seeks to provide wage employment opportunities to urban poor beneficiaries through the creation of socially and economically useful, public assets in low income 'neighbourhood' with in the jurisdiction of urban local bodies'. This scheme is applicable to towns with population upto one lakh only.

3. *The Scheme of Housing & Shelter Upgradation (SHASHU)*

SHASHU provides technical training in construction trades and assists beneficiaries belonging to economically weaker sections of society in housing and shelter upgradation through the provision of a government subsidy and a loan from the Housing and Urban Development Corporation (HUDCO) which is monitoring this component of NRY also. The training component is meant for skill upgradation of masons, carpenters, plumbers, sanitary workers, electrician and others engaged in construction trades as well as infrastructure support for common facilities to beneficiaries and machinery equipment to training institutions. The scheme is operative in urban settlements having a population between 1 lakh and 20 lakhs with relaxation in the population criteria for hilly States, UTs & new industrial townships.

2.3 The Committee noted that the official data regarding urban poor population was at variance with the assessment made by the United Nations Agencies and by the Lakadawala Committee's Report. To this query, the Secretary, Ministry of Urban Development clarified—

“With regard to 20 per cent population being urban poor or the urban population as a whole, there is no doubt that the United Nations had estimated a higher figure. The Expert Committee, under late Dr. Lakadawala had also estimated that it is 40 per cent. I was not using that particular figure because it has yet to be accepted by the Planning Commission.”

The Committee would like the Government to ascertain the correct information in regard to urban poor in the country living below poverty line in order to fix the future priorities & targets realistically.

CHAPTER III

ELIGIBILITY AND IDENTIFICATION OF BENEFICIARIES UNDER THE THREE SCHEMES OF NEHRU ROZGAR YOJANA

Eligibility

3.1 As per the guidelines issued by the Ministry of Urban Development, following is the criteria to become eligible under the three Schemes of Nehru Rozgar Yojana.

The Scheme for Urban Micro-Enterprises and the Scheme of Urban Wage Employment.

To become eligible for SUME and SUWE the beneficiary has to belong to a household located in urban areas with an annual household income of less than Rs. 11,850 at 1991-92 prices.

The Scheme for Housing and Shelter Upgradation (SHASHU)

The eligibility for the SHASHU is the criteria of belonging to the economically weaker sections of society (EWS) with emphasis on households below the 'urban poverty line' as defined by HUDCO from time to time. At present, the EWS criteria of HUDCO is Rs. 15,000/- annual household income.

Special status provided to Women Scheduled Castes & Scheduled Tribes

3.2 In the written replies furnished to the Committee, the Ministry of Urban Development stated that while the target group of the Yojana is urban poor, women beneficiaries and beneficiaries belonging to Scheduled Castes and Scheduled Tribes will constitute special target groups. It is expected that broadly 30% of the beneficiaries under the scheme of Micro-Enterprises and Housing and Shelter Upgradation would be women. Further, with a view to ensure adequate representation to Scheduled Castes and Scheduled Tribes in the programme, funds proportionate to their share in Urban population should be earmarked for beneficiaries belonging to these social segments. In the event of these funds not being fully utilised for this category/segments, they can be used for the general category with the approval of the District NRY Committee.

3.3 As regards norms of coverage of 30% beneficiaries women under these schemes, the Ministry in the written replies furnished to the Committee stated that prior to finalization of the MIS proforma, information regarding the women beneficiaries assisted was not being monitored separately. In the MIS proforma circulated in April, 1992, a column had

been provided to indicate the women beneficiaries assisted under the Yojana.

3.4 When asked about the statistics regarding the beneficiaries belonging to Scheduled Castes and Scheduled Tribes, the Secretary, Ministry of Urban Development informed the Committee that such information was not available. However, in the post evidence replies furnished by the Ministry the data relating to SC/ST and women beneficiaries to whom loan/subsidy was sanctioned during the years 1992-93 and 1993-94 in SUME and SHASHU under the Yojana was given which is at Annexure-I and Annexure-IA.

3.5 The Committee take serious note of the fact that the information has been furnished by the Ministry in the case of some of the States and that too is incomplete. The Committee would like the Ministry to strengthen their monitoring machinery to ensure proper implementation of the Yojana.

From the information made available to the Committee it is apparent that although the women and SCs/STs constitute the special target groups, the number of such beneficiaries is very small. As against the norm of coverage of 30% women beneficiaries under the Yojana, the actual number of such beneficiaries is insignificant. For instance, in Gujarat as against the total number of 7395 beneficiaries the number of women beneficiaries who have been sanctioned loan/subsidy under SUME during the years 1992-93 and 1993-94 is 94, which is a little more than one percent. Similar is the position in Tripura where women beneficiaries under SUME during the said years as compared to total beneficiaries is 1.5%. With regard to SC&ST beneficiaries also who have been sanctioned loan/subsidy under SUME during 1992-93 and 1993-94, the Committee observe that the number of such beneficiaries is very small. In Gujarat and Tripura the percentage of SC&ST beneficiaries is 0.5% and 1% respectively. The Committee are constrained to observe that the women and SCs/STs who were the special target groups have in fact been neglected. The Committee would like the Ministry to ensure that such beneficiaries are given their due share in the various schemes under the Yojana as per the guidelines.

Identification of beneficiaries

3.7 As per the broad guidelines issued by the Ministry of Urban Development it is the Municipal Bodies which are required to identify the beneficiaries by conducting household surveys and by seeking assistance of Neighbourhood Committees, wherever, existing, and NGOs in order to reduce the possibility of wrong identification of beneficiaries. Under the Yojana, the Ministry had also issued instructions about using non-economic parameters for proper identification of beneficiaries in a socio-economic survey.

3.8 In the written replies furnished to the Committee, the Ministry

stated that it had been decided to associate the Banks with the process of identification of beneficiaries and processing of loan applications etc. Accordingly instructions had been issued in December, 1993, asking State Governments/UTs Administration to set up Task Force at the city level, for each town covered/to be covered under the Yojana.

3.9 The Committee stress the need for proper identification of the beneficiaries under the Yojana so that the benefits of the Schemes are available to the really deserving people. The Committee recommend that the association of NGOs in the process of identification of the beneficiaries should be further strengthened. They also recommend that the city level task forces for identification of the urban poor should be constituted wherever these do not exist and comprehensive door to door surveys should be conducted.

CHAPTER IV

BUDGETARY PROVISIONS FOR THE SCHEMES UNDER NEHRU ROZGAR YOJANA

4.1 As per the Guidelines of Nehru Rozgar Yojana expenditure on the Yojana is to be shared on 60:40 basis between the Central Government and State Governments/Urban Local Bodies. Each State Government should ensure that the State's share is made available within three weeks from the date of release of the Central Government share. The urban local bodies in any given district can contribute towards the State's share on the basis of a mutual agreement between the State Government and the Urban Local Bodies of the given District.

4.2 The Planning Commission allocates the funds for the entire Yojana but before allocating the funds to different State/UTs, the funds are divided for the three components of the Scheme and thereafter released based on the incidence of urban poverty. The distribution amongst the various components is as under:

SUME	45%
SUWE	35%
SHASHU	20%

The details of Central funds provided under the Yojana since its inception are:

Year	Amount (Rs. in crores)
1989-90	145.85
1990-91	112.34
1991-92	103.00
1992-93	071.00
1993-94	074.97

4.3 In the written replies furnished before the Committee, the Ministry of Urban Development stated that out of Rs. 227 crores already Rs. 216 crores have been allocated/spent during the first three years of the 8th Five Year Plan, leaving only Rs. 11 crores for the remaining two years of the Plan.

4.4 On a query as to why the plan outlay is going down, the Secretary, Ministry of Urban Development stated:

“In 1989-90 the total amount allocated for this purpose was about Rs. 145 crores, whereas during the year 1993-94 the amount was cut down to Rs. 70 crores. There is definitely a decreasing plan outlay for this particular purpose which is causing concern to the Ministry and we have been pleading with the Planning Commission for increasing the allocation so that we can deepen, diversify and increase our effectiveness in tackling the urban poverty.”

4.5 The Committee note that the various anomalies in the implementation of the Scheme under Nehru Rozgar Yojana as pointed out in the Audit Report of 1993 of Ministry of Urban Development. The Committee take a serious view of these irregularities. As per the Guidelines the funds are released to State Governments based on the incidence of poverty. However as per Audit para No. 8.1.4, some of the States got more than their proportionate share while others got less based on the criteria of urban population and incidence of urban poverty. There was also diversion of funds released for Nehru Rozgar Yojana to the other programmes. As per Audit para No. 8.1.10.4 a sum of Rs. 1.30 lakhs was diverted and utilised towards payment of salary of the staff of one ULB in Assam. Similary NRY funds of Rs. 3.78 lakhs were credited to Jawahar Rozgar Yojana account in March 1991. The Committee take a serious view of these irregularities.

4.6 The Committee recommend that there should be timely release of funds. Further, in cases where diversion of funds is considered absolutely necessary, requisite permission should be sought by the respective State Governments from the Central Government and any case of non-compliance should be taken serious note by the Government.

4.7 The Committee take serious note of the inadequate allocation of funds during the Eighth Plan. Out of a meagre sum of Rs. 227 crores provided in the Plan only Rs. 11 crores are left for remaining years of the Plan. According to the Ministry's own admission the present outlay for the Yojana is quite inadequate. Reduction in the allocation for urban poverty alleviation leads to availability of only sub-critical amounts at the level of urban local bodies thereby serving as a disincentive. The Committee strongly recommend that adequate funds should be provided under the Yojana especially in view of the rapid increase in urban unemployed due to various factors including influx of migrants to urban areas.

4.8 In view of exhaustion of funds during the first three years of the Eighth Five Years Plan, the Committee recommend that revised proposals

should be sent to the Planning Commission for allocation of additional funds in order to achieve the objectives of the Yojana.

4.9 The Committee also recommend that while allocating the funds under the Yojana it should be ensured that the amount under the specific programmes is spent fully for those programmes. The spending under the Yojana should be strictly monitored to ensure that no amount is diverted to other programmes.

4.10 The Committee further recommend that funds should be released to different State Governments strictly based on the incidence of poverty.

4.11 The Committee observe that the funds should be sanctioned on the basis of the base year when the Yojana was sanctioned. In view of the galloping market prices the Committee recommend that the financial provisions for the Yojana in the coming years should be increased to meet the set targets.

4.12 The Committee also recommend that the funds under the Yojana should be given to the beneficiaries for economically viable projects.

CHAPTER V

ROLE OF BANKS IN IMPLEMENTING NEHRU ROZGAR YOJANA

5.1 Banks play an important role in the implementation of the scheme of Urban Micro Enterprises in Nehru Rozgar Yojana. Under the Scheme 25% of the unit cost of a micro enterprise, subject to a ceiling of Rs. 4,000/- for beneficiaries belonging to the general category, will be available as a subsidy. However, the ceiling of subsidy for SC/ST women will be Rs. 5,000/-. 75% of the unit cost of each micro enterprise set up by an eligible beneficiary will be provided by Scheduled Banks on a loan upto a maximum of Rs. 15,000/- for SC/ST & Women beneficiaries and Rs. 12,000/- for general beneficiaries at a subsidised rate of interest. The economic viability of each micro enterprise will be assessed by the Bank concerned.

5.2 The rate of interest on loan under the Scheme of Urban Micro Enterprises is 11.5% upto a loan amount of Rs. 7500 and is 13.5% for a loan above Rs. 7500. Under SUME, the rate of interest charged is in accordance with RBI guidelines issued from time to time.

5.3 As regards the total applications received, the total loans advanced by the various banks, the Ministry of Urban Development in the written replies furnished to the Committee stated that the details of total loans advanced by various Banks is not available with the Ministry.

5.4 When asked about the involvement of private Banks in advancing loans under SUME, Secretary, Ministry of Urban Development stated—

“Normally the commercial Banks are the ones which are doing it. But if there are some recognised private Banks which would like to come into the picture, we shall be happy. We have not stopped them as such.”

5.5 Regarding the performance of Banks the Ministry in the written replies furnished to the Committee stated “the Banks are not sanctioning the loan amount even as per the limits fixed by Reserve Bank of India. The loan amount sanctioned are very meagre and it may be difficult for the beneficiaries to set up their self employment ventures. The Ministry has been agitating with the Reserve Bank of India and Department of Banking for increasing the loan amount but they are not in favour of this proposal”.

The Secretary, Ministry of Urban Development stated,

“The second item against Micro Enterprise Scheme is that the Banks are not coming forward to give them loans. They say that the recoveries are very poor.”

While agreeing to the irregularities regarding sanctioning loan by Banks, the Secretary stated—

“The average loan per project which is given presently is about Rs. 7,000/- to Rs. 7,500/-. In most of the States we are finding that Rs. 12,000/- loan which is the maximum limit is not being given.”

5.6 The Committee take serious note of the non-cooperative attitude of the Banks towards the Yojana. As admitted by the Ministry there is considerable delay in disposal of loan applications, sanctions and releases of loans by the Banks inspite of repeated instructions by the RBI that the loan applications should be disposed of within a fortnight. Not only there is abnormal delay in disposal of loan applications but there is also bulk rejection of applications on flimsy grounds or without assigning any reasons. It is also regrettable that the Banks are not sanctioning the loans even as per the limit fixed by the RBI.

5.7 Further there are irregularities in sanctioning the loan. The Committee note that the main argument given by Banks is that the recovery position is not good. The Committee feel that the loan should be advanced to the individuals keeping in view the financial position of the person and viability of the project and the arguments that 'the recovery position is not good' should not be the criteria of rejection of loans to the individuals by Banks.

5.8 The Committee recommend that the Banks should be motivated to appreciate that there is an imperative need to implement the Yojana meant for the upliftment of urban poor and the pace of distribution of loans should be given a hefty push. The Ministry should take this matter with Reserve Bank of India and instructions should be issued by the RBI to the Scheduled Banks to cooperate in advancing the loan under the Yojana and in the case of failure in meeting targets appropriate action should be taken by Reserve Bank of India. The Committee further recommend that Ministry of Urban Development should evaluate the performance of Banks relating to the grant of loans to the beneficiaries under the Yojana and the matter should also be taken by the Institutional Finance Committee in order to boost the pace of implementation.

5.9 As regards the recovery of loan the Committee observe that there is no collateral security. The only formality which has to be done by the person who is borrowing money from the Bank is to hypothecate the assets which are being created out of the loan amount. The Committee recommend that the condition of security should be reviewed. To improve the recovery position the Committee also recommend that the issue should

be taken up with the State Government in order to sort out their difficulties but major thrust should be to achieve the targets.

5.10 The Committee was informed by the Secretary that the average loan per project which is given presently is about Rs. 7,000 to Rs. 7,500/-. In most of the States Rs. 12,000/- which is the maximum amount of loan is not given. The Committee observe that even the maximum loan limit which is Rs. 12,000/- for general beneficiaries and Rs. 15,000/- for SC, ST & Women is not sufficient to enable a person to set up a micro enterprise. The Committee therefore, recommend that the limit should be suitably enhanced keeping in view the inflated market prices and the beneficiaries should be given loan as per limit fixed.

5.11 The Committee observe that the rate of interest which is 11.5% upto a loan amount of Rs. 7500 & is 13.5% for a loan about 7,500 is a heavy burden on the urban poor. The Committee therefore, recommend that the rate of interest should be subsidised by the State Govt.

5.12 The Committee take serious note of the fact that the data regarding loan advanced by Banks is not available with the Ministry. The Committee recommend that the position regarding the grant of loans to the beneficiaries by the Banks should be reviewed and the data should be updated to know the actual beneficiaries as well as the progress of the Scheme.

5.13 The Committee observe that Yojana has been launched to benefit the urban poor who are illiterate. Banks do not advance loans to such persons as the forms are to be filled properly and all the formalities fulfilled. The Committee recommend that Banks should be motivated to help the illiterate persons and the incomplete forms should not be the criteria for rejection of the application.

CHAPTER VI

SCHEME OF HOUSING AND SHELTER UPGRADATION—THE ROLE OF HUDCO

6.1 Under the Scheme of Housing and Shelter Upgradation (SHASHU) the Government subsidy is restricted to a ceiling of Rs. 1000 and a loan from HUDCO upto Rs. 3000 (now raised upto Rs. 9950/-) with a view to enabling the urban poor to upgrade their shelter with improvements relating to roof, flooring, adding a kitchenette etc. In case a tenement has to be brought down and rebuilt, additional loan from HUDCO under their EWS Housing Scheme can also be secured after excluding the amount available under SHASHU from the total loan limit. At present, the loan limit under the EWS Housing Scheme of HUDCO is Rs. 22,000 for housing units in the plains with the provision of an additionality of 30% for housing units in the hilly areas. The overall objective of this Scheme is to encourage in-situ slum rehabilitation.

6.2 The Central funds under SHASHU are placed at the disposal of HUDCO for further distribution to States/UTs on the basis of case by case proposals to be submitted to it after the project is received and approved by HUDCO. The State/UT is to complete the post-sanction formalities and furnish State Guarantee after which the loan and subsidy is released by HUDCO. Loan and subsidy is released by HUDCO to the State designated nodal agency for submission of a project.

6.3 The State Government may nominate a Nodal Agency like the State Slum Board, the State Housing Board etc. in consultation with the Regional Office/Development Office of HUDCO. The Regional Office/Development Office of HUDCO will appraise the projects received by it and approve the same or send them back for modifications with their comments to the urban local bodies concerned.

TOTAL FUNDS AT THE DISPOSAL OF HUDCO

6.4 The Ministry of Urban Development in the written replies furnished to the Committee submitted that the total funds placed at the disposal of HUDCO so far are Rs. 102.50 crores and the funds utilized by HUDCO are Rs. 49.84 crores. The position regarding loan and subsidy released as on 31.3.94 to various States is given at *Annexure II*.

6.5 Total No. of beneficiaries to whom loan and subsidy has been disbursed as on 31.3.94 is 312037. The position State-wise is given at *Annexure III*.

6.6 The Secretary, Ministry of Urban Development while admitting the slow pace of Scheme of Urban Shelter Upgradation stated—

“About the shelter upgradation, somehow this Scheme has not really taken off as well as we should have desired it to be the trouble is that HUDCO does not give loan directly to the individuals but it passes on the money based on the project report prepared by the Urban body which is scrutinise by HUDCO.”

6.7 The local body has to distribute it to the various beneficiaries and the responsibility becomes of the urban body to repay the loan. They initially take the money, but as they found that they were not able to recover the money, their enthusiasm had also slackened. Secondly, the financial position of local bodies is also not such as to tackle very large flow of funds from HUDCO.

6.8 The Ministry in the written replies stated that HUDCO have been facing problem in States as they are not completing necessary post sanction formalities and not furnishing the State guarantee as required by it. This may perhaps be due to low recovery of loan since the Scheme is not released to any income generating activity.

6.9 The Committee view with concern the poor performance of the scheme of Housing and Shelter Upgradation (SHASU). The Secretary of the Ministry admitted in his evidence before the Committee that the pace of the scheme has been slow and somehow the Scheme has not really taken off as well as they would have desired it to be. The Committee observe that HUDCO could utilise only Rs. 49.84 crores only out of Rs. 102.50 crores placed at its disposal. The Committee take serious note of the under spending by HUDCO and desire that necessary steps should be taken by HUDCO to sanction adequate loans under the schemes.

6.10 The Committee recommend that the provision for collateral security should be made in the case of the loans provided under SHASHU by the State Governments to improve the recovery position.

Further Central Government should take the matter with State Governments and stress for completing expeditiously the post-sanction formalities.

CHAPTER VII

TRAINING PROGRAMMES UNDER THE DIFFERENT SCHEMES OF NEHRU ROZGAR YOJANA

7.1 Under SUME & SHASHU, there is a provision for imparting training. A norm of expenditure of Rs. 1200/- and Rs. 1500/- per capita respectively has been provided for an average training course of three months duration.

7.2 Under SUME, it is intended to provide training to urban unemployed youth in a variety of servicing and manufacturing trades so that they can set up self-employment ventures or secure salaried employment with better remuneration. Under SHASHU technical training in construction trades to upgrade their construction skills is provided. No. of beneficiaries on training/under going training (As on 31.3.94) has been given at *Annexure IV*.

7.3 As per the Guidelines issued by the Ministry under SUME, special attention should be paid to training. The training should be demonstration and skill upgradation oriented. Training profiles should be prepared by the District/State Agency keeping in view the demand for different types of trades/services at the local level.

7.4 The Committee observe that training is an important component of the two Schemes SUME & SHASHU for further upgradation of skills or giving technical training etc. suited to the activity. The Committee note that one of the flaw in the implementation of the Programmes is inadequate attention given to training by various State Governments. The number of trainees under the two schemes as given by the Ministry is very low and the expenditure incurred thereon is inadequate. The Committee take serious view of the fact that the training under the scheme was not provided at all in some of the States/UTs. The Committee recommend that Government should take up this matter with the State Governments.

7.5 The Committee further recommend that more and more Non-Government Organisations should be recognised and assisted as NGOs would be in a much better position to go to the urban slums where they can start a kind of training class for the purpose.

7.6 The Committee note that there are a number of training Institutes in the areas of specialised skill. Such Programmes should be connected with these training institutes.

7.7 The Committee also recommend that the period of training which at present is only for an average period of three months should be enhanced

to enable a person to be trained fully in the professional skill so as to set up self employment venture.

7.8 The Committee further recommend that Community worksheds should be constructed at the suitable places under the Yojana to impart training to the under employed/unemployed skilled/unskilled urban poor keeping in view the local employment avenues and skills available in the area.

CHAPTER VIII

ORGANISATIONAL SET UP

8.1 At the grass-root level, the Nehru Rozgar Yojana is to rely upon Ward Committees/Councillors of the urban local body concerned and the **Neighbourhood Development Committee** in slum pockets where the scheme of Urban Basic Services for the Poor (UBSP) is being operated. At the town/city level, the NRY is to be supervised by a city Level Monitoring Committee under the aegis of the Municipal Commissioner/Chief Executive Officer of the Municipal Body concerned. At the District Level, the NRY is to be supervised by the District Urban Development Agency (DUDA) or District NRY Committee. At the State/UT level, the NRY is to be monitored by a State Level Monitoring Agency (SUDA) or nodal agency/cell designated by the State Government/UT Administration. At the Central level, the NRY is overseen by the Ministry of Urban Development headed by a Joint Secretary.

8.2 The Ministry in the written replies furnished to the Committee stated that the High Powered Committee on Institutional Finance has been constituted and the Committee met twice in July, 1991 and September, 1993 to consider the various bottlenecks in the implementation of the Scheme of SUME through the institutional finance by Banks.

8.3 The three meetings at the level of Secretaries were convened during June, 1991, September 1992 & April, 1993 for reviewing the performance of NRY. Several review meetings have been held with the representatives of the States/UTs at Delhi and the officers from the Ministry also visited several States/UTs with a view to review the performance of NRY.

8.4 The Secretary, Ministry of Urban Development agree that in the urban areas there is no organised administrative structure like that of Block Development Officer and the District planning structure.

8.5 When asked about the constitution of District Urban Development Authority, the Secretary, Ministry of Urban Development stated "It is not mandatory on the State Government to constitute DRDA out of the total 450 Districts, about 295 Districts constituted DRDA, according to our information."

8.6 The Secretary, further informed the Committee about the 74th Amendment to the Constitution. He stated:—

"The 74th Amendment to the Constitution came in after which the Urban bodies were going to be elected bodies. They had been given the particular task of urban poverty as one of their major concerns."

8.7 The Ministry in the written replies furnished to the Committee stated that by incorporating in the Constitution of India the provisions relating to the Urban Local Bodies (ULBs) through this Constitutional Amendment, the Urban Local Bodies have been put on a sound footing. There will be no arbitrary supersession of the Municipalities and there will be election to the Municipalities at regular and prescribed periodicity which will definitely help in smooth implementation of the Nehru Rozgar Yojana at the lowest level. Urban Poverty Alleviation finds a special place in the 12th Schedule laying down the function and responsibilities of ULBs.

8.8 The Committee recommend that linkages amongst the different bodies of NRY at Centre, State, District level should be strengthened. There should be strict monitoring of the three schemes of Nehru Rozgar Yojana. States should be required to submit quarterly progress reports. Timely evaluation of NRY programme should also be made.

CHAPTER IX

IMPLEMENTATION OF NEHRU ROZGAR YOJANA— A REVIEW

9.1 Nehru Rozgar Yojana is being implemented through States/UTs. The Ministry in the written replies furnished before the Committee have given the information regarding achievement as on 30.6.94.

(i) No. of beneficiaries assisted in setting up Micro Enterprises under SUME	5.82 lakhs
(ii) No. of Mandays of work generated under SUWE	365.23 lakhs
(iii) No. of Mandays of work generated under SHASHU	131.54 lakhs
(iv) No. of dwelling units upgraded in progress under SHASHU	3.34 lakhs

The targets and the beneficiaries covered during the year 1991-92, 1992-93 and 1993-94 in the scheme of Urban Micro Enterprises (SUME) as furnished by the Ministry is given at Annexure-V.

9.2 The Committee observe that the three schemes under Nehru Rozgar Yojana are working well only in some of the States/UTs. The situation is unsatisfactory in some of the States/UTs which have so far yet to start the Scheme. The Secretary, when asked about the status of the implementation of the Scheme, stated during evidence "Among the non-starting States and particularly for micro enterprises are Goa, Mizoram, Nagaland and Daman and Diu. The worst performing States are Arunachal Pradesh, Meghalaya, Chandigarh, Delhi, Pondicherry, Dadra and Nagar Haveli." As regards other States he stated that the better performing States of 50% so are Bihar, Gujarat, Karnataka, Maharashtra, Rajasthan, Tamil Nadu, West Bengal, Assam, Himachal Pradesh, Jammu and Kashmir and Andaman and Nicobar Islands. The best performing States are Andhra Pradesh, Haryana, Kerala, Madhya Pradesh, Orissa, Punjab, Uttar Pradesh, Manipur, Sikkim and Tripura. These are all based on the Report which had been received from the State Governments."

When asked about the performance of Delhi so far as the implementation of the Yojana is concerned, the Secretary stated, "Delhi is worst performing States." The performance is only 10 to 15%.

9.3 The Committee note the slow pace of the implementation of the three Schemes under NRY. The Secretary himself admitted that there is a

flaw in the implementation of the Schemes. The various factors responsible for the non-implementation of the Schemes as examined in detail in the preceding chapters of the report are as below (i) Financial Institution like Banks, HUDCO, are not fully cooperative (ii) the training programme is not adequate and needs revamping as per the local needs (iii) the Schemes are not linked to the economic viability and marketing (iv) the monitoring of the Schemes is not adequate (v) Financial allocations is not adequate (vi) There is lack of linkages which results into the blocking of funds with Banks, HUDCO and some local bodies in the States.

9.4 The Committee note that the targets fixed under the Yojana are not commensurate with the total number of urban population living below the poverty line. Further the number of beneficiaries covered in the various schemes of the Yojana is less than the targets fixed. The Committee, therefore, recommend that drastic steps should be taken to implement the Yojana to meet the challenge of rapid growth of urban poor.

9.5 Further, the Committee note that the implementation of two Schemes SUME & SUWE under the Yojana in Delhi UT, the capital of India is very poor. The Committee recommend that concrete steps should be taken to give a hefty push to the Yojana in Delhi also.

9.6 The Committee find that there were serious deficiencies in the implementation of the Scheme under Nehru Rozgar Yojana as pointed out in the Audit Report of 1993 by C & AG relating to Ministry of Urban Development. There is slow pace of expenditure leading to underspending in the different programmes as shown below:—

Table 8.1.4(a)

(Rupees in crores)

Sl. No.	Name of Schemes	Total release by Centre & States	Expenditure
1	2	3	4
1.	SUME		
(i)	Subsidy	177.46	72.23
(ii)	T & I	21.69	Not Furnished
2.	SUWE	249.24	152.46
3.	SHASHU		
(i)	Subsidy	92.38	25.60
(ii)	T & I	19.07	Not Furnished

1	2	3	4
4.	A & OE	39.56	Not Furnished
5.	ULBs	8.58	Not Furnished
6.	NGOs	2.30	Not Furnished

9.7 It has also been reported that during 1989-90 Centre released funds of Rs. 61.81 crores to all States (Rs. 38.06) crores under SUME subsidy and Rs. 23.75 crores under SHASHU subsidy but the expenditure during the year was reported by the Ministry to be 'Nil' resulting in blocking of Rs. 61.81 crores. Accordingly, further release of Rs. 35.08 crores during the year 1990-91 (Rs. 9.98 crores under SUME (subsidy) and Rs. 25.10 crores under SHASHU (subsidy) was not called for resulting in blocking of funds to the tune of Rs. 96.89 crores. The facts that the funds were released without being utilised have been accepted by the Government.

The Committee suggest that funds should not be released further in case of the States/UTs which have so far yet to start the Scheme or having very poor performance.

9.8 The Committee take a serious view of the various deficiencies in the implementation of the Nehru Rozgar Yojana. The Committee stress that the Yojana is an ambitious programme for providing employment avenues to the unemployed and under employed urban poor living below poverty line. The Committee, therefore, strongly recommend that such a vital Scheme meant for ameliorating the conditions of urban poor should receive serious attention and should be implemented properly.

9.10 The Committee further recommend that as there are certain weaknesses in the implementation of various Schemes, the Yojana needs to be reviewed and revised keeping in view the fast growing changes in the urban scenario.

NEW DELHI;
27 September, 1994

5 Asvina, 1916(S)

PRATAPRAO B. BHOSALE,
Chairman,
Standing Committee on Urban and
Rural Development.

APPENDIX I

1992-93 Beneficiaries to whom Loan/Subsidy Sanctioned

Sl. No.	Name of State/UT	SUME			SHASU			TOTAL		
		SC	ST	W	SC	ST	W	ST	ST	W
1.	Andhra Pradesh									
2.	Bihar	559	500	1059	—	—	—	559	500	1059
3.	Gujarat	23	8	48	—	—	—	23	8	48
4.	Haryana	225	—	188	—	—	—	225	—	188
5.	Karnataka	—	—	—	262	59	120	262	59	120
6.	Kerala	191	19	512	2517	614	4931	2708	633	5443
7.	Madhya Pradesh	1189	594	1251	—	—	—	1189	594	1251
8.	Maharashtra									
9.	Orissa	303	453	578	—	—	—	303	453	578
10.	Punjab									
11.	Rajasthan	2253	260	292	—	—	—	2253	260	292
12.	Tamil Nadu	411	—	817	405	—	864	816	—	1681
13.	Uttar Pradesh	767	5	622	—	—	—	767	5	622
14.	West Bengal									
15.	Goa									
16.	Arunachal Pradesh									
17.	Assam									
18.	Himachal Pradesh									
19.	Jammu & Kashmir	5	—	6	12	100	—	17	100	6
20.	Manipur	46	—	—	46	—	—	92	—	—
21.	Meghalaya									
22.	Mizoram									
23.	Nagaland									
24.	Sikkim	34	56	82	—	—	—	34	56	82
25.	Tripura	1	—	2	—	—	—	1	—	2
26.	A & N Islands	—	—	23	—	—	—	—	—	23
27.	Chandigarh	5	—	Nil	—	—	—	5	—	—
28.	D & N Haveli	—	1	2	—	—	—	—	1	2
29.	Daman & Diu									
30.	Lakshadweep									
31.	Pondicherry	7	—	35	—	—	—	7	—	35
32.	Delhi									
Total:										

APPENDIX IA

1993-94 Beneficiaries to whom loan/subsidy sanctioned

Sl. No.	Name of State/UT	SUME			SHASU			TOTAL		
		SC	ST	W	SC	ST	W	SC	ST	W
1.	Andhra Pradesh									
2.	Bihar	2103	1017	1876	602	415	813	2709	1432	2689
3.	Gujarat	6	1	46	—	—	—	6	1	46
4.	Haryana									
5.	Karnataka									
6.	Kerala									
7.	Madhya Pradesh									
8.	Maharashtra									
9.	Orissa									
10.	Punjab	193	—	146	—	—	—	193	—	146
11.	Rajasthan									
12.	Tamil Nadu	2318	—	3810	1067	—	2285	3385	—	6095
13.	Uttar Pradesh	129	—	74	—	—	—	129	—	74
14.	West Bengal									
15.	Goa									
16.	Arunachal Pradesh									
17.	Assam									
18.	Himachal Pradesh									
19.	Jammu-Kashmir									
20.	Manipur									
21.	Meghalaya									
22.	Mizoram									
23.	Nagaland									
24.	Sikkim									
25.	Tripura	22	2	6	13	6	40	35	8	46
26.	A&N Islands									
27.	Chandigarh									
28.	D&N Haveli	1	37	18	—	—	—	1	37	18
29.	Daman & Diu									
30.	Lakshdweep									
31.	Pondicherry									
32.	Delhi									
	Total:									

APPENDIX II**NEHRU ROZGAR YOJANA***Scheme of Housing and Shelter Upgradation (SHASU)**Status of Loan and Subsidy Released as on 31.3.1994**(Rupees in Lakhs)*

Sl. No.	Name of State/UT	Loan Release	Subsidy Released
1.	Andhra Pradesh	1352.91	390.18
2.	Bihar	711.15	197.56
3.	Gujarat	10.77	2.80
4.	Haryana	224.91	56.53
5.	Karnataka	137.17	88.06
6.	Kerala	2603.26	682.07
7.	Madhya Pradesh	—	—
8.	Maharashtra	840.59	191.99
9.	Orissa	159.69	96.50
10.	Punjab	220.69	60.16
11.	Rajasthan	—	—
12.	Tamil Nadu	3780.82	901.50
13.	Uttar Pradesh	795.45	202.00
14.	West Bengal	1274.68	323.89
15.	Goa	—	—
16.	Arunachal Pradesh	—	—
17.	Assam	258.26	80.67
18.	Himachal Pradesh	17.41	3.91
19.	Jammu & Kashmir	57.55	19.54
20.	Manipur	11.70	5.33
21.	Meghalaya	—	—
22.	Mizoram	—	—
23.	Nagaland	—	—
24.	Sikkim	10.33	2.63
25.	Tripura	1.97	1.30
26.	A & N Islands	—	—
27.	Chandigarh	—	—
28.	D & N Haveli	0.98	0.22
29.	Daman & Diu	—	—
30.	Pondicherry	—	—
31.	Delhi	N.A.	N.A.
TOTAL		12470.29	3306.85

APPENDIX III
NEHRU ROZGAR YOJANA
Scheme of Housing and Shelter Upgradation (SHASU)

(Rupees in Lakhs)

Sl. No.	Name of State/UT	No. of Beneficiaries to whom loan and subsidy disbursed as on 1.3.1994
1.	Andhra Pradesh	42784
2.	Bihar	13115
3.	Gujarat	451
4.	Haryana	3560
5.	Karnataka	8277
6.	Kerala	60054
7.	Madhya Pradesh	—
8.	Maharashtra	6200
9.	Orissa	4180
10.	Punjab	3452
11.	Rajasthan	—
12.	Tamil Nadu	109414
13.	Uttar Pradesh	26074
14.	West Bengal	25570
15.	Goa	—
16.	Arunachal Pradesh	—
17.	Assam	6948
18.	Himachal Pradesh	—
19.	Jammu & Kashmir	1443
20.	Manipur	385
21.	Meghalaya	—
22.	Mizoram	—
23.	Nagaland	—
24.	Sikkim	—
25.	Tripura	130
26.	A & N Islands	—
27.	Chandigarh	—
28.	D & N Haveli	—
29.	Daman & Diu	—
30.	Pondicherry	—
31.	Delhi	N.A.
TOTAL		312037

APPENDIX IV
NEHRU ROZGAR YOJANA

No. of Beneficiaries trained/undergoing training (As on 31.3.1994)

Sl. No.	Name of State/UT	SHASU	SUME
1.	Andhra Pradesh	3205	4644
2.	Bihar	8642	2517
3.	Gujarat	325	6159
4.	Haryana	695	2284
5.	Karnataka	1209	9313
6.	Kerala	3150	4086
7.	Madhya Pradesh	—	10960
8.	Maharashtra	3000	21414
9.	Orissa	12	1894
10.	Punjab	—	2920
11.	Rajasthan	7142	3861
12.	Tamil Nadu	9708	15732
13.	Uttar Pradesh	1649	24830
14.	West Bengal	8816	3300
15.	Goa	—	250
16.	Arunachal Pradesh	—	80
17.	Assam	1272	439
18.	Himachal Pradesh	—	364
19.	Jammu & Kashmir	—	821
20.	Manipur	100	1282
21.	Meghalaya	—	—
22.	Mizoram	—	204
23.	Nagaland	—	—
24.	Sikkim	—	419
25.	Tripura	—	319
26.	A & N Island	23	65
27.	Chandigarh	—	14
28.	D & N Haveli	—	123
29.	Daman & Diu	—	—
30.	Pondicherry	140	80
31.	Dellii	—	764
TOTAL		49088	119138

APPENDIX V

NEHRU ROZGAR YOJANA

Scheme of Urban Micro Enterprises (SUME) Targets and Beneficiaries covered

Sl. No.	Name of State/UT	TARGETS			BENEFICIARIES COVERED		
		Upto 1991-92	1992-93	1993-94	Upto 1991-92	1992-93	1993-94
1.	Andhra Pradesh	24,654	8645	10,500	15,725	25,523	18,175
2.	Bihar	21,968	3358	9300	2019	3732	1987
3.	Gujarat	12,045	1853	5100	3456	4765	2630
4.	Haryana	3389	1178	1400	3314	7435	800
5.	Karnataka	21,021	6456	9000	12,048	14,789	3345
6.	Kerala	9738	3306	4000	8174	4790	5202
7.	Madhya Pradesh	22,006	7828	9500	8145	43,787	32,072
8.	Maharashtra	24,140	10,589	11,000	19,635	18,839	11,917
9.	Orissa	6368	2216	2700	6005	4946	1214
10.	Punjab	6546	6261	2800	5863	3985	3931
11.	Rajasthan	12,841	1969	5500	4910	4594	11,749
12.	Tamil Nadu	27,908	9512	12,500	16,760	19,182	24,418
13.	Uttar Pradesh	55,520	19,229	23,400	25,347	59,101	24,813
14.	West Bengal	21,846	8443	10,000	7230	15,169	4368
15.	Goa	471	—	150	—	—	440
16.	Arunachal Pradesh	705	—	278	—	—	—
17.	Assam	3319	1589	1265	875	1822	1299
18.	Himachal Pradesh	1411	611	550	1086	190	—
19.	Jammu & Kashmir	2255	779	800	—	1695	91
20.	Manipur	966	333	350	395	395	2745
21.	Meghalaya	705	217	300	7	119	274
22.	Mizoram	783	167	150	—	—	—
23.	Nagaland	866	—	350	—	—	—
24.	Sikkim	644	344	200	334	182	16
25.	Tripura	483	228	150	—	330	137
26.	A & N Islands	322	—	50	—	—	177
27.	Chandigarh	869	—	200	—	178	—
28.	D & N Haveli	322	—	50	—	43	53
29.	Daman & Diu	544	—	100	—	—	—
30.	Pondicherry	544	111	140	408	226	160
31.	Delhi	1800	800	160	—	1038	295
TOTAL		2,86,999	92,062	1,23,383	1,41,736	2,36,855	1,52,308