

SEVENTEENTH REPORT
STANDING COMMITTEE ON URBAN
AND RURAL DEVELOPMENT
(2001)

(THIRTEENTH LOK SABHA)

MINISTRY OF URBAN DEVELOPMENT AND
POVERTY ALLEVIATION
(DEPARTMENT OF URBAN EMPLOYMENT AND
POVERTY ALLEVIATION)

DEMANDS FOR GRANTS
(2000-2001)

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

*Presented to Lok Sabha on 23.3.2001
Laid in Rajya Sabha on 23.3.2001*



LOK SABHA SECRETARIAT
NEW DELHI

March, 2001/Chaitra, 1923 (Saka)

COMMITTEE ON URBAN AND RURAL DEVELOPMENT (2001)

Corrigenda to the 17th Report (13th Lok Sabha)

Page	Para No.	Line	For	Read
1 4	2 10	6 8	28.18 by	2.18 any
15	-	7 from bottom	Delete	'in'
18	-	6 from bottom	decennial	decennial
22	-	10 from bottom	506.591	506,591
24	-	15 from bottom	HQFI's	HFI's
26	-	15 from bottom	<u>Delete</u> 'schemes were not approved (12 th Lok Sabha)'	
		16 from bottom	<u>Delete</u> 'that these three programme'	
36	-	12	time	line
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**COMPOSITION OF THE STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT (2001)**

Shri Anant Gangaram Geete — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mani Shankar Aiyar
3. Shri Padmanava Behera
4. Shri Jaswant Singh Bishnoi
5. Shri Ambati Brahmaniah
6. Shri Swadesh Chakraborty
7. Shri Haribhai Chaudhary
8. Shri Bal Krishna Chauhan
9. Prof. Kailasho Devi
10. Shrimati Hema Gamang
11. Shri Holkhorang Haokip
12. Shri R.L. Jalappa
13. Shri Babubhai K. Katara
14. Shri Madan Lal Khurana
15. Shri Shrichand Kriplani
16. Shri P.R. Kyndiah
17. Shri Bir Singh Mahato
18. Shri Punnulal Mohale
19. Dr. Ranjit Kumar Panja
20. Shri Ramchandra Paswan
21. Shri Chandresh Patel
22. Shri Dharam Raj Singh Patel
23. Prof. (Shrimati) A.K. Premajam
24. Shri Rajesh Ranjan
25. Shri Nikhilananda Sar
26. Shri Maheshwar Singh
27. Shri Chinmayanand Swami
28. Shri Sunder Lal Tiwari
29. Shri D. Venugopal
30. Shri Chintaman Wanaga

Rajya Sabha

31. Shri S. Agniraj
32. Shrimati Shabana Azmi
33. Shri Karnendu Bhattacharjee
34. Shri N.R. Dasari
35. Shri R.S. Gavai
36. Prof. A. Lakshmisagar
37. Shri C. Apok Jamir
38. Shri Faqir Chand Mullana
39. Shri Onward L. Nongtdu
40. Shri A. Vijaya Raghavan
41. Shri N. Rajendran
42. Shri Solipeta Ramachandra Reddy
43. Shri Man Mohan Samal
44. Shri Suryabhan Patil Vahadane
45. Vacant

SECRETARIAT

1. Shri S.C. Rastogi — *Joint Secretary*
2. Shri K. Chakraborty — *Deputy Secretary*
3. Shrimati Sudesh Luthra — *Under Secretary*
4. Shri P.V.L.N. Murthy — *Assistant Director*

INTRODUCTION

I, the Chairman of the Standing Committee on Urban and Rural Development (2001) having been authorised by the Committee to submit the Report on their behalf, present the Seventeenth Report on action taken by the Government on the recommendations contained in the Ninth Report of the Standing Committee on Urban and Rural Development (Thirteenth Lok Sabha) on Demands for Grants (2000-2001) of the Department of Urban Employment and Poverty Alleviation of the Ministry of Urban Development and Poverty Alleviation.

2. The Ninth Report was presented to Lok Sabha on 24th April, 2000. The replies of the Government to all the recommendations contained in the Report were received on 31st July, 2000.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 7th March, 2001.

4. An analysis of the action taken by the Government on the recommendations contained in the Ninth Report of the Committee (Thirteenth Lok Sabha) is given in *Appendix IX*.

NEW DELHI;
16 March, 2001
25 Phalgun, 1922 (Saka)

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

CHAPTER I

REPORT

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

2. Action Taken notes have been received from the Government in respect of all the 25 recommendations which have been categorised as follows:

- (i) Recommendations which have been accepted by the Government:
Para Nos.: 1.15, 1.16, 1.17, 2.16, 2.17, 28.18, 2.25, 2.26, 2.31, 2.32, 2.38, 2.60, 2.61, 2.64, 3.9, 3.17, 3.18, 3.21, 3.22, 4.4 and 4.11
- (ii) Recommendations which the Committee do not desire to pursue in view of Government's replies:
Para No.: 2.59
- (iii) Recommendations in respect of which replies of the Government have not been accepted by the Committee:
Para Nos.: 2.49, 4.19 and 4.20
- (iv) Recommendations in respect of which final replies of the Government are still awaited:
Para No.: Nil

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

A. Role of Banks in implementation of Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

Recommendation (Para Nos. 2.16, 2.17 and 2.18)

4. The Committee earlier recommended as under:—

"The Committee observe that SJSRY is the major Urban Poverty Alleviation Programme under implementation by the Government in all States/UTs. The Committee, however, are constrained to observe that SJSRY which is being implemented from 1.12.1997 in the revised format after merging the earlier UPA Programmes, has not picked up momentum....The Ministry attributed the poor utilisation of funds under SJSRY to huge unspent balances with States and at the same time asserted that performance under sub-schemes of the Yojana would not be adversely affected by reduced allocations which appears to be totally contradictory to each other.

.....The Committee observe that States have failed to utilise the unspent balances of earlier UPA Programmes fully for various reasons out of which the chief reason is that the Infrastructural support was lacking due to non-setting up of SUDAs and DUDAs, frequent reshuffling of personnel, insufficient training, difficulty in getting adequate cooperation from bankers and their reluctance to sanction loans to prospective beneficiaries under USEP and to top them all, according low priority to SJSRY by the States.

The Committee find their apprehensions as expressed by them in their 23rd Report (12th Lok Sabha) on Demands for Grants (1999-2000) with regard to negative role of bankers and their attitude of non-cooperation etc. have again become one of the prime *raison d'etre* for the slow progress of the Yojana. They, therefore, desire that the Ministry should take steps to motivate the States to accord high priority to the implementation of the Yojana as the Ministry themselves were unhappy with the way the Yojana started and also were not fully satisfied with the state of its implementation by States. The Ministry should take up with the Ministry of Finance with regard to the negative and non-cooperative attitude of banks....."

5. The Government in their reply stated as follows:—

".....On the issue of non-cooperation by the Banks in providing loans under SJRSY, a meeting of High Level Monitoring Committee was held on 03.05.2000 under the Chairmanship of Hon'ble Minister with the representatives of Reserve Bank of India and main commercial Banks and some of the State representatives. A letter was also written at the level of Minister to Hon'ble Finance Minister on 03.12.1999 suggesting a separate institutional arrangement dedicated to funding Urban Poverty Schemes on the lines of NABARD, which would ensure committed funds for this sector. It has also been indicated therein that in case, for some reasons, such separate institution is not feasible strict instructions may be given at least to the nationalised banks to set aside perhaps 5% of their priority sector funds for the Urban Poverty Schemes.

Recently, a letter was issued on 19.05.2000 to the Ministry of Finance for taking up the matter with all the banks through Reserve Bank of India for extending full cooperation to the beneficiaries in sanctioning of loans under SJSRY, so that, the scheme progresses well.

Further instructions have been given to States/UTs granting more flexibility in the implementation of SJSRY to suit local needs, as an interim measure, till the modified guidelines of SJSRY come into place, reallocation has been allowed within the different components based on local needs provided such expenditure is justified on the grounds of providing sustained employment to the urban poor."

6. The Committee appreciate the proposal made by the Department of Urban Employment and Poverty Alleviation to create a separate institutional arrangement dedicated to funding of urban poverty schemes on the lines of NABARD, which the Committee opine, would go a long way in securing committed funds for this sector. They hope that the suggestion will receive a positive response from the Ministry of Finance and the proposed institutional arrangement will take shape within the shortest possible time. However, till a separate institutional arrangement for funding of Urban Poverty Schemes has taken shape, the Committee hope the Banks will be instructed, as decided at the High Level Monitoring Committee meeting to set aside 5% of their priority sector funds for Urban Poverty Schemes. The Committee may be kept informed about the steps taken on the above line so that there is no paucity of funds in future for Urban Poverty Schemes.

B. Completion of house to house survey under SJSRY

Recommendation (Para Nos. 2.31 and 2.32)

7. The Committee earlier recommended as follows:—

"The Committee note that house to house surveys, spatial mapping and establishment of Community structure etc. are being done as preliminary stages towards implementing the SJSRY.It is, however, disconcerting to note that while allowing flexibility to States to complete house to house surveys in a phased manner, no time frame has been specified for completing the survey.....

.....The Committee, therefore, recommend that Government should closely interact with the States which are lagging behind in implementation of SJSRY and if feasible, take assistance of the enumerators deployed by the States for carrying out the decennial Census work under the Yojana so that within the next six months the exercise is completed....."

8. The Government in their reply stated as noted below:—

“The defaulting States/UTs have been requested *vide* this Ministry’s letter dated 12.06.2000 to complete the house to house survey under SJSRY by September, 2000.”

9. The Committee hope that the defaulting States/UTs might have completed the House to House survey under SJSRY by September, 2000 as was required by Government of India. The Committee would like to be informed of the present status of the Survey.

C. Monitoring of the implementation of SJSRY

Recommendation (Para No. 2.38)

10. The Committee observed earlier as noted below:—

“The SJSRY is monitored by holding periodic reviews and field level checking by officers of the Ministry.A seven member Committee headed by Joint Secretary (UEPA) has been constituted on 22.12.1999 to review the guidelines of SJSRY in totality in view of the difficulties faced by States in implementing the SJSRY.The Committee note that the Government have not specified by deadline for the review Committee to complete their task. The Committee urge that the review of the guidelines of the Yojana be completed within a stipulated time frame by the Committee without further delay.”

11. The Government in their action taken reply stated:—

“The Ministry has issued a notification on 22nd December, 1999 for the constitution of Core Group under the Chairmanship of Joint Secretary to review all the aspects of the implementation of SJSRY including the best manner of utilisation of unspent balances of old UPA Programmes and to *inter-alia* suggest modifications in the SJSRY guidelines for making it more effective and to facilitate its implementation by the State Governments.

“The consultations with the Planning Commission are on to finalise the report.”

12. The Committee note that the Government, in their action taken reply have virtually repeated the earlier position. More than one year has elapsed since the Committee had been constituted but the reply is still silent as to the time limit, if any, fixed for the Review Committee to complete its task. The Committee are concerned that consultation are still on and the report is yet to be finalised. The Committee will like to be apprised of the status of the report of the Review Committee which was being finalised in consultation with the Planning Commission.

D. Implementation of National Slum Development Programme (NSDP)

Recommendation (Para No. 2.49)

13. The Committee recommended earlier as follows:—

“.....The Committee in their 3rd and 23rd Reports (12th Lok Sabha) and 2nd and 5th Action Taken Reports (13th Lok Sabha) have already expressed their displeasure with regard to the peculiar nature and complex arrangement of the different aspects of allocations and release of funds and monitoring of the programme and the lack of a co-ordinated approach to the whole problem by the Government.The continuing dichotomy in this regard has a serious damaging effect on the implementation of the NSDP. In case, the Department of Expenditure would like to retain with them the function relating to the release of funds under this programme, then the function relating to monitoring of the programme should be transferred to the Department of Expenditure for effective implementation of NSDP. The Committee, therefore, desire the Government to take a firm decision in this regard within three months and communicate to the Committee, the action taken in this direction. The Government have also stated that since matching contribution is involved in all centrally sponsored schemes. The States are not interested in more and more centrally sponsored programmes. The Government have stated that this is one of the reasons for keeping the NSDP funded by DOE and monitored by the Ministry of UEP. The Committee are not inclined to accept the specious plea of the Government that in case the funding and monitoring of a programme is done by a single Ministry, the programme will become a centrally sponsored scheme. In case, the States are not agreeable to more and more sponsored schemes, the Government may consider placing this NSDP as a programme in the State sector. However, the dichotomy as aforesaid shall have to be removed. They feel that the guidelines be modified to provide for an active role for the wards committees in implementing the NSDP.”

14. The Government in their reply stated as under:—

“.....The recommendations of the Committee have been noted. The Planning Commission have been requested to convene a meeting of senior level officers of this Ministry and the Department of Expenditure, Ministry of Finance to discuss and take a firm decision on the recommendations of the Hon’ble Committee within three months, *vide* our letter dated 8.5.2000. The decision of the Government will be communicated to the Committee at the earliest.”

15. The Committee note that the Planning Commission was requested to convene a meeting of senior level officers of the concerned Ministries to take a firm decision on their recommendations by August, 2000. Though the reply was furnished on 31st July, 2000, it does not indicate the latest position in this regard. The Committee hope that by now, some decision would have been taken by the Government on their recommendation. They will like to be apprised of the same.

E. Strategy on Urban Housing

Recommendation (Para No. 2.64)

16. The Committee recommended earlier as follows:—

“The Committee note that the scheme has been reviewed by the Working Group on housing set up by the Planning Commission to formulate strategies for Urban Housing which recommended that it may be continued during Ninth Plan. The guidelines of the Scheme are again under revision in consultation with all concerned to improve its effectiveness. The Committee recommend that the guidelines of the scheme be finalised at an early date to improve the performance of the Scheme.”

17. The Government in their reply stated as under:—

“The draft-modified guidelines have been circulated to the Planning Commission, Ministry of Finance and other concerned Ministries for comments. These well be finalised soon.”

18. The Committee hope that the draft modified guidelines might have been finalised by now in the light of comments of Planning Commission, Ministry of Finance and concerned Ministries. They will like to be informed of the status of finalisation of the guidelines.

F. Redesigning of Two Million Housing Programme

Recommendation (Para Nos. 3.21 and 3.22)

19. The Committee earlier observed as under:—

“The Committee observe that the implementation of the Housing Programme is monitored by holding review meetings at the level of Secretary and the Minister to ensure steady progress. They note that an All India Review of the 2 Million Housing Programme by the State Ministers, and Secretaries was scheduled for 25.2.2000, but that could not be held..... The Planning Commission observed that only the States of Karnataka and Kerala have done well under 2 Million Housing Programme in urban areas.

.....The Committee expected that the scheduled All India Review meeting by State Ministers and Secretaries in-charge of Housing would soon deliberate on the shortcomings observed in the implementation of the programme and Government would thereafter devise methods and take suitable remedial steps to overcome the drawbacks noticed.They desire to be apprised of the outcome of the All India Review and other measures taken in this direction.”

20. The Government in their action taken note stated as noted below:

“A two-day Conference of State Housing Ministers and Housing Secretaries was held during June 26-27, 2000. The Conference was convened in continuation of the previous two National Level Conferences of State Minister's of Local Self Government and of Mayors.

The Conference provided a National Forum for reviewing the performance of the Two Million Housing Programme. The review of the Programme highlighted the need for recasting and redesigning of Two Million Housing Programme.

It was noticed that on ground, even big States like Rajasthan, Madhya Pradesh and Uttar Pradesh have not been able to construct houses under the Two Million—Housing Programme for the years 1998-1999 and 1999-2000.The performance of Rajasthan and Madhya Pradesh was 'Nil' in these two years and that of Uttar Pradesh, 15,000 only in 1998-99. The data points to the need for urgent recasting of the two Million Housing Programme as well as the need for re-organising the State agencies and their financial institutions.

It was indicated that for each of the State or Group of States, a Special Task Force would be constituted to look into all the ground level problems, particularly, those relating to integration with land and urban infrastructural schemes. On the other hand, there are States like Andhra Pradesh, Kerala and Tamil Nadu which have fulfilled the targets both for the years 1998-99 and 1999-2000....."

21. The Committee note that a two day conference of State Housing Ministers and Housing Secretaries was held in June, 2000 for reviewing the performance of the Two Million Housing Programme. The Committee further note that the review of the programme highlighted the need for recasting and redesigning of the Two Million Housing Programme and for reorganising the State agencies and their financial institutions. They hope that the Special Task Force which was proposed to be constituted for States/Group of States, would have been constituted by now. They will like to be apprised of the latest position in this regard.

The Committee are informed that against eight lakh houses to be constructed in the two years through HUDCO loans, 4.64 lakh houses have been completed from August, 1998 and the remaining are under construction. The Committee hope that earnest efforts will be made to realise the target of eight lakh houses and the pace of implementation will further be intensified by drawing a suitable time schedule of completion.

G. Formulation of National Slum Policy

Recommendation (Para Nos. 4.19 and 4.20)

22. The Committee earlier observed as under:—

"The Committee note that the Ministry of Urban Employment and Poverty Alleviation had as early as April, 1999 prepared a draft National Slum Policy.....The Committee were further informed during the course of evidence on Demands for Grants of the Ministry that formulation of NSP is held up due to the recent Supreme Court judgement in the case of M/s. Almitra and Others *vs.* Union of India with regard to improving the sanitary conditions in the existing slums till they are removed and encroached land reclaimed.

.....The Government has linked up formulation of NSP with the applicability of the judgement to whole of India and the mandatory or advisory nature of the directions of the Supreme Court. The Committee were informed by Government that a copy of the verdict has been circulated to States/UTs and also for the opinion of Ministry of Law on the territorial jurisdiction and the mandatory/advisory nature of the Supreme Court's judgement. The Committee recommend that after obtaining the opinion of the Ministry of Law on a priority basis, the Government should take steps not only to expeditiously formulate the said draft NSP but also take urgent steps towards operationalising the directions of the Supreme Court with respect to providing a clean and healthy environment to the residents of Delhi."

23. The Government in their action taken reply stated:—

"The Ministry prepared draft National Slum Policy in April, 1999 and the draft policy was circulated to all States/UTs, concerned Central Ministries including Planning Commission and NGOs etc. for their comments with cut off date as 10.1.2000. This cut off date was extended upto 31.1.2000 as this Ministry did not receive sufficient responses from States/UTs and Ministries.In the meantime, Supreme Court has given its verdict in the case of *Almitra and Others vs. Union of India* in the mid of February, 2000. After going through the judgement of the Supreme Court, it was decided to seek the views of the States/UTs and concerned Ministries, Planning Commission and NGOs on the same. Accordingly, views have been sought from all the concerned on the draft slum policy in the light of Supreme Court judgement in March, 2000 and reminders have also been issued to those who have not yet sent their comments.

The Ministry has sought legal opinion from the Ministry of Law in the case of *Almitra and Others vs. Union of India* regarding applicability of the directions of the Supreme Court. Ministry of Law has stated that 'The directions of the Supreme Court, it would appear are to the MCD, NDMC and other statutory authorities concerned with sanitation and public health to ensure sanitation and cleaning of Delhi. Though it is not obligatory, we do not see any legal objection in case these directions of the Supreme Court given in relation of the Capital City of Delhi are implemented in respect of other city by the concerned authorities there.....The Ministry has to analyse the objective of their National Slum Policy to find out whether the aforesaid directions of the Supreme Court are not violated by any of the objective of the slum policy....."

After receiving the opinion of Ministry of Law, this Ministry has requested all defaulting States/UTs and Ministries through its letter dated 5th May, 2000 to give their views/comments. Thereafter, a Workshop/Seminar with NGOs and concerned Ministries is proposed by this Ministry wherein the draft slum policy will be discussed at length. After reviewing the draft slum policy, it would be placed before the Cabinet for approval and thereafter will be placed before the Parliament."

24. The Committee hope that the exercise made by the Government to finalise the draft National Slum Policy might have been completed by now and the draft National Slum Policy will be laid on the Table of the Houses during the current Budget Session.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1.15)

The scrutiny of the provisions in Demands for Grants of the Ministry of Urban Employment and Poverty Alleviation shows that in comparison to an allocation of Rs. 364.32 crore in BE 1999-2000, the outlay at Rs. 399.01 crore in BE 2000-01 shows an overall hike of Rs. 34.69 crore. There is an overall hike of 10% in the Plan outlay for 2000-2001 which stands at Rs. 379.50 crore over the BE of Rs. 345 crore in 1999-2000. While there is an increase of Rs. 29.50 crore on the Revenue side (Plan), the Capital section (Plan) shows an increase of Rs. 5 crore which comes to about an increase of 15% and 3% respectively. There is only a marginal increase in Non-Plan (Revenue Side) outlay and in the Capital Section (Non-Plan) there is no change in the allocations in BE 2000-2001 over that of 1999-2000. Further, the Committee observe that the outlay for the major scheme of SJSRY at Rs. 168 crore shows a decline of Rs. 12.65 crore over the BE figure of Rs. 180.65 crore for 1999-2000. However, in the capital section, the outlay for equity to HUDCO for Housing at Rs. 155 crore shows an increase of Rs. 5 crore in BE 2000-2001 over the outlay envisaged in 1999-2000 at Rs. 150 crore.

Reply of the Government

The provisions, plan and Non-Plan, Revenue and Capital under Urban Employment and Poverty Alleviation Demand during 2000-01 *vis-a-vis* 1999-2000 are as under:—

(Rs. in crores)

	B.E. 1999-2000			B.E. 2000-2001		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
Revenue	195.00	9.32	204.32	224.50	9.51	234.01
Capital	150.00	10.00	160.00	155.00	10.00	165.00
Total	345.00	19.32	364.32	379.50	19.51	399.01

The relevant provisions year-wise on the revenue side are as under:

Revenue

(Rs. in crores)

MAJOR HEAD	B.E. 1999-2000			B.E. 2000-2001		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
North Eastern Region MH-2552	—	—	—	38.00	—	38.00
SJSRY M.H. 3475	6.45	—	6.45	6.29	—	6.29
M.H. 3601	170.87	—	170.87	158.90	—	158.90
M.H. 3602	2.53	—	2.53	1.91	—	1.91
Total SJSRY	179.85	—	179.85	167.10	—	167.10
Grand Total	179.85	—	179.85	205.10	—	205.10

Capital

(Rs. in crores)

MAJOR HEAD	B.E. 1999-2000			B.E. 2000-2001		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
4216	150.00	—	150.00	155.00	—	155.00
6216	—	10.00	10.00	—	10.00	10.00
Total	150.00	10.00	160.00	155.00	10.00	165.00

It will be seen from the above that a provision of Rs. 38.00 crore on the Revenue side has been made during 2000-2001 against NIL provision during 1999-2000. This has resulted in decline of allocation to SJSRY irrespective of higher Plan allocation on the Revenue side during 2000-2001 *vis-a-vis* 1999-2000. On the capital side, the overall provisions are the same during the two financial year except an increase of Rs. 5 crore toward equity for HUDCO as observed by the Hon'ble Committee.

[Ministry of Urban Development and Poverty Alleviation
(Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Recommendation (Para Nos. 1.16 and 1.17)

The Committee are constrained to observe that while on the one hand there is an increase in the total outlay in BE 2000-2001 over BE 1999-2000, on the other hand, the reduction of outlay in RE stage in 1999-2000 to the extent of Rs. 60 crore on the Plan side, at Rs. 1.88 crore on the non-plan side, present quite an alarming picture. According to the Ministry, the reasons for the reduction of the outlays at RE stage are on the instructions of Ministry of Finance for imposing a cut of 10% on non-plan, non-salary expenditure.

The Committee however, to do not agree with the view of the Government that the reduction of outlay at RE stage on plan side could be attributed to low spending by the Ministry especially in SJSRY where alone the reduction between BE and RE 1999-2000 is to the tune of Rs. 54.30 crore which in itself is a result of huge unspent balances with States of the earlier UPA programmes and the negative role and non cooperative attitude of bankers. The Committee are of the opinion that this alone is the major cause for further lower allocation for SJSRY in BE 2000-2001. The Committee, therefore, are of the considered opinion that the Ministry should take necessary corrective steps to arrest this trend of lower utilisation and consequent lower allocations resulting in a vicious circle which would be difficult for the Ministry to break in future. The Committee also recommend that to monitor the situation and to arrest this trend, frequent review meetings should be held preferably at Minister's level. The Committee desire that they be apprised of the steps taken in this direction.

Reply of the Government

Regarding lower utilisation and consequent lower allocations of funds under Swarna Jayanti Shahari Rojgar Yojana (SJSRY), letters were written at the Minister level on 31st December 1999 & 6th April, 2000 to all Chief Ministers for speedy utilisation of the unspent balances of the old UPA programme (Appendices II & III). Letters at the Secretary level were also written to all Chief Secretaries of States/UTs on 5th May, 2000 (Appendix IV) emphasising the need for utilisation of funds available under Swarna Jayanti Shahari Rojgar Yojana (SJSRY) as also asking for utilisation certificates as a sequel to letter written by the Hon'ble Minister of Urban Employment & Poverty Alleviation on 6th April, 2000.

Further, a review meeting was also held under the Chairmanship of Hon'ble Minister at New Delhi on 02.11.1999. On the issue of non-cooperation by the banks in providing loans under SJSRY, a meeting of High Level Monitoring Committee was held on 03.05.2000 under the Chairmanship of Hon'ble Minister with the representatives of Reserve Bank of India and main commercial banks and some of the State representatives. The Ministry has also chalked out a detailed programme for frequent inspections by the officers of the Ministry to the States/UTs to monitor the progress of the Scheme.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation) O.M. No. H-11013/7/2000-Bt. dated 31.07.2000]

Recommendation (Para Nos. 2.16, 2.17 and 2.18)

The Committee observe that SJSRY is the major Urban Poverty Alleviation Programme under implementation by the Government in all States/UTs. The Committee, however, are constrained to observe that SJSRY which is being implemented from 1.12.1997 in the revised format after merging the earlier UPA Programmes, has not picked up momentum. The outlay for SJSRY at BE stage has been decreasing over the last two years. The Committee note that the expenditure as on February, 2000 was a meager Rs. 42.83 crore out of a reduced RE 1999-2000 of Rs. 126.35 crore while BE 1999-2000 was Rs. 180.65 crore. The Ministry attributed the poor utilisation of funds under SJSRY to huge unspent balances with States and at the same time asserted that performance under sub-schemes of the Yojana would not be adversely affected by reduced allocations which appears to be totally contradictory to each other.

Further, the Committee note with regret that the status of unspent balances of the previous UPA programme with States under the Yojana shows an increase from Rs. 433.73 crore (provisional) to Rs. 500.83 crore (provisional) for the same period *i.e.* as on 30.11.1997, which is further likely to undergo change as final figures are still not available from all States. The Committee observe that States have failed to utilise the unspent balances of earlier UPA programmes fully for various reasons out of which the chief reason is that the Infrastructural support was lacking due to non-setting up of SUDAs and DUDAs, frequent reshuffling of personnel, insufficient training, difficulty in getting adequate cooperation from bankers and their reluctance to sanction loans to prospective beneficiaries under USEP and to top them all, according low priority to SJSRY by the States.

The Committee find that their apprehensions as expressed by them in their 23rd Report (12th Lok Sabha) on Demands for Grants (1999-2000) with regard to negative role of bankers and their attitude of non-cooperation etc. have again become one of the prime raison d'etre for the slow progress of the Yojana. They, therefore, desire that the Ministry should take steps to motivate the States to accord high priority to the implementation of the Yojana as the Ministry themselves were unhappy with the way the Yojana started and also is not fully satisfied with the State of its implementation by States. The Ministry should take up with the Ministry of Finance with regard to the negative and non-cooperative attitude of banks. The Committee also feel that the huge unspent balances with States under SJSRY could be due to the reason that USEP funds are not utilised by all ULBs. They desire that at least 50% of USEP funds should be spent by the ULBs on the urban wage employment programme under SJSRY. They desire to be apprised of the steps taken in this regard.

Reply of the Government

Regarding lower utilisation and consequent lower allocations of funds under Swarna Jayanti Shahari Rojgar Yojana (SJSRY), letters were written at the level of Minister on 31st December 1999 & 6th April, 2000 to all Chief Ministers for speedy utilisation of the unspent balances of the old UPA programme (Appendices II & III). Letters from Secretary were also written to all Chief Secretaries of States/UTs on 5th May, 2000 (Appendix IV) emphasising the need for utilisation of funds available under Swarna Jayanti Shahari Rojgar Yojana (SJSRY) as also for furnishing of utilisation certificates as a sequell to letter written by the Hon'ble Minister of Urban Employment & Poverty Alleviation on 6th April, 2000.

Further, this Ministry has informed the States/UTs about the importance of SUDA and DUDA and appointing of full time competent staff, having suitable administrative experience (Appendix II).

On the issue of non-cooperation by the banks in providing loans under SJSRY, a meeting of High Level Monitoring Committee was held on 03.05.2000 under the Chairmanship of Hon'ble Minister with the representative of Reserve Bank of India and main commercial banks and some of the State representatives. A letter was also written at the level of Minister to Hon'ble Finance Minister on 03.12.1999 (Appendix V) suggesting a separate institutional arrangement dedicated to funding Urban Poverty Schemes on the lines of NABARD, which would ensure committed funds for this sector. It has also been indicated therein that in case, for some reasons, such separate institution is not feasible, strict instructions may be given at least to the nationalised banks to set aside perhaps 5% of their priority sector funds for the Urban Poverty Schemes.

Recently, a letter was issued on 19.05.2000 (Appendix VI) to the Ministry of Finance for taking up matter with all the banks through Reserve bank of India fro extending full cooperation to the beneficiaries in sanctioning of loans under SJSRY, so that, the scheme progresses well.

Further instructions have been given to States/UTs granting more flexibility in the implementation of SJSRY to suit local needs, as an interim measure, till the modified guidelines of SJSRY come into place, reallocation has been allowed within the different components based on local needs provided such expenditure is justified on the grounds of providing sustained employment to the urban poor (Appendix II).

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Comments of the Committee

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

Recommendation (Para Nos. 2.25 and 2.26)

The Committee note that funds under SJSRY are being provided in the ratio of 75:25 by the Centre and States. They are distressed to note that till this year, the Ministry was releasing the funds to even those States who have not even identified the towns or completed the house to house surveys in identified towns. The Ministry admitted that for the past one-and-a-half years, they had taken a lenient view in this regard. Out of 25 States and 6 UTs, only the States of Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerela, Madhya Pradesh, Orissa, Himachal Pradesh and Maharashtra are performing relatively better. The Ministry have also sought indulgence of the Committee with respect to stopping the second instalment of funds to States which are performing badly. The Committee also note in this context that sum of Rs. 34.35 crore has been diverted to the better performing States/UTs and that inspite of availability of previous unspent balances of Rs. 500.83 crore (provisional), Central share to the tune of Rs. 297.56 crore (cumulative) was released to States. The Ministry further stated this was done on the estimation that more funds would be required for implementation of the Yojana. It is worthwhile to mention here that during 1999-2000 the States have released (upto 15.3.2000) a meagre sum of Rs. 2.60 crore as their share towards the Yojana. There is a shortfall of Rs. 24.08 crore (25%) against the matching State share of Rs. 99.19 crore till 15.3.2000.

The Committee are dismayed to note this sorry state of affairs with respect to release of central funds, the status of matching State share and the abundance of unspent balances with States under the Yojana. They cannot but conclude that the Government while taking a lenient view in the initial stage have not bothered to check the status of unspent balances with States resulting in a situation where the amount of unspent balances with the States is nearly three hundred per cent more than the current year's allocation of Rs. 168 crore for the Yojana. The Committee are of the opinion that the Government need not look up to them for arresting this trend of under-spending by States. The Committee urge upon the Government to devise suitable strategies for enforcing the currently operative guidelines with added vigour so that the States fully utilise the amounts released to them for SJSRY and consequently the Government is not compelled to take tough stand on effecting cuts in their budget.

Reply of the Government

Regarding lower utilisation and consequent lower allocations of funds under Swarna Jayanti Shahri Rojgar Yojana (SJSRY), letters have been written at the level of Minister on 31 December 1999 & 6th April, 2000 to all Chief Ministers for speedy utilisation of the unspent balances of the old UPA programmes (Appendices II & III). Also letter from Secretary have been written to all Chief Secretaries of States/UTs on 5th May, 2000 (Appendix IV) emphasising the need for utilisation of funds available under Swarna Jayanti Shahari Rojgar Yojana (SJSRY) as also for furnishing the utilisation certificates as a sequel to letter written by the Hon'ble Minister of Urban Employment & Poverty Alleviation on 6th April, 2000.

Following steps have been taken by this Ministry for enforcing the currently operative guidelines with added vigour, so that, the States/UTs fully utilise the amounts released to them under SJSRY:—

1. Government of India is monitoring the Scheme through regular meetings at the Minister/Secretary/Joint Secretary level.
2. Hon'ble Minister after taking charge directed that officers of this Ministry will go round the States and specially review the Swarna Jayanti Shahari Rojgar Yojana (SJSRY). These inspections are being carried out by the officers of this Ministry.

3. Reviewing and monitoring is also done through letters to Chief Ministers, Chief Secretaries and other concerned officers to ensure that the SJSRY is carried out effectively.
4. A High Level Monitoring Committee meeting was also held under the Chairmanship of Hon'ble Minister on 03.05.2000 to sort out the problems of the urban unemployed poor in getting loans from Banks under USEP component of SJSRY.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Recommendation (Para Nos. 2.31 and 2.32)

The Committee note that house to house surveys, spatial mapping and establishment of Community structures etc. are being done as preliminary stages towards implementing the SJSRY. However, the States have been given the flexibility to fix physical targets in accordance with the Guidelines of the scheme and taking into account the status of beneficiary survey. It is, however, disconcerting to note that while allowing flexibility to States to complete house to house surveys in a phased manner, no time frame has been specified for completing the survey. The Committee observe from the State-wise details of the progress made under different components of the Yojana that while some States have done well, there are others where no progress or negligible progress has been made and certain States have not even reported about the progress made.

The Committee, therefore, recommend that Government should closely interact with the States which are lagging behind in implementation of SJSRY and if feasible take assistance of the enumerators deployed by the States for carrying out the decennial Census work, for completion of the house to house survey work under the Yojana so that within next six months the exercise is completed. The Government should also take adequate measures to see that the physical progress attained is commensurate with the expenditure incurred by the States under the Yojana.

Reply of the Government

The defaulting States/UTs have been requested vide this Ministry's letter dated 12.06.2000, to complete the house to house survey under SJSRY by September, 2000 (Appendix VII).

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Comments of the Committee

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

Recommendation (Para No. 2.38)

The SJSRY is monitored by holding periodic reviews and field level checking by officers of the Ministry. The Committee note that the Yojana is under review with a view to change the guidelines of the Yojana. A seven member Committee headed by Joint Secretary (UEPA) has been constituted on 22.12.1999 to review the guidelines of SJSRY in totality in view of the difficulties faced by States in implementing the SJSRY. This review is under active consideration of the Government. It is expected that after the review of the Guidelines of the Yojana, the implementation would improve and the Ministry would require more funds in future to effectively alleviate urban poverty. The Committee note that the Government have not specified any deadline for the review Committee to complete their task. The Committee urge that the review of the guidelines of the Yojana be completed within a stipulated time frame by the Committee without further delay.

Reply of the Government

The Ministry has issued notification on 22nd December 1999 for the constitution of Core Group under the Chairmanship of Joint Secretary to review all the aspects of the implementation of SJSRY including the best manner of utilisation of unspent balances of old UPA Programmes and to *inter-alia* suggest modifications in the SJSRY guidelines for making it more effective and to facilitate its implementation by the State Governments.

The consultations with the Planning Commission are on to finalise the report.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Comments of the Committee

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

Recommendation (Para No. 2.60)

The outlay for the scheme has been increased from Rs. 1 crore in BE 1999-2000 to Rs. 3.40 crore in 2000-2001. The subsidy component in the scheme amounts to Rs. 35.61 crore out of which only Rs. 8.20 crore have been released leaving a wide gap of Rs. 27.41 crore. The Committee note further that the Planning Commission contended that the releases for the scheme would be enhanced in the Tenth Plan, if the implementation of the Scheme improves in the current plan period. The Committee recommends that steps be taken to bridge the gap in the subsidy component of the Scheme by stepping up outlay at the RE stage. It is proposed to entrust the implementation of the Scheme to club and NGOs who are expected to maintain these night shelters. The Committee desire that before the task is entrusted to NGOs etc., the modalities thereof may be worked out and adequate publicity is given so that public awareness is created amongst the users as well as service providers.

Reply of the Government

The suggestion of the Hon'ble Committee for enhancement in the outlay of the scheme has been thankfully noted for compliance. This will be taken up with Ministry of Finance at the time of RE 2000-2001 proposals. Also the question of working out modalities before involvement of NGOs are already under consideration in the context of revision of guidelines. These guidelines have been shown to Planning Commission and M/o Finance and other concerned Ministries and will be sent to States for comments/modification if any. This scheme is already being given publicity through Internet. The guidelines of the scheme are already available on the Website of this Ministry. The pavement dwellers in the vicinity of a night shelter came to know of it once the shelters are complete and put to use.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Recommendation (Para No. 2.61)

Furthermore, the Committee find that scheme in its present form is inadequate to cater to the absolutely shelterless families in metro cities as the present scheme is meant to provide shelter primarily to the individual footpath dwellers who could take shelter during night and for their other basic civic needs. The Committee, therefore, recommend that after obtaining basic data about the number of shelterless families in States including the metro cities, the Government should take steps to evolve/devise a scheme/programme to cater to the requirement of such absolutely shelterless families. They desire that the concept of 'Night Shelter' should be redefined to include the shelterless families of footpath dwellers instead of catering to individual footpath dwellers with a view to preventing disintegration of the families of footpath dwellers and broadbasing the provision of the service.

Reply of the Government

The possibilities of adjusting shelterless families in night shelter would be considered in consultation with the State Governments/ implementing agencies after ascertaining the actual need for adjusting such families depending upon the actual number of such families needing temporary shelters. Normally the migrant labourers came to cities in search of jobs for a short period and think of bringing the families after they decide to settle down for a longer duration. In that case, the families prefer to put up a small jhuggi or a squatter settlement or even tented accommodation. The ultimate solution of the problem of pavement dwellings does not lie in providing night shelters but a proper and affordable dwelling unit to such families. Various States are already implementing regular housing programme and slum development scheme for the poor people.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Recommendation (Para No. 2.64)

The Committee note that the scheme has been reviewed by the Working Group on housing set up by the Planning Commission to formulate strategies for Urban Housing which recommended that it may be continued during Ninth Plan. The guidelines of the scheme are again under revision in consultation with all concerned to improve its effectiveness. The Committee recommends that the guidelines of the scheme be finalised at an early date to improve the performance of the scheme.

Reply of the Government

The draft-modified guidelines have been circulated to the Planning Commission, Ministry of Finance and other concerned for comments. These will be finalised soon.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Comments of the Committee

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

Recommendation (Para No. 3.9)

The Committee observe that the Union Government is responsible for formulation of the overall policy framework for Housing Sector and overseeing the effective implementation of the social housing scheme with special emphasis on the Economically Weaker Sections of the society, though Housing *per se* is a State level activity. The new Housing and Habitat Policy, 1998 aims at creating surpluses in housing stock and help in construction of 2 million additional DUs every year. It is further observed that HUDCO is the principal agency of Government to facilitate construction of 7 lakh additional DUs in Urban areas. To attain this end, the Government is providing Equity Support to HUDCO for Housing and cumulatively an amount of Rs. 295 crore has been provided during 1997-98 to 1999-2000. A sum of Rs. 155 crore has been earmarked for the purpose during 2000-2001. HUDCO has in turn sanctioned loans for Housing, cumulatively to the extent of Rs. 27,347 crore (as on 31.12.1999) for construction of 91,21,216 DUs and 506.591 residential plots. The Committee expect that with the equity support that is being provided to HUDCO for Housing, Government would be in a position to attain the target of facilitating construction of an additional 7 lakh DUs in Urban areas of the country with particular emphasis on housing for EWS/LIG sections of the society. The Committee further recommend that with a view to providing EWS/LIG houses only to needy, the Government should persuade the authorities responsible for allotting these houses to develop objective parameters for identifying the genuine beneficiaries for the purpose of allotment.

Reply of the Government

The equity support by Government has enabled HUDCO to raise the much needed resources for the housing sector (for its loaning operations). As on 31.3.2000, HUDCO had sanctioned loan of Rs. 31655 crore for construction of 101.4 lakh dwelling units, over 47 lakh sanitation units and 1620 urban infrastructure schemes. During 1999-2000, HUDCO has sanctioned 543 schemes with HUDCO loan assistance of Rs. 4761.11 crore for 16.47 lakh dwelling units (10 lakh in rural and 6.47 lakh in urban areas).

As regards achieving the target of facilitating construction of 7 lakh additional housing units, the Government is anxious to achieve this target. The major portion of 7 lakh units—i.e. 4 lakh units have been earmarked for financing by HUDCO. As on 30.4.2000, with HUDCO Finance, 1.28 lakh units have been completed and 2.72 lakh units are in progress.

The Committee has recommended that with a view a providing EWS/LIG Houses only to the needy, Government should persuade the authorities responsible for allotting these Houses to develop objective parameters for identifying the genuine beneficiaries for the purpose of allotment. It is submitted that EWS and LIG Houses are allotted only to those who qualify under the financial norms prescribed for such schemes (EWS upto 2500 per annum and LIG-2501-5000 per annum) Keeping in view the concern of the Hon'ble Committee, the State Governments have been advised to ensure that EWS and LIG houses are allotted to the needy only and that they should develop further objective criteria in this regard.

[[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Recommendation (Para Nos. 3.17 and 3.18)

The Committee note that keeping in view the target of Housing the Government's programme of constructing 2 million additional DUs in the country, HUDCO has been entrusted with the job of facilitating construction of 4 lakh DUs out of the 7 lakh additional DUs that are proposed to be added to the housing stock. The Committee also note that out of the target of 4 lakh DUs for the years 1998-99 and 1999-2000 under the 2 million Housing Programme, HUDCO has been able to facilitate construction of only 69921 DUs (cumulatively) out of 859,902 DUs (cumulatively) sanctioned during the above period. Construction of about 149065 (cumulatively) DUs is reported to be in progress as on 28.2.2000. For the year 2000-2001 also, the target for HUDCO has been fixed at 4 lakh DUs.

The Committee are however, constrained to find that despite the thrust on physical targets, the performance on this front has left much to be desired. As on 28.2.2000, a total of 2.19 lakh units were either completed or are in progress out of the targets set for HUDCO which amount to less than 25% of the sanctioned DUs for these two years. The plea of HUDCO that it is only a facilitator in the whole programme while the State are to be blamed for the tardy progress is unacceptable to them when viewed in the context of the better performance of the Cooperatives, HFIs and Others during the same period. This becomes all the more incomprehensible to them, when Government itself admits that the satisfaction level are high when there is direct or indirect participation of the beneficiary either through CBOs or NGOs. The Committee recommend that Government should take concrete measures to boost the participation of the beneficiaries of the programme which in their opinion would go a long way in improving the performance of the scheme to come to their expectations. The Committee also desire that measures are taken to overcome the difficulties that are being encountered in the implementation of the 2 million Housing programme at an early date.

Reply of the Government

The additional two million housing programme was launched in 1998-99 under which 7 lakh houses are to be constructed every year in the urban areas. HUDCO has been entrusted with facilitating construction of 4 lakh houses. During 1998-99, HUDCO had sanctioned 4.30 lakh units during 1999-2000 4.60 lakh units have been sanctioned. Against this 1.28 lakh units have been completed and 2.72 lakh units are nearing completion.

The Hon'ble Committee is aware of the fact that HUDCO is the single agency which has been entrusted with such a large responsibility of construction of 4 lakh units. Whereas, the HQFIs under the National Housing Bank (29 financing companies) were expected to contribute 1.50 lakh units. Similarly, the Cooperative Sector, comprising of 80-90,000 primary cooperatives under 25 Apex Federation and under the national umbrella of the National Cooperative Housing Federation were to contribute 1 lakh units. There is direct participation of the beneficiaries in regard to HFI's and Cooperatives. Whereas, HUDCO has been working through various State Government agencies which has its own inherent limitations. Government will be taking all possible measures to enhance the performance of the programme. HUDCO also has been advised accordingly. The performance of the Programme has also been reviewed in the All India Meeting held on 26-27 June, 2000.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Recommendation (Para Nos. 3.21 and 3.22)

The Committee observe that the implementation of the Housing programme is monitored by holding review meetings at the level of Secretary and the Minister to ensure steady progress. They note that an All India Review of the 2 million Housing programme by the State Minister and Secretaries was scheduled for 25.2.2000 but that could not be held. Apart from it the Planning Commission had reviewed the programme as part of its mid-term review of 9th Plan. The Planning Commission observed that only the States of Karnataka and Kerala have done well under 2 million Housing programme in urban areas.

The Committee expected that the scheduled All India Review meeting by State Ministers and Secretaries in-charge of Housing would soon deliberate on the shortcomings observed in the implementation of the programme and Government would thereafter devise methods and take suitable remedial steps to overcome the drawbacks noticed. The Committee also desire that other States that are not performing upto the desired level of expectation in the implementation of 2 million Housing Programme in Urban areas be motivated to improve their performance. They desire to be apprised of the outcome of the All India Review and other measures taken in this direction.

Reply of the Government

A two-day Conference of State Housing Ministers and Housing Secretaries was held during June 26-27.2000. This Conference was convened in continuation of the previous two National level Conferences of State Ministers, of Local Self-Government and of Mayors.

The conference provided a National Forum for reviewing the performance of the Two million Housing Programme. The review of the programme highlighted the need for recasting and redesigning of Two Million Housing Programme.

It was noticed that on ground, even big States like Rajasthan, Madhya Pradesh and Uttar Pradesh have not been able to construct houses under the Two Million-Housing Programme for the years 1998-99 and 1999-2000. The performance of Rajasthan and Madhya Pradesh was nil in these two years and that of Uttar Pradesh 15,000 only in 1998-99. This data points to the need for urgent recasting of the Two Million Housing Programme as well as the need for re-organising the stage agencies and their financial institutions.

It was indicated that for each of the State or Group of States a Special Task Force would be constituted to look into all the ground level problems particularly, those relating to integration with land and urban infrastructural schemes. On the other hand there are States like Andhra Pradesh, Kerala and Tamil Nadu which have fulfilled the targets both for the years 1998-99 and 1999-2000. The States like Karnataka, Maharashtra, Orissa, Gujarat, Assam and Haryana have also performed well. Against eight lakh houses to be constructed in the two years through the HUDCO loans 4.64 lakh houses have been completed from August 1998 and the remaining are under construction.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Comments of the Committee

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

Recommendation (Para No. 4.4)

The Committee observe that Ministry of Urban Employment and Poverty Alleviation had proposed to introduce three new schemes *viz.* (i) Saving linked Housing Scheme for Urban and Rural Poor (ii) PM's Awaas Yojana for Urban poor affected by natural calamities and (iii) Development of Urban Indicators. The Committee observed with regret in their 23rd Report (12th Lok Sabha) that these three programme schemes were not approved (12th Lok Sabha) that these three programme/schemes were not approved by the Planning Commission even in the third year of the Ninth Plan and that a sum of Rs. 1 lakh was allocated for each scheme in Demands for Grants 1999-2000. They had also cautioned the Government to desist from such signal allocations and *ad hoc* approach which would not give any tangible results. The Committee however, find to their astonishment that again a sum of Rs. 1 lakh has been earmarked in Demands for Grants 2000-2001 for the schemes at Sl. No. 1 above which incidentally has been dropped on the ground that funds for the programme were not forthcoming and that Government wanted the scheme to be examined from all points of view. The Committee again urge the Government not to propose any scheme to Planning Commission without first doing the requisite spade work necessary for it to get clearance from all concerned.

Reply of the Government

The Hon'ble Committee's observations are noted.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Recommendations (Para No. 4.11)

The Committee note that the Scheme of Development of Urban Indicators proposed for implementation in the 9th Plan period has finally got underway. A provision of Rs. 32 lakhs for 2000-2001 has been made against Rs. 1 lakh in BE 1999-2000. The programme aims to develop these Urban Indicators as useful tools for policy formulation and in managing Housing and Urban Infrastructure development policies with active participation of Central, State and City Governments. The capacity building of ULBs is proposed to be further strengthened by developing and making use of these indicators. NBO has been made the nodal agency to collect, collate and disseminate information from city administrations directly through INSAT. The Committee hope the programme now implemented through NBO would help in formulation and management of Housing and Urban infrastructure policies and programmes to a large degree in future.

Reply of the Government

The Government would like to reassure the Hon'ble Committee of its intention to develop the urban indicators as useful tools to monitor the progress of housing and infrastructure programmes and for making review of the effectiveness of these programmes in future.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

CHAPTER III

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

Recommendation (Para No. 2.59)

The Committee note that a scheme to provide night shelter and sanitation facilities to absolutely shelterless and pavement dwellers in metropolitan cities was launched in 1988-89. The Scheme is being implemented through HUDCO. No targets are fixed, as it is demand driven. Till now, a total of 90 schemes have been sanctioned by HUDCO for construction of 18,550 beds, 22585 WCs, 1442 baths and 1669 urinals. As per Census of 1991, there are 2,17,000 shelterless families in State and 6950 households without a single room in 23 metro cities. The Committee, however, find that the Ministry has not sponsored/conducted any study about the houseless households but the matter has been left to ULBs for assessment of actual local needs.

Reply of the Government

As regards the question of Assessment of actual local needs by local bodies for putting up night shelters, it may be stated that the local bodies are in a better position to make such assessment because they are aware of the extent of migrants from adjoining rural areas or small towns. Normally, this floating population in a city forms the clientele, which use the night shelters. Over a period of time, some of these migrant labourers put up slums or squatter settlements and do not use the night shelters.

While it is possible to make a one time survey of the absolutely shelterless population in various States/cities which is done through Census or through special rounds of survey conducted by NSSO/CSO etc., it is not possible to conduct such surveys on a regular basis in view of high cost of such surveys and the limited purpose that they serve. The observation of the Committee have, however been noted and the RGI will be requested to conduct a special assessment of absolutely shelterless persons in each major city apart from 23 metro cities during Census 2001 operations.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

CHAPTER IV

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

Recommendation (Para No. 2.49)

The Committee observe that the Ministry of Urban Employment and Poverty Alleviation is monitoring the implementation of NSDP, launched in August, 1996 to provide an additionality to the normal central assistance to States/UTs for slum development. The Committee in their 3rd and 23rd Reports (12th Lok Sabha) have already expressed their displeasure with regard to the peculiar nature and complex arrangement of the different aspects of allocations and release of funds and monitoring of the programme and the lack of a coordinated approach to the whole problem by the Government. They had further reiterated their earlier recommendation that a coordinated approach to its implementation in their 2nd and 5th Action Taken Reports (13th Lok Sabha) to enable proper monitoring of the programme by the Ministry of Urban Employment & Poverty Alleviation. The Committee, however, are distressed to point out that their recommendations have not been taken by the Government in right spirit as it is their considered opinion that lack of an integrated approach would do more harm than good. The funds under this programme continued to be released by the Department of Expenditure (DOE) while the monitoring of the programme is continued to be done by the Ministry of Urban Employment & Poverty Alleviation. The continuing dichotomy in this regard has a serious damaging effect on the implementation of the NSDP. In case, if the Department of Expenditure would like to retain with them the function relating to release of funds under this programme, then the function relating to monitoring of the programme should be transferred to the Department of Expenditure for effective implementation of NSDP. The Committee, therefore, desire the Government to take a firm decision in this regard within 3 months and communicate to the Committee, the action taken in this direction. The Government have also stated that since matching contribution is involved in all centrally sponsored schemes, the States are not interested in more and more centrally sponsored programmes.

The Government have stated that this is one of the reasons for keeping the NSDP funded by DOE and monitored by Ministry of UEPA. The Committee are not inclined to accept the specious plea of the Government that in case the funding and monitoring of a programme if done by a single Ministry, the programme will become a centrally sponsored scheme. In case, the States are not agreeable to more and more centrally sponsored schemes, the Government may consider placing this NSDP as a programme in the State sector. However, the dichotomy as aforesaid shall have to be removed. They feel that the guidelines for implementation of NSDP should be changed. They, further desire that the guidelines be modified to provide for an active role for the wards committees in implementing the NSDP.

Reply of the Government

The recommendations of the Committee have been noted. The Planning Commission have been requested to convene a meeting of senior level officers of this Ministry and the Department of Expenditure, Ministry of Finance to discuss and take a firm decision on the recommendations of the Hon'ble Committee within 3 months, *vide* our letter dated 8.5.2000 (Appendix VIII). The decision of the Government will be communicated to the Committee at the earliest.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Comments of the Committee

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

Recommendation (Para Nos. 4.19 and 4.20)

The Committee note that the Ministry of Urban Employment & Poverty Alleviation had as early as April, 1999 prepared a draft National Slum Policy. The draft NSP had been circulated to States, UTs and certain interested NGOs etc. The Committee, however, regret to note that the Government had not stipulated any time frame for the States/UTs and NGOs to give their comments on the draft NSP. The Committee were further informed during the course of evidence on Demands for Grants of the Ministry that formulation of NSP is held up due to the recent Supreme Court judgement in the case of M/s. Almitra and Others Vs. Union of India with regard to improving the sanitary conditions in the existing slums till they are removed and the encroached land reclaimed.

They are at a loss to understand the stand taken by Government that this judgement of the Supreme Court is an impediment in formulation of the NSP while a plain reading of the operative portion of Supreme Court's judgement shows that it pertains only to the redressal of problems of sanitation and other related matters pertaining to the city of Delhi. The Government has linked up formulation of NSP with the applicability of the judgement to whole of India and the mandatory or advisory nature of the directions of the Supreme Court. The Committee were informed by Government that a copy of the verdict has been circulated to States/UTs and also for the opinion of Ministry of Law on the territorial jurisdiction and the mandatory/advisory nature of the Supreme Court's judgement. The Committee recommend that after obtaining the opinion of the Ministry of Law on a priority basis, the Government should take steps not only to expeditiously formulate the said draft NSP but also take urgent steps towards operationalising the directions of the Supreme Court with respect to providing a clean and healthy environment to the residents of Delhi. They would like to be apprised of the steps taken in this direction at an early date. The Committee also desire that the National Slum Policy immediately after evolution, should be placed before the Parliament for approval.

Reply of the Government

This Ministry prepared draft National Slum Policy in April, 1999 and submitted to the then Minister for Urban Development. On the direction of the Hon'ble Minister, further action on the draft policy was deferred upto the formation of the new Government. After formation of the new Government, with the approval of the Hon'ble Minister for Urban Employment & Poverty Alleviation, the draft policy was circulated to all States/UTs, concerned Central Ministries including Planning Commission and NGOs etc. for their comments with cut off date as 10.1.2000. This cut off date was extended upto 31.1.2000 as this Ministry did not receive sufficient responses from States/UTs and Ministries. Secretary (UPA) also wrote letter on 18.2.2000 to all the Chief Secretaries of all the defaulter States/UTs for their comments. In the meantime, Supreme Court has given its verdict in the case of Almitra and Others Vs. Union of India in the mid of February, 2000. After going through the judgement of the Supreme Court, it was decided to seek the views of the States/UTs and concerned Ministries, Planning Commission and NGOs on the same. Accordingly, views have been sought from all the concerned on the draft slum policy in the light of Supreme Court judgement in March, 2000 and reminders also been issued to those who have not yet sent their comments.

This Ministry has sought legal opinion from the Ministry of Law in the case of Almitra and Others Vs. Union of India regarding applicability of the directions of the Supreme Court. Ministry of Law has stated that "The directions of the Supreme Court, it would appear are to the MCD, NDMC and other statutory authorities concerned with sanitation and public health to ensure sanitation and cleaning of Delhi. Though it is not obligatory, we do not see any legal objection in case these directions of the Supreme Court given in relation of the Capital City of Delhi are implemented in respect of other city by the concerned authorities there, the Ministry has to analyse the objective of their National Slum Policy to find out whether the aforesaid directions of the Supreme Court are not violated by any of the objective of the slum policy.

After receiving the opinion of Ministry of Law, this Ministry has requested all defaulting States/UTs and Ministries through its letter dated 5th May, 2000 to give their views/comments. Thereafter, a workshop/Seminar with NGOs and concerned Ministries is proposed by this Ministry wherein the draft slum policy will be discussed at length. After reviewing the draft slum policy, it would be placed before the Cabinet for approval and thereafter will be placed before the Parliament.

[Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation)
OM No. H-11013/7/2000-Bt. dated 31.07.2000]

Comments of the Committee

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

CHAPTER V

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

— NIL —

NEW DELHI;
16 March, 2001
25 Phalguna, 1922 (Saka)

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

APPENDIX-I

COMMITTEE ON URBAN AND RURAL DEVELOPMENT (2001)

EXTRACTS OF THE MINUTES OF THE FIFTH SITTING OF THE COMMITTEE HELD ON WEDNESDAY, THE 7TH MARCH, 2001

The Committee sat from 1500 hrs. to 1600 hrs. in Committee Room 'B' Ground Floor, Parliament House Annex, New Delhi.

PRESENT

Shri Anant Gangaram Geete—Chairman

MEMBERS

Lok Sabha

2. Shri Mani Shankar Aiyar
3. Shri Jaswant Singh Bishnoi
4. Shri Ambati Brahmaniah
5. Shri Swadesh Chakraborty
6. Shri Haribhai Chaudhary
7. Shri Bal Krishna Chauhan
8. Shrimati Hema Gamang
9. Shri Babubhai K. Katara
10. Shri P.R. Kyndiah
11. Shri Punnulal Mohale
12. Dr. Ranjit Kumar Panja
13. Shri Chintaman Wanaga

Rajya Sabha

14. Shri N.R. Dasari
15. Prof. A. Lakshmisagar
16. Shri Faqir Chand Mullana
17. Shri Onward L. Nongtdu
18. Shri Solipeta Ramachandra Reddy
19. Shri Man Mohan Samal

SECRETARIAT

1. Shri S.C. Rastogi — *Joint Secretary*
2. Shri K. Chakraborty — *Deputy Secretary*
3. Shrimati Sudesh Luthra — *Under Secretary*
4. Shri P.V.L.N. Murthy — *Assistant Director*

2. At the outset, the Chairman welcomed the members to the sitting of the Committee. The Committee then considered Memorandum No. 3 regarding draft report on the action taken by the Government on the recommendations contained in the Ninth Report of the Committee (13th Lok Sabha) on Demands for Grants (2000-2001) of Ministry of Urban Development and Poverty Alleviation (Department of Urban Employment and Poverty Alleviation) and adopted the draft action taken Report.

3. *** *** ***

4. The Committee then authorised the Chairman to finalise the said draft action taken report referred to in para 2 above on the basis of factual verification from the concerned Ministry/Department and to present the same to Parliament.

The Committee then adjourned.

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

APPENDIX II

COPY OF MINISTER'S LETTER DATED 31.12.1999 ADDRESSED TO ALL CHIEF MINISTERS

D.O. No. G-24011/6/99-MIS/UPA
Dated: 31 December, 1999

Dear

Soon after assuming office recently I have reviewed the progress of the Swarna Jayanti Shahari Rojgar Yojana (SJSRY), the urban poverty alleviation programme of this Ministry. I found that implementation of the programme was tardy. I would like to bring the following to your kind attention. The population of urban India at this juncture is around 30 crores. Of this, about 10 crores are living below the poverty line and nearly 5 crores of the unfortunate urban poor are living in slums. This Ministry has a meager allocation of Rs. 1009 crores in the 9th Five Year Plan under the SJSRY to tackle this huge problem.

It is unfortunate however that even out of this meager allocation under SJSRY and the old urban poverty alleviation programmes in your State Rs. (*as per list attached*) lakhs have remained unspent. You will appreciate that such huge unspent balances tell only one tale, namely neglect of the Urban poor. These unspent balances also weaken this Ministry's case for allocation of higher funds for the urban poverty alleviation sector in coming years. You will agree that this will not be in the interests of the urban poor, which we are to protect.

The Ministry has been regularly reviewing the progress of the SJSRY and we are aware that certain changes need to be made in the structure of the programme to make it more implementable. I have issued instructions that these changes be brought out within the shortest possible time. I am also aware that the unwillingness of banks to lend is a great hindrance to the implementation of the Urban Self Employment component of SJSRY. I am shortly holding a high level meeting of bankers. We are also taking up the matter with the Finance Minister. I seek your intervention at the level of the State Level Bankers Committee in your State. I am sure a word from you would have considerable impact on the attitude of banks.

On going through the reviews conducted by my Ministry in the recent past I have come to the conclusion that we may need to (a) bring about a little more flexibility in the implementation of SJSRY to suit local needs; (b) step up the pace of the implementation so that the large unspent balances are fruitfully utilized. I find that there has been a persistent demand to allow flexibility in expenditure between the three major components of the programme namely the Urban Self Employment component, Urban Wage Employment component and component for Training and Community structures. I feel that as an interim measure, till the modified guidelines of the SJSRY come into place, you may inform your concerned officers that reallocation may be made within these three components, based on local needs provided such expenditure could be justified on the grounds of providing sustained employment to the urban poor.

I would like to add a word of caution regarding the Urban Wage Employment component. Such expenditure can very easily be used to supplement or supplant municipal budgets. This would be an incorrect approach. The wage employment component of SJSRY should be used to provide sustainable employment to the urban poor coverable under the SJSRY, in the process also creating durable assets I would also like to stress the need for giving greater importance to training and skill upgradation. It is my firm belief that skill upgradation and the training necessary for it are two concrete ways of arming the urban poor with the necessary capacity to rise above the poverty line even without subsidy or bank credit. If it is felt that skill upgradation can help the beneficiaries to rise above the poverty line, this Ministry would not make a fetish of sticking rigidly to the guidelines under this component Training in areas such as TV and video repairing, computer based training, plumbing, masonry, carpentry, tailoring, electrical and mechanical work, motor car repairing etc. come readily to my mind. The areas of training will depend a great deal on local conditions. A comprehensive training programme in such areas, I am sure, would go a long way in providing an incremental income to the urban poor. Needless to say that above list is not exhaustive and your State may select areas for training which have employment potential locally.

The Ministry through the Housing & Urban Development Corporation (HUDCO) has established a network of Building Centres in your State. A list of functional building centres is enclosed. The services of these Building Centres can be utilised to train existing or would be artisans in the construction sector. Similarly, the services of Industrial Training Institutes (ITI) and other suitable training institutions may be used for training programmes. I have found that the services of master craftsmen and other experienced personnel is also extremely useful in imparting potential skills. The master craftsmen and training institutions and trainers can be paid suitable remuneration out of SJSRY funds. Some times it is difficult to locate suitable venues for training programmes. Public buildings, community centres, clubs and other convenient places can be used for such training programmes. The guidelines of SJSRY provide for construction of infrastructures useful for components of SJSRY. These funds can be used to also construct premises for training programmes with due care being taken for subsequent maintenance.

I would also like to stress the importance of having an effective delivery mechanism to implement SJSRY. Your State has already set up a State Urban Development Authority (SUDA) and a District Urban Development Authority (DUDA). It is important that these organisations particularly the DUDA are manned by competent full time staff for implementing SJSRY effectively. Such staff should have suitable administrative experience; for instance the Project Officer of a DUDA should be at least a State Civil Service Officer. The SJSRY and the National Slum Development Programme are the two major poverty alleviation initiatives in the urban sector. A separate administrative set-up to implement these programmes is badly needed.

My Ministry appreciates the need for making higher allocation for urban poverty alleviation. I intend to take up the matter strongly with the Planning Commission and the Ministry of Finance. A sustained drive by you resulting in more effective implementation of SJSRY and more fruitful expenditure, would strengthen my hands considerably.

Yours sincerely,

Encl.: As above.

Sd/-

(SUKHDEV SINGH DHINDSA)

As per list attached.

LIST 'A'

SJSRY—FINANCIAL STATUS

(Rs. in lakhs)

Sl.No.	Name of the State/UT	Balance funds available under SJSRY
1.	Andhra Pradesh	4801.39
2.	Arunachal Pradesh	624.14
3.	Assam	2796.97
4.	Bihar	3533.82
5.	Gujarat	2061.23
6.	Haryana	336.73
7.	Himachal Pradesh	254.72
8.	Karnataka	6456.44
9.	Kerala	966.32
10.	Madhya Pradesh	1995.72
11.	Mizoram	144.74
12.	Orissa	437.62
13.	Punjab	1143.10
14.	Tamil Nadu	2417.48
15.	Uttar Pradesh	3521.75
16.	West Bengal	2171.16
17.	Dadra & Nagar Haveli	-23.25
Total		33640.08

APPENDIX III

COPY OF MINISTER'S LETTER DATED 6.4.2000 ADDRESSED TO ALL CHIEF MINISTERS



SUKHDEV SINGH DHINDSA

MINISTER
URBAN EMPLOYMENT & POVERTY
ALLEVIATION, YOUTH AFFAIRS & SPORTS
GOVERNMENT OF INDIA
NEW DELHI-110 011

DO. No. G-24011/1/2000-SJSRY (UPA-I)

Dated: 6th April, 2000

Dear

As you may be aware, Swarna Jayanti Shahari Rozgar Yojana (SJSRY), the Urban Poverty Alleviation Programme of this Ministry, was launched as a centrally sponsored scheme *w.e.f.* 1.12.1997 subsuming the previous UPA Programmes of this Ministry. Soon after assuming office, I have reviewed the progress of the SJSRY. The details of Central funds available to your State under SJSRY up to 1998-99 and the provision of Utilisation Certificates submitted against the same as on date is enclosed. I regret to point out that the submission of Utilisation Certificates against Central funds released to your State under the scheme has been very unsatisfactory.

2. The Ministry of Finance has taken up the issue of non-provision of Utilisation Certificates against Central grants released to States very seriously. The issue has been included in the Report No. 1 of 1998 of the Comptroller & Auditor General of India and has become the subject matter of a public interest litigation before the Supreme Court. The Apex Court is likely to call for reasons for non-submission of Utilization Certificates. I would, therefore, request you to kindly carry out an immediate review of the position of outstanding Utilisation Certificates in your State under different components of SJSRY till 1998-99. Submission of Utilisation Certificates is a pre-requisite for release of Central share. I would request you to ensure that the Utilisation Certificates due are submitted by the State Government to this Ministry by 15th March, 2000. Release of Central share in the current financial year is held up for want of requisite Utilisation Certificates.

3. You may note the Ministry of Finance's directive that in future, no Central grant will be released under any component of SJSRY unless and until the Central funds already granted have been fully utilised and Utilisation Certificates provided against the same.

With regards,

Yours sincerely,

Sd/-

(SUKHDEV SINGH DHINDSA)

To All the Chief Ministers of States &
Administrators of all UTs

APPENDIX IV

COPY OF MINISTRY'S LETTER DATED 5.5.2000 ADDRESSED TO ALL CHIEF SECRETARIES

S.S. Chattopadhyay,
Secretary
Tel. No. 3017444

Nirman Bhawan, New Delhi,
Dated: 05th May 2000

DO. No. G-24011/1/2000-SJSRY (UPA-I)

Dear

The Central Government has been releasing funds every year under SJSRY to States since the scheme came into effect from 1.12.1997. In addition to this, the State had also brought forward the unspent balances of the earlier UPA programmes which were wound up with effect from 30.11.1997. Though the SJSRY has completed more than two years, this Ministry is yet to receive Utilisation Certificates against the Central funds expended so far for implementation of SJSRY. A statement showing the position of Utilisation Certificates as on 31.3.2000 in respect of your State is enclosed.

2. The Parliamentary Standing Committee of this Ministry has taken a serious note of the Non-submission of Utilisation Certificates by the State Governments and directed this Ministry to link up further releases to the progress and Utilisation Certificates. The Ministry of Finance has also taken up the issue of non provision of Utilisation Certificates against Central grants released to States. This issue has been included in the Report No. 1 of 1998 of the Comptroller and Auditor General of India and has also become a subject matter of the public litigation before the Supreme Court. The Supreme Court is also likely to call for reasons for non-submission of Utilisation Certificates. Further, the Planning Commission has too taken note of the fact that huge amounts of Central funds are lying unspent. The Planning Commission made it very clear that any enhancement in the total allocation or further releases of Central Funds would be dependent on the utilisation of the funds already available with the States.

3. As you are aware, the Hon'ble Minister for Urban Employment and Poverty Alleviation had written to your Chief Minister/Administrator on 6.4.2000 urging him/her to ensure submission of Utilisation Certificates for Central funds (copy enclosed for ready reference) released as also progress reports in the enclosed formats.

4. I shall be grateful if you could kindly look into the matter personally and ensure that the requisite Utilisation Certificates under SJSRY are forwarded immediately by the concerned Department. I also request to personally review the scheme, so that better progress is achieved.

Yours sincerely,

Sd/-
(S.S. CHATTOPADHYAY)

To all The Chief Secretaries.

APPENDIX V

COPY OF MINISTER'S LETTER DATED 3.12.1999 ADDRESSED TO MINISTER OF FINANCE



SUKHDEV SINGH DHINDSA

MINISTER
URBAN EMPLOYMENT & POVERTY ALLEVIATION
GOVERNMENT OF INDIA NEW DELHI-110 011

DECEMBER 3, 1999

Dear Shri Sinhaji,

As you are aware Swarna Jayanti Rojgar Yojana (SJSRY) is one of the important schemes my Ministry is implementing. It has the following two major components:—

- (I) Urban Self Employment Programme (USEP)
- (II) Urban Wage Employment Programme (UWEP)

There is a component of loan as well as subsidy under the Urban Self Employment Programme (USEP) and both are inter-linked. The Urban Self Employment Programme (USEP) envisages a 5% beneficiaries contribution, the balance 95% being provided as loan by the Nationalised Banks at rates of interest fixed by the Reserve Bank of India. As an incentive to the Bankers and to make the scheme more viable, Swarna Jayanti Shahari Rojgar Yojana provides that a subsidy of 15% be allowed (not exceeding Rs. 7,500) on the project cost. A typical Urban Self Employment Programme project under Swarna Jayanti Shahari Rojgar Yojana, therefore, envisages a loan of Rs 40,000, the cost of project being Rs. 50,000. The beneficiary would contribute Rs. 2,500, subsidy would be limited to Rs. 7,500.

The scheme also envisages help to urban poor women who will be assisted to set up self help groups/thrift groups. Where such groups are formed, micro-enterprises with a unit cost of Rs. 2.50 lakhs can be taken up. The scheme provides 50% subsidy i.e. upto Rs. 1.25 lakhs for such enterprises.

It has been found that notwithstanding the various incentives which have been provided, most State Governments are finding it extremely difficult to motivate the Bankers to provide timely and adequate service. The Bankers either delay in processing the loan applications, do not provide adequate loan or sanction only a small percentage of the applications received using one pretext or the other. Under the circumstances, I have reached the inescapable conclusion that the present credit network is incapable of serving the urban poor adequately.

It is, therefore, suggested that perhaps a separate institutional arrangement dedicated to funding Urban Poverty Schemes could be considered on the lines of NABARD for the rural sector. This would ensure committed funds for this sector, which is of growing importance in the context or rapid pace of the urbanization taking place in the country.

If for some reason you feel that a separate institution may not be feasible at this stage, strict instructions may be given at least to the nationalised banks to set aside perhaps 5% of their priority sector funds for the Urban Poverty Schemes.

With regards,

Yours sincerely,

Sd/-
(SUKHDEV SINGH DHINDSA)

Shri Yashwant Sinha
Minister of Finance
Ministry of Finance
North Block,
New Delhi.

APPENDIX VI

COPY OF MINISTRY'S LETTER DATED 19.5.2000 ADDRESSED TO MINISTRY OF FINANCE



MOST IMMEDIATE PARLIAMENT MATTER
GOVERNMENT OF INDIA
MINISTRY OF URBAN EMPLOYMENT &
POVERTY ALLEVIATION
ROOM NO. 238 'C', NIRMAN BHAVAN,
NEW DELHI-110011.

S. C. SHARMA
Deputy Secretary (UPA)
Tel.: 3017630
Fax: 3016597

D.O. No. G-24011/9/99-SJSRY (UPA-I)
Dated the 19th May, 2000

Dear

The Parliamentary Standing Committee on Urban and Rural Development in its Ninth Report (13th Lok Sabha) on Demands for Grants (2000-2001), have stated that their apprehensions as expressed by them in their 23rd Report (12th Lok Sabha) on Demands for Grants (1999-2000) with regard to negative role of bankers and their attitude of non-cooperation etc. have again become one of the prime reasons for the slow progress of the Swarna Jayanti Shahari Rozgar Yojana (SJSRY). The Committee desires that the matter regarding negative and non-cooperation attitude of banks be taken up with the Ministry of Finance.

2. I shall be grateful if you could take up the matter with all the banks, through Reserve Bank of India, directing them to extend full cooperation to the beneficiaries for sanctioning of loans under SJSRY so that the scheme progresses satisfactorily. Action taken in this regard

may be intimated to this Ministry at the earliest for onward intimation to the Committee.

With regards,

Yours sincerely,

Sd/-
(S. C. SHARMA)

Shri Arun Chandra,
Deputy Secretary (CP),
Ministry of Finance,
Department of Economic Affairs,
Banking Division, Jeevan Deep Building,
Parliament Street, New Delhi.

Copy to Dr. (Ms) Deepali Pant Joshi, Deputy General Manager, RP&CD,
Reserve Bank of India Central Office Building, 13th Floor, Fort Mumbai
400 001, for information & necessary action.

APPENDIX VII

COPY OF MINISTRY'S LETTER DATED 12.6.2000 ADDRESSED TO THE NODAL OFFICERS OF ALL STATES

IMMEDIATE PARLIAMENT MATTER

No. N-11013/1/96-UPA-III

Government of India

Ministry of Urban Development & Poverty Alleviation

Nirman Bhavan, New Delhi

Dated the 12th June, 2000

To

The Nodal Officers
of States/UTs (as per list enclosed)

SUBJECT: *Implementation of SJSRY—Completion of House to House Survey—*
Reg.

Sir/Madam,

I am directed to refer to the subject cited above and to state that even after two and a half years of the inception of SJSRY programme, your State has not completed the house to house survey for identification of beneficiaries so far. This was required to be done in the very beginning by the State Nodal Agency through any identified body at the ULB/community level.

2. You are, therefore, requested to arrange to complete the survey by September, 2000 positively.

Yours faithfully,

Sd/-

(S. C. SHARMA)

Deputy Secretary to the Govt. of India

Tel: 3017630

Fax: 3016597

APPENDIX VIII

COPY OF MINISTRY'S LETTER DATED 8.5.2000 ADDRESSED TO DIRECTOR (HUD), PLANNING COMMISSION

No.N-14024/6/99-NSDP

Govt. of India
Ministry of Urban Employment & Poverty Alleviation
UPA Division
NSDP Section

Room No. 203 'C', Nirman Bhawan,
New Delhi, dated the 8th May, 2000

To

Shri S.N. Brahmo Choudhury,
Director (HUD)
Planning Commission,
New Delhi.

SUB.: *Convening of a meeting to discuss points raised by the Standing Committee of Lok Sabha 9th Report about streamlining the monitoring of NSDP.*

Sir,

I am directed to forward herewith a copy of the recommendations, contained in the Ninth Report (13th Lok Sabha) of the Committee on Demands for Grants (2000-2001) of the Ministry of Urban Employment and Poverty Alleviation (Para Nos. 2.39 to 2.49).

2. It is requested that a meeting may be convened with Smt. Krishna Singh, Principal Advisor, Planning Commission as the Chairperson, Senior Officers of the Department of Expenditure, Ministry of Finance and Secretary of this Ministry to discuss and decide the points raised by the Standing Committee with particular reference to para 2.49. The Committee *inter-alia* has desired that a firm decision in this regard may be taken within three months and communicated to them.

3. This issues with the approval of the Secretary of Ministry of Urban Employment and Poverty Alleviation.

Yours faithfully,

Sd/-

(P.K. GHOSH)

Under Secretary to the Govt. of India

Copy to: Smt. Sobha Kumar, Director (PF-I), Department of Expenditure, Ministry of Finance, North Block, New Delhi for similar necessary action.

Sd/-

(P.K. GHOSH)

Under Secretary to the Govt. of India

APPENDIX IX
[*Vide* Para 4 of the Introduction]

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON
THE RECOMMENDATIONS CONTAINED IN THE 9TH REPORT
OF THE STANDING COMMITTEE ON URBAN AND RURAL
DEVELOPMENT (13TH LOK SABHA)**

I. Total number of recommendations	25
II. Recommendations that have been accepted by the Government Para Nos. 1.15, 1.16, 1.17, 2.16, 2.17, 2.18, 2.25, 2.26, 2.31, 2.32, 2.38, 2.60, 2.61, 2.64, 3.9, 3.17, 3.18, 3.21, 3.22, 4.4 and 4.11	21
Percentage to the Total recommendations	(84%)
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies Para No. 2.59	21
Percentage to Total recommendations	(4%)
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee Para Nos. 2.49, 4.19 and 4.20	3
Percentage to Total recommendations	(12%)
V. Recommendations in respect of which final replies of the Government are still awaited	Nil
Percentage to Total recommendations	—