

11

**STANDING COMMITTEE ON
URBAN DEVELOPMENT
(2005-2006)**

FOURTEENTH LOK SABHA

**MINISTRY OF URBAN EMPLOYMENT
AND POVERTY ALLEVIATION**

**DEMANDS FOR GRANTS
(2005-2006)**

*[Action Taken by the Government on the Recommendations
contained in the Sixth Report of the Standing Committee
on Urban Development (Fourteenth Lok Sabha)]*

ELEVENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

ELEVENTH REPORT
STANDING COMMITTEE ON
URBAN DEVELOPMENT
(2005-2006)

(FOURTEENTH LOK SABHA)

MINISTRY OF URBAN EMPLOYMENT AND
POVERTY ALLEVIATION

DEMANDS FOR GRANTS
(2005-2006)

*[Action Taken by the Government on the Recommendations
contained in the Sixth Report of the Standing Committee
on Urban Development (Fourteenth Lok Sabha)]*

Presented to Lok Sabha on

Laid in Rajya Sabha on



LOK SABHA SECRETARIAT
NEW DELHI

October, 2005/Kartika, 1927 (Saka)

C.U.D. No. 11

Price : Rs. 16.00

© 2005 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of
Business in Lok Sabha (Eleventh Edition) and Printed by Jainco Art India,
New Delhi-110 005.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I Report	1
CHAPTER II Recommendations that have been accepted by the Government	8
CHAPTER III Recommendations which the Committee do not desire to pursue in view of the Government's replies	26
CHAPTER IV Recommendations in respect of which replies of the Government have not been accepted by the Committee	27
CHAPTER V Recommendations in respect of which final replies of the Government are still awaited	28
APPENDICES	
I. Extracts of the Minutes of the 3rd sitting of the Committee held on 28.11.2005	29
II. Analysis of the Action Taken by the Government on the recommendations contained in the Sixth Report of the Committee (14th Lok Sabha)	31

COMPOSITION OF THE STANDING COMMITTEE ON
URBAN DEVELOPMENT (2005-2006)

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Avtar Singh Bhadana
4. Shri Surendra Prakash Goyal
5. Shri Pushp Jain
6. Shri P. Mohan
7. Shri Shripad Yesso Naik
8. Shri Amitava Nandy
9. Shri Mahendra Prasad Nishad
10. Shri Devidas Anandrao Pingale
11. Shri L. Rajgopal
12. Shri D. Vittal Rao
13. Shri Sajjan Kumar
14. Shri Sudhangshu Seal
15. Shri Navjot Singh Sidhu
16. Shri Sugrib Singh
17. Shri K. Subbarayan
18. Shri Ravi Prakash Verma
19. Shri Suresh Ganpatrao Wagmare
20. Shri Akhilesh Yadav
21. Shri Baleshwar Yadav

Rajya Sabha

22. Shri Varinder Singh Bajwa
23. Shri Jayantilal Barot
24. Shri Urkhao Gwra Brahma
25. Shri Prasanta Chatterjee
26. Shri B.K. Hariprasad
27. Shri Faqir Chand Mullana
28. Shri Laxminarayan Sharma
29. Shri Shahid Siddiqui
30. Smt. Syeda Anwara Taimur
31. Shri Nandi Yellaiah

SECRETARIAT

1. Shri John Joseph — *Secretary*
2. Shri S.K. Sharma — *Additional Secretary*
3. Shri K. Chakraborty — *Director*
4. Shrimati Neera Singh — *Under Secretary*
5. Shri Kulmohan Singh Arora — *Committee Officer*

INTRODUCTION

I, the Chairman of the Standing Committee on Urban Development (2005-2006) having been authorised by the Committee to submit the Report on their behalf, present the Eleventh Report on the action taken by the Government on the recommendations contained in the Sixth Report (14th Lok Sabha) of the Standing Committee on Urban Development on Demands for Grants (2005-2006) of the Ministry of Urban Employment and Poverty Alleviation.

2. The Sixth Report was presented to Lok Sabha on 21 April, 2005. The replies of the Government to all the recommendations contained in the Report were received on 31st August, 2005.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 28th October, 2005.

4. An analysis of the action taken by the Government on the recommendations contained in the Sixth Report (Fourteenth Lok Sabha) of the Committee (2004-2005) is given in *Appendix II*.

NEW DELHI;
28 October, 2005
6 Kartika, 1927 (Saka)

MOHD. SALIM,
Chairman,
Standing Committee on Urban Development.

CHAPTER I

REPORT

This Report of the Committee on Urban Development (2005-2006) deals with the action taken by the Government on the recommendations contained in their Sixth Report on Demands for Grants (2005-2006) of the Ministry of Urban Employment and Poverty Alleviation which was presented to Lok Sabha on 21st April 2005.

2. Action taken notes have been received from the Government in respect of all the 30 recommendations which have been categorised as follows:

- (i) Recommendations which have been accepted by the Government:

Para Nos. 2.9, 2.10, 2.11, 2.12, 2.13, 3.32, 3.33, 3.34, 3.35, 3.36, 3.37, 3.38, 3.39, 3.40, 3.41, 3.53, 3.54, 3.55, 3.56, 3.67, 3.68, 3.69, 3.77, 3.78, 3.83, 3.84, 4.12, 4.13, 4.14 and 5.6

- (ii) Recommendations which the Committee do not desire to pursue in view of Government's replies:

Para No. Nil.

- (iii) Recommendations in respect of which replies of the Government have not been accepted by the Committee:

Para No. Nil

- (iv) Recommendations in respect of which final replies of the Government are still awaited:

Para No. Nil

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

Finalisation of guidelines of Urban Renewal sub-Mission for Slum Development/Basic services for urban poor

Recommendation (Para No. 2.12)

4. The Committee had noted as below:—

“The Committee note a sum of Rs. 1989.62 crore has been provided as Additional Central Assistance (ACA) for Urban Renewal Sub-Mission for Slum Development/Basic Services for urban poor during 2005-2006. The details in this regard are being worked out and its guidelines etc. could be finalized shortly with the approval of Cabinet. The crucial question is where and how the Government would utilize the sum of Rs. 1989.62 crore during the year 2005-2006 itself, as the Scheme has not yet been approved by the Cabinet and its guidelines are still under finalization”.

5. The Government has replied as under:-

“The considered views of the Hon’ble Committee have been noted. However, concerted efforts would be made to utilize the allocation for the mission in consultation with the implementing agencies, State Governments once the scheme is approved and the guidelines finalized.”

6. The Committee stress that the guidelines of ‘Urban Renewal sub-mission of Slum Development/Basic Services for urban poor’ should be finalised and approved during the current financial year positively so that funds allocated so far under the Urban Renewal sub-Mission could be deployed and utilized effectively during the current financial year only. The Committee be apprised about the steps taken in this direction.

Early finalisation of report of the Task Force

Recommendation (Para No. 3.36)

7. The Committee had noted as below:-

“The Committee note that a Task Force under the Chairmanship of Secretary (UEPA) has been constituted with the objective to evolve formulations for a viable micro-credit mechanism for the urban poor. The Committee would like to know more about the formulations evolved by the Task force and the results achieved. The Committee recommend that persuasive and suitable mechanism

should be adopted so as to establish an effective micro-credit system or the benefit of the urban poor. The Committee hope that the Task Force will be able to complete their work expeditiously so that further necessary action in pursuance thereof is taken at an early date”.

8. The Government have replied as under:—

“The Task Force under Secretary (UEPA) is likely to finalize its report shortly.”

9. The Committee desire that for establishment of an effective micro-credit system for the benefit of the urban poor, the Task Force under the Chairmanship of Secretary (UEPA) should expedite the finalisation of their report.

Modification of guidelines of Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

Recommendation (Para No. 3.40)

10. The Committee had noted as below:

“The Committee are informed that the modification of guidelines of the SJSRY Scheme are in an advanced stage of consideration by the Government and these revised guidelines will be placed before the Expenditure Finance Committee (EFC) shortly. The Committee desire that the revised guidelines of the Scheme be finalized at an early date. The Committee trust that all ambiguities and contradictions detected in earlier guidelines will be removed in the new guidelines and these would be made more flexible, accommodating and need-based for better implementation of the SJSRY scheme.”

11. The Government have replied as under:-

“The issue of modification of SJSRY guidelines is likely to be placed before the Expenditure Finance Committee shortly.”

12. The Committee reiterate their recommendation that the issue of modification of guidelines of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) which is pending since long should be finalized at an early date and placed before the Expenditure Finance Committee for its approval.

Priority to Integrated Low Cost Sanitation Scheme (ILCS) by States

Recommendation (Para No. 3.67)

13. The Committee had noted as below:—

“The Committee have time and again expressed their displeasure over low financial and physical progress of ILCS Scheme. Out of Rs. 200 crore allocated in the 10th Plan, only Rs. 29.60 crore has been released upto 31.12.2004 under the Scheme. Had the Government made sincere efforts to implement the ILCS, the Committee are sure that better sanitation facilities could have been provided in urban congested areas, thereby fully utilizing the allocated budgetary funds for this Scheme. The Committee feel that ILCS should be rightly seen as an important solution to the dehumanizing practice of carrying night soil. Also, it is the appropriate solution where resources do not permit the provision of under ground sewerage. The Committee, therefore, strongly recommend that construction of suitable Toilets/latrines be made in the congested urban areas by utilizing viable techniques of construction.”

14. The Government have replied as under:-

“The allocated budgetary funds can be utilized if the States accord priority to the programme implementation and the directive of submission of 100% UCs in adhered to. The scheme is not suitable for very congested areas and instead community toilets are recommended particularly where land availability is a problem and density is very high. In ILCS scheme there is no subsidy for community toilets, however, there are other schemes where subsidy for community toilets is available.”

15. The Committee desire that being a nodal Ministry, the Ministry of UEPA should encourage the States to accord priority to the effective implementation of ILCS and allotment of lands for the purpose so that inhuman practice of carrying night-soil could be eradicated. It is a matter of concern that the States are still to give priority to the programme. The Committee would like to know about the details. The Committee would also like to stress that there should be proper interaction with the concerned States who are lagging behind. Necessary steps should be initiated in this regard. The Committee are of the view that the guidelines of ILCS should be made flexible by providing subsidy for community toilets in this scheme so as to achieve the main objectives of the ILCS programme.

The Committee hope that all out efforts will be made to make the scheme more effective with a view to eradicate the inhuman practice of carrying the night soil once for all.

Release of funds under ILCS

Recommendation (Para No. 3.68)

16. The Committee had noted as below:-

“The Committee note that no new proposals are sanctioned to the States with pending Utilisation Certificates (UCs) and no further release in the Schemes with pending UCs are made to the ‘Nodal Agency’ implementing the Project. This affected the States more which had only one Nodal Agency as on-submission of UCs for the one Scheme led to stopping of funds for the remaining schemes. The Committee desire that this system of release of funds under ILCS should be changed and streamlined so that due to non-submission of UC for one Scheme funds should not be stopped for the remaining Scheme. If found necessary, suitable amendments in the Governing rules and regulations may be made so that flow of funds is not affected and the Scheme do not suffer”.

The Government have replied as under:-

17. The options which are being examined by the Ministry are:

1. “States may allow the ULBs to submit the proposals separately so that the problem in release of funds to the single agency is not felt.
2. To treat all the schemes (town/district-wise) as separate schemes and subsequent funding in the same scheme may be done only on receipt of 100% Utilisation Certificates.”

18. The Committee note with satisfaction that certain options are being examined by the Ministry regarding release of funds for the centrally sponsored schemes to the States/UTs. The Committee desire that scientific and prudent steps be taken in consultation with States/UTs for effective implementation of the schemes and for easy flow of Central funds to the ‘Nodal Agencies’ for the Schemes, where the UCs have been received. The Committee are of the firm view that due to non-submission of UCs for one scheme, other Schemes under implementation by the same ‘Nodal Agency’, should not be made to suffer by way of stopping funds, in cases, where the UCs in respect

of such schemes have been received. The Committee may be apprised about the action taken in the matter.

Finalization of draft National Slum Policy

Recommendation (Para No. 3.78)

19. The Committee had noted as below:-

“The Committee note that Draft National Slum Policy was prepared and submitted to the Cabinet Secretariat on 17.1.2004. It was listed for discussion on 21.1.2004 but was deferred. The Committee are of the opinion that no strengthen the legal and policy framework and to facilitate the process of Slum development, there is an urgent need for a National Slum Development Policy. The Committee reiterate their earlier recommendation that the ministry should place the concern of the Committee before the Cabinet and the Government should finalize and implement the Draft National Slum Policy at the earliest.”

20. The Government have replied as under:-

“The matter is under consideration.”

21. The Committee reiterate their earlier recommendation that the Government should finalize and implement the Draft National Slum Policy, which is pending with the Government since long without any further loss of time so as to facilitate the process of slum development at a rapid pace.

Revival of Hindustan Prefab Ltd. (HPL)

Recommendation (Para No. 5.6)

22. The Committee had noted as below:-

The Committee express their deep concern over the poor performance of Hindustan Prefab Limited in the past decade. In their earlier reports, the Committee had examined the issue of financial condition of Hindustan Prefab Limited and recommended that the Government should take an early decision about the future operations of HPL. The Committee are now informed that the Ministry has taken a decision in principle for revival/restructuring of HPL and to approach Board for Reconstruction of PSEs with a comprehensive suitable revival package and this proposal is being worked out. In this regard, the Committee recommend that

concerted steps must be taken by Government for the revival of HPL by formulating a proper 'Revival Plan' at the earliest. The Committee may be apprised about the action taken in this regard.

23. The Government have replied as under:—

“A proposal received from HPL for its revival/restructuring and to approach Board for Reconstruction of Public Sector Enterprises through D/o. Public Enterprises alongwith a comprehensive suitable revival package has been considered in the M/o. UEPA. The revival proposal of HPL has been forwarded to D/o. Public Enterprises on 24.5.2005 for consideration.”

24. The Committee note that the revival proposal of HPL has been forwarded to D/o Public Enterprises on 24 May, 2005 for consideration. The Committee hope that an early decision in this regard will be taken to facilitate the restructuring and revival of HPL so that its performance is improved in future.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 2.09)

The Committee note that the Ministry of Urban Employment & Poverty Alleviation for the years 2005-06 have been allocated an overall budget estimates of Rs. 512.03 crore (gross), which include both the plan and non-plan allocations. The respective provision on the revenue and the capital sides are Rs. 506.42 crore and Rs. 5.61 crore respectively.

Reply of the Government

The observation of the Hon'ble Committee has been noted.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 2.10)

As regards, the decrease in B.E. 2005-2006 *vis-a-vis* BE 2004-2005 the reasons attributed by the Ministry are that:—(i) the Scheme for development of 'Dharavi' could not take off due to non-approval by the Planning Commission (ii) the Scheme of NSLRS and Night Shelter have been transferred under State Plan from 2005-2006; and (iii) Equity support to HUDCO is being discontinued in 2005-2006 as HUDCO has been declared a 'Mini Ratna' in 2004-2005.

Reply of the Government

The observation of the Hon'ble Committee has been noted.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 2.11)

The Committee express their concern over the fact that the unutilized amounts of Rs. 91.25 crore, Rs. 107.83 crore and Rs. 40.25 crore have been surrendered by the Ministry in 2001-2002, 2002-2003 and 2003-2004, respectively. Although the Ministry of Urban

Employment & Poverty Alleviation has given their reasons for these unutilized amounts, the Committee feel that if the Ministry had made realistic assessment of the various ongoing projects/schemes, under-utilization of funds could have been avoided.

Reply of the Government

The considered views of the Hon'ble Committee has been noted.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 2.12)

The Committee note a sum of Rs. 1989.62 crore has been provided as Additional Central Assistance (ACA) for Urban Renewal Sub-Mission for Slum Development/Basic Services for urban poor during 2005-2006. The details in this regard are being worked out and its guidelines etc. could be finalized shortly with the approval of Cabinet. The crucial question is where and how the Government would utilize the sum of Rs. 1989.62 crore during the year 2005-2006 itself, as the Scheme has not yet been approved by the Cabinet and its guidelines are still under finalization.

Reply of the Government

The considered views of the Hon'ble Committee have been noted. However, concerted efforts would be made to utilize the allocation for the mission in consultation with the implementing agencies, State Governments once the scheme is approved and the guidelines finalized.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Comments of the Committee

(Please See Para No. 6 of Chapter I of the Report)

Recommendation (Para No. 2.13)

Though the Ministry admits that the budgetary provisions has been reduced, but it is not clear from their statement whether the same trend would have any long-term adverse effect. The reduction of budgetary outlay and non-utilization of allotted funds indicate a lack of initiative on the part of the Ministry to work out strategies for optimum utilization of resources and getting more resources to finance

schemes for employment and poverty alleviation. The Committee feel that the Ministry has not performed well in utilizing the available funds and consequently there has been a reduction in the budgetary allocations. Such a trend is unhealthy particularly when more and more employment opportunities are required to be created with the aim of eradicating poverty at a rapid pace.

Reply of the Government

The budgetary provisions has been reduced primarily due to non approval of the scheme for development of Dharavi; transfer of two schemes to State Sector and discontinuance of equity support to HUDCO, due to its declaration as Mini Ratna.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.32)

The Committee note that the budgetary allocations of funds for the SJSRY have not been enough to meet the demand of the growing unemployment and urban poverty in the country. In the year 2005-2006, the Ministry of UEPA have been allocated an amount of Rs. 160 crore for the SJSRY scheme against the request of Rs. 500 crore, which is only a token increase of the allocations of Rs. 103 crore over the previous year 2004-2005. The Ministry has listed five 'Better Performing States' and five 'Bad Performing States' in respect of the implementation of the SJSRY scheme. The Committee find that even in the case of 'Better Performing States' during the past years their demands for additional funds could not be met due to lack of funds. The Committee feel that greater priority needs to be given to the urban poverty alleviation scheme of SJSRY by the Government/Planning Commission, as this is a well conceived scheme for eradication of unemployment among the urban poor.

Reply of the Government

The considered views of the Hon'ble Committee are noted.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.33)

The Committee note that as per the quarterly Progress Reports received from the States/UTs upto 28.2.2005, States have unspent balance to the tune of Rs. 288.09 crore, which include both the Central and State's share under SJSRY Scheme. Such a huge amount remaining unspent is a cause for concern and has an adverse impact during allocation when a token increase is sanctioned. Truly, it is necessary to reduce the quantum of unspent amount. The studies made in terms of appraisal of the Scheme should focus on this aspect so that the cause for this malaise is rooted out. A cursory look and a routine procedure of urging the States to effectively utilize the funds has not borne any fruitful results so far. The Committee, therefore urge the Ministry of UEPA to make more effective co-ordinative efforts in this direction to motivate the States/UTs and the implementing agencies for expeditiously utilizing these unspent funds and furnish their UCs to the Ministry. The Committee may be apprised about the steps taken in this regard.

Reply of the Government

The huge unspent balance lying with the States/UTs is due to various reasons, one of the major reasons being the lack of flexibility provided to the States/UTs in inter-component transfer of funds under SJSRY. Therefore, Ministry now proposes to provide flexibility to the States/UTs in the disbursement of funds under the scheme while focusing on the achievement of the physical targets.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.34)

The Committee note that house-to-house survey has been conducted in 3533 towns out of the total 3779 towns for the identification of genuine beneficiaries. However, 249 towns are still left, where house-to-house survey is yet to be conducted. Without proper identification of the beneficiaries, it would be difficult to assess the actual performance of the SJSRY Scheme. The Committee, therefore, recommend that house-to-house survey in the remaining 249 towns be conducted in a time bound manner and the services of NGOs should be utilized for this purpose.

Reply of the Government

The observations of the Hon'ble Committee have been noted for compliance. The defaulting States/UTs are reminded time to time at appropriate level to carry house-to-house survey.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.35)

The Committee are happy to note that during the first two years of the Tenth Plan, total 2,28,783 micro-enterprises were setup and 2,21,005 beneficiaries provided with skill training under USEP and the annual achievement of project is more than 100%. Also, during the current year upto 28.2.2005, 66,496 micro-enterprises have been set up and 1,01,902 beneficiaries have been provided skill training. For the year 2005-06, the annual target is to assist 80,000 urban poor for setting up micro-enterprises and providing skill training/upgradation to 1,00,000 urban poor. The Committee trust that these targets set up for 2005-2006 are achieved by the Government.

Reply of the Government

During the first three years of the Tenth Plan *i.e.* 2002-03 to 2004-05, a total of 2,97,419 micro enterprises were set up and 3,27,399 urban poor were given skill training/upgradation, which is more than 100% of the cumulative targets. Ministry is confident of achieving the targets in 2005-06 also.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.36)

The Committee note that a Task Force under the Chairmanship of Secretary (UEPA) has been constituted with the objective to evolve formulations for a viable micro-credit mechanism for the urban poor. The Committee would like to know more about the formulations evolved by the Task force and the results achieved. The Committee recommend that persuasive and suitable mechanism should be adopted so as to establish can effective micro-credit system or the benefit of the urban poor. The Committee hope that the Task Force will be able to complete their work expeditiously so that further necessary action in pursuance thereof is taken at an early date.

Reply of the Government

The Task Force under Secretary (UEPA) is likely to finalize its report shortly.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Comments of the Committee

(Please See Para No. 9 of Chapter I of the Report)

Recommendation (Para No. 3.37)

The Committee observe from the Budget (2005-2006) papers that in order to develop 'Micro Finance', the Budget 2005-06 envisages to re-designate the 'Micro Finance Development Fund' to be as 'Micro Finance Development and Equity Fund' by giving it an increased corpus of funds of about Rs. 200 crore. The Committee desire that with the aim to increase 'Micro Finance', the beneficiaries of the SJSRY scheme in the urban areas should also be extended credit/loans for setting up micro units/projects.

Reply of the Government

The matter is being examined in consultation with the Ministry of Finance.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.38)

Bankers non-cooperation is an oft-repeated complaint encountered during interaction with the beneficiaries and these complaints remain despite hearing that all efforts are being made to reach the beneficiaries positively. While appreciating the limitation encountered by the Banks, the plight of the beneficiaries cannot be taken lightly and the same need to be addressed with an open mind. The Committee, therefore, recommend that all issues related to non-cooperation of Banks regarding extending of loans to self/group enterprises under SJSRY should be sorted out in close coordination with the State Level Bankers Committee, Ministry of Finance, RBI and the Banks by holding periodical and timely meetings. A proper strategy need to be worked

out well in advance to reach a solution. The Committee should be kept apprised about the steps taken in this direction.

Reply of the Government

Banking/Finance institutions are closely associated in the implementation of the scheme. The High Level Monitoring Committee (HLMC), the apex body at Ministry level to monitor the scheme, contains representatives from RBI and Ministry of Finance (Banking Division) also, as members. Further, a D.O. letter from Secretary (UEPA) to Additional Secretary (Banking), Ministry of Finance has been issued on 27.6.2005 requesting him to set up a Committee in the Ministry of Finance to monitor the disposal of application by the Banks, as well as to have regular interaction with the Banks for processing of the cases in a time bound manner.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.39)

During the course of oral-evidence before the Committee, the Secretary, Ministry of Urban Employment and Poverty Alleviation conceded that 'Concurrent Evaluation' of the SJSRY scheme by Government has been a weak area. Moreover, it has been done in a piecemeal manner. The Secretary of the Ministry also assured to take up this matter in a much more concentrated and focused manner. The Committee recommend that the Ministry should strengthen the monitoring of the Scheme at both the Central and State levels by conducting regular Monitoring Committee meetings. As the aspect of Concurrent Evaluation of the Scheme is assigned to Human Settlement Management Institute (HSMI), New Delhi, the Committee desire that the Ministry of UEPA should take necessary action expeditiously to have the Concurrent Evaluation studies completed at the earliest.

Reply of the Government

The HSMI is likely to submit its Draft Report on the first phase (Northern States/UTs) of the concurrent evaluation of SJSRY shortly.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.40)

The Committee are informed that the modification of guidelines of the SJSRY Scheme are in an advanced stage of consideration by the

Government and these revised guidelines will be placed before the Expenditure Finance Committee (EFC) shortly. The Committee desire that the revised guidelines of the Scheme be finalized at an early date. The Committee trust that all ambiguities and contradictions detected in earlier guidelines will be removed in the new guidelines and these would be made more flexible, accommodating and need-based for better implementation of the SJSRY scheme.

Reply of the Government

The issue of modification of SJSRY guidelines is likely to be placed before the Expenditure Finance Committee shortly.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Comments of the Committee

(Please See Para No. 12 of Chapter I of the Report)

Recommendation (Para No. 3.41)

The Committee note that the documentation of the best practices in the field of poverty alleviation is one of the most important activity for achieving the real targets of the SJSRY scheme. In respect of documentation and dissemination of information, the Secretary, Ministry of UEPA has admitted that this area has been weak. The Secretary of the Ministry has also admitted that the dissemination of replicable projects under SJSRY needed to be stepped up. The Committee are of the firm view that it is essential to propagate about the units/projects set up under the USEP and UWEP components of SJSRY by DWCUA and other groups. The Ministry has informed the Committee that it is planning to give publicity for setting up units/projects under the scheme as also to document at the National/State level the best practices/success stories of DWCUA Groups including those of 'Kudumbashree' in the State of Kerala. The Committee recommend that honest and sincere efforts be made by the Ministry in coordination with the State level functionaries so as to propagate such replicable projects of SJSRY scheme and motivate the urban poor to come forward and take the benefits of this scheme of self-employment.

Reply of the Government

Ministry is chalking out a comprehensive action plan for the utilisation of IEC and R & S funds under SJSRY.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.53)

The Committee note that VAMBAY was launched in 2001-2002 to provide shelter or upgrade the existing shelter for people living below the poverty line in urban slums. The Committee further note to have an integrated approach in the development/upgradation of slums including both housing and infrastructure in 60 identified cities all over India, the scheme of VAMBAY and NSDP are being combined under the proposed National Urban Renewal Mission (NURM) which has a budget of Rs. 1500 crore. In the remaining cities, a new Integrated Housing and Infrastructure Development Scheme (Comprising VAMBAY and NSDP) for slum dwellers has been proposed outside the mission at a budget of Rs. 500 crore. In addition, a budget allocation of Rs. 249 crore has been kept for VAMBAY for the year 2005-2006 till the proposed Mission is put in place.

Reply of the Government

The observation of the Committee is based on facts.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.54)

The Committee note that VAMBAY Scheme was launched in the recent past by the then Prime Minister with much fanfare and optimism and the same is proposed to be merged with another scheme. The Committee are not convinced why the above move is being undertaken by the Government so hurriedly when the scheme comparatively has taken off on positive note of optimism. To merge it with any other Scheme will deprive VAMBAY of its clear cut field of operation and there might be overlapping also. It is too early to comment on the performance of VAMBAY and any decision taken in haste to merge it may not come out with the desired results. The Committee would therefore, urge the Government to rethink with a wider perspective and indepth analysis before going further in the matter. It will be better if the guidelines of VAMBAY are modified in pursuance of the limitations noticed and input received from the States including cost of construction and size of a dwelling unit and the Scheme operates independently for another five years before taking a move for merger if found necessary, with any other wide and ambitious scheme.

Reply of the Government

The existing VAMBAY scheme is proposed to be merged with the National Slum Development Programme (NSDP) which has since been

discontinued with effect from 2005-06 as decided by the Planning Commission. As observed by the Hon'ble Standing Committee itself in para 3.53, the area of application of the proposed Integrated Housing and Slum Development Programme (IHSDP) after merging the VAMBAY and NSDP is to cater to those areas that are not covered under the National Urban Renewal Mission (NURM). The Government has already taken steps to introduce necessary changes in the light of the experiences of implementation of VAMBAY and NSDP in the past.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.55)

Besides, the Committee feel that by announcing every year or two new schemes regarding slums improvement and upgradation will not solve the problems of slums. The Committee are of the view that sincere efforts on the part of the Government are required to upgrade slums to more habitable level and for this purpose, upgradation of living condition and livelihood of the urban poor has to be recognised as part of the national development process. The Committee further desire that in order to make the implementation of NURM successful, the task of various agencies involved in the implementation of NURM should be well defined and coordination made effective.

Reply of the Government

The aspects as observed by the Committee are being taken care of in the proposed NURM.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.56)

The Committee further recommend that till the proposed NURM is put in place, there should not be any slackness in the implementation of VAMBAY Scheme.

Reply of the Government

The observation has been noted.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.67)

The Committee have time and again expressed their displeasure over low financial and physical progress of ILCS Scheme. Out of Rs. 200 crore allocated in the 10th Plan, only Rs. 29.60 crore has been released upto 31.12.2004 under the Scheme. Had the Government made sincere efforts to implement the ILCS, the Committee are sure that better sanitation facilities could have been provided in urban congested areas, thereby fully utilizing the allocated budgetary funds for this Scheme. The Committee feel that ILCS should be rightly seen as an important solution to the dehumanizing practice of carrying night soil. Also, it is the appropriate solution where resources do not permit the provision of under ground sewerage. The Committee, therefore, strongly recommend that construction of suitable Toilets/latrines be made in the congested urban areas by utilizing viable techniques of construction.

Reply of the Government

The allocated budgetary funds can be utilized if the States accord priority to the programme implementation and the directive of submission of 100% U.Cs is adhered to. The scheme is not suitable for very congested areas and instead community toilets are recommended particularly where land availability is a problem and density is very high. In ILCS scheme there is no subsidy for community toilets, however, there are other schemes where subsidy for community toilets is available.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Comments of the Committee

(Please See Para No. 15 of Chapter I of the Report)

Recommendation (Para No. 3.68)

The Committee note that no new proposals are sanctioned to the States with pending Utilisation Certificates (UCs) and no further release in the Schemes with pending UCs are made to the 'Nodal Agency' implementing the Project. The affected the States more which had only one Nodal Agency as non-submission of UCs for the one Scheme led to stopping of funds for the remaining schemes. The Committee desire that this system of release of funds under ILCS should be changed and streamlined so that due to non-submission of UC for one Scheme funds should not be stopped for the remaining Scheme. If found

necessary, suitable amendments in the Governing rules and regulations may be made so that flow of funds is not affected and the Scheme do not suffer.

Reply of the Government

The options which are being examined by the Ministry are:

1. States may allow the ULBs to submit the proposals separately so that the problem in release of fund to the single agency is not felt.
2. To treat all the schemes (town/district-wise) as separate schemes and subsequent funding in the same scheme may be done only on receipt of 100% Utilisation Certificates.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Comments of the Committee

(Please See Para No. 18 of Chapter I of the Report)

Recommendation (Para No. 3.69)

The Committee has observed several times that manual scavenging is a sin perpetrated on the scavengers. It is a scourge on the society and speaks of evils in the Indian society. Notwithstanding the fact that Centrally Sponsored Scheme for doing away with manual scavenging was initiated in 1981 this evil practice has still not been eradicated from the country. It is a pity that despite more than two decades of experiments, manual scavenging still exists. This should make us do some introspection as to why we have not been successful in eradicating this inhuman practice. The Ministry has pointed out that there are several impediments in the implementation of the Scheme including land and finance. The Committee are not fully convinced by the impediments indicated by the Ministry which come in the way of successful implementation of the Scheme. Land is a State subject and much of the success depends on its availability. The financial aspect which is foremost can be better looked after by making the entire scheme 100% Centrally Sponsored. The beneficiaries who are too poor, cannot shoulder the financial burden, as a result of which proposals are not forthcoming. It should be the Union's responsibility to do away with manual scavenging and for that purpose it is necessary to initiate further steps with a target. The Committee would like to hear more from the Union Government in this regard in the near future with concrete proposals.

Reply of the Government

Planning Commission has prepared the National Action Plan to eradicate the manual scavenging by 31st March 2007. A Central Monitoring Committee has been constituted under the chairmanship of Secretary, M/o SJ&E to monitor the progress under NAP.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.77)

The Committee note that since the inception of the NSDP programme and upto 14.3.2005, out of the total funds of Rs. 3089.63 crore released by the Central Government, an amount of Rs. 2082.91 crore has been spent and about 4.12 crore of slum dwellers have benefited from the programme. The Committee feel the amount of Rs. 2082.91 crore which has been spent since the inception of NSDP on Slum Dwellers is grossly inadequate in comparison to the massive and ever growing slum population in the country. The Committee further feel that in order to facilitate the process of slum development and to ensure the slum population are provided civic services, amenities and economic opportunities and to enable them to rise above the degraded condition in which they live, adequate funds are required are to be released to the States/UTs under NSDP.

Reply of the Government

It has been decided to discontinue the NSDP and to launch a Submission namely Integrated Housing and Slum Development Programme, as part of National Urban Renewal Mission by merging NSDP & VAMBAY as State Sector Programme to be funded under Additional Central Assistance (ACA), similar to that of NSDP. The mission, when finalized and launched, would be a much wider and comprehensive to undertake slum development in a holistic manner.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 3.78)

The Committee note that Draft National Slum Policy was prepared and submitted to the Cabinet Secretariat on 17.1.2004. It was listed for discussion on 21.1.2004 but was deferred. The Committee are of the opinion that to strengthen the legal and policy framework and to

facilitate the process of Slum development, there is an urgent need for a National Slum Development Policy. The Committee reiterate their earlier recommendation that the Ministry should place the concern of the Committee before the Cabinet and the Government should finalize and implement the Draft National Slum Policy at the earliest.

Reply of the Government

The matter is under consideration.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Comments of the Committee

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

Recommendation (Para No. 3.83)

The Committee are happy to note that North Eastern States have come forward with a lot of projects and proposals costing more than Rs. 300 crore during 2004-2005. It is also understood that in order to motivate the North Eastern States to effectively implement the schemes, the Ministry of UEPA propose to form a Steering Group which will act as a catalyst to the NER States in submitting viable and complete proposals to the Ministry of UEPA for implementation in the region.

Recommendation (Para No. 3.84)

The Committee desire that for overall development of NER the above Steering Group should be formed at the earliest. So far, the composition of the Steering Group is concerned, the Committee also desire that the representatives of Urban Local Bodies and elected representatives should also form part of the Steering Group. The Union Government should lay special emphasis on improving implementation of ongoing projects/schemes in NER with transparency and accountability through close monitoring and reviews in coordination with the North-Eastern States and ensure better delivery of results.

Reply of the Government (Para Nos. 3.83 and 3.84)

Observations of the Hon'ble Committee have been noted for further action.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 4.12)

The Committee note that the total percentage of shelterless urban population is 0.27% and an estimated population of 61.8 million live in urban slums, where housing and infrastructure is inadequate. As

per the 10th five Year Plan document the total requirement of houses in urban areas during the 10th Plan period is 22.44 million and the investment required is Rs. 4,26987.18 crore. The Committee also note that the Government has prepared the National Housing and Habitat Policy, 1998, to chalk out the strategy in solving housing problem and recently a Task Force has been under the chairmanship to Secretary (UEPA) to review the National Housing & Habitat Policy. While the Committee Appreciate the aims and objectives of the National Housing and Habitat Policy, they recommend that earnest effort should be made so as to solve the annual goal of construction of two million housed.

Reply of the Government

(a) A Task Force has been constituted under the chairpersonship of the Secretary (UEPA) on 27.1.2005 to review the existing National Housing & Habitat Policy and to draft a new policy. Five Sub-Committees under the Task Force have been constituted to examine various issues involved in the existing policy and to derive considered inputs for taking into consideration while drafting new policy. These sub-committees are on (1) Social Housing, (2) Housing Finance, (3) Legal & Regulation Issues, (4) Urban Infrastructure, and (5) Technology Alternative.

The new policy would be a guiding document for a solution to the urban housing shortage. The Task Force is likely to give its recommendation shortly.

The cumulative physical and financial figures of target, number of dwelling units & loan sanctioned since the inception of the Two Million Programme (*i.e.*, 1998-99 to 2004-05) in urban areas are as under:—

Organisation/Institution	Target (Dus) for 7 years 1998-99 to 2004-05	No. of Dwelling Units.	Amount Sanctioned (Rs. In Crores)
HUDCO (annual target of 4 lakh DU)	2800000	2904885	7916.01
HFIS, Public Sector Bank (annual target of 2 lakh DU)	1400000	2819572	92289.47
Cooperative Sector (Annual target 1 lakh DU)	700000	631129	8883.38
Total	4900000	6355586	109088.86

The year-wise target, dwelling units covered and Central subsidy released in the last three years under Valmiki Ambedkar Awas Yojana (VAMBAY), a centrally sponsored scheme are as under:—

Year	Target Dwelling Units	No. of Dwelling Units covered	Central subsidy released (Rs. In Crores)
2002-03	10,00,003	1,10,388	218.00
2003-04	1,05,999	1,08,376	238.54
2004-05	1,12,000	1,13,004	269.41

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 4.13)

The Committee note the emergence of private initiative in the form of public-private partnership in land and housing development in India. The Committee also note the common problem in public-private partnership. The Committee are of the view that housing sector is an important source of growth and employment. The potential of this sector has been curtailed by a number of policy restrictions which need to be addressed as these restrictions are acting as impediments to private investment in the housing sector.

Reply of the Government

The observation of the Hon'ble Committee is noted. In this connection the following is submitted:—

- (a) The Task Force set up to review and revise National Housing and Habitat Policy, 1998 shall consider broad parameters on the lines of which the model laws, bye-laws, rules & regulations may be drafted at the Central/State level to remove legal impediments. The revised policy is expected to encourage private investment in the housing sector.
- (b) Also, to have a comprehensive programme on urban renewal and massive empoison of social housing in towns and cities, paying particular attention to the needs of slum dwellers a submission on Basic Services to the Urban Poor (BSUP), is proposed to be launched as past of the proposal National Urban Renewal Mission. One of the mission strategies is

Private Sector participation in development arrangement and financing of urban infrastructure.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 4.14)

The Committee desire that keeping in view the huge urban housing shortages and mammoth requirement of funds to meet these housing shortages, the Government should launch a comprehensive programme of urban housing with particular attention to the needs of urban slums. Housing for the weaker sections in urban areas should be expanded in a large scale and for this purpose, the Government should encourage private participation particularly in the slums. Also Public-Private-Partnership (PPP) in housing sector should be encouraged so as to bring the cost effectiveness of housing projects and utilization of economical methods of technologies and provide home to the lower income groups of society.

Reply of the Government

The 5 Sub-committees of Task Force on (1) Social Housing, (2) Housing Finance, (3) Legal & Regulation Issues, (4) Urban Infrastructure, and (5) Technology Alternative would suggest/ways for cost effective housing in the urban areas including for slums and economically weaker sections. The revised policy is expected to encourage Public-Private Partnership in the field of housing and related infrastructure.

One of the strategies in the proposed National Urban Renewal Mission is "Private Sector participation in development, management and financing of urban infrastructure would be clearly delineated." This strategy would be suitably adopted to meet the mission objective for providing basic services to the urban poor. Once, the proposed National Urban Renewal Mission (NURM) is finalized, it is expected that these aspects would be taken care of.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Recommendation (Para No. 5.6)

The Committee express their deep concern over the performance of Hindustan Prefab Limited in the past decade. In their earlier reports,

the Committee had examined the issue of financial condition of Hindustan Prefab Limited and recommended that the Government should take an early decision about the future operations of HPL. The Committee are now informed that the Ministry has taken a decision in principle for revival/restructuring of HPL and to approach Board for Reconstruction of PSEs with a comprehensive suitable revival package and this proposal is being worked out. In this regard, the Committee recommend that concerted steps must be taken by Government for the revival of HPL by formulating a proper 'Revival Plan' at the earliest. The Committee may be apprised about the action taken in this regard.

Reply of the Government

A proposal received from HPL for its revival/restructuring and to approach Board for Reconstruction of Public Sector Enterprises through D/o. Public Enterprises alongwith a comprehensive suitable revival package has been considered in the M/o. UEPA. The revival proposal of HPL has been forwarded to D/o. Public Enterprises on 24.5.2005 for consideration.

[Ministry of Urban Employment & Poverty Alleviation O.M. No. H-11013/3/2005-Bt. (UEPA) Dated: August 30, 2005]

Comments of the Committee

(Please See Para No. 24 of Chapter I of the Report)

CHAPTER III

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

-NIL-

CHAPTER IV

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

-NIL-

CHAPTER V

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

-NIL-

NEW DELHI;
28 October, 2005
6 Kartika, 1927 (Saka)

MOHD. SALIM
Chairman,
Standing Committee on Urban Development.

APPENDIX I

COMMITTEE ON URBAN DEVELOPMENT (2005-2006)

EXTRACTS OF MINUTES OF THE THIRD SITTING OF THE COMMITTEE HELD ON FRIDAY, 28 OCTOBER 2005

The Committee sat from 11.00 hrs. to 12.30 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Mohd. Salim — *Chairman*

MEMBERS

Lok Sabha

2. Shri Surendra Prakash Goyal
3. Shri Pushp Jain
4. Shri Shripad Yesso Naik
5. Shri Amitava Nandy
6. Shri Mahendra Prasad Nishad
7. Shri K. Subbarayan
8. Shri Suresh Ganpatrao Wagmare
9. Shri Baleshwar Yadav

Rajya Sabha

10. Shri B.K. Hariprasad
11. Shri Jayantilal Barot
12. Shri Laxminarayan Sharma
13. Shri Faqir Chand Mullana
14. Shri Prasanta Chatterjee

SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri K. Chakraborty — *Director*
3. Smt. Neera Singh — *Under Secretary*
4. Shri A.K. Srivastava — *Assistant Director*

2. *** *** ***

3. The Committee then took up for consideration Memorandum No. 2 regarding draft report on Action Taken by the Government on the recommendations contained in the Sixth Report of the Committee on Demands for Grants (2005-2006) of Ministry of Urban Employment and Poverty Alleviation. After deliberations, the Committee adopted the draft Report without any modification.

4. *** *** ***

5. The Committee then authorised the Chairman to finalise the Reports.

6. *** *** ***

The Committee also decided to hold the next sitting of the Committee in the second week of November 2005.

The Committee then adjourned.

***Matter not related to the report.

APPENDIX II

[Vide Para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE SIXTH REPORT OF THE STANDING COMMITTEE ON URBAN DEVELOPMENT (FOURTEENTH LOK SABHA)

I. Total number of recommendations	30
II. Recommendations which have been accepted by the Government:	30
Para Nos. 2.9, 2.10, 2.11, 2.12, 2.13, 3.32, 3.33, 3.34, 3.35, 3.36, 3.37, 3.38, 3.39, 3.40, 3.41, 3.53, 3.54, 3.55, 3.56, 3.67, 3.68, 3.69, 3.77, 3.78, 3.83, 3.84, 4.12, 4.13, 4.14 and 5.6	
Percentage to total recommendations	(100%)
III. Recommendations which the Committee do not desire to pursue in view of Government's replies:	Nil
Percentage to total recommendations	(0%)
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee:	Nil
Percentage to total recommendations	(0%)
V. Recommendations in respect of which final replies of the Government are still awaited:	Nil
Percentage to total recommendations	(0%)