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**STANDING COMMITTEE ON  
URBAN DEVELOPMENT  
(2014-2015)**

**SIXTEENTH LOK SABHA**

**MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION**

**DEMANDS FOR GRANTS  
(2015-2016)**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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

**SIXTH REPORT**

**STANDING COMMITTEE ON  
URBAN DEVELOPMENT  
(2014-2015)**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION**

**DEMANDS FOR GRANTS  
(2015-2016)**

**Presented to Lok Sabha on 27.4.2015**

**Laid in Rajya Sabha on...27.04.2015**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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

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

**Shri Pinaki Misra        -        Chairperson**

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3. Shri Ramesh Bidhuri
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**SECRETARIAT**

- |    |                      |   |                      |
|----|----------------------|---|----------------------|
| 1. | Shri P. K. Misra     | - | Additional Secretary |
| 2. | Shri D.S Malha       | - | Director             |
| 3. | Smt. J.M. Sinha      | - | Additional Director  |
| 4. | Smt. K. Rangamani N. | - | Under Secretary      |

## **INTRODUCTION**

I, the Chairperson of the Standing Committee on Urban Development (2014-15) (Sixteenth Lok Sabha) having been authorized by the Committee to submit the Report on their behalf, present the Sixth Report on Demands for Grants (2015-16) of the Ministry of Housing and Urban Poverty Alleviation.

2. The Demands for Grants of the Ministry of Housing and Urban Poverty Alleviation were laid on the table of the House on 18<sup>th</sup> March, 2015. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Urban Development are required to consider the Demands for Grants of the Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament. Thereafter, the Demands are considered by the House in the light of the Report of the Committee.

3. The Committee took evidence of the representatives of the Ministry of Housing and Urban Poverty Alleviation on 27<sup>th</sup> March, 2015. The Committee wish to express their thanks to the officials of the Ministry of Housing and Urban Poverty Alleviation for placing before them the requisite material and their considered views in connection with the examination of the Demands for Grants (2015-16).

4. The Committee considered and adopted the Report at their sitting held on 10 April, 2015.

5. For facility of reference, the observations/ recommendations of the Committee have been printed in bold letters and placed as Part II of the report.

**New Delhi;  
10 April, 2015  
20 Chaitra1937(Saka)**

**Pinaki Misra,  
Chairperson  
Standing Committee  
on Urban Development**

## **REPORT**

### **PART I CHAPTER I**

#### **Introductory**

The Ministry of Housing & Urban Poverty Alleviation is the apex authority of Government of India at the national level for formulation of housing policy and programme for implementation of the plan schemes on housing, urban poverty alleviation and for facilitation of urban employment collection and dissemination of data on housing, building materials/techniques and for adopting general measures for reduction of building costs.

1.2 In the federal structure of the Indian polity, the matters pertaining to the housing and urban development have been assigned by the Constitution of India to the State Governments. The Constitution 74<sup>th</sup> Amendment Act has further delegated many of these functions to the urban local bodies. Although these are essentially State subjects, yet the Government of India plays a coordinating and monitoring role and also supports these programmes through Centrally Sponsored Schemes.

1.3 The Ministry has a business allocation that is fairly focused, being the formulation of housing policy and programmes, the implementation of specific programmes of Urban Employment (UE) and Urban Poverty Alleviation (UPA) and policy, planning and monitoring of matters related to human settlements and urban development "including Slum Clearance Schemes and the Jhuggi and Joonpri Removal Schemes".

1.4 The Important Schemes of the Ministry are as under :-

#### **A. Central Sector Scheme**

1. BMTPC
2. Administrative Expenses for JNNURM
3. Lumpsum provision for NE Region & Sikkim
4. Rajiv Rinn Yojana (RRY)
5. Credit Risk guarantee Fund Trust (CRGFT)
6. Administrative Expenses for NULM
7. Housing for All – Sardar Patel Urban Housing Scheme – IEC, capacity building etc
8. Others

#### **B. Centrally sponsored Schemes**

1. National Urban Livelihoods Mission (NULM)
2. JNNURM (only BSUP component for UTs)
3. Housing for All



## **CHAPTER II**

### **OVERALL ANALYSIS OF DEMAND FOR GRANTS (2014-2015)**

Budget of the Ministry of Housing and Poverty Alleviation comprises one Demand for Grants i.e. Demand No. 58. The overall BE for the year 2015-2016 is Rs.5634.47 Crore (Gross), including both Plan and Non-Plan. The entire plan outlay of Rs. 5625.30 crore provision is for Revenue Section only. The break-up of Plan and Non-Plan provision is Rs.5625.30 Crore and Rs.9.17 Crore respectively. (Page.3 of premat)

2.1 The Budget Allocation for 2015-16 (Plan and Non-Plan) is as under:

**(Rs. in crore)**

<b>Demand No. 58</b>	<b>Gross</b>			<b>Net</b>			<b>Net</b>		
	<b>Plan</b>	<b>Non- Plan</b>	<b>Total</b>	<b>Plan</b>	<b>Non- Plan</b>	<b>Total</b>	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
	5625.30	9.17	<b>5634.47</b>	5625.30	9.17	<b>5634.47</b>	5634.74	0.00	<b>5634.47</b>
<b>Total</b>	5625.30	9.17	<b>5634.47</b>	5625.30	9.17	<b>5634.47</b>	5634.74	0.00	<b>5634.47</b>

2.2 Out of the Plan provision of Rs. 5625.30 crore, following specific allocations have been made:

- |       |                                   |   |                  |
|-------|-----------------------------------|---|------------------|
| (i)   | Provision for North Eastern Areas | - | Rs. 525.00 crore |
| (ii)  | Scheduled Caste Sub-Plan          | - | Rs. 0.00 crore   |
| (iii) | Tribal Sub-Plan                   | - | Rs. 130.00 crore |

2.3 The projections made by the Ministry to Planning Commission, BE, RE and Actual expenditure for the last five years as furnished by the Ministry is as under:-

(Rs. In Crore)

Years	Projections	BE	RE	Expenditure
2010-11	3914.60	1000.00	880.00	821.42
2011-12	1134.89	1100.00	1000.00	953.82
2012-13	2835.48	1155.00	950.00	930.10
2013-14	1721.10	1400.00	1200.00	1078.79
2014-15	6862.56	6000.00	3400.00	-
2015-16	7134.18	-	-	-

2.4 The year wise budgetary allocation against the total Central Government outlay both in absolute and percentage term during the last six years and the percentage share of budgetary allocation of the Ministry against the GDP is as under:-

(Rs. in crore)

Year	Total central Govt. outlay	Ministry's Budget Allocation	% of Central Govt. Budget	Against GDP at current Prices*
2010-11	1108749.24	1007.03	0.090 %	0.013 %
2011-12	1257728.83	1107.60	0.088 %	0.012 %
2012-13	1490925.00	1163.00	0.078%	0.012%
2013-14	1665297.00	1468.02	0.088%	0.013%
2014-15	1794891.96	6008.62	0.33%	0.051%
2015-16	1777477.04	5634.47	0.31%	-

2.5 The BE, RE during the year 2014-15 and BE for the year 2015-16 indicating percentage variation in respect of Ministry of Housing and Urban Poverty Alleviation is as under:-

**NET BASIS**

(Rs. in Crore)

Demand No.58	BE 2014-15		RE 2014-15		BE 2015-16		% Variation over BE 2014-15 and BE 2015-16 Excess(+) Saving (-)		% Variation over RE 2014-15 & BE 2015-16 Excess(+) Saving (-)	
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
Revenue	6000.00	8.62	3400.00	13.44	5625.30	9.17	-6.25%	6.38%	65.45%	-31.77%
Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%	0.00%	0.00%
<b>TOTAL</b>	6000.00	8.62	3400.00	13.44	5625.30	9.17	-6.25%	6.38%	65.45%	-31.77%

2.6 The BE of 2014-15 has been reduced from Rs. 6008.62 crore to 3413.44 crore. The reduction at RE is of Rs. 2595.18 crore. In comparison to BE 2014-15 the BE of 2015-16, there is reduction of Rs. 374.15 crore. There is reduction of allocation in the following Major Heads at RE of 2014-15.

ALLOCATION			
MH	-	BE	RE
2216	Housing	657.59	194.69
2217	Urban Development	217.01	193.92
2552	North Eastern Area	600.00	287.91
3475	Other General Economic Services	50.30	8.50
3601	Grants-in-aid to state Government	3947.48	2285.85
3602	Grants-in-aid to union Territory Government	530.02	435.81

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

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

"Ministry has made all efforts to utilize the budget allocation made available to it. It has expedited the process of fund release to states and cities. However Progress under Basic Services to the Urban Poor (BSUP) and Integrated Housing and Slum Development Programme (IHSDP) components of Jawaharlal Nehru National Urban Renewal Mission (JNNURM), however, is constrained because of the fact that these projects had been approved in the XI<sup>th</sup> plan and because of subsequent cost escalations, State Govt./ Cities are facing extreme difficulties in completing such projects. Ministry has been pursuing these projects very closely with States / Cities for completion and is also persuading State Govts. to enhance their share in the project. It is submitted that implementation of projects is entirely within the purview of State Govts / cities. Ministry assists the States/Cities them by extending financial assistance under its scheme and in facilitating experience sharing, best practices dissemination."

2.8 When asked to furnish the reasons for lower budgetary allocation, the obstacles the Ministry faced during implementation of the scheme and measures adopted to overcome the problems the Ministry in its written replies has stated as under;

**“RRY:** RRY is mainly demand driven and are contingent upon the Banks and financial institutions lending to the low income segments. The scheme did not take off due to issues associated with lending to the informal sectors. Some of the issues which affected performance of the scheme were high risk perception with respect to the beneficiaries, absence of clear land titles, approved plans, etc., requirement of authenticated income certification, non-availability of houses at the rates prescribed under the scheme, etc. In this regard, after series of consultations with key stakeholders and taking into

consideration the learning from ISHUP and RRY, a new credit linked subsidy scheme is being proposed under the Mission for “Housing for All”.

Various measures like release of upfront interest subsidy, inclusion of more financial institutions in the gambit of the scheme, waiving of income certification procedure and replacing it with self-certification, increase in Interest subvention and increase in the maximum cost of the dwelling units etc. have been proposed to overcome the problems and make the new scheme more successful.

**NULM:** Learning from the experience of SJSRY, many new features were added to NULM guidelines to ensure that the benefits of the Scheme reached the urban poor more effectively. NULM has provision creation of Mission Management Units by hiring technical experts at the State and City levels for ensuring that adequate technical support is available to the States for implementation of the Scheme. It also mandated empanelment of independent Certification Agencies for certifying the skill trained candidates and placement/self-employment of at least 50% trained candidates, which was not there in SJSRY. The financial assistance under Self Employment Programme of NULM was changed from capital subsidy (of SJSRY) to interest subsidy. Also, the loan applications are now to be scrutinised by a Task Force comprising key officials from the ULB, Banks, representatives from industries so that arbitrary rejection does not take place at the level of banks. While SJSRY was implemented in all the cities of the country, NULM is restricted to 790 cities covering all District Headquarter Towns and all other cities with a population of 100,000 or more as per 2011 Census. In spite of regular follow up and constant guidance by the Ministry, States took time to take approval of competent authorities for implementation of NULM. Also the scheme envisaged empanelment of Skill Training Providers (STPs) and Certification Agencies (CAs) which required issue of RFP, assessment of technical bids etc which is a time consuming process.

Due to above facts, physical progress under NULM is less in this year. The targets for 2015-16 will be fixed shortly.

**RAY:** The implementation phase of RAY began in September, 2013 and thereafter on 5<sup>th</sup> March, 2014 the Model Code of Conduct due to General Elections came into force. After the new Government was sworn-in, in May 2014, the Ministry decided to implement a new

comprehensive Mission for meeting the objective of “Housing for All by 2022”. Therefore, few proposals which were submitted to Government earlier and in advance stage of assessment were considered for approval under RAY. This had impact on usage of BE for 2014-15 as budget for 2014-15 was projected on the basis of implementation of RAY during the entire year. “

During oral evidence of the Representatives of the Ministry of Housing and Urban Poverty Alleviation, the Secretary, has submitted as under:

“Basically, there has been certain changes in the programmes and policies. In the sense, the JNNURM component is coming to an end in 2014-15. So we really did not have much of scope to project anything for it next year. Secondly, in RAY also, no new schemes could be taken up because we were assuming that RAY will be subsumed under Housing for All Mission. Then, NULM is an ongoing scheme. In case, we require more funding, we will be back at the RE stage. But, Sir, if you have seen, the Housing for All Mission, again is in that stage when we had gone to the Cabinet and got the approval but there are some fine tunings, which are yet to be made through the Inter-Ministerial consultations.”

2.9 To a query of the Committee that during the last nine months nothing concrete action has been done to get enough weight in the budget and entire year of 2015-16 will be spend on architecture, the Secretary Ministry of Housing and Urban Poverty Alleviation, during deposition before the Committee submitted as under:

“What we are contemplating is that parallel we are trying to draw the guidelines based on what has been already approved to us. We are in the meanwhile also talking with the States. We will try to talk to those States, which have been extremely pro-active in the housing sector and the urban sector to see if they could send us those housing actions for all plans as soon as possible. We are looking at only 100 cities in the first phase. If we build partnership either with the private sector or with the State Governments, the urban-local bodies, the development authorities, and even some public authorities who have land, then we would try to make a proactive dynamic approach. But here, I would like to submit one thing. Housing, you will appreciate, is basically economics. You will have a demand for house if you have the purchasing power. If you do not have the purchasing power, then the Government will have to consider subsidizing the EWS. Supply side comes from the investors who again will be looking at certain policy parameters and say, ‘okay if there is a very well-structured, well-governed policy in place, then investment should flow.’ That is why I was trying to spend a little time, trying to draw your attention to the policy structure. We are looking at an Affordable Housing Policy, Rental Housing Policy, Model Tenancy Act, the Regulatory Bill. We would have a good governance in place, whether it is foreign investment. For FDI, it is 10.6 percent, which is flowing into the housing sector.”

2.10 The entire year will be spent in setting up of architecture. Very little thing is being done at the grass root level the Ministry is only planning since the beginning of the financial year 2014-15. The Ministry still has to plan during the current financial year. From 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 things are not going to materialized. Explaining to the above observation, the Secretary has submitted as under:

“Yes, Sir, because the plans will be prepared, the actual demands survey will have to done. After that, we will release the funds. So, by the time, one gets to the field, yes, it will take some time to design in the minutest details. We have the broad design which has been presented but Sir, regarding the States preparing the action plan because States are the partners, they are the implementing bodies, it will take a while.”

2.11 Expressing concern over not having a permanent architecture in place for implementation of the ambitious schemes, when asked about any timeline for finalizing the broad policy framework for implementation of the scheme, the Secretary Ministry of HUPA during oral evidence has stated as under:

“I would just like to make a submission. Sir, as you correctly said, if we have to build two crore houses – I am talking about the urban part – in seven years, then ideally, approximately 30 lakh houses have to be built every year. For that, the kind of money that is required is huge. We are not sure if budgetary support would be forthcoming to that. For ‘ease of doing business’ we have tied up with the line Ministries. The Ministry of Environment and Forest and the Ministry of Culture have actually come back to us saying that they are trying to prepare guidelines so that the NOCs could be done away with their level and it is decentralized. So, we are spearheading them. Our Minister has written to all the Chief Ministers. We all are pursuing that and to have streamline approvals because that is one aspect which again hurts the supply side.”

## **CHAPTER III**

### **URBAN HOUSING**

The Ministry of Housing and Urban Poverty Alleviation is dealing with urban housing through various scheme viz., Rajiv Awas Yojana Affordable Housing, JNNURM and Rajiv Rinn Yojana/GHAR, This chapter includes elaborate analysis of the above schemes. Sardar Patel Urban Housing Mission for Housing for All by 2022 has been proposed by the Ministry. The Ministry has stated that housing requirement is expected to be two crore by 2022. Slum population (1.4 crore in 2011) expected to go upto 1.8 crore in 2021. Non slum Urban poor is expected to grow upto 0.2 crore. The actual demand would depend on demands survey. Two crore houses require Rs. 12 lakh crore at the rate Rs. 6 lakh per house. Resources require are substantial in terms of land, finances and other capabilities. Therefore it is imperative to mobilize all stakeholders viz. State Govt., ULBs, Banks, HFCs, Private Sector, industry, civil society etc. in this connection land is to be used a resource, there need to be removed supply side constraint through policy intervention and to use innovative/sustainable technology and material in construction. The proposed options for Housing for All Are Slum Redevelopment, Affordable Housing through Credit Linked Subsidy, Affordable Housing in partnership and subsidy for beneficiary led individual house construction/ enhancement. Beneficiary can take advantage under one component only.

### **RAJIV AWAS YOJANA/ SARDAR PATEL URBAN HOUSING MISSION: HOUSING FOR ALL BY 2022:**

3.1 The Ministry has been implementing RAY since 2011 first as preparatory phase than implementation phase beginning from September, 2013. Under the scheme, financial support is extended to States/UTs/Urban Local Bodies (ULBs)/Central Government Agencies, for providing housing and improvement of basic civic infrastructure and social amenities in slums.



During examination of DFG (2014-15), the Committee were distressed to note that the preparation activities during Phase I of RAY were tardy. They were informed that RAY is a reform and demand driven scheme for attaining slum-free states and it depends upon the level of aspiration of the state, willingness to align property rights to slum dweller, undertake reforms for the urban development, etc. The Committee were given to understand that the Ministry is undertaking effective monitoring by organizing seminars, field visit workshops, video conferencing, etc. In their written replies the Ministry has submitted the present status as under:

“The preparatory phase of RAY envisaged preparation of Slum Free City Plan of Action wherein each city was required to undertake data collection of all slums irrespective of land tenure, entry of data into MIS Mapping, GIS-MIS integration. Involvement of community has also been envisaged at all stages of the programme from planning through project formulation, implementation and post project operation and maintenance. In order to expedite various preparatory activities and streamline the process of preparation of SFPoAs, the Ministry has been reviewing the progress of all the preparatory activities at various levels through consultations, review meetings, workshops, video conferencing etc with the States/UTs intensively and hand holding in areas identified to expedite the process. Till date, 95 SFPoAs have been prepared. Another 94 cities are at advance stages of preparation. New scheme which is being finalized will provide flexibility to the States for expediting the implementation.”

In reply to the supplementary list of points the Ministry has stated as under:

“Slum free city plan of action has been completed in 107 cities of 20 States out of 228 cities where work of SFCPoA began. In rest of the cities, work is under progress”

The allocation under RAY ACA has been as follows:

12 <sup>th</sup> Plan			
Year	BE	RE	Utilized
2012-13	1522	100	97.18
2013-14	2102	1146.41	705.73
2014-15	2400	1403.60	1012.64
2015-16	0	0	0
<b>Total</b>	<b>6024</b>	<b>2650.01</b>	<b>1815.55</b>

(Rs. in crore)

Against the budgetary allocation of Rs.6024 crore from 2012-13 to 2014-15, the allocation at RE stage is only Rs. 2650.01 crore. However, the released allocation is Rs. 1815.55 crore. When asked to state the reasons for less allocation at RE stage and less utilization of allocation, the Ministry has submitted as under: While release of funds is based on a defined pattern, the responsibility for implementing the projects rests with the State Governments and the ULBs at the local level. Short falls in the targets or cases where

projects do not start are observed in those cases where the States/ULBs do not have the capacity to execute projects or are under financial stress.”

3.2 On being asked about the steps taken/ proposed to be taken and suggestions, if any, for improvement in the implementation of each scheme the Ministry has stated as under;

“A new mission for achieving the objective of “Housing for All” by 2022 is under consideration of the Cabinet. The proposed mission will include the lessons learn from earlier scheme. Mission would develop suitable strategies for tackling different category of Urban Poor including slum dwellers.”

3.3 On the system of monitoring and control over the performance of each scheme it is submitted by the Ministry that:

“This Ministry is regularly monitoring the progress of the schemes through quarterly/monthly physical and financial progress reports, periodic review meetings at state/regional/city level and field visits by Ministry’s officers and monitoring agencies. Also, a project management information system for RAY projects is in place for effective on line monitoring. It may be noted however, that Housing is a State subject and, therefore, the responsibility of implementing the RAY scheme or any other scheme on housing, rests with the State Government.”

3.4 The BE of RAY during the year 2015-16 has been kept at zero as the liabilities are proposed to be released under the proposed Housing for All by 2022 in consultation with the Ministry of Finance. In their written reply, the Ministry has clarified that the new Mission on Housing for All by 2022 has not yet been launched. When asked to clarify as to why the Ministry has not allocated any amount for RAY when the new mission has not yet been launched, it has submitted as under:

“Housing for all by 2022 Mission has been approved by the Cabinet and the scheme details are being fine tuned by a Committee of Ministers as per the decision of Cabinet. New Mission will be launched as soon as details are fine tuned. The new Mission is in place of RAY and hence no provision has been made for RAY in BE 2015-16.”

On being asked about the fate of the incomplete projects which have been approved under RAY , the representatives of the Ministry of HUPA during oral evidence before the Committee has stated as unsder:

“After in principle approval, RAY has come to an end. Now the question remains of the past projects which have been approved under RAY and about the liability of those projects. That matte is still under consideration of the Ministry. We will take up the matter to the competent authority for its consideration and giving us a decision on that. If the Govt. agrees for subsuming the past liabilities under new Mission, then from that we can give money. It is under consideration. We can not meet any commitment on that.”

The target under XIIth Plan for RAY was 10 lakh Dwelling Units (DUs) but RAY has come to an end upon approval of new scheme "Housing for All" by 2022. The DUs approved and completed under RAY since 2011-12 is as under:

<b>RAY</b>	2011-12	8,243	0
	2012-13	24,958	0
	2013-14	87,554	1,104
	2014-15	47,452	1,397
	<b>Total</b>	<b>1,68,207</b>	<b>2,501</b>

3.5 The reasons for slow progress, in the achievement of the targets as stated by the Ministry is as under;

"Implementation phase of RAY was approved by Government in September, 2013 and scheme guidelines were issued thereafter. States submitted the projects after the guidelines. It is also to be noted that the Election Code of Conduct came into force w.e.f. March, 2014 and a new Government was sworn in May, 2014. Since, the focus of the new Government was on a new Mission on providing Housing for All, there has been a slowdown in taking up new projects under RAY. The small window of time for implementation phase as a result of the above events has been a reason for the slow progress.

Notwithstanding the above, as on 16.03.2015, 237 DPRs with a total project cost of Rs.8,735 crore involving Central Share Rs.4,828 crore for construction/upgradation of 1,65,735 Dwelling Unit have been approved under RAY Scheme. A sum of Rs.1848 crore has been released as Additional Central Assistance by the Central Government towards these projects so far."

3.6 When asked to furnish the steps taken to overcome the difficulties faced in implementing RAY scheme while designing the new scheme i.e., Housing for all and the kind of flexibility has been provided to the States for expediting the implementation of the new scheme, the Ministry has stated as under:

"It has been envisaged that approval of all projects would be at the State level instead of central government level within overall budget available to States. There would be flexibility for the State Government to decide on the approval and implementation mechanism. It is also proposed in the new mission that provision for lump sum release of funds will be made instead of project wise release giving much needed flexibility to States for utilizing the funds more effectively. It is also proposed to provide inter-project flexibility to States/UTs in using Government of India funds leading to efficient use of finance."

3.7 On being asked about the steps taken by the Ministry to deal with problems like cost escalation and to make available unencumbered land for construction of house, it has submitted as under:

“It is reiterated that land and housing are State subjects and it is the responsibility of the State Government to make available unencumbered land for construction of houses. The Central Government has advised the State to take up only those projects where encumbrance free land is available. Cost escalation, if any, will have to be provided by concerned State /ULBs.”

On being asked about the fate of the projects for which DPRs have already been approved, the Secretary Ministry of HUPA has submitted that “as far as the RAY is concerned, if DPR was approved earlier but the State Government was unable to access the first level of funding, then we are not in a position to fund it any more. The reason is, we are not releasing any more first installments after 31<sup>st</sup> of March, 2015. As I said earlier, we are preparing the guidelines for Housing for All Mission. Under the guidelines, we will look into the strengths and weaknesses of the earlier projects and try to build it realistically and pragmatically. We will invite all the State Governments to give fresh proposals under the guidelines. If the State Government considers that there was a particular project which was very well designed but for certain reasons, of lack of documentation, or lack of proactively on behalf of the State Government the funds could not be accessed, then the State can always redesign it under Housing for All Mission and resubmit it to us.”

### **RENTAL HOUSING**

3.8 The recommendations of the Rental Housing Committee under the Chairmanship of Shri Jaitirth Rao have been examined in the Ministry and following decisions have been taken:

- a) The report has been sent for the comments of other Ministries and States Governments. Subsequently, the Model Rental Housing Policy will be formulated after approval of the Cabinet.
- b) The sub-component of rental housing for migrants and homeless have been incorporated in National Urban Livelihood Mission (NULM)
- c) A sub-component of rental housing is being included in the proposed new mission of Housing for All by 2022.
- d) A draft Model Residential Tenancy Act is being formulated based on the recommendation of the Committee Report.

3.9 Sardar Patel National Mission for Urban Housing envisages creation of sufficient number of rental houses which can be made available to such migrants as also to the homeless and destitute. This rental housing is proposed primary of 2 types (a) for families and (b) for single person – dormitory. It is envisaged that a house upto 30 sq. mtr area for families and single room hostels/dormitories be constructed in sufficient numbers to be let out by the Urban Local Bodies or other agencies including Private Sector to people who cannot afford to buy a house initially. It is proposed to fund 75% of the construction cost of such rental houses. Such houses are proposed to be given on rent for the time period of 5 years and thereafter occupants except homeless and

destitute are expected to move to own houses. Urban local bodies shall manage the rental housing stock including identification of tenants, fix up rent, ensuring re use of the stock. Corporate houses under their Corporate Social Responsibility (CSR) activities would also be allowed to fund these rental housing.

While examining Demands for Grants (2014-15), the Committee had serious doubts about family/individual becoming capable enough to buy their own house in a span of five years. The Committee, had therefore, recommend that government sector organisations and corporate organizations should be impressed upon to create their own stock of housing, which can be rented to a new employee who is migrating into the city for job or is not having his own house in the city. This would spare the houses for the migrants who come to the cities in search of jobs, or without prior employment opportunity in their hands. The Committee had also recommended that such houses be rented to the individuals/families for either ten years or till becoming a house owner, whichever is earlier.

3.10 The Committee had welcomed the steps initiated by the Government in this regard and desired that all the necessary formalities be cleared at the earliest and the model Rental Housing Policy formulated. In its action taken reply, the Ministry has stated as under:

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

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

### **AFFORDABLE HOUSING PARTNERSHIP (AHP) SCHEME**

3.11 The scheme of Affordable Housing in Partnership aims to encourage private sector participation in creation of affordable housing stock. It was earlier introduced in 2009 as part of BSUP component of JNNURM and subsequently, Affordable Housing in Partnership was dovetailed with Rajiv Awas Yojana (RAY) in 2011. AHP was modified in September, 2013 as part of implementation phase of RAY and now central support is provided at the rate of Rs.75,000 per house for Economically Weaker Sections (EWS)/Low Income Group (LIG) for houses of size 21 to 40 sqm. in affordable housing projects taken up under various kinds of partnerships including private partnership. A project size of minimum 250 dwelling units a mix of EWS/LIG-A/LIG-B/Higher

Categories/Commercial of which at least 60 percent of the FAR/ FSI is used for dwelling units of carpet area of not more than 60 sq.m. can be taken up. In addition, 35% of the total number of dwelling units constructed should of carpet area 21-27 sqm for EWS category.

Rs.2,500 crore has been earmarked for AHP under RAY in 12<sup>th</sup> Plan. However, under new mission for Urban Housing, it is proposed to incentivize Affordable Housing stock through interest subvention to beneficiaries and FAR, FSI and TDR only. A total of 18 projects of 3 States (5 cities) have been sanctioned under the Affordable Housing in partnership Scheme with a central assistance of Rs. 112.53 Cr. for construction of 25407 Affordable dwelling units. Rs. 44.19 Cr has been released till date. The dwelling units approved and completed since 2011-12 to 2014-15 are as under:

**Affordable Housing Partnership Scheme:**

<b>AHP</b>	2011-12	5,776	0
	2012-13	992	0
	2013-14	-	3,320
	2014-15	18,639	1,648
	<b>Total</b>	<b>25,407</b>	<b>4,968</b>

3.12 Not satisfied with the progress under AHP, the Committee in their 2<sup>nd</sup> Report on Demands for Grants(2014-15) had strongly recommended that construction of all the remaining houses be completed within one year, so that no spill-over of AHP is carried forward in the new Mission on Housing. On the current status, the Ministry has submitted that:

“Under the Affordable Housing in Partnership (AHP) Scheme, 22 projects of 3 States (Karnataka, Rajasthan & Gujarat) have been sanctioned for construction of 25,407 DUs. The 1st Installment of Rs.44.19 crore has been released for this purpose.

The implementation and execution of the projects is entirely the responsibility of the State Government and its implementing agencies. It is pertinent to mention here that these are all multi-storied buildings and after DPR approval grounding of projects involve floating of tenders, to clearing the land, etc. All these activities are time consuming and as such cannot be completed in one year or so. Ministry would persuade State Government and its agencies to expedite the process of implementation of these projects in time-bound manner. “

**SUB-MISSION ON BASIC SERVICE TO THE URBAN POOR (BSUP) AND INTEGRATED HOUSING AND SLUM DEVELOPMENT PROGRAMME (IHSDP) UNDER JNNURM**

3.13 The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on 3<sup>rd</sup> December, 2005 to implement reform-driven, planned development of cities in a Mission mode with focus on up-gradation of urban infrastructure, creation of housing stock and provision of basic services to the urban poor, community participation and accountability of Urban Local Bodies (ULBs).

Duration of the Mission was 7 years from 2005-06 to 31.3.2012 was extended upto 31.03.2015 only for completion of projects sanctioned upto 31.3.2012.

Total outlay in the 12th Five Year Plan and proposals made by the Ministry for 12th Five Year Plan Year-wise/project-wise:

(Rs. in crore)

Allocation during 12 <sup>th</sup> Plan*	BSUP	IHSDP	Total	Release
Year 2012-13	2447.00	900.50	3347.5	1923.63
Year 2013-14	1688.00	1006.10	2694.1	1712.91
Year 2014-15	1000.00	620.01	1620.01	645.22 (As on 16.2.2015)
Year 2015-16	465 (UT Plan)	0	465	NA

\* Allocation of ACA is as per Budget Estimate (BE)

The percentage of achievement of plan target (both in the physical and financial terms) during the 12th Plan and the reasons for slow progress, if any, in the achievement of the targets:

**12<sup>th</sup> Plan**

(Rs. in crore)

Scheme	Target	Achievement (As on 16.2.2015)
BSUP	5600.00 (includes Rs.465 Crs. in BSUP under UT Plan)	2807.4
IHSDP	2526.61	1474.36
Total	8126.61	4281.76
Percentage	52.69 %	

3.14 Statement showing budget estimates, revised estimates and actual expenditure for the year 2011-2012, 2012-13, 2013-14, 2014-15 and budget estimates for 2015-2016 showing separately Plan & Non-Plan expenditure:

(Rs. in crore)

Year	BSUP			IHSDP		
	BE	RE	Actual expenditure	BE	RE	Actual expenditure
<b>2010-11</b>	2357.60	1629.75	1925.40	1015.43	587.43	880.25
<b>2011-12</b>	2928.60	1721.00	1592.23	1000.20	700.00	699.66
<b>2012-13</b>	2447.00	1202.74	1123.74	900.50	800.50	799.89
<b>2013-14</b>	1688.00	918.82	1121.58	1006.10	743.59	591.33
<b>2014-15</b>	1000.00	678.47	562.08 (As on 16.2.2015)	620.00	140.00	83.14 (As on 16.2.2015)
<b>2015-16</b>	465 (UT Plan)	NA	NA	0	NA	NA

3.15 When asked about the reasons for variations in budget estimates, revised estimates and actual expenditure during 2012-13, 2013-14 and 2014-15 and variations in BE 2015-16 in comparison to BE, RE and actual expenditure of 2014-15, the Ministry has submitted as under:

“ During the year 2010-11, the Ministry of Home Affairs has reduced the allocation to UTs in RE to Rs.225.10 crore from Rs.366.95 crore. The Ministry of Finance has also reduced the allocation in RE 2010-11.

During the year 2011-12, the Ministry of Home Affairs has reduced the allocation to UTs in RE to Rs.371 crore from Rs.628.80 crore. The Ministry of Finance has also reduced the allocation in RE 2011-12 to Rs.2050 crore.

During the year 2012-13, allocation was reduced at RE Stage to Rs.2003.24 crore as from Rs.3347.50 crore.

During the year 2013-14, the overall allocation was reduced at RE stage to Rs. 1662.41 crore from Rs.2694.10 crore.

During the year 2014-15, the overall allocation was reduced at RE stage to Rs. 718.47 crore from Rs. 1620.01 crore.”



3.16 When asked about the physical target, if any, set for each year in 2012-13, 2013-14, 2014-15 and BE 2015-16 achievement thereof with reasons for shortfall, if any, in achievement of targets, the Ministry has submitted as under:

“Housing is a State subject. Majority of the projects approved are for housing and infrastructure components together. Successful implementation of the projects is the responsibility of the State Governments/ULBs. Shortfalls are a direct consequence of the institutional weakness of the State agency entrusted with the work. Though the Ministry has been constrained to curtail projects which did not meet the requirements of the scheme, the CSMC/CSC after revision, curtailment of projects has so far approved construction of 12,27,678 dwelling units out of which 8,83,771 dwelling units have already been completed.”

When asked about the steps taken/ proposed to be taken and suggestions, if any, for improvement in the implementation of each scheme, the Ministry has submitted as under:

“A new Mission on “Housing for All” is being taken up and the scheme will incorporate the learning and past experience of the earlier schemes”

System of monitoring and control over the performance of each scheme:

“Ministry of Housing and Urban Poverty Alleviation periodically monitor the scheme through various review meetings with States etc. State level nodal agency also sends quarterly progress report to the Ministry. Central Sanctioning & Monitoring Committee also meets often to sanction and review/monitor the progress of projects sanctioned under the Mission.”

3.17 On being asked about the level of performance of the States/UTs as far as Basic Services to the Urban Poor (BSUP), furnish a note on better performing and non-performing States and the reasons for the non-performance of the scheme in many States, the Ministry in its written replies has submitted as under:

“Basic Services for the Urban Poor (BSUP) was a scheme launched by the Ministry to enable State Governments to adopt an integrated development of slums through projects for providing shelter, basic services and other related amenities with a view to provide utilities to the urban poor. The BSUP scheme was targeted on 62 cities.

Since, the implementation of the scheme was the responsibility of the State Governments; there were States that performed better than other States. The better performing States were generally with robust Urban Local Bodies/Implementing agencies and where adequate skill sets and financial capacities were available to implement projects. States that lacked these institutional strengths, were found to be lagging behind in the implementation of projects.

The Government is in the process of launching a new Mission on "Housing for All by 2022" which is under finalization."

3.18 The JNNURM which was launched on 3<sup>rd</sup> December, 2005 to implement reform-driven, planned development of cities in a mission mode was initially for a period of 7 years. This was further extended by 2 years upto 31.03.2014. For the BSUP and IHSDP components, the period has been further extended upto 31.03.2015 only for completion of projects sanctioned upto 31.03.2012. In this regard, in their second Report the Committee had felt that the period should run for completion of the projects sanctioned up to 30<sup>th</sup> September, 2013 for meaningful impact of the extended period and to adequately cover all the incomplete projects. In this regard, when asked to furnish State-wise/City-wise information about the incomplete projects the Ministry has stated as under:

"The JnNURM was extended up to 31.03.2015 only for completing projects that were sanctioned up to 31.03.2012. The question of extending the period for projects sanctioned upto 30.09.2013 does not arise as no projects were sanctioned after 31.03.2012."

In the Action Taken Replies to the Recommendations contained in the second Report on Demands for Grants (2014-15) the Ministry has stated that:

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

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

3.19 When asked as to why the Ministry cannot provide 100 percent assistance to the financially weaker states to complete the projects on time, the Ministry in its written replies has submitted as under:

“It is submitted that financial assistance provided by the Ministry is as per the cabinet approved schemes indicating the funding pattern in the ratio of 50:50 in respect of cities with million plus population, 80:20 for other cities and 90% central assistance for the cities towns in North East Region etc. Also earlier requests of the Ministry for funding the cost escalation of the projects under BSUP and IHSDP did not find favour with the Ministry of Finance.’

The DUs approved and DUs completed under JNNURM, RAY and AHP since 2005-06 to 2014-15 are as under:

Schemes	DUs approved	DUs completed
JNNURM	12,28,298	8,96,292
RAY	1,68,207	2,501
AHP	25,407	4,968
Total	14,21,912	9,03,761

When asked with the above pace, how the Ministry will achieve housing for all by 2022 in its written replies has submitted as under:

“It is submitted that housing, slum and colonization are State subjects. The Central Government through its schemes assists the States in their efforts for rehabilitation of slums, provision of housing to urban poor. While the Central Government provides requisite assistance in this regard as per its scheme, the implementation is dependent on the State Government and urban local bodies. Ministry will continue to make efforts in assisting States and ULBs under its proposed scheme in order to achieve the target of Housing for All.”

### **RAJIV RINN YOJANA**

3.20 Rajiv Rinn Yojana (RRY) is an instrument to address the housing needs of the EWS/LIG segments in urban areas, through enhanced credit flow. It is also formulated to channelize institutional credit to the poorer segments of the society and increasing home ownership in the country along with addressing housing shortage. RRY has been formulated by modifying the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) piloted in the 11<sup>th</sup> Plan period with enhanced scope and coverage. RRY is a Central Sector Scheme applicable in all the urban areas of the Country.

RRY provides for interest subsidy of 5% (500 basis points) on loans granted to EWS and LIG categories to construct their houses or extend the existing ones. Loan upper limit is Rs. 5 lakh for EWS and Rs. 8 lakh for LIG; interest subsidy would, however, be limited to the first Rs. 5 lakh of the loan amount, in case the loan exceeds this amount.

Rajiv Rinn Yojana is a target driven scheme. The overall target for the 12<sup>th</sup> Plan period is 1 million (or 10 lakh) dwelling across the country including slum and non-slum dwellers. The targets for the States for the current financial year (2013-14 and 2014-15) are periodically fixed and conveyed to the concerned States. Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) have been designated as the Central Nodal Agencies for the Scheme.

Total outlay in the 12th Five Year Plan and proposals made by the Ministry for 12th Five Year Plan Year-wise/project-wise:

(Rs. in crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17
Amount	Nil	103.52	406.36	1102.94	1960.70

(In the EFC memorandum)

3.21 Total outlay proposed and actually allocated for respective schemes/ programmes during 12th Plan so far and also proposed for respective schemes/ programmes for remaining period of 12<sup>th</sup> Plan:

(Rs. in crore)

<u>Financial Year</u>	<u>Budget Estimates</u>	<u>RE</u>	<u>Actual Expenditure</u>
2011-12 (ISHUP)	50.00	10.00	5.08
2012-13 (ISHUP)	10.00	5.00	5.01**
2013-14 (ISHUP/RRY*)	50.00	50.00	50.00 ( Released to CNAs for onward release to PLIs)
2014-15 (RRY)	698.78	199.74	0.14
2015-16	450.00	N.A	N.A.

- (i) \* *ISHUP was revamped and relaunched as RRY on 03<sup>rd</sup> September, 2013 and the amount of BE allocated under ISHUP was later reappropriated for RRY.*
- (ii) \*\**Excess expenditure met out from the savings of other schemes of the Ministry by re-appropriation.*

3.22 The percentage of achievement of plan target (both in the physical and financial terms) during the 12th Plan and the reasons for slow progress, if any, in the achievement of the targets are as under:

“The overall target for the 12<sup>th</sup> Plan Period is 1 million (or 10 lakh) dwelling across country including slum and non-slum dwellers. An amount of Rs.50 crore has been released to both the Central Nodal Agencies i.e. HUDCO and NHB ( Rs.25 crore each) in last financial year (2013-14) and as on date, no releases of interest subsidy have been made as the Scheme did not take off due to issues associated with lending to the informal sectors e.g. high risk perception with respect to the beneficiaries; banking procedures calling for mortgageable titles to land, approved plans, authenticated income certificates, stringent know your customer norms etc.. Further, the mode of reimbursements to the Banks and financial institutions was also felt complicated.”

On being asked about the steps taken/proposed to be taken and suggestions, if any, for improvement in the implementation of each scheme, the Ministry has stated as under:

“Keeping in view of the reasons for slow off-take of the earlier scheme of ISHUP, the RRY has been designed in a way to make the scheme a success. The main features of RRY are as follows:

- a) It is a target based scheme.
- b) Pay of subsidy is on Annuity Basis.
- c) Increase in permissible loan quantum limits upto Rs.5 lakhs from the earlier limit of Rs. 1 lakh for Economically Weaker Section (EWS) and upto Rs.8 lakhs for Low Income Group (LIG). However, the admissible subsidy will be limited to the first Rs.5 lakh of loan.
- d) Allowance of loan for new purchases as well as for alterations and additions to existing units etc. to address the issue of congestion factor in causing housing shortage.

Nevertheless, the scheme of RRY also had a less than optimal performance, as illustrated earlier. In this regard, after series of consultations with key stakeholders and taking into consideration the learning from ISHUP and RRY, a new credit linked subsidy scheme is being proposed under the Mission for “Housing for All”.

3.23 From the above it is inferred that the Ministry has been changing the nomenclature of the scheme instead of adopting any concrete steps to eradicate the problems. Explaining about the proposed steps, the Ministry has submitted as under:

“The Government is in the process to launch the new Housing mission namely Housing for All. It is felt that it would be appropriate to make the interest subsidy scheme namely Credit Linked Subsidy Scheme (CLSS) a sub component of the Housing Mission for better implementation. Credit Linked Subsidy Scheme (CLSS) is not a mere change in nomenclature. From the experience of earlier schemes like ISHUP and RRY, it is proposed to release upfront interest subsidy which would make the scheme more attractive to the financial institutions. It is also proposed to include more financial institutions like cooperative banks, housing financial institutions, micro financial institutions etc. in the gambit of the scheme to make it more successful. In the new interest subsidy scheme, it is proposed to do away with income certification

procedure by self-certification, which will be beneficial for people in the unorganized sector. In the proposed CLSS, Interest subvention is proposed to be increased from Rs.5 lakh (provision under RRY) as well as to provide for additional loans at unsubsidized rates. Similarly, the maximum cost of the dwelling units has been proposed to be increased from Rs.8 lakh as provided under RRY.”

### **SLUM REHABILITATION**

3.24 Total population of slum dwellers as per 2001 and 2011 census is as below:

(in crore)

Year	Slum Population	No. of Slum Households
2011	6.549	1.4
2001	5.24	1.02

Status of % Infrastructure Facilities in Slum Areas along with facilities in total urban area is as below:

	Tap water from treated source	Drinking water Within Premises	by Source of Lighting-Electricity	latrine facility within the premises	Flush/pour flush latrine	Closed drainage
Urban	62.01%	71.22%	92.67%	81.36%	72.57%	44.5%
Slum	65.3%	56.7%	90.5%	66.0%	57.7%	36.9%

“The Ministry feels that further improvements are required with respect to provision of basic sanitary facilities and other infrastructure such as housing, electricity and water etc. within the available resources; however efforts are being made to provide onsite infrastructure in the slum redevelopment projects undertaken by the States and cities with financial assistance of the Ministry under its scheme.

It is clarified further that Housing and Slum are State subjects. It is the responsibility of the State Governments concerned to ensure adequacy of infrastructure. Central Government through its schemes facilitates and supplements the efforts of the State Government”

On being asked, whether the Ministry has conducted any survey regarding JJ cluster all over India and the No. of JJ clusters rehabilitated so far, the representatives of Ministry of HUPA during deposition before the Committee has stated that

“It is responsibility of the State Govt. to conduct survey on JJ cluster and to rehabilitate them. Many States have done the survey. The Ministry of HUPA does not conduct any survey on JJ cluster. Under RAY many States Govt. have conducted the survey and sent it to us. We have received the survey from above 107 cities.”

3.25 When asked to furnish details of the number of City development plans submitted and number of MOAs signed so far by States/UTs/ULBs in respect of Housing and development of infrastructure in slums Development/improvement /maintenance of basic services to the urban poor, slum improvement and rehabilitation, water supply/sewerage/ drainage, community toilets/baths and Houses for slum dwellers as well as Houses for EWS/LIG categories the Ministry has stated as under:

“City Development Plans are not submitted by the States under the schemes but Slum Free Plans of Action are required to be submitted in terms of the guidelines for the schemes of the Ministry. As on date, 107 SFPoAs have been received in the Ministry.”

3.26 During examination of Demands for Grants 2014-15, the Committee were informed by the Secretary, Urban Development that the Ministry is having consultations with the private builders who are assigned the task of building houses for slum dwellers, to take care of maintenance mandatorily. Another issue related to relocation of slum is that people are being shifted to new buildings but at the same time the slum areas are not being razed as a result, the slum dwellers sublet the new houses and come back to the slum. The Committee were informed earlier by the Ministry that in this regard the accountability on the part of the State Governments should be fixed to protect that vacated land.

In this context when asked whether this fact has been brought to the knowledge of all the State Governments in clear terms and whether the state Govt. have informed the Ministry about the steps taken in this regard from time to time, the Ministry in its action taken replies has stated as under:

“The responsibility for ensuring maintenance of the houses built under the scheme is with the beneficiaries and State/ULBs can assist them as per their policy.

It is also submitted that it is the responsibility of the State Government to denotify the slum after its redevelopment and guidelines of our scheme recommends denotification after redevelopment. The action to denotify the slum after its redevelopment by the State Government would ensure that problems of subletting of the new houses and returning to the slum by the beneficiary can be avoided.”

3.27 It is observed that after rehabilitation of JJ cluster people rent out the house and continue to stay in the slum. On being asked whether the ownership of the new house can be in the name of the lady or in the joint name of both husband and wife to secure that the house is not disposed of rented out by the male person, the Secretary Ministry of HUPA has stated that "We have already agreed to this that we will either make it a joint name or in the name of the woman."

On the issue of complete structured policy for Urban Migration as well slum clearance to stop proliferation of slums in the city, the Secretary Ministry of HUPA during oral evidence has stated that

"It is noted and we will draft our policy accordingly. We have got in principle approval for the housing for all missions. We are working on the guideline. We are trying to learn from JNNURM and IHSTP. There have been lessons which have been learnt and we trying to remove the weakness and strengthen the system so that the mistakes of the earlier schemes can be taken care of in the present scheme. We are drafting the guidelines now."

#### **URBAN STATISTICS FOR HR AND ASSESSMENT SCHEME (USHA)**

3.28 Considering the need for developing a national statistical system on building construction, housing, slums and urban poverty and to meet the challenges of data base and MIS support for policies and programmes implemented by the Ministry of HUPA, the Urban Statistics for HR and Assessments (USHA) Scheme was included in the 11<sup>th</sup> Five Year Plan in 2007-08 and continued during the first two years of the 12<sup>th</sup> Plan till March, 2014. From the year 2014-15 onwards, USHA would be continued as a capacity building measure under RAY and the new mission on Housing for All.

Its key objective is to support the Ministry of Housing and Urban Poverty Alleviation and other Ministries with an information base and knowledge inputs for the purpose of planning, policy making, project design, formulation, implementation, monitoring and evaluation, particularly in the context of programmes relating to urban poverty, slums and housing. The four pillars of "USHA" are: database including MIS & sample surveys; action research; impact assessment; and capacity building/training.



### Plan Expenditure

(Rs. in crore)

Year	Budget Estimate	Revised Estimate	Actual Expenditure	Reason for Variation
2011-2012	20.00	20.00	19.44	
2012-2013	15.00	10.00	04.96#	# Due to non-receipt of UC from the States/UTs,
2013-2014	13.00	13.00	0.54*	*Rs. 7.94 could not be sanctioned by M/o Finance under Grants-in-Aid
2014-2015	25.00	25.00	19.47	
2015-2016				

Pertaining to the reasons for less expenditure during the above mentioned years, the Ministry in its written replies has submitted as under:

“The reason for less expenditure during 2012-13 is that the activity regarding preparation of slum free city Plan of Action, which was earlier funded by NBO, was shifted under RAYs preparatory activities. Therefore, funds required under the plan of action could not be released under USHA. Further during 2013-14, re-appropriation proposal for an amount of Rs.7.99 crore, to be released to Government of State/UT as Grants-in-aid, was not agreed to by Ministry of Finance.”

When asked as to with less allocation and less expenditure how the objectives of USHA will be fulfilled, the Ministry in its written reply has stated as under:

“From 2014-15, primary statistics on housing and related activities were to be collected through the Directorate of Economics & Statistics (DES) of States/UTs by giving them grants in aid. An amount of Rs.17.31 crore has been released during the year 2014-15 for this purpose and 20 States/UTs have started collecting relevant statistics. During the year 2015-16, it is proposed to release grants in aid as per demand raised by the DES of States/UTs.”

3.29 Keeping in view the tasks to be taken, the Committee in its earlier reports on Demands for Grants have been recommending for suitable enhancement of budgetary allocation. In the Action Taken Reply to the recommendations contained in the 2<sup>nd</sup> Report on Demands for Grants (2014-15), the Ministry has stated that it is in the process of constituting an advisory committee to review activities carried out by NBO and ways and means of strengthening its current data collection mechanism in order to meet the data requirement for the schemes of Ministry of Housing and Urban Poverty Alleviation. Regarding the present status the Ministry has stated as under:

“Technical Advisory Committee (TAC) has been already constituted under the Chairmanship of Joint Secretary & MD (JN & RAY) to restructure NBO’s activities and to strengthen its data collection mechanism to meet the data requirement of thrust areas of MHUPA.”

The Ministry has further stated that for providing additional manpower to NBO, the concerned cadre controlling being reminded to fill the vacant posts in NBO urgently the matter is being pursued with relevant Cadre Controlling Authorities in Indian Statistical Service (ISS), Indian Economic Service (IES) and Statistical sub-ordinate Service (SSS).

The Ministry has further stated that 16 States have appointed nodal officers responsible for collection and online transmission of statistics to NBO. When asked to state the efforts made by the Ministry for appointing nodal officers for the remaining 13 States and UTs, the Ministry has stated as under:

“All the State/UTs Governments were requested to appoint Nodal Officers for providing data under the BRIKS software. 20 States/UT have appointed the nodal officer so far. The matter is being pursued with the rest.”

3.30 In their 2<sup>nd</sup> Report on Demands for Grants(2014-15), the Committee had recommended that the job of maintaining statistics of generation of employment, number of gainfully employed trainees and fund utilized for such employment generation under SJSRY should be assigned to NBO and making provision in the National Urban Livelihood Mission (NULM) for maintaining record of the information of employment generated. On the present status of implementation of this recommendation, the Ministry has stated as under:

“Taking into consideration the recommendation of Standing Committee 2012-13, NBO an attached office of this Ministry was requested to submit a proposal regarding maintaining statistics of generation of employment, number of gainfully employed trainees and fund utilized for such employment generation. NBO has expressed inability to take this task citing lack of expert manpower and resources and in turn suggested that the Ministry may develop a robust MIS system under the NULM.

Information regarding number of gainfully employed trainees and funds utilised for such employment generation is being gathered through Monthly Progress Reports (MPRs) submitted by the States/UTs.

Detailed information regarding individual beneficiaries will be available upon states' utilisation and response to the online web-based Management Information System of NULM. The matter is being pursued with states and training of state officials have started."

#### **TECHNICAL ASSISTANCE FROM DEPARTMENT FOR INTERNATIONAL DEVELOPMENT FOR SUPPORT TO NATIONAL POLICIES FOR URBAN POVERTY REDUCTION (SNPUPR)**

3.31 Support to National Policies for Urban Poverty Reduction (SNPUPR) is a joint initiative of the M/o-HUPA and UK govt. The project commenced in July 2010 with a total budget of £14.5 million, comprising £7.8 million Financial Aid (FA) to M/o-HUPA. The project period is five years, to June 2015.

i) **AIMS/OBJECTIVES:** The purpose is to assist National programs being implemented to benefit the urban poor by providing technical support.

ii) **INTENDED OUTPUTS:** The project has 4 outputs.

**Output 1** is related to helping Ministry in Institutional co-ordination with other Ministries, Planning Commission, States and ULBs (for effective implementation of national policies and programmes).

**Output 2** functions as the Policy Unit (PPSU) in MoHUPA helping in development and disseminating policy on urban poverty reduction and pro-poor governance, learning from International and State experiences.

**Output 3**, through a Network of Resource Centres assists MoHUPA and the states in developing pro-poor urban policies and programme implementation and **Output 4** strengthens the technical capacities of State and city/town governments to effectively implement pro-poor reforms and programmes.

iii) **STAFF SUPPORT TO M/o HUPA:** For this purpose, the Policy and Programme Support Unit (PPSU) at Ministry of Housing Urban & Poverty Alleviation (M/o HUPA) has been setup with over 20 experts with expertise in different fields and is supporting implementation of the Ministry's various urban poverty alleviations schemes including Gol's Rajiv Awas Yojana, National Urban Livelihood Mission (NULM) and so on.

iv) **SUPPORT TO THE STATES:** 15 states (now 16 states after bifurcation of Andhra Pradesh) have been selected for capacity building support for better implementation of ministry's programmes of Rajiv Awas Yojana (RAY) including facilitating the preparation of Slum Free City Plan of Action and projects preparation, Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and SJSRY/National Urban Livelihood Mission. A Challenge fund has been setup to

support cities in the replication of the best practices and initiating innovative schemes in the alleviation of urban poverty.

- v) **FUNDING:** DFID overall support is £7.8 million Financial Assistance (FA) to MoHUPA.

3.32 Statement showing budget estimates, revised estimates and actual expenditure for the year 2011-2012, 2012-13, 2013-14, 2014-15 and budget estimates for 2015-2016 showing separately Plan & Non-Plan expenditure is as under:

(Rs. in Crore)

2010-11			2011-12			2012-13			2013-14			2014-15			2015-16
BE	RE	Actual	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (to Jan 2015)	BE
0.21	0.21	0.11	8.0	11.39	10.64	10.0	10.0	4.30	20.87	5.57	0.08	20.00	16.93	5.78	0.00

Reasons for variations in budget estimates, revised estimates and actual expenditure during 2012-13, 2013-14 and 2014-15 and variations in BE 2015-16 in comparison to BE, RE and actual expenditure of 2014-15:

“The actual expenditure for FY 2010-11 was short by Rs 0.10 crore from the revised estimates as the process for selection of 20 cities was completed in February 2011. In the FY 2011-12 the BE were revised upward to incorporate allocation for the challenge fund activities. Delay in the commencement of PMU and Challenge Fund resulted in variation in 2012-2013, 2013-14 and 2014-15.”

Pertaining to the reasons for nil allocation during the 2015-16, the Ministry has stated as under:

“The Ministry, as observed by the Committee, had proposed to Ministry of Finance Rs.19.67 crore for SNPUPR in BE 2015-16 which was not agreed to. It has been advised that fund requirement may be met through re-appropriation subsequently, based on requirement. “

3.33 While examining DFG for the year 2014-15, the Committee were informed that from the year 2010-11 to 2014-15, against the BE of Rs. 59.08 crore, the RE was only 27.17 crore and the actual expenditure was only 14.41 crore.

The reasons for the same are:

- (i) Late selection of cities
- (ii) Delay in the commencement of PMC
- (iii) Delay in commencement of challenge fund
- (iv) Lukewarm response of ULB
- (v) Delay in finalizing the concept and operational manual.

In this connection, on being asked state as to why the Ministry do not do any advance planning for any scheme, the Ministry has submitted that:

“While planning implementation for Housing for All 2022, steps will be taken to incorporate lessons learnt from earlier schemes to consider stake holders’ recommendations and to plan adequately so that implementation is ensured in a seamless fashion. It is however noted at the same time, that the states/UTs being the implementing agencies, proactiveness and dynamism of states is essential to put the plans and guidelines of Government of India into action.”

### **STUDY ON IMPACT OF INVESTMENT IN THE HOUSING SECTOR ON GDP AND EMPLOYMENT IN THE INDIA ECONOMY**

3.34 A study to understand the impact of investment in housing and construction on both employment and income has been carried out by the Ministry. The National Council for Applied Economic Research was awarded the Study. In doing this, the study has broadly attempted to update an earlier study conducted by IIM-A faculty in the year 2000. The study which was carried out based on the input-output framework was submitted to the Ministry on February 25, 2014.

3.35 On being asked about the findings of the above-mentioned study carried out by the National Council for Applied Economic Research, the Ministry has submitted as under :-

The study is based on Input Output Model (IO). An IO model describes the interdependence between different sectors in an economy. In other words, it simply shows the transaction between sectors. The scope of transaction mainly covers three purposes namely

- (i) sell or buy inputs
- (ii) sell or buy goods for final consumption, and
- (iii) sell or buy goods for future use.

#### **Key findings:**

The construction sector is disaggregated into residential construction, non-residential construction and other construction sector and the residential construction sector is treated as housing sector. The key findings of the report are as follows:

- (i) The residential construction (housing sector) accounts for
  - a) 1.24% of the total output of the economy (total construction sector is 11.39%)
  - b) 1.00% of GDP (total construction sector is 8.2%)

- c) 6.86% of the employment (total construction sector is 11.52%)
- (ii) Housing sector is fourth largest employment generating sector.
- (iii) 99.41 per cent of the jobs in housing sector are informal jobs.
- (iv) Its labour to output ratio i.e. number of persons employed to produce a lakh units of output, is 2.34 and is the highest among all the sectors.
- (v) The type I output multiplier for housing sector is 2.33 and type II is 5.11 i.e. the increase of 1 unit in the final demand of housing translates into induced cumulative revenues of 5.11 units in the economy.
- (vi) For every lakh invested in the housing sector, 2.69 new jobs (2.65 informal and 0.4 formal) are created in the economy. With induced effect, the number of jobs created would be 4.06 (3.95 informal and 0.11 formal).
- (vii) For every investment in the housing sector, the household income increases by Rs. 0.41. With induced effect, this is estimated to be Rs. 0.76.
- (viii) For every unit of housing created the household income increases by 0.41 units. With induced effect, this is estimated to be 0.76 units.
- (ix) The type I income multiplier for housing sector is 1.54 and type II is 2.84. This would mean that a unit of increase in the final expenditure in the housing sector would generate additional income as high as 3 times the income generated within the housing sector itself.
- (x) Every additional rupee invested in the housing sector will add Rs. 1.54 to the GDP and with household expenditure considered, this is going to add Rs. 2.84.
- (xi) For every rupee invested in creation of housing, Rs. 0.12 gets collected as indirect taxes."

3.36 During examination of Demands for Grants(2014-15), the Committee were informed that:

"The Ministry had analyzed the findings of the Report. Based on this, the Ministry had requested with the Ministry of Finance for inclusion of "affordable housing" in the harmonized master list of infrastructure sub-sectors, as housing contributes significantly to the GDP and is fourth largest employer in the Nation. Further, skill development and enhancing employment has been included as focus areas under the NULM Scheme of this Ministry."

In their Action Taken Replies, the Ministry has stated as under:

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

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

### **Foreign Direct Investment (FDI)**

3.37 The Government of India has allowed Foreign Direct Investment (FDI) through automation route in construction and development sector. The FDI covers development of townships, housing, built-up infrastructure and construction-development related projects. As per the Department of Industrial Promotion and Policy, the Construction and Development Sector secured investments to the tune of Rs. 107,492 (US\$ 23,132m) cumulatively from April 2000 to February, 2014 which is 11% of the net FDI inflow of equity.

When asked whether survey has been undertaken by the Ministry to assess the impact on FDI inflows into housing sector and especially with reference to urban poor. The Ministry in its written replies has stated that:

“Department of Industrial Promotion and Policy (DIPP) under Ministry of Industry & Commerce, issues guidelines in regard to Foreign Direct Investment (FDI). DIPP also publishes various data on sector-wise FDI inflows in their Fact sheets regularly. Statement on Sector-Wise FDI Equity Inflows from April, 2000 to December, 2014 shows that inflows in Construction Development: Townships, Housing, Built-Up Infrastructure and Construction-Development Projects are 112,821.03 crores and it is 10.06% of total inflows. Ministry of Housing & Urban Poverty Alleviation, on its part, has not undertaken any survey to assess the impact on FDI inflows into housing sector.”

When asked to state whether any study has been conducted across the country in this regard to assess the impact on FDI inflows into housing sector. The Ministry in its written replies has stated that no such study seems to have been conducted.

On being asked whether the FDI inflow benefitted in improving the status of urban poor, the Ministry has submitted as under:

“Investment in construction sector has huge impact on GDP and employment in Indian Economy which includes foreign direct investment also.”

### **BMTPC**

3.38 The objectives of BMTPC is as under:

1. **Building Materials & Construction Technologies:** To promote development, standardization, mechanization and large scale field application of proven innovative and emerging building materials and technologies in the construction sector.
2. **Capacity Building and Skill Development:** To work as a Training Resource Centre for capacity building and promotion of good construction practices to professionals, construction agencies, artisans and marketing of building technologies from lab to land.
3. **Disaster Mitigation & Management:** To promote methodologies and technologies for natural disaster mitigation, vulnerability & risk reduction and retrofitting/reconstruction of buildings and disaster resistant planning for human settlements.
4. **Project Management & Consultancy:** To undertake project management and consultancy services including appraisal, monitoring and third party inspection of housing projects under the various Central/State Schemes.

Proposal by the Ministry and amount actually agreed to by the NITI Ayog and actually provided for each scheme in Annual Plans for 2010-2011, 2011-2012 and 2012-13, 2013-14, 2014-15 (so far) year-wise are as under:

(Rs. in crore)						
Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Amount Proposed	5.50	5.50	7.20	8.50	10.31	11.50
Amount sanctioned	4.00	5.50	5.00	5.00	5.00	5.00

3.39 Statement showing budget estimates, revised estimates and actual expenditure for the year 2011-2012, 2012-13, 2013-14, 2014-15 and budget estimates for 2015-2016 showing separately Plan & Non-Plan expenditure is as under:

(Rs. in crore)						
Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Budget Estimates	8.00	5.50	5.00	5.00	5.00	5.00



Revised Estimates	5.50	5.50	5.00	5.00	5.00	-
Actual Expenditure	4.00	5.50	5.00	5.00	3.60*	-

\* Actual expenditure till 31<sup>st</sup> January, 2015.

3.40 Reasons for variations in budget estimates, revised estimates and actual expenditure during 2012-13, 2013-14 and 2014-15 and variations in BE 2015-16 in comparison to BE, RE and actual expenditure of 2014-15 are as under:

“There is no variation in BE and RE in the years 2012-13, 2013-14 and 2014-15. The proposed budget for the year 2015-16 has been prepared keeping in mind the normal increase in personnel expenditure due to increments and increased dearness allowance and to keep the present activities of the Council going in such a manner so as to fulfill the desired objectives in best of the public/nation interest such as bring in and identify more emerging housing technologies suitable to Indian conditions.

The Council is striving for fulfilling the requirements of the professionals engaged in the housing and building construction so as to enable them to have state-of-the-art exposure in the field. In this age of information based development, the Council will make further efforts to strengthen the database by providing meaningful information to the use of community so that the quality of construction can be improved by choosing the best options available for different regions and geo-climatic situations.

While promotion of available building material technologies from within the country will be a continuing effort, the Council proposes to focus on the following strategic areas during the 12<sup>th</sup> Plan:

- i) Selection and evaluation of emerging building materials and processes.
- ii) Upscaling and modernisation of home-grown production technologies
- iii) Selection, evaluation and establishing economics of emerging methods of construction
- iv) Economy and efficiency in housing/building construction projects
- v) Strengthening technology dissemination and demonstration capabilities.
- vi) Training and skill upgradation including entrepreneurship development.
- vii) Field level applications of innovative building materials and construction technologies in mass housing projects.
- viii) Use of bamboo in housing and building construction in bamboo growing regions.
- ix) Vulnerability reduction, risk assessment and disaster resistant construction.
- x) Technology Transfer

3.41 The National Urban Housing and Habitat Policy 2007 stresses the need for construction of demonstration houses in order to provide thrust to the technology dissemination activities in the different regions of the country. Therefore, the Council besides providing technical assistance to large housing projects using cost effective housing technologies, proposes to showcase Innovative, Green and Disaster Resistant Technologies through Demonstration Construction in different region.

In order to create more awareness about the disaster resistant technologies, more emphasis will be given on skill upgradation of professionals on disaster resistant technologies including retrofitting. Emphasis will also be given on preparing guidelines, do's and don'ts and manuals, organization of workshops/seminars at various levels and hands-on training to the construction workforce.

The Council also proposes to organize training of construction workforce enabling the spreading of cost effective and innovative technologies at the grass root levels.

Under the proposed New Housing Mission of the Ministry of Housing and Urban Poverty Alleviation, Govt. of India, BMTPC would be working in the areas of (a) Emerging Technologies (b) Proven/Green Technologies and (c) Good Construction practices along with safer construction for introducing these building materials and technologies for faster, economical and disaster resistant construction in different parts of the country.

The Committee in their 2<sup>nd</sup> report had recommended that budgetary allocation for BMTPC should be enhanced sufficiently not only to meet the current expenses but also to enable the organization to take up new research and development projects and exercises. The Committee further desired that this be enhanced and sufficient allocation should be continued for BMTPC, till the organization becomes self-sufficient.

The Committee had also recommended the BMTPC and the Ministry to formulate the Standards/ Specifications for Affordable Housing for different regions, at the earliest.

The Grants-in-Aid received from Ministry of HUPA, revenue generated by BMTPC and the total expenditure incurred for the last six years is as under

(Rs. In lakh)			
Year	Grant-in-aid from Ministry of HUPA	Revenue Generation	Total Expenditure
2009-10	550	262	789
2010-11	400	194	705

2011-12	550	530	822
2012-13	500	391	839
2013-14	500	199	1027
2014-15	499	346	765*

\* Till 5<sup>th</sup> March, 2015

The sources of revenue generation by BMTPC are:

- Appraisal and monitoring fee under JNNURM and RAY
- Sale of publication
- Project specific funding (consultancy)
- Seminar/Exhibition/Training Programmes
- Interest

BMTPC is striving to bridge the gap between the laboratory development and large scale field application of cost effective, sustainable building materials and housing technologies including disaster resistant construction practices. In order to realize its objectives, BMTPC initiated several multi-faceted activities enshrined in the mandate of the Council so as to create enabling environment for sustainable building construction.

The Council in recent years has reoriented its approach towards promotion of not only sustainable technologies through intensive identification, evaluation, dissemination but also looking at emerging prefabricated housing technologies from abroad for social mass housing. The Ministry of HUPA is also laying special emphasis on adoption of emerging technologies for social mass housing. The Council is also involved in skill upgradation and capacity building of professionals and artisans. Apart from this, BMTPC has been assigned various projects from other Ministries/Departments like National Disaster Management Authority (NDMA) and Bihar Institute of Public Administration and Rural Development (BIPARD). At present, the activities of the Council have been restricted keeping in view the grants sanctioned and the external cash flow generated during the relevant years.

BMTPC is provided the allocation on the need basis and their requirement will be kept into consideration during budget allocation.

**NATIONAL URBAN LIVELIHOODS MISSION (NULM)/SWARNA JAYANTI SHAHARI ROZGAR YOJANA (SJSRY)**

3.42 The Ministry of Housing and Urban Poverty Alleviation has launched a “National Urban Livelihoods Mission (NULM)” in the 12<sup>th</sup> Five Year Plan w.e.f, 24<sup>th</sup> September, 2013 by replacing the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY). The NULM will focus on organizing urban poor in self help groups, creating opportunities for skill development leading to market-based employment and helping them to set up self-employment venture by ensuring easy access to credit. The Mission is aimed at providing shelter equipped with essential services to the urban homeless in a phased manner. In addition, the Mission would also address livelihood concerns of the urban street vendors.

The NULM has seven major components:

- 1) Social Mobilizations and Institution Development (SM&ID)
- 2) Capacity Building and Training (CB&T)
- 3) Employment through Skills Training and Placement (EST&P)
- 4) Self-employment Programme (SEP)
- 5) Support to Urban Street Vendors (SUSV)
- 6) Shelter for Urban Homeless (SUH)
- 7) Innovative & Special Projects (I&SP)

3.43 The total outlay in the 12<sup>th</sup> Five year plan i.e. (2012-13 to 2016-2017) under SJSRY/ NULM is Rs. 7242.90 crore.

Statement showing budget estimates, revised estimates and actual expenditure for the year 2011-2012, 2012-13, 2013-14, 2014-15 and budget estimates for 2015-2016 showing separately Plan & Non-Plan expenditure is as under:

“The SJSRY/NULM is a centrally sponsored Plan Scheme:-

(Rs. in Crore)				
<b>Years</b>	<b>Budget Estimates</b>	<b>Revised Estimates</b>	<b>Actual Expenditure</b>	<b>% Percentage of Expenditure</b>
2011-2012	813.00	800.50	790.37	-
2012-2013	838.00	704.46	778.18	110.46%
2013-2014	950.00	777.53	720.43	92.66%
2014-2015	1003.00	733.00	580.00*	79.13%

\* As on 28.02.2015

3.44 Reasons for variations in budget estimates, revised estimates and actual expenditure during 2012-13, 2013-14 and 2014-15 and variations in BE 2015-16 in comparison to BE, RE and actual expenditure of 2014-15 are as under:

"The Ministry of Housing and Urban Poverty Alleviation has launched a "National Urban Livelihoods Mission (NULM)" in the 12<sup>th</sup> Five Year Plan w.e.f 24<sup>th</sup> September, 2013 by replacing the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY). As per the SJSRY prescribed guidelines regarding eligibility conditions the States/UTs becomes eligible for release of Grants-in-Aid (i) on receiving 100 % UCs for the funds released one year ahead of the previous year and (ii) on 100% release of the matching state share for the funds released up to previous year. In the current FY 2014-15, central funds have been released to States/UTs as per the provision of GFR.

During FY 2012-13 the Budget Estimate of Rs. 838.00 Crore, was revised to Rs.704.46 Crore. However, total fund utilized was Rs. 778.18 Crore and the revised allocation was fully utilized. During the year 2013-14, the Budget Estimate of Rs.950.00 Crore was revised to Rs.777.53 Crore. However, total fund was utilized 720.43 Crore. During the current FY 2014-15, the Budget Estimate was Rs.1003.00 Crore was revised to Rs.733.00 Crore, out of which total fund utilized as on 28.02.2015 was Rs.580.00 Crore."

3.45 In their 2<sup>nd</sup> Report on DFG(2014-15) Committee had recommended the Ministry to make all out efforts to utilize the allocated amount to achieve the goal to arrest urban unemployment. For this, the Committee wanted that targets may be fixed and schemes properly monitored. They also recommended that responsibility of the officials who willfully delay the project should be fixed. In this regard, when asked to state about the efforts have been made by them to utilise the allocated funds fully, and about the action initiated to fix responsibility of the erring officials, the Ministry in its written reply has stated as under:

"During the current FY 2014-15, the Budget Estimate of Rs.1003.00 Crore was revised to Rs.733.00 Crore, out of which total fund utilized as on 28.02.2015 was Rs.580.00 Crore. Efforts are on to utilize the allocated funds for NULM. Regular reviews of the States/UTs are being held by the Ministry officials, by visiting the states, holding Video Conferences with the Secretaries/Mission Directors/Nodal State officers. Regional and State-level Workshops are being organized which are attended by the ULB level officials, representative from SLBC Convener Banks, NRLM, NABARD and other concerned stakeholders from the States for resolving the issues being faced at the grassroot level. Regular monitoring is also being done through Monthly Progress Reports (MPRs) which are submitted by the States/UTs to the Ministry. For effective monitoring on implementation of National Urban Livelihoods Mission (NULM) in States/UTs, computer based MIS has also been designed and developed. Underutilization of funds is due to delays at the level of States and UT Governments."

3.46 The physical achievement under beneficiaries assisted for setting up individual/group of micro-enterprises is as under:

Year	Target	Achievement
<b>2012-13</b>	<b>1,45,000</b>	<b>1,42,991</b>
<b>2013-14</b>	<b>1,60,000</b>	<b>1,34,160</b>
<b>2014-15</b>	<b>60,000</b>	<b>23,189</b>

3.47 On being asked to state the reasons for less achievement of physical target, the reasons for less target during the year 2014-15 and the target kept for the year 2015-16, the Ministry has stated as under:

“NULM was launched in September 2013. Prior to NULM, the Ministry had been implementing another Centrally Sponsored Scheme, Swarna Jayanti Shahari Rozgar Yojana (SJSRY), for urban poverty alleviation since 1997.

Learning from the experience of SJSRY, many new features were added to NULM guidelines to ensure that the benefits of the Scheme reached the urban poor more effectively. Some of these are as follows:

- (i) NULM has provision for creation of Mission Management Units by hiring technical experts at the State and City levels.
- (ii) It also mandates empanelment of independent Certification Agencies for certifying the skill trained candidates and placement/self-employment of at least 50% trained candidates, which was not there in SJSRY.
- (iii) The financial assistance under Self Employment Programme of NULM was changed from capital subsidy to interest subsidy.
- (iv) The loan applications are now to be scrutinised by a Task Force comprising of key officials from the ULB, Banks, representatives from industries so that arbitrary rejection does not take place at the level of banks.
- (v) There is provision for engaging Resource Organisations to help in formation of Self Help Groups.
- (vi) Support to Urban Street Vendors and Shelter for Urban Homeless are new components in NULM.
- (vii) While SJSRY was implemented in all the cities of the country, NULM is restricted to 790 cities covering all District Headquarter Towns and all other cities with a population of 100,000 or more as per 2011 Census.

3.48 States took time to take approval of competent authorities for implementation of NULM as per new guidelines. Empanelment of Resource Organisations, Skill Training Providers (STPs) and Certification Agencies (CAs) required issue of EOI, RFP, assessment of technical bids etc which is a time consuming process.

Due to above facts, physical progress under NULM is less in this year. Anticipating these issues, moderate targets were fixed in 2014-15. The targets for 2015-16 will be fixed shortly.

“

3.49 During examination of Demands for Grants (2014-15) the Committee were informed that meeting of the Governing Council at central level has not been held till now, because the notification regarding constitution of the Governing Council (GC) was issued on 21<sup>st</sup> February, 2014. However, in view of the Lok Sabha election, the meeting of Governing Council could not take place. Necessary action was being taken to hold the meeting of the Governing Council. At the State Level some states/ UTs have already formed the Governing Council and some States/ UTs are still in the process for formation of Governing Council. The Committee were finding it hard to understand that with this tardy pace, how the Ministry will monitor the progress of NULM in an effective way. Therefore, they had recommend to ensure formation of Governing Council in all States at the earliest. The Committee further had desired that the meeting of the Governing Council should be convened at regular intervals and the findings/ outcome thereof should be taken seriously in making further improvement in the implementation of NULM.

In their Action Taken replies, the Ministry had stated that:

“As per the NULM mission document, NULM will have a Governing Council (GC) chaired by the Minister for Housing & Urban Poverty Alleviation which will be the policy-making body setting overall vision and providing direction to the Mission, consistent with the national objectives. However the Executive Committee (EC), which will be constituted under the chairpersonship of Secretary, HUPA, Gol, will oversee the activities of the Mission and monitor progress. State level Executive Committees have been constituted by 25 States and 3 UTs. Governing Councils have been constituted by 12 States. For reviewing the activities of the Mission, an Executive Committees meeting was recently held on the 29<sup>th</sup> of December 2014 under the Chairpersonship of Secretary (HUPA). Meeting of the Governing Council at the Central level would also be convened shortly.”

In their written replies, the Ministry has further stated that:

"For NULM and Executive Committee has been formed to oversee the activities of the Mission. A meeting of the same has already been convened on December 29, 2014. The progress of NULM is being monitored regularly at the level of JS (UPA) and Secretary (HUPA). The States/UTs are submitting Monthly Progress Reports (MPRs)/Quarterly Progress Reports (QPRs) in prescribed formats with regard to targets and achievements. The States/UTs have been directed to establish suitable monitoring mechanisms and monthly reporting from the ULB's regarding the progress of various components of NULM. A comprehensive IT-enabled NULM MIS has been established by the Ministry for tracking of targets and achievements. Besides these, progress is being monitored through Video Conferences, visits of Technical Experts and Ministry officials to States/UTs and Workshops and field visits."

3.50 With regard to status of meetings of the Governing Councils, the Ministry stated that at the National Level, 3 State Ministers and 3 Representatives from Civil Society /Industry Associations/Livelihood Experts are to be nominated. After the completion of nominations, the meeting of GC will be fixed. At the State Level, Governing Councils have been constituted in 12 states. Other States have been asked to form GC's at the earliest.

Most of the States/UTs have already formed Executive Committee, Project Sanctioning Committee, Task force for approval of loans, Mission Management Units with technical experts etc. The progress in implementation of NULM is expected to improve substantially in the coming year."

### **EMPLOYMENT THROUGH SKILL TRAINING AND PLACEMENT (EST&P) UNDER NULM**

3.51 One of the important components under NULM is Employment through Skill Training & Placement (EST&P). Under this the objective is to target the urban poor who are occupationally vulnerable for employment through Skills Training & Placement and provide training to the urban poor as per the skill demand from the market so that they can set up self employment venture or secure salaried employment. In this regard during the examination of Demands for Grants(2014-15), the Committee were informed that National Skill Development Corporation (NSDC) has conducted district-wise Skill Gap Analysis (SGA) for all the States. The analysis was being used by some states, while other states have initiated the process of having Skill Gap analyzed through other agencies. The Committee were of the view that since this is an important component of NULM, the Ministry should ensure that all the State Governments complete the SGA and regularly update the same as per the changing scenario of job requirements.

The skill training providers will also work towards providing job- placement or setting up self-enterprise for all the successful candidates. The skill training provider is to track the trained persons for a period of six months. It is the responsibility of STP to regularly report on progress of training, placement and micro-enterprise establishment to the ULBs and SULM on a regular basis. As per guidelines it is mandatory for the STP to provide placement, self-enterprise set-up support for minimum 50% of successfully trained candidates. However, the STPs will have to track all the candidates for a period of 6 months. Though NULM is designed for the purpose, the Committee in their 2<sup>nd</sup> Report on Demands for Grants(2014-15) had desired the Ministry to revise the guidelines to keep track of all the EST&Ps. They also felt that this period of six months was too small a period and after six months, there would be no record of such candidates. Hence, the Committee had desired that this period of 6 months should be enhanced suitably. Further the ULBs and State Urban Livelihood Missions (SULMs) should play a proactive role to check tracking system of skill training providers and send regular reports to the Ministry of Housing and Urban Poverty Alleviation.



3.52 When asked to state the steps taken to implement the recommendation, the Ministry in its written reply has submitted as under:

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

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

**SKILL DEVELOPMENT AND ENHANCING EMPLOYMENT IN CONSTRUCTION SECTOR (INCLUDING HOUSING SECTOR).**

3.53 The Housing sector is the fourth largest employment generating sector in the country and contributes significantly to the GDP. Skill development and enhancing employment, which is one of the components of NULM, has been included as the focus area under the NULM Scheme of the Ministry of Housing and Urban Poverty Alleviation. During examination of Demands for Grants(2014-15) the Committee had desired that if needed, specific percentage of funds be allocated to this field. The Committee were given to understand that the budgetary support under NULM has been enhanced substantially so as to provide more support to States for urban poverty alleviation in 790 cities of the country. More funds have been allocated under the IEC component of the scheme to generate community awareness. Further, dedicated staff to manage the Mission has been proposed at the national, state and city levels. Also there will be one Community Organizer (CO) per 3,000 urban poor families. Skill Gap Analysis is to be undertaken at the city level so as to provide linkage between skill development and employment opportunities. Third party certification acceptable to the industry has also been introduced. In order to provide better credit availability to micro-enterprises, a task force, with lead bank manager as one of the members, for short-listing of applications has been introduced which is likely to reduce the rejection rate by banks and other financial institutions. The Committee on the basis of above observation and keeping in view the fact that need of Urban Housing is immense in our country, had strongly recommend that special emphasis be laid on skill development and employment enhancement in construction sector (including the housing sector), under NULM to fully tap the potential of young work force available in the country. Steps taken by the Ministry in this regard may be intimated to them on regular basis.

3.54 In the Action Taken Replies the Ministry has submitted, as under:

"State Urban Livelihood Missions (SULMs) are required to identify the trades for training under EST&P as per local demand of the various industries. Skill training under various trades in construction sector is already being provided by the States. The States have been advised to lay special emphasis on this sector. The SULMs have been requested to include the Construction housing sector also."

### **REAL ESTATE AND REGULATORY AUTHORITY (RERA) BILL**

3.55 The Real Estate (Regulation and Development) Bill, 2013 was introduced in the Parliament by Government on 14<sup>th</sup> August, 2013 after wide consultations with all the stakeholders. The Bill was referred to the Standing Committee on Urban Development for examination and report. The Committee after having wide consultations with all the stakeholders had given an objective report to the Parliament on 17<sup>th</sup> February, 2014. The Committee were also informed by the Ministry that it had consultations with the stakeholders, expert bodies, Ministries/ Department of Government of India and State and ULBs on 19<sup>th</sup> September, 2014. It is now proposed to finalise the draft Cabinet Note for inter-Ministerial comments on the proposed official amendments before moving the Union Cabinet for approving the amendments in the Bill. In view of the above perspective, the Committee strongly feel that the Ministry should avoid duplication of work resulting in delaying the re-introduction of Bill in the Parliament because real estate sector is highly unregulated and the common man is being harassed by the builders and their associations. Therefore, the Committee strongly recommend the Ministry to expedite the matter and to urgently bring this Bill to be passed by the Parliament in order to give relief to the common masses who are being continually harassed at the hands of unscrupulous builders' lobby.

3.56 When asked to state whether the Government has any proposal to reintroduce it in the ensuing session of Parliament, the Ministry stated as under:

"The Official Amendments to the Real Estate (Regulation and Development) Bill, 2013, were prepared based on Standing Committee recommendations and stakeholders suggestions. A Cabinet Note was put up for consideration of the Union Cabinet for pursuing the Bill in the winter, 2014 session of Parliament. The Cabinet Note was considered by the Union Cabinet in its meeting held on 17<sup>th</sup> December, 2014, but was deferred. A new Cabinet Note, with official amendments, is being finalized by the Ministry, for consideration of the Union Cabinet and for pursuing the Bill in the Budget session of Parliament."

3.57 As per several newspaper Reports, it is seen that real estate developers generally deviate while constructing apartments from the approved plans. The Municipal authorities do not inspect the projects sites to ensure that projects are being executed as the plans. This results in denial of loans from banks to the genuine applicants and the buyers are under constant threat of the property being declared illegal. One such example is the state of Karnataka, especially in Bangalore city

where there is increasing demand for housing. In this regard, when asked about the steps taken to protect the interest of the buyers of the flats, the Ministry has responded as under:

‘Land and colonization’, as per Entry 18 and ‘Local Authority’, as per Entry 5, of the State List of the Seventh Schedule to the Constitution of India, are State subjects. Physical construction/development of buildings/projects/colonies are within the domain of State Government and Urban Local Bodies. As building plans are approved by the Urban Local Bodies, it’s monitoring, to ensure there is no deviation by the developers, is also the responsibility of Urban Local Bodies. The Real Estate (Regulation and Development) Bill, 2013 has been introduced in the Parliament. It is being pursued by examining and appropriately incorporating the amendments based on the recommendations of the Standing Committee and Stakeholders Consultation.”

### **NATIONAL POLICY ON STREET VENDORS**

3.58 The ‘Street Vendors Protection of Livelihood and Regulation of Street Vending Act’, has been passed by Parliament. It appears that this Act has remained an Act only on paper and very few intended benefits of the Act have actually percolated to the street vendors in fact. However, as per press report street vendors are finding it hard to get them registered. The street vendors are being harassed by the police and Urban Local Bodies. In many places, vendors are still occupying public footpath creating unhygienic conditions around their vending places. The designated vending zones have not been earmarked. During the examination of Demands for Grants(2014-15), the Ministry had informed the Committee that it has already advised all the States/ UTs to implement the Act by framing its rules and scheme under the Act within one year and six months. Therefore, they urged upon the Ministry that it should undertake follow up action with the State Governments to ensure its timely implementation, as the Ministry through its National Urban Livelihood Mission (NULM) addresses the Livelihood concerns of the Urban Street Vendors.

#### **In their Action Taken Replies the Ministry has submitted that:**

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

3.59 When asked to state the present position in this regard, the reply of the Ministry was as under:

"The Street Vendors' Protection of Livelihood and Regulation of Street Vending Act came into effect on May 1, 2014, thereafter, regular reminders have been issued to the States/UTs for implementation of the Act. A DO letter was also written by the Hon'ble Minister of Housing and Urban Poverty Alleviation, Shri Venkaiah Naidu to the Chief Ministers/Chief Administrators of the States/UTs to take immediate action for implementation of the Act. Ministry is also regularly monitoring progress under Support for Urban Street Vendors (SUSV) component of NULM.

3.60 When asked about the no. of States which have so far constituted Town Vending Committee, the Ministry stated that information has been sought from the States/ UTs. The progress reports have been received from Andhra Pradesh, Chhattisgarh, Delhi, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Maharashtra, Manipur, Mizoram, Nagaland, Punjab and Tamil Nadu .

On being asked to furnish the present status of the house-to-house survey for identification of genuine beneficiaries of the scheme, and the no. of States where this survey has been completed, the Ministry stated as under:

"As per the Operational Guidelines of Support to Urban Street Vendors (SUSV), financial support will be provided to the ULBs for conduct survey for identification and enlisting of street vendors. The ULB may also choose to complete the survey in a phased manner, covering one area (ward/ zone/ specified part of city) at a time. In this case, the area identified should be sufficiently large to accommodate mobility of vendors within the area. As per Monthly Progress Reports (MPRs) received from the States/ UTs, at present 182 cities of 11 States have completed the survey. "

3.61 During the year 2015-16, it was found that no allocation has been made in the present budget towards street vendors.

When asked to state the reasons for the same, the Ministry has stated that:

"Hon'ble Minister for Housing and Urban Poverty Alleviation had requested all the States to take immediate action for implementation of the Street Vendors Act in their States. In this regard, it is been observed 35 States/Union Territories, except for Andhara Pradesh, Chattisgarh, J&K, Karnataka, Madhya Pradesh, Tamil Nadu, Maharashtra and Telengana, vendors survey has been started in few cities. The position with regard to other cities is distressing. In majority of the States/Cities even the vending plan have not been started. In the above circumstances.

3.62 On being asked about the proposal/step to implement the act more effectively, the Ministry stated as under:

“As per provisions of the Act it is statutory responsibility of the States/ UTs to notify rules and schemes to implement the Act. This Ministry has been requesting the States/UTs for drafting of Rules, Schemes, byelaws and implementation of provisions/sections under the Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. The matter is discussed in all Video Conferences, meetings with the States and field visits/Workshops held in the States. So far, Nineteen States/UTs have furnished their information. The Ministry has awarded the work of drafting Model Rules, Scheme and Bye-laws to All India Institute of Local Self Government, AILSG, Mumbai so that Model Rules, Scheme and Bye-laws are available to help the States.”

**PROJECTS/SCHEMES FOR THE DEVELOPMENT OF NORTH EASTERN STATES, INCLUDING SIKKIM UNDER 10% LUMP-SUM PROVISION FOR THIS PURPOSE**

3.64 The Ministry of Housing & Urban Poverty Alleviation is concerned with the project proposals for the North Eastern States in the following identified areas;

- i) Housing projects (predominantly for the urban poor)
- ii) Poverty alleviation projects
- iii) Slum improvement/up gradation projects

Accordingly, the project proposals are invited from the State Governments of North Eastern Region including Sikkim and considered in the Ministry of Housing & Urban Poverty Alleviation under the 10% lump sum provision of the Budget of the Ministry, placed separately for the projects/schemes for the benefit of North Eastern Region and Sikkim.

3.65 Further, the Ministry is earmarking 10% of the scheme allocations for the NER States under various schemes viz. Swarna Jayanti Shahari Rozgar Yojana (SJSRY) etc. Therefore, effectively, the total expenditure on the NER States is maintained at 10% of the Plan Budget of the Ministry. The Scheme is demand driven and no physical targets are fixed.

Total outlay in the 12th Five Year Plan and proposals made by the Ministry for 12th Five Year Plan Year-wise/project-wise;

	Total Outlay Proposed	Total Budget Outlay
2012-13	- Rs. 50.00 crore	Rs.50.00 crore
2013-14	- Rs. 75.00 crore	Rs.60.00 crore
2014-15	- Rs. 100.00 crore	Rs.50.00 crore

2015-16	-	Rs. 125.00 crore	Rs.50.00 crore
2016-17	-	Rs. 150.00 crore	-
<b>Total -</b>		<b>Rs. 500.00 crore</b>	<b>Rs. 210.00 crore</b>

**12<sup>th</sup> Five Year Plan – Rs. 500.00 Crore (Proposed)**

3.66 When asked to furnish the information regarding the proposal by the Ministry and amount actually agreed to by the NITI Ayog and actually provided for each scheme in Annual Plans for 2010-2011, 2011-2012 and 2012-13, 2013-14, 2014-15 (so far) year-wise. Copies of the Annual Plan proposal as finalized for 2010-2011, 2011-2012, 2012-13, 2013-14, 2014-15 and 2015-16, the Ministry has submitted as under:

(Rs. in crore)		
Year	Proposed by the Ministry	Actually provided by NITI Ayoga for this scheme
2010-2011	Decided by the Government of India that 10% of the total Budget provision for the Ministries/ Departments will be spent on the projects/schemes of development for the NER (including Sikkim).	50.00
2011-2012		50.00
2012-2013		50.00
2013-2014		60.00
2014-2015		50.00
2015-2016	NITI Ayoga makes separate allocation for this scheme in the Annual Plan allocation for the Ministry. Further the Ministry is earmarking 10% of the scheme allocations for the NER States under its various schemes.	50.00

3.67 Statement showing budget estimates, revised estimates and actual expenditure for the year 2011-2012, 2012-13, 2013-14, 2014-15 and budget estimates for 2015-2016 showing separately Plan & Non-Plan expenditure:

(Rs. in crore)			
Year	Budget Estimates	Revised Estimates	Actual Expenditure
2011-2012	50.00	50.00	50.00
2012-2013	50.00	50.00	42.97

2013-2014	60.00	80.99	76.07
2014-2015	50.00	40.00	30.92*
2015-2016	50.00	-	-

\*As on 31-01-2015

3.68 On the reasons for less allocation, at RE and less actual expenditure the Ministry has submitted as under:

“(i) The budgetary allocation under NULM was slashed for the FY 2014-15 from Rs 1003 crore to Rs 733 crore, as a consequence of which the allocation to 10% Lumpsum Scheme to NE States for the year was proportionally reduced.

(ii) The DPRs submitted by the States were found wanting in many details and lot of modifications are required to be done after first appraisal. This delays sanction of new projects.

(iii) It has been instructed by Finance that for executing agencies other than state Governments, no funds shall be released if UC is pending in any of the Projects. For projects being executed by NBCC, this has become a constraint in release of funds. This has further led to lower utilisation of funds. “

#### **HINDUSTAN PREFAB LIMITED (HPL)**

3.69 Hindustan Prefab Limited an ISO 9001:2008 is a scheduled 'C' Central Public Sector Enterprise under administrative control of Ministry of Housing & Urban Poverty Alleviation. It is engaged in the execution of projects on Turnkey basis i.e. from concept to completion on Project Management Consultancy. It is a brainchild of first Prime Minister and established with the prime objective of providing Prefab houses to the people, displaced from Pakistan. HPL is currently providing Project Management Consultancy (PMC) for construction of projects in 15 states awarded to it through various State Governments and its agencies. By using building components and other prefab technologies, the time required for construction of projects reduces significantly thereby reducing the overall project cost considerably. Also, the prefab products rate higher on durability and eco-friendly in comparison with conventional methods. The prefab components provide ready answer for replacement of burnt bricks. They use considerable amount of fly ash and other agricultural waste in production of such components, which are environment friendly measures.

During examination of Demands for Grants 2015-16, the Committee were observed that despite having the above-mentioned advantages and potential to grow, the prefab technologies costs are comparable to the conventional technologies still the demand for prefab technologies is limited. The fact that the mindset of the people at large and architects, engineers and policy makers in specific, to take prefab construction on a large scale is limited. Further lack of standardization in

building dimension and components coupled with absence of the technologies in the schedule rates of Government agencies at the Centre and States inhibit the use of prefabricated technologies in a large scale. HPL has signed an MoU with Construction Industry Development Council (CIDC) to promote the adoption of prefabricated and pre-engineered technologies for achieving fast track construction especially for the attainment of the goal of providing 'Housing for all by 2022'. The Committee therefore had earlier recommended that Ministry of HUPA should take concerted efforts and strive vigorously to change the mind set of all concerned engaged with construction agencies and complete all the projects without cost and time overrun by adopting Prefab technologies.

(‘A’ From page 55)

"HPL is currently engaged as a Project Management Consultant (PMC) for undertaking projects using both conventional and prefabricated technologies. The decision to use the technologies rests with the clients. HPL on its part has been advocating adoption of prefabricated technologies in the respective projects. In the current year, HPL has taken up works of construction of schools toilets under "Swachh Bharat Abhiyaan", where the construction is being undertaken using prefabricated technologies. Under the scheme, HPL is executing the works on behalf of major PSUs like Power Grid Corporation of India Limited (PGCIL), Power Finance Corporation (PFC), Northern Coalfields Limited (NCL), MSTC Limited, etc wherein nearly 15,000 toilets are being taken up.

Further, HPL has also been advocating rapid construction technologies using prefabricated options. In the current year, HPL is executing various construction projects for NIT Jote, in Arunachal Pradesh, using pre-engineered building (PEB) concept costing about Rs.65 crore. HPL has been taking up with its clients and stakeholders for extensive use of prefabricated technologies and is hopeful of getting major prefabricated works in the coming year."

3.70 When asked to state how much cost effective are the technologies HPL in comparison to the presently used construction technologies across the country, the Ministry in its written replies has stated as under:

"The Prefabricated technologies provide ready to use building components directly from factory while ensuring proper quality and cost effectiveness. By using these components and other prefabricated technologies, the time required for construction of projects reduces significantly, thereby reducing the overall project period considerably. Currently, the prefabricated technologies costs are comparable to the conventional technologies since the demand for prefabricated technologies is still limited. The cost of prefabricated components is directly related to the volume of production and with the increase in demand the cost will come down considerably making it cheaper than the conventional technology. However to achieve that, the prefabricated sector has to grow significantly.

The current constraints for the lower growth of prefabricated sector is primarily due to the mindset of the people at large and architects, engineers and policy makers in specific, to take up prefabricated construction on a large scale. Further, lack of standardization in building dimension and components coupled with absence of the technologies in the Schedule of Rates of Government agencies of the Centre and States inhibit the use of prefabricated technologies in a large way."



3.71 Pertaining to durability and eco-friendliness of HPL products in comparison with the presently used technologies, it has also stated that:

"The prefab products rate higher on durability and eco-friendliness in comparison with conventional methods. The prefab components provide ready answer for replacement of burnt bricks, etc and also use considerable amount of fly ash and other agricultural waste in production of such components, impacting the environment positively."

3.72 In their second Report on Demands for Grants (2014-15) the Committee were of the strong opinion that Prefab technologies are the only answer to build smart cities and construction of Houses by 2022. In this regard, the Committee had desired the Ministry to bring necessary changes in schedule rates of the Government agencies. The Committee had recommended that the Government should make an all-out effort through seminars, exhibitions and advertisements, to make this prefab technology popular amongst all the concerned, for the benefit of not only HPL but also, the common man and the nation as a whole. In this regard on being asked state steps taken towards promoting prefab technology,

"HPL on its part has been actively taking up Government agencies manufacturers and other stakeholders in the sector regularly towards promotion of prefab sector. Recently, HPL has signed an MOU with CIDC to promote the adoption of pre-fabricated and pre-engineered technologies for achieving fast track construction especially for the attainment of the goal of providing "Housing for all by 2022".

At the initiative of the Ministry of HUPA, HPL in coordination with the BMTPC is planning to set up an Integrated Prefab Technology Park at HPL Campus, New Delhi for displaying technologies and materials and also disseminating information on emerging construction technology, disaster resistance and sustainable building materials for cost effective and faster construction primarily focusing on prefab. This could act as a technology hub and incubation centre for prefab technologies.

Building Materials & Technology Promotion Council (BMTPC), a sister organization of HPL under the Ministry of HUPA, has been assigned the role of developing the prefab technologies. BMTPC has played a major role in development of new innovative technologies and has also coordinated International bidding process for identification and certification of prominent prefab technologies for construction of houses for attainment of goal of 'Housing for All by 2022'."

3.73 When asked whether their recommendation for making this technology mandatory has been well taken by the Ministry, the Ministry has stated as under:

"HPL towards promoting the prefab technologies would be taking up of the activities such as organizing seminars and exhibitions which is also one of the parameters in the MOU to be signed with the Ministry of HUPA for the year 2015-16."

**GRANTS-IN-AID TO Central Government Employees Welfare Housing Organization (CGEWHO)**

3.74 Central Government Employees Welfare Housing Organization (CGEWHO) was formed by the Government of India, under the aegis of the Ministry of Housing & Urban Poverty Alleviation, as a 'welfare organization' for construction of dwelling units exclusively for the Central Government Employees, on 'No Profit-No Loss' basis. It is registered as a Society in Delhi under the Societies Registration Act of 1860 on 17<sup>th</sup> July, 1990.

It undertakes social welfare schemes for construction of houses on 'no profit - no loss basis' for Central Government Employees, both serving and retired and spouses of deceased Central Government Employees, by inter-alia promoting the construction of houses and providing all possible help and required inputs to achieve this object.

3.75 Statement showing budget estimates, revised estimates and actual expenditure for the year 2011-2012, 2012-13, 2013-14, 2014-15 and budget estimates for 2015-2016 showing separately Plan & Non-Plan expenditure is as under:

(Rs. in crore)					
Year	2011-12	2012-13	2013-14	2014-15	2015-16
Budget Estimates	0.10	0.10	0.10	0.10	0.10
Revised Estimates	0.10	0.10	0.10	0.10	
Actual Expenditure	0.10	*0.065	0.10	0.10	

\* Out of BE/RE of Rs.10.00 lakhs, Rs.6.50 lakhs were released to CGEWHO.

The proposed budget for the year 2012-13 onwards was Rs.10.00 lakhs per year. In the year 2012-13, the release of Rs.1.50 lakhs (second installment) as against Rs.5.00 lakhs is due to restriction to 15% of RE provisions. Since the grant is given to partially meet the administrative expenditure, no quantifiable/physical targets are fixed.

3.76 When asked about the steps taken/ proposed to be taken and suggestions, if any, for improvement in the implementation of each scheme; system of monitoring and control over the performance of each scheme, the Ministry has submitted as under:

“The CGEWHO is an autonomous body registered under the Society Registration Act of 1860. It was established by the then Ministry of Urban Development, Govt. of India in 1990. The activities of the Society are monitored through representation of senior officers of this Ministry and other Ministries in its “Governing Council” and the “Executive Committee”.

3.77 During examination of Demands for Grants (2014-15) the Committee were informed that the Governing Council of CGEWHO as well as Ministry of HUPA had decided not to proceed further with respect to turnkey projects since there is no government land allotment. CGEWHO could not fulfill the earlier commitments at 6 stations for which demand survey was conducted in 2009 and no demand survey has been conducted after 2009. CGEWHO is working on the demand survey done in 2009 to construct the houses.

3.78 When asked about the reasons for poor progress of Central Government Employees Welfare Housing Organization (CGEWHO) and the initiatives being taken by the Ministry to take up more projects under the scheme in various States with increasing demand for housing units, the Ministry stated as under:

“The projects taken up by CGEWHO could not progress as planned due to financial constraints, delay in obtaining approvals from various statutory authorities including EIA and shortage of manpower and materials at various stations. CGEWHO had taken up various measures and completed 7 projects during 2012 to 2014. CGEWHO is also putting up all its efforts to complete two projects at Greater Noida and SAS Nagar, Mohali where planning permission, EIA clearances etc. are under process.

With regard to taking up new projects in various States, Governing Council, CGEWHO had decided not to take up turnkey projects. Letters have been written to Chief Secretaries of Maharashtra, Rajasthan, Uttarakhand, Bihar, Kerala, Chhattisgarh, Andhra Pradesh as well as Advisor, UT, Chandigarh for allotment of suitable land at different locations. However, no response for allotment of land has been received yet.”

3.79 The Government has announced 'Housing for All by 2022' and a mission mode approach for 'Housing for All' is being undertaken by the Ministry by involving all the governmental and private agencies.

CGEWHO, is a welfare organization under the Ministry of Housing and Poverty alleviation for construction of dwelling units exclusively for the Central Government Employees on No-profit–no loss basis. The Committee in their 2<sup>nd</sup> report had felt that the Ministry should take pro-active steps to strengthen its own agencies like CGEWHO and eradicate all the bottlenecks being faced by it. In this regard, on being asked whether any consultation had been undertaken by the Ministry with State Governments for allocating land to CGEWHO and the new projects which have been taken up and completed, it has been submitted that

“Letters have been written by Ministry of Housing and Urban Poverty Alleviation to the Chief Secretaries of different States depending upon demand to construct housing projects CGEWHO is planning to take up new projects at Chennai, Vishakhapatnam and Meerut where land is available. It has also taken up the activities towards taking up the projects at SAS Nagar, Mohali and Greater NOIDA where tendering process is in progress.”

### **HUDCO**

3.80 State-wise details of the Community Toilets under HUDCO CSR Activities (As on 28.02.2015) is as under:

(Rs. in lakh)				
Sl. No	State	CSR assistance sanctioned	CSR assistance disbursed	Cities covered
1	Karnataka	71.25	17.75	Bengaluru Rural District
2	Rajasthan	36.75	16.50	Kota and Kotputli
3	Tamil Nadu	29.27	27.00	Ayakudi and Kongapuram Town
4	Uttarakhand	35.00	17.50	Mussoorie
5	Uttar Pradesh	65.45	45.88	During Kumbhmela at Allahabad and re-installed at Aligarh
	Total	237.72	124.63	

3.81 On being asked to state the reasons for the differences between CSR assistance sanctioned and CSR disbursed the Ministry in its written reply has stated as under:

“As per the CSR Policy approved by the HUDCO Board of Directors, the first installment in the range of 15% to 25% of CSR Assistance sanctioned is released to the agencies concerned after completion of documentation. All further releases to the implementing agency would be based on satisfactory utilization certificate and satisfactory performance report. The concerned Regional Office would certify progress before release of payments and monitor the project by obtaining periodic progress Reports & undertaking Site visits.

In respect of Community toilets under HUDCO CSR activities, out of the sanctioned CSR assistance of Rs 237.72 lakh, CSR assistance of Rs. 124.63 lakh has been disbursed for due installments and further installments shall be released after receipt of utilization certificate for the CSR assistance already disbursed and physical progress report from the concerned agencies. However, in a few proposals, agencies concerned could not achieve required physical/financial progress and submit the utilization certificate for the CSR assistance released due to delay in obtaining required approvals, finalization of tenders etc. resulting in delay in implementation of the proposals and consequent release of subsequent installments of the CSR assistance.”

3.82 State-wise details of the Night Shelters under HUDCO CSR Activities (As on 28.02.2015) is as under:

(Rs. in lakh)

Sl. No	State	No. of Night Shelters sanctioned	CSR assistance sanctioned	CSR assistance disbursed	Cities covered
1	Andhra Pradesh	4	95.80	45.78	Visakhapatnam
2	Chattisgarh	1	77.00	19.25	Naya Raipur
3	Delhi	9	253.11	0.00	Delhi
4	Gujarat	4	161.82	88.53	2 each in Ahmedabad and Vadodara
5	Haryana	3	118.48	29.62	Faridabad, Jagadhari and Yamuna Nagar
6	Kerala	2	94.50	19.50	Thrissur and Kannur
7	Meghalaya	1	20.00	20.00	Shillong
8	Madhya Pradesh	3	93.03	60.91	Chindwada Distt.
9	Orissa	4	107.60	61.95	2 each in Bhubaneswar and Cuttack
10	Punjab	1	138.83	0.00	Bhatinda

11	Rajasthan	5	176.67	28.37	Alwar, Chittorgarh, Kota and Udaipur
12	Tamil Nadu	6	199.71	51.94	3 in Chennai and 1 each in Kalwai Town, Vellore Distt.Erode and Tirnuveli
13	Telangana	1	32.38	0.00	Nizamabad
14	Uttarakhand	3	59.46	14.86	Dehradun and Haridwar (2)
15	UP	1	27.22	14.97	Varanasi
16	West Bengal	7	126.57	85.18	6 in Kolkata and 1 in Tarkeshwar
	Total	55	1782.18	540.86	

3.83 When asked to state the reasons for differences between CSR assistance sanctioned and CSR assistance disbursed so far as the Night Shelters are concerned and against the construction of night shelters, the Ministry has stated under:

“As per the CSR Policy approved by the HUDCO Board of Directors, the first installment in the range of 15% to 25% of CSR Assistance sanctioned is released to the agencies concerned after completion of documentation. All further releases to the implementing agency would be based on satisfactory utilization certificate and satisfactory performance report. The concerned Regional Office would certify progress before release of payments and monitor the project by obtaining periodic progress Reports & undertaking Site visits.

In respect of Night Shelters under HUDCO CSR activities, out of the sanctioned CSR assistance of Rs.1782.18 lakh, CSR assistance of Rs.540.86 lakh has been disbursed for due installments and further installments shall be released after receipt of utilization certificate for the CSR assistance already disbursed and physical progress report from the concerned agencies. However, in few proposals, agencies concerned could not achieve required physical/financial progress and submit the utilization certificate for the CSR assistance released due to delay in obtaining required approvals, finalization of tenders etc. resulting in delay in implementation of the proposals and consequent release of subsequent installments of the CSR assistance.

Out of the 55 Night Shelters sanctioned in 16 states, 14 night shelters have been completed, works for 16 night shelters are in different stages of execution and construction works for 25 night shelters is yet to be taken up.”

## **PART-II**

### **OBSERVATIONS/RECOMMENDATIONS**

#### **1.NEED TO ARREST UNDER UTILIZATION OF BUDGETARY ALLOCATION FOR MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION:**

The Ministry of Housing and Urban Poverty Alleviation has been entrusted with the implementation of programmes of Urban Housing, Urban Employment and Urban Poverty alleviation. The Committee observe that starting from the year 2010-11 till 2014-15, there has been a huge difference between the projections and allocations at BE stage. The allocations made at BE stage have been reduced at RE stage. The actual expenditure is also less in comparison to the allocation at RE stage. The overall allocation at BE Stage for the year 2014-15 i.e. Rs.6008.62 crore has been reduced to Rs. 3413.44 Crore. The reduction is Rs. 2595.18 crore. The main reasons for such reduction adduced by the Ministry are because of abysmal performance under BSUP and IHSDP components of JNNURM, Rajiv Rinn Yojana, Rajiv Awas Yojana and NULM. So far as JNNURM is concerned the State Governments could not perform well because of cost escalation of the projects. In spite of regular follow up and constant guidance by the Ministry, State Governments took time to take approval of competent authorities for implementation of NULM. Empanelment of Skill Training Provider(STPS) and Certification Agencies required issue of RFP, assessment of technical bids, etc., which are time consuming process. Under RAY during the year 2014-15 few proposals were considered for approval. The scheme of Rajiv Rinn Yojana did not take off due to issues associated with lending to the informal sectors, absence of clear land titles, authenticated income certifications, non-availability of houses at the rates prescribed under the scheme, etc. The BE for the year 2015-16 is Rs. 5634.47 crore both for plan and non-plan. The Committee observe that there has been reduction of Rs. 374.15 crore during the year 2015-16 in comparison to BE of 2014-15.

Keeping in view the wide gaps between the projection and allocation and between the BE and RE during the last five years and consequential impact on major schemes of the Ministry, the Committee in their earlier reports on Demands for Grants have been recommending the Ministry to tone up its machinery for meaningful utilization of the resources. The Committee observe that the actual demand survey is to be done by the Ministry. They propose to be in touch with those States which have been extremely pro-active in Housing & Urban sector to send the housing action plan and planning to build partnership with either private sector, the ULBs, the development authorities and some public authorities which have land and would try to take a pro-active dynamic approach and then prepare the plan. After that it will release the fund. The Committee are constrained to note that nine months have already been passed since the last budget i.e., 2014-15, the Government has not moved an inch in achieving its objectives in any of its laudable schemes. Therefore, instead of increasing the allocation, the Ministry of Finance has reduced the allocation for Ministry of Housing and Urban Poverty Alleviation. At this pace, the Committee are apprehensive about the implementation of their ambitious schemes like Housing for All by 2022, NULM, Rajiv Rinn Yojna etc. Therefore, they strongly desire the Ministry to undertake advance planning and concrete action so that there is 100% utilization of allocation and the ambitious schemes are translated into reality. The Committee may be apprised of the action taken in this regard.



## **2.URBAN HOUSING**

The Committee observe that Housing stock required in the next 16 years is 60 million. The required additional annual housing is 3.4 million, while the current annual supply is 2.4 million. Thus the annual deficit in housing stock creation is 1 million. The Ministry of Housing and Urban Poverty Alleviation is dealing with urban housing through various scheme, viz. Rajiv Awas Yojana/ Sardar Patel Urban Housing Mission Housing for All by 2022, Affordable Housing, JNNURM and Rajiv Rinn Yojana/GHAR. The proposed Umbrella scheme of "Housing to All by 2022" in 7 years will replace all the schemes being implemented in the 12<sup>th</sup> five year Plan to address various aspects of Housing for the Urban poor and will be implemented from the year 2015-16. During the year 2015-16, Rs. 4000 crore have been allocated for this scheme. The Ministry has informed that the new mission has been approved by the Cabinet and the details of the scheme are being fine tuned. The Committee are informed that housing requirement is expected to be two crore by 2022. Slum population (1.4 crore in 2011) expected to go upto 1.8 crore in 2021. Non slum Urban poor are expected to grow upto 0.2 crore. The actual demand would depend on the survey. Two crore houses require Rs. 12 lakh crore at the rate of Rs. 6 lakh per house. Resources required are substantial in terms of land, finances and other capabilities. Therefore it is imperative to mobilize all stakeholders viz. State Governments, ULBs, Banks, HFCs, Private Sector, industry, civil society etc. In this connection, if land is to be used as a resource, there is a need to remove supply side constraint through policy intervention and to use innovative/sustainable technology and material in construction. The proposed options for Housing for All are Slum Redevelopment, Affordable Housing through Credit Linked Subsidy, Affordable Housing in partnership and subsidy for beneficiary led individual house construction/ enhancement. Beneficiary can take advantage under one component only.

As per the scheme large sums of funds would be placed at the disposal of State Governments with a free hand to design and implement their own schemes suited to their population. The experience so far in implementing the old scheme by

the States has not been upto the mark which has resulted in huge underutilization without benefitting the target groups. In this background, the Committee recommend that (i) the Ministry should strive hard to finalise the details of the new scheme 'Housing for All ' at the earliest, share the details of the scheme with the State Governments and provide necessary funds to them at the earliest i.e. by July 2015, (ii) the Ministry should indicate to the State Governments to design and finalise their schemes well in advance of the release of funds so that the schemes take of immediately, (3) the States should be asked to put in place the requisite dedicated technical experts to implement the scheme efficiently in a time bound manner.

### **3. RAJIV AWAS YOJANA**

The Ministry has been implementing Rajiv Awas Yojana (RAY) since 2011. The preparatory phase of RAY was from 2011 to September 2013. RAY is a reform and demand driven scheme for attaining slum-free States which depends upon the level of aspiration of the states concerned, willingness to align property rights to slum dweller, undertake reforms for the urban development, etc. The preparatory phase of RAY envisaged preparation of Slum Free City Plan of Action wherein each city was required to undertake data collection of all slums irrespective of land tenure, entry of data into MIS Mapping, GIS-MIS integration. The Committee are perturbed to note that against the slum population of 6.549 crore as per 2011 census till date (Slum Free City Plan of Action) SFPOAs have been completed in 107 Cities out of 228 cities. In the remaining cities work is under progress.

The implementation phase of RAY started from September 2013. Financial support has been extended to States/UTs/Urban Local Bodies and Central Government agencies for providing housing and improvement of basic civic infrastructure and social amenities in slums. The Committee note that against the budgetary allocation of Rs.6024 crore from 2012-13 to 2014-15, the allocation at RE stage is only Rs. 2650 crore. The actual utilization is Rs. 1815.55 crore. The Committee further note that against the 12<sup>th</sup> Plan target for construction of 10 lakhs dwelling units only 2501 units have been constructed. The reasons for such low physical and financial achievements as submitted by the Ministry are (i) The guidelines to the State Governments were issued September 2013 as a result States submitted the projects after the issue of the guidelines (ii) The Election Code of Conduct came into force w.e.f., March, 2014 and a new Government was sworn in May, 2014. Since, the focus of the new Government was on a new Mission on providing Housing for All, there has been a slowdown in taking up new projects under RAY The BE for the year 2015-16 for RAY has been kept at nill as the liabilities are proposed to be released under the proposed 'Housing for All by 2022'. The Committee are informed that Housing for all by 2022 Mission has been approved by the Cabinet and the details of the scheme are being fine tuned by a Committee of

**Ministers as per the decision of Cabinet. New Mission will be launched as soon as details are fine tuned.**

**The Committee note that the Ministry has not indicated any time frame for the same. Further, in view of the proposed inter-project flexibility being given to the states for efficient use of funds and decide on the approval and implementation mechanism, the Committee desire that some monitoring mechanism should be put in place to enforce proper implementation of the projects.**

**The Committee are given to understand that in the proposed new mission, the provision for lump sum release of funds will be made instead of project wise release and State level instead of Central Govt. level within overall budget available to States. Further cost escalation with regard to projects has to be borne by the States for which States have been advised to take up only such projects for which encumbrance free land is available. The Committee feel that Centre hardly has any power left with it except for monitoring process. Since the funds are to be released from the Centre, the Committee desire that some inbuilt monitoring mechanism should be set up by them to ensure meaningful utilization of its funding. The Committee also desire the Ministry to ensure that the incomplete projects under RAY and the financial liabilities thereof are subsumed in the new Mission.**

**The Committee in their earlier reports have been recommending for the early completion of the preparatory activities in respect of Preparation of Slum Free City Plan of Action. They wish to reiterate their earlier recommendation to complete the same without any further delay.**

#### **4. RENTAL HOUSING**

The Committee observe that Sardar Patel National Mission for Urban Housing envisages creation of sufficient number of rental houses which can be made available to such homeless migrants and destitute. This rental housing is proposed to be primarily of 2 types (a) for families and (b) for single person –dormitory. It is envisaged that a house upto 30 sq. mtr area for families and single room hostels/dormitories be constructed in sufficient numbers to be let out by the Urban Local Bodies or other agencies including Private Sector to people who cannot afford to buy a house initially. The Committee have been informed that this scheme has been approved by the Cabinet and the details are being fine-tuned by a Committee of Ministers. The New Mission will be launched as soon as details are fine tuned. The Committee have been further informed that as part of new Mission, Ministry of Housing & Urban Poverty Alleviation will request Department of Industrial Policy and Promotion (DIPP) to impress industries to make provision for accommodation facilities for their employees through rental housing or Rent to own schemes. Ministry of Labour and State Governments will also be requested to build rental housing stock under their welfare funds. Such stock of housing created by the corporate entities would be rented to new employees who do not have their own houses in the city. Ministry of Corporate Affairs will also be requested to include ‘housing for their employees’ as one of the activities under the corporate social responsibilities. In the above backdrop, the Committee hope that the Ministry would complete all the formalities at the earliest and implement the same in letter and spirit. The Committee would also wish to reiterate their earlier recommendation given in their 2<sup>nd</sup> Report on Demands for Grants(2014-15) that such houses be rented to the individuals/ families for either ten years or till becoming a house owner whichever is earlier. Necessary provisions may be made in the new Mission accordingly.

## **5. AFFORDABLE HOUSING PARTNERSHIP(AHP)SCHEME**

The Government has approved the scheme of Affordable Housing in Partnership as part of Rajiv Awas Yojana on 3 September 2013 to increase affordable housing stock. As part of preventive strategy, AHP was dovetailed as RAY is being replaced by Housing for All by 2022 which is under formulation. The Committee observe from information provided by the Ministry that a total of 18 projects of 3 States (5 cities) have been sanctioned under the Affordable Housing in Partnership Scheme with a Central assistance of Rs. 112.53 Cr. for construction of 25407 Affordable dwelling units. Rs. 44.19 Cr have been released till date. Out of 25407 dwelling units, during the years 2010-11 to 2014-15 only 4968 dwelling units have been completed. The Ministry has stated that under the Affordable Housing in Partnership (AHP) Scheme, 22 projects of 3 States (Karnataka, Rajasthan & Gujarat) have been sanctioned for construction of 25,407 DUs. The 1<sup>st</sup> Instalment of Rs.44.19 crore has been released for this purpose. The implementation and execution of the projects is entirely the responsibility of the State Government and its implementing agencies. It is pertinent to mention here that these are all multi-storied buildings and after DPR approval grounding of projects involve floating of tenders to clearing the land, etc. These are time consuming process and as such cannot be completed in one year or so. The Ministry would persuade State Governments and their agencies to expedite the process of implementation of these projects in a time-bound manner.

The Committee are however anxious about completion of the remaining dwelling units before the start of the proposed new Mission on Housing. The Committee being not satisfied with the progress under AHP, had earlier recommended that construction of all the remaining houses be completed within one year, so that no spill-over of AHP is carried forward in the new Mission on Housing. The Committee would like to reiterate their earlier recommendation in this regard and desire the Ministry to expedite the necessary process in this regard.

## **6. JNNURM**

The JNNURM was launched on 3<sup>rd</sup> December, 2005. The duration of the Mission was seven years from 2005-06 to 31.3.2012 and was extended upto 31.3.2015 only for completion of projects sanctioned upto 31.3.2012. During the 12<sup>th</sup> plan, against the allocation of Rs.8126.61 crore, the expenditure had been only 4281.76 crore. In percentage term it was only 52.69 percent. Against the approved dwelling units of 122278 dwelling units, 883771 dwelling units have been constructed. The shortfall is 343907 dwelling units. The main reasons for shortfall in both physical and financial achievement adduced by the Ministry are cost escalation, reluctance of slum dwellers to shift to in situ development of projects and availability of unencumbered land. The Committee's recommendation to provide financial assistance to States to facilitate them to meet cost escalation has not been accepted by the Planning Commission. The Committee are perturbed to note from the reply that successful implementation of the projects is the sole responsibility of the State Government/ULBs. Shortfalls are a direct consequence of the institutional weakness of the State agency entrusted with the work. The Committee conclude that the main objectives of the JNNURM i.e. up-gradation of Urban infrastructure and strengthening of urban local bodies has failed miserably.

The Committee further observe that JNNURM has come to an end w.e.f. 31 March 2015. The Government of India will not provide any fund to the projects where the DPR has been approved but the State Government has not initiated the project and have not availed the first installment. The Committee agree with the Ministry in this regard. Now the Ministry is preparing the guidelines for Housing for All Mission and it is planning to subsume the remaining projects in the new Scheme. The matter is under inter-Ministerial consultation. In this backdrop, the Committee desire the Ministry to finalise the guidelines at the earliest as precious time has already been lost to achieve the target for Housing for All. They further desire to subsume the incomplete projects of JNNURM in which some action has already been taken on ground in the new mission i.e. Housing for All, so that the huge allocations, time and other resources already spent do not go waste.

## **7. SLUM REHABILITATION**

The Committee observe that as per 2011 census, the total slum population in India is 6.549 crore and the no. of slum households are 1.4 crore. The Committee have noted that the slum areas, get 65.3 per cent of tap water from treated sources and 56.7 per cent drinking water is available within the premises. Electricity facilities are 90.5 per cent. Latrine facility within the premises is 66 percent, flush latrine is 57.7 percent and closed drainage is 36.9 percent. The Ministry feels that further improvements are required with respect to provision of basic sanitary facilities and other infrastructure. Within the available resources, efforts are being made to provide infrastructure in the slum re-development projects. The Committee have been informed that it is the responsibility of the State Government to conduct survey about the numbers of Jhugi Jhopri clusters and the number of JJ clusters rehabilitated. When enquired about the details of development plans submitted by States/UTs/ULBs in respect of housing and development infrastructure in slums, the Committee were informed that Slum Free Plan of Action is required to be submitted in terms of guidelines for the schemes of the Ministry and as on date 107 FPOAs have been received in the Ministry. The Committee feel that against 6.549 crore slum population as per population 2011 census, only 107 SFPOAs are too meager. The Committee agree with the Ministry that Housing and slum are State subjects, but at the same time wish to impress upon the Ministry that it should take proactive steps and help the State Governments in preparing SFPOAs to encompass the entire slum population in a phased manner. The Committee also wish to insist the fact that the SFPOAs should be comprehensive to include basic facilities like housing, electricity, water supply, sanitation and drainage system.

During examination of Demands for Grants (2014-15), the Committee had observed that slum people are being rehabilitated in the vertical buildings. In these buildings, maintenance is very shoddy. It is very difficult for the inhabitants to bear the cost of maintenance. The Secretary, Ministry of Housing and Urban Poverty Alleviation further informed that Ministry is having consultations with private builders who are assigned the task of building houses for slum dwellers to take care



of maintenance mandatorily. The Committee are distressed to note that the responsibility for ensuring maintenance of the houses lies with the beneficiaries and State/ULBs can assist them as per their policy. People living in the slums are shifting to multi-storied building and are losing their livelihood and finding it hard to maintain the buildings. Therefore, it would be unfair to leave the maintenance charge to the beneficiaries. During the study visit of the Committee to Pune and Mumbai, the Committee had observed that slum redevelopment is being done on PPP models. Since the private developers are given the task of redevelopment of slums, the Ministry and the State Governments should insist on them to take charge of maintenance mandatorily instead of leaving it to the beneficiaries.

Another issue related to relocation of slum is that people are being shifted to new buildings but at the same time the slum areas are not being razed as a result the slum dwellers sublet the new houses and come back to the slums. About the action taken in this regard, the Committee have been informed that it is the responsibility of the State Governments to de-notify the slum after its redevelopment. The action to de-notify the slum after its redevelopment by the State government would ensure that problems of subletting of the new houses and returning to the slum by the beneficiary can be avoided. In this regard, the Committee wish to recommend that Ministry should regularly monitor the progress in this regard and ask the State Government to submit the physical status of the vacant land after the slum rehabilitation. This will further help to stop encroachment of government land. It is also felt that sometimes there is strong nexus among mafia groups who are working in tandem with those dwellers with their malafide intentions and help those dwellers for facilitating subletting. Therefore, the Committee desire that the person found guilty of subletting should be debarred and their allotment should be cancelled with immediate effect. The Committee also desire that the Ministry should allot the house in the joint name of husband & wife or in the sole name of the wife so that the male members can not dispose it off and harass the family member with any malafide intentions.

## **8. RAJIV RINN YOJANA**

The Committee observe that the Ministry has been implementing the scheme to channelize institutional credit to the poorer segments of the urban areas and to address the housing shortage RRY has been formulated by modifying the Interest Subsidy Scheme for Housing the Urban Poor (IHSDP) piloted in the 11<sup>th</sup> Plan period with enhanced scope and coverage. The overall target for the 12<sup>th</sup> Plan period is 1 million dwelling units across the country including slum and non-slum dwellers. Since 2011-12 till 2014-15, against the BE of Rs. 808.78 crore, the RE is Rs. 164.74 crore only. The actual release is only Rs. 60.23 crore. The BE for 2015-16 is Rs. 450.00 crore. The Committee are perturbed to note that RRY did not take off due to issues associated with lending to the informal sectors e.g. high risk perception with respect to the beneficiaries; banking procedures calling for mortgageable titles to land, approved plans, authenticated income certificates, stringent know- your- customer's norms, etc. Further, the mode of reimbursements to the Banks and financial institutions was also complicated.

The Committee have been informed that the Government is in the process of launching the new Housing mission namely Housing for All. It is felt that it would be appropriate to make the interest subsidy scheme namely Credit Linked Subsidy Scheme (CLSS) a sub component of the Housing Mission for better implementation. From the experience of earlier schemes like ISHUP and RRY, it is proposed to release upfront interest subsidy which would make the scheme more attractive to the financial institutions. It is also proposed to include more financial institutions like cooperative banks, housing financial institutions, micro financial institutions, etc. in the gambit of the scheme to make it more successful. In the new interest subsidy scheme, it is proposed to do away with income certification procedure by self-certification, which will be beneficial for people in the unorganized sector. In the proposed CLSS, Interest subvention is proposed to be increased from Rs.5 lakh (provision under RRY) as well as to

**provide for additional loans at unsubsidized rates. Similarly, the maximum cost of the dwelling units has been proposed to be increased from Rs.8 lakh as provided under RRY.**

**In view of the above, the Committee desire that the CLSS subcomponent of the Housing Mission be finalized and implemented at the earliest. The Committee also desire that all the stakeholders like State Governments, ULBs, Financial institutions and beneficiaries should be encouraged to take advantage of the scheme in a big way.**

**9. TECHNICAL ASSISTANCE FROM DEPARTMENT FOR INTERNATIONAL DEVELOPMENT FOR SUPPORT TO NATIONAL POLICIES FOR URBAN POVERTY REDUCTION (SNPUPR)**

The Committee observe that SNPUPR, a joint initiative of the Ministry of Housing and Urban Poverty Alleviation and UK Government had commenced in July 2010 with a budget of £ 14.5 million to assist National Programme being implemented to benefit the urban poor by providing technical support. The Committee are distressed to note that during the period 2010-11 to 2014-15, the BE allocation was Rs. 59.08 Crore, the RE allocation was Rs. 27.17 Crore, while the actual expenditure was just Rs. 14.41 Crore. There is nil allocation during the year 2015-16 as the proposed allocation of Rs. 19.67 crore was not agreed to by the Ministry of Finance. The less expenditure during the year 2010-11 was because of late selection of cities, delay in the commencement of PMU and Challenge Fund. lukewarm responses of ULBs as well as delays in finalizing the concept and operational manual. On a query of the Committee about the advance planning for meaningful implementation of the scheme, the Ministry has assured that while planning for Housing for All by 2022, steps would be taken to incorporate lessons learnt from earlier schemes to consider stake holders' recommendations and to plan adequately so that implementation is ensured in a seamless fashion. It is however noted at the same time, that the states/UTs being the implementing agencies, proactiveness and dynamism of States is essential to put the plans and guidelines of Government of India into action. Therefore, the Committee wish to impress upon the Ministry to take concerted steps to finalize the new mission at the earliest and take proactive role for meaningful implementation of the schemes.

#### **10. Study on impact of investment in the Housing Sector on GDP and employment in the Indian Economy**

The Committee observe that a study to understand the impact of investment in housing and construction on both employment and income has been carried out by the Ministry through the National Council for Applied Economic Research (NCAER). The Report has been submitted to the Ministry on 25<sup>th</sup> February, 2014. Based on the recommendations of the Report, the Ministry has requested the Ministry of Finance for inclusion of “affordable housing” in the harmonized master list of infrastructure sub-sections as housing contributes significantly to the GDP. The response of the Ministry of Finance is still awaited. Therefore, the Committee desire the Ministry to pursue this matter with the Finance Ministry at the highest level. The Committee further observe that skill development and enhancing employment has been included as focus areas under NULM Scheme of this Ministry. The Committee also note that 99.41% of the jobs in housing sector are informal jobs. The Committee in their 2<sup>nd</sup> Report had desired that the Ministry of HUPA should strive to provide skill development training on housing sector to the urban unemployed youth through NULM to enable them to avail of the job opportunities being provided in the housing sector thereby facilitating in alleviating the urban poverty. When asked about the progress made in this regard the Committee are given to understand that State Urban Livelihood Mission(SULM) are required to identify the trades for training under ESTP as per local demand of the various agencies. The Committee are not in agreement with the plea of the Government in this regard. They desire that the Centre should identify the trade and bring out detailed information of various States including construction sector in which training can be provided by SULMS which would subsequently help in providing job opportunities.

### **11. Foreign Direct Investment (FDI)**

The Committee observe that the Government of India has permitted Foreign Direct Investment (FDI) through automation route in construction and development sector. The FDI covers development of townships, housing, built-up infrastructure and construction-development related projects. The Ministry has stated that Department of Industrial Promotion and Policy (DIPP) under Ministry of Industry & Commerce, issues guidelines in regard to Foreign Direct Investment (FDI). DIPP also publishes various data on sector-wise FDI inflows in their Fact sheets regularly. Statement on Sector-Wise FDI Equity Inflows from April 2000 to December 2014 shows that inflows in Construction Development: Townships, Housing, Built-Up Infrastructure and Construction-Development Projects are 112,821.03 crore and it is 10.06% of total inflows. The Ministry of Housing & Urban Poverty Alleviation, on its part, has not undertaken any survey to assess the impact on FDI inflows into housing sector.

The Committee were apprised that the data on sector wise FDI inflows in the fact sheet, released by DIPP, is not sufficient to analyze the real impact on the housing sector.

The Committee are dismayed to note that even after knowing this fact no survey has been undertaken by the Ministry to assess the impact on FDI inflows into housing sector and especially with reference to urban poor. Keeping in view the fact that the 96 per cent of shortage in India are related to the EWS and LIG segment, the Committee are of the view that there is an urgent need to conduct such study so that the real impact of FDI in housing especially with reference to housing for urban poor can be assessed.

In this regard, they are of the view that if the data by DIPP is not sufficient to analyze the real impact on housing sector, the Ministry should request the DIPP to collect the data exclusively on FDI in housing sector, so that the impact assessment can be done.

## **12. REAL ESTATE AND REGULATORY AUTHORITY (RERA) BILL**

The Real Estate (Regulation and Development) Bill, 2013 was introduced in the Parliament by Government on 14<sup>th</sup> August, 2013 after wide consultations with all the stakeholders. The Bill was referred to the Standing Committee on Urban Development for examination and report. The Committee after having wide consultations with all the stakeholders had given an objective report to the Parliament on 17<sup>th</sup> February, 2014.

The Committee had earlier recommended that reintroduction of the Bill in the Parliament should be expedited because real estate sector is highly unregulated and the common man is being harassed by the builders and their associations. The Committee have been apprised by the Ministry that a Cabinet Note has been resubmitted after incorporating amendments. In this regard stakeholders and the Attorney General have been consulted. During oral deposition, the Secretary Ministry of HUPA has apprised the Committee that the Ministry has adopted a policy structure which includes Real Estate and Regulatory Authority Bill to ensure good governance, greater flow of FDI in Housing Sector and thereby facilitating to increase the supply of Housing. The Committee hope that the Ministry would push through this proposal and get it passed in the current budget Session of the Parliament which would go a long way in giving relief to the common people who are being continually harassed at the hands of unscrupulous builders' lobby and increase the supply of Housing to the urban population.

### **13. Central Government Employees Welfare Housing Organisation (CGEWHO)**

**CGEWHO, is a welfare organization under the Ministry of Housing and Poverty alleviation for construction of dwelling units exclusively for the Central Government Employees on No- profit – no loss basis.**

**The Committee are constrained to note that the Governing Council CGEWHO as well as Ministry of HUPA has decided not to proceed further turnkey projects since there is no government land allotment. CGEWHO could not fulfil the earlier commitments at 6 stations for which demand survey was conducted in 2009 and no demand survey has been conducted after that.**

**Pertaining to the poor performance of CGEWHO, the Committee have been apprised that the projects taken up by CGEWHO could not progress as planned due to financial constraints, delay in obtaining approvals from various statutory authorities including (Environmental Impact Assessment) EIA and shortage of manpower and materials at various stations. CGEWHO had taken up various measures and completed 7 projects during 2012- 2014. CGEWHO is also putting up all its efforts to complete two projects at Greater Noida and Sahebzada Ajit Singh Nagar, Mohali where planning permission, EIA clearances, etc., are under process.**

**With regard to taking up new projects in various States, Governing Council, CGEWHO had decided not to take up turnkey projects. Letters have been written to Chief Secretaries of Maharashtra, Rajasthan, Uttarakhand, Bihar, Kerala, Chhattisgarh, Andhra Pradesh as well as Administrator, of Chandigarh for allotment of suitable land at different locations. However, no response for allotment of land has yet been received.**

**While appreciating the initiatives taken by the Government in this regard the Committee desire that the allotment of encumbrance free land for CGEWHO should be taken up with all the States throughout the country simultaneously and also issue necessary instructions in this regard at the earliest.**



**The Committee strongly feel that these steps will help in augmenting availability of land either through further acquisition or removal of encroachment of the Government land. This would accomplish its goal of "Housing for All by 2022."**

#### **14. NATIONAL SCHEME FOR SUPPORT TO STREET VENDORS**

The Committee note that the 'Street Vendors Protection of Livelihood and Regulation of Street Vending Act', has come into effect in May, 2015. As per the provision of the Act, it is statutory responsibility of the States and UTs to notify rule and scheme to implement the Act. The Minister for Housing and Urban Poverty alleviation had requested all the States to take immediate action for implementation of the Street Vendors Act in their States. Besides, the Ministry has discussed this matter in all video conference meetings with the States and field visits, workshops held in the States. So far 19 States/UTs have furnished their information. Out of 35 States /UTs except for Andhra Pradesh, Chhatisgarh, J&K, Karnataka, Madhya Pradesh, Tamil Nadu, Maharashtra, Telengana vendors survey has been started in few cities. The position with regard to other cities is distressing.

As per the Operational Guidelines of Support to Urban Street Vendors (SUSV), financial support will be provided to the ULBs for conducting of survey for identification and enlisting of street vendors. The ULB may also choose to complete the survey in a phased manner, covering one area (ward/ zone/ specified part of city) at a time. In this case, the area identified should be sufficiently large to accommodate mobility of vendors within the area. As per Monthly Progress Reports (MPRs) received from the States/ UTs, at present 182 cities of 11 States have completed the survey. The Ministry has awarded the work of drafting Model Rules, Scheme and Bye-laws to All India Institute of Local Self Government(AIILSG), Mumbai so that Model Rules, Scheme and Bye-laws are available to help the States.

Keeping in view the vulnerability of this section of society to harassment, the Committee desire that the concerned States/UT Governments should be impressed upon the urgency to be attached to this important legislation.

#### **15. Budgetary Allocation for National Urban Livelihood Mission (NULM)**

The Committee observe that the Ministry of Housing and Urban Poverty Alleviation has launched National Urban Renewal Mission (NULM) in the 12<sup>th</sup> Five Year Plan w.e.f., 24<sup>th</sup> September 2013 by replacing the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY).

Against the total allocation of 3604.00 crore at BE from 2011-12 to 2014-15, the allocation at RE is 3015.49 crore and the actual expenditure is 2868.98 crore. Pertaining to such low financial and physical achievement, the Committee are apprised that NULM was launched in September 2013 to replace SJSRY. As a result many new features were added to NULM guidelines to ensure that the benefits of the scheme reach the urban poor more effectively. Consequently States took time to take approval of competent authorities for implementation of NULM as per new guidelines. Empanelment of resources organizations skill training provided and Certification Agencies (C.A.s) required issue of Request for Proposals(RFPs) and assessment of technical bids etc., are the time consuming process.

In view of the above, the Committee desire the Ministry to impress upon the State Governments to complete all the procedural formalities in a prescribed time-frame and achieve the physical and financial target without any further delay.

#### **16. Governing Council of NULM**

As per the NULM mission document, NULM will have a Governing Council(GC) chaired by the Minister of Housing and Urban Poverty Alleviation which will be the policy making body setting overall vision and providing direction to the mission, consistent with national objectives. However, the Executive Committee(EC) under the Chairmanship of Secretary, Housing and Urban Poverty Alleviation, Government of India will oversee the activities of the mission and monitor progress. For reviewing the activities of the mission an executive Committee meeting was held on 29 December, 2014. Meeting of the Governing Council at the central level would also be convened shortly.

With regard to status of meetings of the Governing Councils, the Ministry stated that at the National Level, 3 State Ministers and 3 Representatives from Civil Society /Industry Associations/Livelihood Experts are to be nominated. After the completion of nominations, the meeting of GC will be fixed. At the State Level, Governing Councils have been constituted in 12 states. Other States have been asked to form GC's at the earliest.

The Committee are finding it hard to understand, that with this tardy pace, how the Ministry will monitor the progress of NULM in an effective way. The Committee also note that there is a shortfall in achievement of physical and financial progress of NULM. In view of the above, the Committee wish to emphasise that the Ministry should impress upon the State Governments to complete all the formalities to constitute GCs in all the States and convene the meetings at regular interval. The Committee also desire that the findings/outcome thereof should be taken seriously in making further improvement in the implementation of NULM.

### **17. Skill Training and Placement (EST&P) under NULM**

One of the important components under NULM is Employment through Skill Training & Placement (EST&P). Under this the objective is to target the urban poor who are occupationally vulnerable for employment through Skills Training & Placement and provide training to the urban poor as per the skill demand from the market so that they can set up self employment venture or secure salaried employment. In this regard the Committee have been informed that National Skill Development Corporation (NSDC) has conducted district-wise Skill Gap Analysis (SGA) for all the States. The analysis was being used by some States, while other States have initiated the process of having skill gap analyzed through other agencies. The Committee are of the view that since this is an important component of NULM, the Ministry should ensure that all the State Governments complete the SGA and regularly update the same as per the changing scenario of job requirements.

The Committee are perturbed to note that despite their repeated recommendations to amend the EST&P guidelines to enhance the period of tracking to include all the successful candidates, the Ministry has not initiated any steps. In its reply, the Ministry has stated that tracking period by STP has been kept for a period of six months with the anticipation that after 6 months the candidates will become self-reliant. However, the Committee are of the view that under prevailing circumstances of getting into job or availing a loan for starting one's own business, majority of the trained candidates cannot become self reliant within such a short period of six months. Therefore, the Committee once again recommend the Ministry to enhance the tracking period and to track all the successful candidates.

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

The Committee in their 2<sup>nd</sup> Report (16<sup>th</sup> Lok Sabha) had observed that the Housing sector is the fourth largest employment generating sector in the country and contributes significantly to the GDP. The Committee are appreciative of the fact that skill development and enhancing employment, which is one of the components of NULM, has been included as the focus area under the NULM Scheme of the Ministry of Housing and Urban Poverty Alleviation. As proposed by the Ministry, the Committee desire that, if needed, specific percentage of funds be allocated to this field. The Committee are given to understand that the budgetary support under NULM has been enhanced substantially so as to provide more support to States for urban poverty alleviation.

The Committee were given to understand that third party certification acceptable to the industry has also been introduced. In order to provide better credit availability to micro-enterprises, a task force, with lead bank manager as one of the members, for short-listing of applications has been introduced which is likely to reduce the rejection rate by the banks and other financial institutions. The Committee on the basis of above observation and keeping in view the fact that need of Urban Housing is immense in our country, had strongly recommended that special emphasis be laid on skill development and employment enhancement in construction sector (including the housing sector), under NULM to fully tap the potential of young work force available in the country and apprised them the steps taken by the Ministry in this regard.

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

As various schemes of the Ministry are lagging behind because of lack of capacity building of ULBs and fund constraints, by simply leaving it to SULMs, will

further delay the task. Therefore the Committee strongly feel that Central Ministry should take the onus of identifying the trades for the training under EST&P as per local demands and help the SULMs in this regard by bringing out detailed information of various trades including construction sector in which training can be provided by SULMs.

**19. PROJECTS/SCHEMES FOR THE DEVELOPMENT OF NORTH EASTERN STATES, INCLUDING SIKKIM UNDER 10% LUMP-SUM PROVISION FOR THIS PURPOSE**

The Ministry of Housing & Urban Poverty Alleviation is concerned with the project proposals for the North Eastern States in the following identified areas;

- i) Housing projects (predominantly for the urban poor)
- ii) Poverty alleviation projects
- iii) Slum improvement/upgradation projects

The Committee observe that during the year 2014-15, the budgetary allocation was slashed from Rs. 50.00 crore to 40.00 crore while the actual expenditure was Rs. 30.92 crore upto 31 January 2015. The Committee have been informed that the following reasons are attributed for less allocation at RE and less actual expenditure:

“(i) The budgetary allocation under NULM was slashed for the FY 2014-15 from Rs 1003 crore to Rs 733 crore, as a consequence of which the allocation to 10% Lumpsum Scheme to NE States for the year was proportionally reduced.

(ii) The DPRs submitted by the States were found wanting in many details and lot of modifications are required to be done after first appraisal. This delays sanction of new projects.

(iii) It has been instructed by Ministry of Finance that for executing agencies other than State Governments, no funds shall be released if UC is pending in any of the Projects. For projects being executed by NBCC, this has become a constraint in release of funds. This has further led to lower utilisation of funds.”



The Committee further observe from the reply of the Ministry that the projects of the North-Eastern States are demand driven and as such no targets are fixed. In order to have a meaningful utilization of the budget and to motivate the State Governments for improving the living conditions of people in North-Eastern States, the Committee desire the Ministry to strive hard to bring in awareness among the target groups through audio visual medium and advertisements. It could also consider re-modelling the financing pattern if that is an impediment and also identify different local needs falling within the scheme.

## **20. HINDUSTAN PREFAB LIMITED (HPL)**

Hindustan Prefab Limited an ISO 9001:2008 is a scheduled 'C' Central Public Sector Enterprise under administrative control of Ministry of Housing & Urban Poverty Alleviation. It is engaged in the execution of projects on Turnkey basis, i.e. from concept to completion on Project Management Consultancy. HPL is currently providing Project Management Consultancy (PMC) for construction of projects in 15 States awarded to it through various State Governments and its agencies.

HPL has signed an MoU with Construction Industry Development Council (CIDC) to promote the adoption of prefabricated and pre-engineered technologies for achieving fast track construction especially for the attainment of the goal of providing 'Housing for all by 2022'.

The Committee are happy to note HPL is currently engaged as a Project Management Consultant (PMC) for undertaking projects using both conventional and prefab technologies. The decision to use the technologies rests with the clients. HPL on its part has been advocating adoption of prefab technologies in the respective projects. In the current year, HPL has taken up works of construction of schools toilets under “Swachh Bharat Abhiyaan”, where the construction is being undertaken using prefab technologies. Under the scheme, HPL is executing the works on behalf of major PSUs like Power Grid Corporation of India Limited (PGCIL), Power Finance Corporation (PFC), Northern Coalfields Limited (NCL), MSTC Limited, etc wherein nearly 15,000 toilets are being taken up.

Further, HPL has also been advocating rapid construction technologies using prefab options. In the current year, HPL is executing various construction projects for NIT Jote, in Arunachal Pradesh by using pre-engineered building (PEB) concept costing about Rs.65 crore. HPL has been taking up with its clients and stakeholders for extensive use of prefab technologies and is hopeful of getting major prefab works in the coming year.

Towards promoting HPL technology the Committee are happy to note that, HPL in coordination with the BMTPC is planning to set up an Integrated Prefab Technology Park at HPL Campus, New Delhi for displaying technologies and materials and also disseminating information on emerging construction technology, disaster resistance, sustainable building materials for cost effective and faster construction primarily focusing on prefab. This could act as a technology hub and incubation centre for prefab technologies. Further HPL would also take all supportive actions in close association with Building Materials and Technology Promotion Council (BMTPC) an autonomous organization under the Ministry for development of low cost technology in Housing. Efforts will be made to bring necessary changes in schedule of rates by consulting with the Government construction agencies. Towards promoting the prefab would be taking up of the activities such as organizing seminars and exhibitions which is also one of the parameters in the MOU to be signed with the Ministry of HUPA for the year 2015-16.

The Committee hope these steps would definitely promote the HPL technology in a right direction to minimize time and cost overrun. However, the Committee are constrained to note that still the cost of prefab technologies are significantly higher when compared to the conventional technologies since their demand is still very low, and only with increased volumes the cost will come down in the long run.

The Committee therefore wish to reiterate their earlier recommendation that the Ministry of HUPA should take concerted efforts and strive vigorously to change the mind set of all concerned engaged with construction agencies and complete all the projects without cost and time overrun by adopting Prefab technologies. For this the Committee desire the Ministry to bring necessary changes in schedule rates of the Govt. agencies and strive vigorously to popularize these technologies through seminars, video conferencing and advertisements.

## **21. BMTPC**

The Committee note that the National Urban Housing and Habitat Policy 2007 stresses the need for construction of demonstration houses in order to provide thrust to the technology dissemination activities in different regions of the country. Therefore, the Council besides providing technical assistance to large housing projects using cost effective housing technologies, proposes to showcase Innovative, Green and Disaster Resistant Technologies through Demonstration Construction in different region.

Under the proposed new Housing Mission, BMTPC would be working in these areas. Its role would be to enable construction with speed and quality and with due care towards structural, functional and environmental requirements under housing for all. During the year 2014-15 the grants-in aid received from the Ministry was Rs.4.99 crore. The internal revenue generation is Rs. 3.46 crore. The total expenditure is Rs. 7.65 crore. The BE for the year 2015-16 is Rs. 5.00 crore only. The Committee are constrained to note that at present, the activities of the Council have been restricted keeeping in view the grants sanctioned and the external cash flow generated during relevant year. Further, the role of BMTPC will be more challenging in view of the Housing for All by 2022.

The present budgetary support and revenue generation by BMTPC is bare minimum to enhance the activities of BMTPC. In this connection, the Committee in their earlier Reports have been recommending to enhance the budgetary support. The Committee are distressed to note that Ministry has not enhanced the budgetary allocation during the current financial year. Therefore, the Committee reiterate their earlier recommendation to strengthen BMTPC by providing sufficient financial support.

## **22. HUDCO**

The Committee are given to understand that under Corporate Social Responsibility (CSR) activities HUDCO has undertaken initiative to provide community toilet and have sanctioned CSR assistance worth Rs. 237.72 lakh out of which CSR assistance of only 128.63 lakh has been disbursed to the implementing agencies and further instalments would be released after receipt of Utilization Certificates for the CSR assistance already released. In this regard, the Committee desire that HUDCO should vigorously pursue such projects where the physical targets are not achieved, which would go a long way under the Government of India's Swachh Bharat Abhiyan and also towards ending open defecation.

In respect of Night Shelters under HUDCO CSR activities, out of the sanctioned CSR assistance of Rs. 1782.18 lakh, CSR assistance of Rs. 540.86 lakh has been disbursed for due installments and further instalments shall be released after receipt of utilization certificate for the CSR assistance already disbursed and physical progress report from the concerned agencies. However, in few proposals, agencies concerned could not achieve required physical/financial progress and submit the utilization certificate for the CSR assistance released due to delay in obtaining required approvals, finalization of tenders etc. resulting in delay in implementation of the proposals and consequent release of subsequent instalments of the CSR assistance.

Out of the 55 Night Shelters sanctioned in 16 states, 14 night shelters have been completed, works for 16 night shelters are in different stages of execution and construction work for 25 night shelters is yet to be taken up.

The Committee desire that HUDCO should take proactive measures in this regard to monitor the projects for their timely implementation and release the sanctioned CSR assistance on time.

NEW DELHI;

10 April, 2015  
20 Chaitra(Saka)1937

Pinaki Misra  
Chairperson,  
Standing Committee on Urban Development

**STANDING COMMITTEE ON URBAN DEVELOPMENT (2014-2015)**

**MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE HELD ON FRIDAY,  
27<sup>TH</sup> MARCH, 2015.**

The Committee sat on Friday, the 27<sup>th</sup> March, 2015 from 1430 hrs. to 1630 hrs. in Committee Room No. '62', Parliament House, New Delhi.

**PRESENT**

***Shri Pinaki Misra - Chairperson***

**MEMBERS**

**LOK SABHA**

2. Shri Rajendra Agrawal
3. Shri Ramesh Bidhuri
4. Shri Ram Charan Bohra
5. Shri Maheish Girri
6. Shri R.Gopalakrishnan
7. Shri Choudhury Mohan Jatua
8. Smt. Meenakshi Lekhi
9. Shri P.C. Mohan
10. Shri Kesineni Nani
11. Shri K. Parasuraman
12. Shri Kapil Moreshwar Patil
13. Shri Rahul Ramesh Shewale
14. Prof. K. V. Thomas
15. Shri Parvesh Sahib Singh Verma
16. Dr. Dharam Vira

**RAJYA SABHA**

17. Shri Anil Desai
18. Shri Parvez Hashmi
19. Md. Nadimul Haque
20. Shri Mukul Roy
21. Shri Rangasayee Ramakrishna
22. Shri C.P. Thakur
23. Shri S.Thangavelu

**SECRETARIAT**

- |    |                      |   |                     |
|----|----------------------|---|---------------------|
| 1. | Shri D.S. Malha      | - | Director            |
| 2. | Smt. J.M. Sinha      | - | Additional Director |
| 3. | Smt. K. Rangamani N. | - | Under Secretary     |

**LIST OF WITNESSES**

S. No.	Name of the Officer	Designation
1.	Dr. Nandita Chatterjee	Secretary (HUPA)
2.	Ms. Jhanja Tripathy	Joint Secretary & Financial Advisor
3.	Shri Brij Kumar Aggrwal	Joint Secretary, UPA
4.	Shri Sanjeev Kumar	Joint Secretary & MD, JN & RAY
5.	Shri Rajiv Ranjan Mishra	Joint Secretary
6.	Shri Pradeep Kumar Berwah	Chief Controller of Accounts
7.	Shri S.K. Tiwari	Economic Advisor
8.	Shri S.B. Sinha	Director, Budget
9.	Shri Premjit Lal	Director, Housing
10.	Ms. Archana Mittal	Director, UPA
11.	Ms. Alka Selot Asthana	Director, JN & RAY
12.	Shri Animesh Bharti	Director, NBO
13.	Shri M. Ravi Kanth	CMD, HUDCO
14.	Shri Rajesh Goel	CMD, HPL
15.	Dr. Shailash Kumar Aggrawal	Executive Director
16.	Shri Akhilesh Kumar	CEO, CGEWHO (Addl. Charge)
17.	Shri Arnab Roy	Executive Director, NHB
18.	Shri Lalit Kumar	General Manager, NHB
19.	Shri N.S. Mehra	General Manager, NCHF

2. At the outset, the Hon'ble Chairperson welcomed all the Members to the eighth sitting of the Committee. Then Hon'ble Chairperson welcomed the representatives of the Ministry of Housing and Urban Poverty Alleviation and drew their attention towards Direction 59(1) of the Directions by the Speaker.

3. The Secretary of the Ministry then made a presentation on overall demands of the Ministry, various on-going projects and explained in detail on the status of the projects and the budgetary allocation made towards implemetation of various schemes and projects, Viz Housing for All Mission JNNURM, RAY, NULM, RRY, Affordable Housing, Protection of Street Vendors, Real Estate Regulation Bill etc.



4. The Committee expressed their concern on the drastic reduction in Budget Allocation from Rs. 6008 crore to Rs.3413 crore, and under utilisation of funds, which was likely to hamper the important social sector programmes being implemented during the current year. They also expressed concern over the fact that the entire year would be spent in setting up Affordable Housing Policy, Rental Housing Policy, Model Tenant Act and the Regulatory Bill. The Committee further deliberated upon insitu re-development of slums for urban poor, provision of public toilets all along the highways, securing land from encroachers under slum Rehabilitation Programme and provide them houses built by DDA, which are lying vacant thereby demolishing Jhuggis with complete coverage through satellite mapping to ensure no further encroachment of the Government Land etc.

5. The Secretary of the Ministry of Housing and Urban Poverty Alleviation and other representatives responded to the issues raised by the Members one by one. The Committee directed the representatives of the Ministry to furnish written replies to the queries of the Members to the Lok Sabha Secretariat on which they could not respond during the meeting.

The witnesses then withdrew.

A verbatim record of the proceedings of the Sitting has been kept.

The Committee then adjourned.

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**STANDING COMMITTEE ON URBAN DEVELOPMENT (2014-2015)**

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

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

**PRESENT**

Shri Pinaki Misra        -        *Chairperson*

***MEMBERS***

**LOK SABHA**

2. Shri Rajendra Agrawal
3. Shri Ramesh Bidhuri
4. Shri Ram Charan Bohra
5. Shri Dushyant Chautala
6. Shri Maheish Girri
7. Shri R. Gopalakrishnan
8. Shri Chaudhary Mohan Jatua
9. Smt. Meenakashi Lekhi
10. Smt. Poonam Mahajan
11. Shri Kesineni Nani
12. Shri C.R. Patil
13. Shri Kapil Moreshwar Patil
14. Shri Rahul Ramesh Shewale
15. Dr. Dharam Vira

**RAJYA SABHA**

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

**SECRETARIAT**

- |    |                      |   |                     |
|----|----------------------|---|---------------------|
| 1. | Shri D.S. Malha      | - | Director            |
| 2. | Smt. J. M. Sinha     | - | Additional Director |
| 3. | Smt. K. Rangamani N. | - | Under Secretary     |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration the following draft Reports:-

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

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

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

***The Committee then adjourned.***

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