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**STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT
(1999-2000)**

THIRTEENTH LOK SABHA

**MINISTRY OF URBAN EMPLOYMENT
AND POVERTY ALLEVIATION**

**DEMANDS FOR GRANTS
1999-2000**

FIFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

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COMPOSITION OF THE STANDING COMMITTEE ON
URBAN AND RURAL DEVELOPMENT
(1999-2000)

Shri Anant Gangaram Geete — *Chairman*

MEMBERS

Lok Sabha

2. Shri Mani Shankar Aiyar
3. Shri Padmanava Behera
4. Shri Jaswant Singh Bishnoi
5. Shri A. Brahmanaiah
6. Shri Swadesh Chakraborty
7. Shri Haribhai Chaudhary
8. Shri Bal Krishna Chauhan
9. Shri Chinmayanand Swami
10. Prof. (Shrimati) Kailasho Devi
11. Shrimati Hema Gamang
12. Shri Vijay Goel
13. Shri Holkhomang Haokip
14. Shri R.L. Jalappa
15. Shri Babubhai K. Katara
16. Shri Madan Lal Khurana
17. Shri P.R. Kyndiah
18. Shri Bir Singh Mahato
19. Shrimati Ramee Narah
20. Dr. Ranjit Kumar Panja
21. Shri Ramchandra Paswan
22. Shri Chandresh Patel
23. Shri Dharam Raj Singh Patel

- *24. Prof. (Shrimati) A.K. Premajam
- 25. Shri Rajesh Ranjan
- 26. Shri Nikhilananda Sar
- 27. Shri Maheshwar Singh
- 28. Shri Sunder Lal Tiwari
- 29. Shri D. Venugopal
- 30. Shri Chintaman Wanaga

Rajya Sabha

- 31. Shrimati Shabana Azmi
- 32. Shri Kamendu Bhattacharjee
- 33. Shri N.R. Dasari
- 34. Shri C. Apok Jamir
- 35. Shri Onkar Singh Lakhawat
- 36. Prof. A. Lakshmisagar
- **37. Shri Jagdambi Mandal
- 38. Dr. Mohan Babu
- 39. Shri Onward L. Nongtdu
- 40. Shri N. Rajendran
- 41. Shri Solipeta Ramachandra Reddy
- 42. Shri Suryabhan Patil Vahadane
- 43. Shri A. Vijaya Raghavan

SECRETARIAT

- | | | |
|---------------------------|---|---------------------------|
| 1. Shri S.C. Rastogi | — | <i>Joint Secretary</i> |
| 2. Shrimati Sudesh Luthra | — | <i>Under Secretary</i> |
| 3. Shri P.V.L.N. Murthy | — | <i>Assistant Director</i> |

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*Nominated w.e.f. 24.1.2000.

**Died on 13.1.2000.

INTRODUCTION

I, the Chairman of Standing Committee on Urban and Rural Development (1999-2000) having been authorised by the Committee to submit the Report on their behalf, present the Fifth Report on Action Taken by the Government on the recommendations contained in the Twenty-Third Report of the Standing Committee on Urban and Rural Development (Twelfth Lok Sabha) on Demands for Grants (1999-2000) of the Department of Urban Employment and Poverty Alleviation of the then Ministry of Urban Affairs and Employment.

2. The Twenty-Third Report was presented to Lok Sabha on 22nd April, 1999. The replies of the Government to all the recommendations contained in the Report were received on 30th July, 1999.

3. The replies of the Government were examined and the Report was considered and adopted by the Committee at their sitting held on 24th February, 2000.

4. An analysis of the action taken by the Government on the recommendations contained in the 23rd Report of the Committee (Twelfth Lok Sabha) is given in Appendix VIII.

NEW DELHI;
3 March, 2000

13 Phalgun, 1921 (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 (1999-2000) deals with action taken by the Government on the recommendations contained in their Twenty-Third Report on Demands for Grants (1999-2000) of the Ministry of Urban Employment and Poverty Alleviation (erstwhile Department of Urban Employment and Poverty Alleviation of Ministry of Urban Affairs and Employment) which was presented to Lok Sabha on 22nd April, 1999.

2. Action taken notes have been received from the Government in respect of all the 12 recommendations which have been categorised as follows:

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

Para Nos. 1.14, 1.15, 2.6, 2.18, 2.27, 2.36, 3.14 and 3.25

- (ii) Recommendations/observations which the Committee do not desire to pursue:

Para Nos. 2.22, 3.19 and 3.20

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

Nil

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

Para No. 3.17

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

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

A. Concurrent Evaluation of Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

Recommendation (Para No. 2.27)

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

"The Committee note that though funding is in the ratio of 75:25 under SJSRY, the Ministry is not fixing any physical targets which have been left to be decided by the State Governments in order to lend adequate flexibility of operation.... However, the Committee regret to note that the performance in some States is of very high order while there is no or negligible achievement in some other States.

They would therefore, urge the Government to interact with those States where the Scheme is yet to take off to identify the reasons and to take necessary corrective steps.

The Committee feel that since the Yojana is just getting momentum as also that huge amount of funds are being pumped into this, they desire that the still born monitoring system be strengthened by conducting quarterly reviews, devising MIS proforma for obtaining information relating to progress under different components of the Yojana, conducting evaluatory studies and instituting independent evaluations of the Yojana may be considered earnestly by the Ministry...."

6. The Government in their reply stated as under:

"Apart from periodical visits to States undertaken by officers of this Ministry to gather information about progress of the various components of the scheme in field, this Ministry has organised review meetings at the level of the Secretary (UD) with the nodal officers concerned with the implementation of Swarna Jayanti Shahari Rozgar Yojana (SJSRY) on 06.05.1998, 24.09.1998, 17.11.1998 & 24.02.1999. Also a meeting of High Level Monitoring Committee under the Chairmanship of Secretary (UD) with the representatives from some States, Reserve Bank of India, Human Settlement Management Institute (HSMI), Delhi and Banking Division. Ministry of Finance was held, on 11.03.1999.

The Ministry has already devised detailed MIS formats on which physical and financial progress made by the States/UTs are being obtained on quarterly basis.

A concurrent evaluation of the scheme in four States, viz., Andhra Pradesh, Assam, Madhya Pradesh and Karnataka has been entrusted to the Indian Institute of Public Administration, New Delhi. The Institute has been asked to submit the report in six months.

However, as advised by the Hon'ble Committee further efforts will be made to strengthen monitoring."

7. The Committee note that pursuant to their recommendation the Government have entrusted the concurrent evaluation of the SJSRY in four States of Andhra Pradesh, Assam, Madhya Pradesh and Karnataka to the Indian Institute of Public Administration, New Delhi. They desire that they be apprised of the result of the evaluatory study conducted by IIPA and also to circulate the observations/shortcomings of the study among all States to ensure that the shortcomings observed in any of the State regarding the implementation of SJSRY do not occur in other States. They also desire to be apprised of the action taken by the Government in this regard.

B. Funding and Monitoring Process of National Slum Development Programme

Recommendation (Para No. 2.36)

8. The Committee earlier recommended as under:

"The Committee observe that the Government launched National Slum Development Programme (NSDP) in August, 1996 to provide additionality to the central assistance given to States/UTs for slum development. The Committee, however, are unhappy to observe the peculiar nature of the Programme as different aspects of funding, implementation and monitoring the progress are with the different Ministries/Departments of the Government....

Further, the Committee cannot but agree with the submission of the representative of the Ministry that for better and co-ordinated implementation and monitoring of the Programme all the aspects of funding and monitoring should be placed in the hands of the single Ministry which in their view is an essential pre-requisite for the success of any programme."

9. The Government in their reply stated as noted below:

"The views of the Hon'ble Standing Committee have been conveyed to the Planning Commission. This Ministry is to persuade the Planning Commission to convene a inter-departmental meeting to thrash out all the issues including the above recommendation of the Committee for effective implementation of the National Slum Development Programme (NSDP)...."

10. The Committee while noting the efforts being made by the Government with regard to their recommendation for taking steps for better and coordinated implementation of NSDP, draw the attention of the Government to the recommendation made by them in their Second Action Taken Report (13th Lok Sabha) on Demands for Grants 1998-99 in this regard. In view of this, they expect the Ministry to resolve all issues pertaining to the implementation of NSDP with Planning Commission etc. urgently and in any case before the Budget Estimates for the next financial year are finalised by the Ministry/Planning Commission etc. in respect of this programme.

C. Concurrent Evaluation of Housing and Urban Poverty Alleviation Programmes

Recommendation (Para No. 3.17)

11. The Committee earlier recommended as follows:

"It is disconcerting to observe that so far, the Ministry has never got any of the major housing schemes evaluated by any independent agency on the specious plea that the plans for Housing Schemes are prepared State-wise by independent agencies and those funded by HUDCO have not been evaluated. Further, it is also distressing to observe that the Ministry has not spared a thought to get the housing schemes evaluated by independent agencies on the lines of concurrent evaluation being done in the case of rural employment programmes. The Committee, therefore, recommend that concurrent evaluation of both the housing and urban poverty alleviation programmes may be done without any further delay. The results of studies conducted in this regard may be informed to them."

12. The Government in their reply stated as under:

"The recommendation of the Committee for conducting concurrent evaluation of social housing and poverty alleviation schemes by some independent agency is respectfully noted."

13. While noting that their recommendation regarding conducting concurrent evaluation of social housing and poverty alleviation schemes by some independent agency has been noted by the Government, the Committee would like to be informed whether any such study has been conducted so far. They should be apprised of the results of the said study, if conducted.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1.14)

The Committee note that the budgetary provision for 1999-2000 show that as compared to a total allocation of Rs. 337.21 crore for 1998-99, the outlay at Rs. 364.32 crores for 1999-2000 registered an increase of only 5.18% over BE 1998-99, while in the previous year (1998-99) the outlay increased by 29.64% over the earlier year (1997-98). However, there is 105% increase in the non-plan outlay at Rs. 19.32 crore for 1999-2000 over the BE 1998-99 of Rs. 9.21 crore.

The Committee observe that the allocations envisaged for the major scheme of SJSRY in the Revenue Section at Rs. 180.65 crore for 1999-2000 showed a reduction of Rs. 7.85 crore over the BE 1998-99 outlay of Rs. 188.50 crore. It is also observed that there has been a reduction of outlay to the extent of Rs. 26.22 crore at RE 1998-99 stage in respect of this Yojana. Further, in the capital section, the contribution towards equity capital to HUDCO for Housing has increased by about 36% at Rs. 150 crore for 1999-2000 over BE 1998-99 outlay of Rs. 110 crore.

Reply of the Government

Comparative outlays at BE and RE 1998-99 and BE 1999-2000 in respect of the two Schemes, namely, SJSRY and Equity to HUDCO are given below:

	(Rs in crores)		
	BE 1998-99	RE 1998-99	BE 1999-2000
SJSRY	188.50	162.28	180.65
Equity to HUDCO	110.00	110.00	150.00 (only for housing)

Lately, there has been greater emphasis on construction of additional houses in as much as the National Agenda for Governance has identified "Housing for all" as a priority area and it was proposed to facilitate construction of 20 lakhs additional dwelling units. Out of this 7 lakhs units were to be constructed in urban areas for EWS and LIG. HUDCO was expected to meet one-third of the target for which stepping of up equity support to HUDCO was considered essential. Hence there has been greater allocation of funds for Equity to HUDCO. No doubt, there has been marginal decrease in the allocation of funds for SJSRY but this is not expected to affect the pace of implementation of the scheme in financial terms in view of the fact that there are unspent balances of the previous years with the States which could be utilized during the year.

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
Dated 30.07.1999]

Recommendation (Para No. 1.15)

According to the Ministry the reduction of outlay at RE stage was at the behest of the Min. of Finance and also that the reduced outlay in 1999-2000 would not adversely affect the performance under SJSRY as there are previous balances with the State Governments and that the achievements will be in proportion to the allocations made.

The Committee are at a loss to understand the rationale for reducing the outlays in respect of SJSRY at the RE stage in 1998-99 and in BE 1999-2000 on the ground that previous balances with States would take care of the reduced allocation. The Committee apprehend that the achievements may be adversely affected since the Ministry has admitted that results will be in proportion to the allocation made. The Committee, therefore, desire that allocations for the schemes should at least be kept at the levels originally decided at the beginning of the year to avoid possible shortfalls in the achievements under any Yojana/ Programme.

Reply of the Government

Comparative figures of BE 1998-99, RE 1998-99 and BE 1999-2000 for the SJSRY Scheme are as under:

(Rs. in crores)

	BE 1998-99	RE 1998-99	BE 1999-2000
SJSRY	188.50	162.28	180.65

There has been reduction of Rs. 26.22 crores in RE 1998-99 with reference to BE 1998-99, BE 1999-2000 is up by Rs. 18.37 crores when compared to RE 1998-99, but lower by Rs. 7.85 crores when compared to BE 1998-99. In any case, as the allocation at BE 1999-2000 is more than the allocation in RE 1998-99, the actual achievement under the scheme is not expected to be adversely affected on this account. Even when compared to BE 1998-99 no doubt the allocation of BE 1999-2000 is marginally lower, but the implementation of the scheme is not expected to be adversely affected in view of the previous balances with the State Governments. The Committee's observation that the allocation under the scheme should not be reduced at the RE stage has been brought to the notice of the Ministry of Finance.

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
Dated 30.07.1999]

Recommendation (Para No. 2.6)

The Committee observe that urban poverty alleviation has been a major challenge to the nation at large as the number of persons living below poverty line in urban areas constitute 32.36% of urban population. While the ratio of poverty is 1:3 for urban and rural areas, the funding for urban poverty alleviation programme *vis-a-vis* the rural poverty alleviation programmes presently is in the ratio of 1:50 leading to an imbalanced and unplanned growth in urban population and

resultant stress and strain on the available civic infrastructure in urban areas. The Committee, therefore, recommend that allocations for urban poverty programmes be stepped up substantially not only to reduce the urban-rural imbalances but also to provide for a better quality of life to the urban poor.

Reply of the Government

Allocation of funds for various developmental schemes administered by different Ministries is made by the Planning Commission keeping in view the interse priority of the programmes and the total resources available. The fact that there is imbalances in the allocation of funds for the poverty alleviation programmes in urban areas compared to the rural areas, has been brought to the notice of the Planning Commission several times. Copies of the letters dt. 29.7.97, 21.10.97 & 21.4.98 written by the Ministry to the Planning Commission are at Appendices II to IV. The above views of the Hon'ble Standing Committee have been brought to the notice of the Planning Commission *vide* this Ministry's D.O. letter dt. 24.5.99 which is at Appendix V.

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
Dated 30.07.1999]

Recommendation (Para No. 2.18)

The Committee note that for the SJSRY against a proposal of Rs. 4869 crore for the Ninth Plan (1997-2002) a sum of Rs. 1009 crore have been allocated by the Planning Commission at an average of about Rs. 200 crore for each year of the Plan. So far during the Plan, a sum of Rs. 557 crore for the year 1997-98, 1998-99 and 1999-2000 have been allocated. This implies that Rs. 452 crore will have to be provided for in the Department's budget for the remaining two years of the Plan.

†

The Committee fear that the trends of outlay for the Yojana at the BE stage and further reduction by the Ministry of Finance at RE stage may adversely affect the performance under the Yojana. This is further accentuated when viewed in the context of the Ministry's admission and apprehension that perhaps in the current year there may not be

much of a problem and that in future the Committee's help and indulgence is required for getting higher allocations in future. The Committee cannot but conclude that performance under the Yojana may be adversely affected owing to resource crunch as the implementation of the Yojana gets momentum. They, therefore, recommend that yearly allocations be stepped up to attain the levels of approved/sanctioned outlays for the Yojana during the Plan period.

Reply of the Government

The Hon'ble Committee's recommendations have been respectfully noted in the Ministry. The Ministry of Finance has also been apprised of the observations of the Committee for keeping in view while finally approving the budget proposals of this Ministry for the Swarna Jayanti Shahari Rojgar Yojana (SJSRY).

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
Dated 30.07.1999]

Recommendation (Para No. 2.27)

The Committee note that though funding is in the ratio of 75:25 under SJSRY, the Ministry is not fixing any physical targets which have been left to be decided by the State Governments in order to lend adequate flexibility of operation. The Committee observe that since inception of the Yojana, 194.74 lakh urban poor have been identified, 70 lakh mandays of work was generated under UWEF, house to house survey in 2875 towns conducted, 2821 CDs were formed, 56274 field level functionaries were trained under the community structure and 51031 beneficiaries assisted to set-up micro enterprises, 2799 DWCUA groups formed, 47464 persons trained for skill upgradation under USEP/DWCUA components of the SJSRY. However the Committee regret to note that the performance in some States is of very high order while there is no or negligible achievement in some other States.

They would therefore, urge the Government to interact with those States where the Scheme is yet to take off to identify the reasons and to take necessary corrective steps.

The Committee feel that since the Yojana is just getting momentum as also that huge amount of funds are being pumped into this, they

desire that the still born monitoring system be strengthened by conducting quarterly reviews, devising MIS proforma for obtaining information relating to progress under different components of the Yojana, conducting evaluatory studies and instituting independent evaluations of the Yojana may be considered earnestly by the Ministry. They would like to be informed of the steps taken in this regard.

Reply of the Government

Apart from periodical visits to States undertaken by officers of this Ministry to gather information about progress of the various components of the scheme in field, this Ministry has organised review meetings at the level of the Secretary (UD) with the nodal officers concerned with implementation of Swarna Jayanti Shahari Rojgar Yojana (SJSRY) on 06.05.98, 24.09.98, 17.11.98 & 24.02.99. Also a meeting of High Level Monitoring Committee under the Chairmanship of Secretary (UD) with the representatives from some States Reserve Bank of India, Human Settlement Management Institute (HSMI), Delhi and Banking Division, Ministry of Finance was held, on 11.03.99 under the Chairmanship of Secretary (UD).

This Ministry has already devised detailed MIS formats on which physical and financial progress made by the States/UTs are being obtained on quarterly basis.

A concurrent evaluation of the scheme in four States, viz., Andhra Pradesh, Assam, Madhya Pradesh and Karnataka has been entrusted to the Indian Institute of Public Administration, New Delhi. The Institute has been asked to submit the report in six months.

However as advised by the Hon'ble Committee further efforts will be made to strengthen monitoring.

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) OM No. H¹1013/5/99 Bt.
Dated 30.07.1999]

Comments of the Committee

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

Recommendation (Para No. 2.36)

The Committee observe that the Government launched National Slum Development Programme (NSDP) in August, 1996 to provide additionality to the Central assistance given to States/UTs for slum development. The Committee, however, are unhappy to observe the peculiar nature of the Programme as different aspects of funding, implementation and monitoring the progress are with the different Ministries/Department of the Government. They will like to draw the attention of the Government to the observations made by them in their 3rd Report (12th Lok Sabha) on Demands for Grants (1998-99) in this regard.

Further, the Committee cannot but agree with the submission of the representatives of the Ministry that for better and co-ordinated implementation and monitoring of the Programme all the aspects of funding and monitoring should be placed in the hands of the single Ministry which in their view is an essential pre-requisite for successes of any programme. They may be apprised of the steps taken in this direction.

Reply of the Government

The views of the Hon'ble Standing Committee have been conveyed to the Planning Commission. This Ministry is to persuade the Planning Commission to convene a interdepartmental meeting to thrash out all the issues including the above recommendation of the Committee for effective implementation of the National Slum Development Programme (NSDP). Copy of the Ministry's letter dt. 27.5.99 to the Planning Commission is at Appendix VI.

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
~ Dated 30.07.1999]

Comments of the Committee

(Please see Para No. 10 of Chapter I of the Report)

Recommendation (Para No. 3.14)

The scrutiny of Demands for Grants in respect of Housing outlay on the Plan and Non-Plan side shows that a total of Rs. 50 crore has been increased in BE 1999-2000 over the BE 1998-99 allocation of Rs. 119.32 crore. These increases are meant for HUDCO to meet its

liabilities towards interest subsidies and loans for the construction of additional 2 million houses for EWS/LIG categories in rural and urban areas. However, the Committee feel that the cost ceilings at Rs. 50,000 and Rs. 1.5 lakh for EWS/LIG houses for a house of 200 to 250 sq. ft. are on the bare minimum side when viewed in the context of lack of basic civic amenities in the areas where such EWS/LIG houses are constructed in the urban areas. The Committee, therefore, desire that a holistic approach towards housing for EWS/LIG section of beneficiaries may be taken to provide for all round development of the urban areas as also for enabling better utilisation of the available resources. They will also like to draw the Government's attention to the recommendations made by them in their 3rd report (12th Lok Sabha) on Demands for Grants (1998-99) of to this Department in this regard. The steps taken in pursuance of the above may be informed to them.

Reply of the Government

Recommendations of the Committee contained in the 3rd Report (12th Lok Sabha) had been brought to the notice of the State Governments and Union Territory Administrations. This position had been indicated in the Action Taken Notes in respect of this report. A few States/UTs have already issued necessary instructions to the respective housing agencies.

This Ministry is issuing detailed fresh instructions to all State Governments and Union Territory Administrations to ensure all round development of urban areas including provision of basic amenities and also for ensuring better utilization of the available resources. The views of the Hon. Committee are being communicated to HUDCO and are respectfully noted by this Ministry.

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
Dated 30.07.1999]

Recommendation (Para No. 3.25)

The Committee note that the Ministry proposes to introduce three new schemes of (a) Savings linked Housing Scheme for the urban and rural poor; (b) Prime Minister's Awas Yojana; and (c) Development of

Urban Indicators Programme for implementation in the Ninth Five Year Plan period. However, they regret to observe that though the Ninth Plan (1997-2002) has entered its 3rd year of operation the Planning Commission is yet to approve these three schemes for implementation. The Committee are surprised to note that a token amount of Rs. 1 lakh each has been provided for these 3 schemes in the Demands for Grants for 1999-2000 of the Department though the Planning Commission is yet to approve these schemes. The Committee are at a loss to understand the rationale and purpose behind the meagre provision of Rs. 5 crore for the PM's Awas Yojana by the Planning Commission and the token provision of Rs. 1 lakh each by the Department for each of these schemes.

The Committee, therefore, desire that the Ministry desist itself from such adhocism which in their opinion will not attain any tangible benefits. They also desire that adequate groundwork may be done before these new schemes are launched for implementation.

Reply of the Government

The proposal to launch three new schemes during the 9th Plan has been re-examined in the background of the observations of the Committee.

Considering the fact that the Planning Commission has not approved two of the schemes and for one of the schemes, only very meagre provisions (Rs. 5 crore) have been made in the 9th Five 6 Year Plan, this Ministry has decided to drop these schemes. The token provision made in the Demand for Grants will be surrendered at the RE stage.

[Ministry of Urban Affairs and Employment (Department of Urban
Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
Dated 30.07.1999]

CHAPTER III

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

Recommendation (Para No. 2.22)

The Committee observe that under SJSRY the Commercial Banks have a role similar to that under the Scheme of Urban Micro Enterprise (SUME) component of Nehru Rozgar Yojana (NRY) implemented earlier—by way of advancing loans, selection of beneficiaries etc. Here again, the Committee observe that as in the earlier version, the role of commercial Banks under SJSRY is being looked at with suspicion, since the Banks are not performing in the desired manner. There have been instances of complains against the Banks' non-cooperative attitude and harassment of the beneficiaries.

The Committee are distressed to find that the same problems which were being faced under SUME of NRY are again cropping up and that again the same act of arguments and defences of their action and their helplessness to take some remedial action to discipline the Banks are being advanced by the Ministry. The Committee, therefore, are of the considered view that the Ministry should take urgent steps to check this malady in the nascent stage of the implementation of the Yojana. They recommend that the Ministry should take steps to ensure that the beneficiaries under the Yojana are not subjected to harassment at the hands of the Banks who are supposed to help in implementation of the Yojana rather than being an impediment to it. The Committee recommend that single window system for selection of beneficiaries, advancing of loans etc. be evolved for at the level of the Neighbourhood Committees or the Community Development Societies under the Yojana at the earliest to overcome the apathetic and non-cooperative attitude of Banks. They would like to be apprised of the steps taken by the Ministry in this regard.

Reply of the Government

Views of the Hon'ble Standing Committee have been respectfully noted in this Ministry and conveyed to the Reserve Bank of India and all the States/UTs for taking necessary steps for streamlining the process of selection of beneficiaries and sanction of loans under USEP component of Swarna Jayanti Shahari Rojgar Yojana (SJSRY) (copy of the letter is at Appendix VII. The High Level Monitoring Committee under the Chairmanship of Secretary (UD) is also seized of the matter. The matter will be regularly monitored through interaction with State Chief Secretaries and RBI.

[Ministry of Urban Affairs and Employment (Department of Urban
Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
Dated 30.07.1999]

Recommendation (Para No. 3.19 and 3.20)

The Committee regret to note that thousands of houses constructed for EWS/LIG category of beneficiaries have not been taken possession by the beneficiaries even after a lapse of more than 10 years as is the case in the city of Alwar where there are about 8000 EWS/LIG houses vacant/possession has not been taken by the beneficiaries. It was admitted by the Secretary during evidence that there are many such houses in the State of Rajasthan, Punjab, Haryana and Chandigarh to cite a few instances. These EWS/LIG categories of houses were not taken possession of by the beneficiaries even after a lapse of more than 10 years. The main reasons for non-acceptance of these houses by the beneficiaries could be attributed mainly to lack of infrastructural facilities *viz.*, water, transport, electricity, security and other basic civic amenities, etc. This sorry state of affairs in the Committee's view apart from the above is due to lack of even demand assessment by the concerned State Governments or other agencies involved in the construction of these houses.

The Committee, therefore, recommend that to obviate such situation arising again in the future, Government should first assess as to whether there will be demand for houses in a particular locality of the town, the availability of infrastructural facilities and other basic civic amenities before sanctioning housing projects in the absence of which steps should be taken to provide for such basic civic amenities and other infrastructural facilities along with the construction of houses for EWS/LIG categories of beneficiaries. This in their view would go a long way in better and proper utilisation of scarce resources both monetary and building materials.

The Committee recommended that in future no housing project should be sanctioned for implementation, which does not provide for basic facilities for a decent living, which is the ultimate goal of the housing policies of the Government.

Reply of the Government

Being a State subject, the State Governments are free to formulate and implement various housing schemes according to their plan priorities and programmes. It is primarily the responsibility of State housing agencies to ensure provision of basic amenities in all their housing projects. The observation of the Committee is being brought to the notice of the State Governments and Union Territory Administrations for compliance. The HUDCO is also being instructed to note the views of the Honorable Committee and to take suitable precautions while sanctioning schemes.

[Ministry of Urban Affairs and Employment (Department of Urban Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
Dated 30.07.1999]

CHAPTER IV

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

— NIL —

CHAPTER V

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

Recommendation (Para No. 3.17)

It is disconcerting to observe that so far, the Ministry has never got any of the major housing schemes evaluated by any independent agency on the specious plea that the plans for housing schemes are prepared State-wise by independent agencies and those funded by HUDCO have not been evaluated. Further, it is also distressing to observe that the Ministry has not spared a thought to get the housing schemes evaluated by independent agencies on the lines of concurrent evaluation being done in the case rural employment programmes. The Committee, therefore, recommend that concurrent evaluation of both the housing and urban poverty alleviation programmes may be done without any further delay. The results of studies conducted in this regard may be informed to them.

Reply of the Government

The recommendation of the Committee for conducting concurrent evaluation of social housing and poverty alleviation schemes by some independent agency is respectfully noted.

[Ministry of Urban Affairs and Employment (Department of Urban
Employment and Poverty Alleviation) OM No. H-11013/5/99 Bt.
Dated 30.07.1999]

Comments of the Committee

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

NEW DELHI;
3 March, 2000
13 Phalguna, 1921 (Saka)

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

APPENDIX I

COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1999-2000)

EXTRACTS OF THE MINUTES OF THE 3RD SITTING OF THE COMMITTEE HELD ON THURSDAY, THE 24TH FEBRUARY, 2000

The Committee sat from 1500 hrs. to 1630 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Anant Gangaram Geete — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jaswant Singh Bishnoi
3. Shri Haribhai Chaudhary
4. Shri Bal Krishna Chauhan
5. Shrimati Hema Gamang
6. Shri Holkhomang Haokip
7. Shri R.L. Jalappa
8. Shri P.R. Kyndiah
9. Shri Bir Singh Mahato
10. Dr. Ranjit Kumar Panja
11. Shri Chandresh Patel
12. Shri Dharam Raj Singh Patel
13. Prof. (Smt.) A.K. Premajam
14. Shri D. Venugopal

Rajya Sabha

15. Shri Karnendu Bhattacharjee
16. Shri N.R. Dasari
17. Shri C. Apok Jamir
18. Shri Onkar Singh Lakhawat

19. Shri Onward L. Nongtdu
20. Shri Solipeta Ramachandra Reddy
21. Shri Suryabhan Patil Vahadane
22. Shri A. Vijaya Raghavan

SECRETARIAT

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

Consideration of Draft Action Taken Reports

3. *** *** *** ***
4. *** *** *** ***

5. The Committee then considered Memorandum No. 5 regarding draft report on the action taken by the Government on the recommendations contained in the Twenty-Third Report of the Committee (12th Lok Sabha) on Demands for Grants (1999-2000) of the Department of Urban Employment and Poverty Alleviation of the then Ministry of Urban Affairs and Employment. After some discussion, the Committee adopted the draft action taken report.

6. The Committee authorised the Chairman to finalise the said draft action taken reports on the basis of factual verification from the concerned Ministries/Departments and to present the same to Parliament.

7. *** *** *** ***

The Committee then adjourned.

†

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

APPENDIX II

COPY OF MINISTRY'S LETTER DATED 29.7.1997 ADDRESSED TO MEMBER SECRETARY, PLANNING COMMISSION

KIRAN AGGARWAL (MRS.)
SECRETARY

GOVERNMENT OF INDIA
MINISTRY OF URBAN AFFAIRS
AND EMPLOYMENT
DEPARTMENT OF URBAN
EMPLOYMENT AND
POVERTY ALLEVIATION
NIRMAN BHAWAN,
NEW DELHI-110011

29th July, 1997

Dear Dr. Jalan,

Please refer to your D.O. No. N-11011/1/97-PC dated 22.7.1997.

2. I would like to draw your attention to a factual inaccuracy in the contents of this letter. The budget allocation for the programmes undertaken by this Department during the VIII Plan period was as follows:

Programme	Allocation (Rs. in crores)
NRY	327.16
PMIUPEP	176.40
UBSP	82.45
Housing	360.14
	946.15

3. As per your letter this figure has been shown to be Rs. 579.40 crores. This may kindly be rectified.

4. Moreover, for the first year of the IX Plan 1997-98, the allocation for this Department is as follows:

Programme	Allocation (Rs. in crores)
NRY	80.00
PMIUPEP	88.00
UBSP	20.00
Housing	122.00
	310.00

5. As per your letter, a suggestion has been made that the IX Plan DBS for this Department may be projected as Rs. 1050 crores. You will note that for the first year of the IX Plan Rs. 310 crores have already been allocated. This would leave only Rs. 740 crores for the remaining 4 years of the IX Plan period. Clearly this amount will be inadequate.

6. As you are aware, our projection for the IX Plan period envisaged an outlay of Rs. 6039 crores. Keeping this in mind, it will be impossible to make a plan for this Department for the IX Plan period with an amount as meagre as Rs. 1050 crores. May I request that the IX Plan allocation for this Department be suitably revised upwards keeping the above figures in mind.

With best wishes,

Yours sincerely,

Encl: As above.

Sd/-
(KIRAN AGGARWAL)

Dr. Bimal Jalan,
Member Secretary,
Planning Commission,
Yojana Bhavan,
New Delhi.

APPENDIX III

COPY OF MINISTER'S LETTER DATED 21.10.1997 ADDRESSED
TO DY. CHAIRMAN, PLANNING COMMISSION

D.O. NO. G-24011/17/MIS/UPA-97 (PT.)



Dr. U. VENKATESWARLU

राज्य मंत्री
(स्वतंत्र प्रभार)
शहरी कार्य और रोजगार
भारत सरकार
नई दिल्ली-110011
MINISTER OF STATE
(INDEPENDENT CHARGE)
URBAN AFFAIRS &
EMPLOYMENT
GOVERNMENT OF INDIA
NEW DELHI-110011

Dear Shri Dandavate ji,

Dated: 21.10.97

The Department of Urban Employment and Poverty Alleviation has been stressing the need for providing greater resources to the urban sector for the last few years. Our projected demands for higher allocation has never been accepted by Ministry of Finance and Planning Commission. As per the estimates of Planning Commission, 32.26% of the urban population lives below the poverty line, which is upwards against the rural areas.

Traditionally, urban India, and urban poverty in particular, have consistently been under-funded, ignored, under-played and largely left out of the thrust of the developmental programmes by the Government. To illustrate, rural poverty alleviation programmes for the year 1997-98 have been allocated Rs. 8000 crores whereas urban poverty alleviation has been allocated a mere Rs. 188 crores. Comparing the ratio between the absolute numbers of urban poor to rural poor which is about 1:3, it will be noticed that the ratio between the two allocations is about 1:45. To further complicate the problem, this pitifully small allocation has to be distributed over 3700 urban local bodies all over the country. Moreover, the Ministry of Finance has asked for a

5% economy cut which reduces our allocation to Rs. 175 Crores as against Rs. 188 Crores. Such a small allocation neither inspires nor excites the local bodies into addressing the urban poverty issue seriously. In fact, the allocation appears to make a mockery of the Constitution 74th (Amendment) Act through which urban local bodies were empowered, in some States for the first time, to take up local development works seriously. We have been getting consistent feedback from the States that urban poverty alleviation is suffering very adversely on account of acute under-financing.

This Ministry has launched a new scheme namely Swaran Jayanti Shahri Rozgar Yojana (SJSRY) in place of the present on-going schemes namely Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP) and Prime Minister's Integrated Urban Poverty Eradication Programme (PMI UPEP). This will be implemented in the whole country and its area and scope is wider than the present on-going schemes. It is also learnt that the IXth Plan outlay for rural poverty has been announced as Rs. 60,000 crores, whereas the outlay for urban poverty alleviation has yet to be finalised. In view of above, the allocation for this scheme may be appropriately enhanced, so that, issue of urban poverty may be addressed in right earnest.

With regards,

Yours sincerely,

Sd/-

(DR. U. VENKATESWARLU)

Shri Madhu Dandavate,
Deputy Chairman,
Planning Commission,
New Delhi-110 001.

APPENDIX IV

COPY OF MINISTER'S LETTER DATED 21.4.1998 ADDRESSED
TO DY. CHAIRMAN, PLANNING COMMISSION



RAM JETHMALANI

मंत्री
शहरी विकास
भारत सरकार
नई दिल्ली-110011
MINISTER
URBAN DEVELOPMENT
GOVERNMENT OF INDIA
NEW DELHI-110011
D.O. No. : PS/UDM/98/
Dated: 21st April, 1998

Dear Shri Jaswant Singh,

I would like to draw your attention to the letter D.O. No. G/ 24011/17/MIS/UPA—97 (Pt.) dated 21.10.97 written by my predecessor Dr. U Venkateswarlu to Dr. Madhu Dandavate.

Urban poverty in India has been consistently underfunded and largely ignored over the years. I was pained to note, on review of the current schemes in our Ministry, that whereas the percentage of urban population is about 35% today, and about 33% of this population, consists of persons classified as poor by the Planning Commission, the total allocation for urban poverty alleviation programmes last year was only Rs. 188 crores which was further reduced to about Rs. 175 crores following a cut imposed by the Finance Ministry.

You will agree that this amount is not even sufficient to scratch the surface of the urban poverty issue. The amount of fund that we are able to place with the 3700 urban local bodies in the country is so small that these bodies show neither any interest nor do they find it worth their while to expend energy on this very vital sector. Consequently, the entire sector suffers from neglect.

I could understand and appreciate this situation if funds were in equally short supply elsewhere as well. Unfortunately, that does not appear to be the case. To illustrate, and these figures are already with the Planning Commission, rural India with a population of about

24 crores rural poor, as compared to about 7.63 crores urban poor, had a yearly plan allocation of about Rs. 8,000 crores for the last year. The ratio of the rural to urban allocations, therefore, works out to 1:45, whereas the ratios of the populations is a mere 1:3. This is patently unfair.

This neglect of urban areas must be viewed seriously, especially in the light of the emerging scenario which points towards more than 50% of India soon becoming urban. Cities and town areas are groaning under increasing numbers of inhabitants and severely depleting fast crumbling services. Unless this trend of neglect is reversed consciously, we are heading towards certain urban disaster.

You will be aware that this Ministry has recently rationalised all existing urban poverty alleviation programmes and introduced a single, umbrella programme called the Swaran Jayanti Shahari Rojgar Yojana. States have responded enthusiastically to this new initiative. It would be a pity indeed if this initiative was to flounder, like earlier schemes, for lack of the necessary allocations.

I take heart from the fact that the Planning Commission has still not finalised the IX Plan allocations for this Ministry. It will be in the fitness of our commitment to balanced and fair all round development, as well as an example of our commitment to ensuring a minimum level of life and basic facilities to the urban poor, if the Planning Commission were to make an allocation commensurate with the size of the urban poverty problem for this sector.

I look forward to your kind intervention.

With regards,

Yours sincerely,

Sd/-
(RAM JETHMALANI)

Shri Jaswant Singh,
Deputy Chairman,
Planning Commission,
New Delhi.

- Copy to :
1. Shri Yashwant Sinha,
Minister for Finance,
Govt. of India, New Delhi.
 2. Shri Montek Singh Ahluwalia,
Finance Secretary,
Govt. of India, New Delhi.

APPENDIX V

COPY OF MINISTRY'S LETTER DATED 24.5.1999 ADDRESSED
TO PRINCIPAL ADVISOR (HUD), PLANNING COMMISSION

D.O.No. G-24011/4/99-MIS/UPA

J.P. Murty
Joint Secretary (HEPA)
Tel. No. 3017665

भारत सरकार
शहरी कार्य और रोजगार मंत्रालय
शहरी विकास विभाग
GOVERNMENT OF INDIA
MINISTRY OF URBAN AFFAIRS
AND EMPLOYMENT
DEPARTMENT OF URBAN
DEVELOPMENT

New Delhi - 110 011

Dated: 24th May, 1999

Dear Madam,

As you are aware the Swaran Jayanti Shahari Rojgar Yojana (SJSRY) was launched *w.e.f.* 1.12.1997 subsuming the earlier UPA schemes. A sum of Rs. 102.89 crores was provided for the Swaran Jayanti Shahari Rojgar Yojana (SJSRY) during 1997-98. The allocation in the BE 1998-99 was Rs. 188.50 crore which was reduced to Rs. 162.28 crore at the RE stage. The outlay proposed for the Yojana during 1999-2000 is Rs. 180.65 crore against the Ministry's proposal of Rs. 215 crore.

It has been observed by the Hon'ble Standing Committee on Urban & Rural Development (1998-99) in para 2.6 of the 23rd Report (12th Lok Sabha) that urban poverty alleviation has been a major challenge to the nation at large as the number of persons living below the poverty line in urban areas constitute 32.36% of the urban population. While the ratio of poverty is 1:3 for urban and rural areas, the funding for urban poverty alleviation programmes *vis-a-vis* the rural poverty alleviation programme presently is in the ratio 1:50 leading to an imbalanced and unplanned growth and inequality.

The Hon'ble Committee, therefore, recommends that the allocations for urban poverty programmes be stepped up substantially not only to reduce the urban-rural imbalances but also to provide for a better quality of life to the urban poor.

The above recommendation of the Standing Committee may kindly be kept in view, while deciding Annual Plan Allocation for the Swarna Jayanti Shahari Rojgar Yojana (SJSRY).

With regards,

Yours sincerely,

Sd/-

(J.P. MURTY)

Smt. Krishna Singh,
Principal Adviser (HUD),
Planning Commission,
Yojana Bhawan, New Delhi.

APPENDIX VI

COPY OF MINISTRY'S LETTER DATED 27.5.1999 ADDRESSED TO SECRETARY, PLANNING COMMISSION

ASHOK PAHWA
SECRETARY
TEL: 3019377

GOVERNMENT OF INDIA
MINISTRY OF URBAN DEVELOPMENT
NIRMAN BHAWAN,
NEW DELHI-110001

Dated : 27th May, 99

DO No. N-14024/6/99-DD(M)/

Dear Shri Saxena

Please refer to my DO letter No. K-11019/29/96-UPA (DDM) dated 8th April, 1999 enclosing therewith a copy of my earlier reference dated 11.12.98 to Secretary, Department of Expenditure, Ministry of Finance and his reply thereto regarding the need to review the existing methodology for implementation of the National Slum Development Programme. Your reply in the matter is still awaited.

We have now received observations/recommendations made in the 23rd Report (Para 2.36) (12th Lok Sabha) of the Committee on Urban and Rural Development (1998-99) regarding the NSDP. Extracts of the relevant portion are enclosed for your ready reference.

From the recommendation of the Committee, it may be seen that the Committee has expressed its concern over the methodology presently being followed. The Committee is of the view that for better and coordinated implementation and monitoring of the programme, all the aspects of funding and monitoring should be placed in the hands of a single Ministry.

I would, therefore, request you to kindly examine the recommendations of the Committee and furnish your comments to this Ministry immediately. The meeting as already requested in aforesaid D.O. letter may also be convened at an early date.

With regards,

Yours sincerely,
Sd/-
(ASHOK PAHWA)

Dr. N.C. Saxena,
Secretary,
Planning Commission, Yojana Bhawan,
New Delhi-110001.

APPENDIX VII

COPY OF MINISTRY'S LETTER DATED 14.5.1999 ADDRESSED
TO RBI, MUMBAI

H.K. GHOSH
DEPUTY SECRETARY

GOVERNMENT OF INDIA
MINISTRY OF URBAN AFFAIRS
AND EMPLOYMENT
DEPARTMENT OF URBAN
DEVELOPMENT

G-24011/4/99-MIS/UPA

New Delhi-110011,

Dated 14th May 1999

Dear Mrs. Joshi,

Kindly refer to our D.O. Letter No. K-14011/2/98-MIS/UPA dated 26th April 1999 regarding the need for more cooperation from the banks in the implementing the self-employment component of the Swarna Jayanti Shahari Rojgar Yojana (SJSRY).

The Hon'ble Standing Committee on Urban & Rural Development (1998-99) in para 2.22 of 23rd Report (12th Lok Sabha) have taken a serious view of Bank's non-cooperative attitudes and harassment of the beneficiaries and further felt that for the success of the scheme, there is a tremendous need for more cooperation from Banks. Here again the Hon'ble Committee observe that as in the earlier case of SUME component of the Nehru Rozgar Yojana (NRY), the role of commercial banks under SJSRY is being looked at with dismay, since the Banks are not performing in the desired manner.

The Hon'ble Committee, therefore, recommends that a single window system for selection of beneficiaries, advancing of loans etc. be evolved at the level of the Neighbourhood Committees or the Community Development Societies under the Yojana at the earliest to overcome the problem.

In view of the above, I shall be grateful if you could kindly issue necessary instructions to the Banks at the earliest possible under intimation to this Ministry.

With regards,

Yours sincerely,

Sd/-
(H.K. GHOSH)

Ms. Deepali Pant Joshi,
Dy. General Manager,
RBI, Mumbai.

Copy forwarded for information to the Nodal Secretaries of All States & UTs dealing with SJSRY. It is requested that the recommendations of the Standing Committee may be brought to the notice of the SLBC and suitable joint action taken to streamline the process of selection of beneficiaries and sanctioning of loans under USEP component of SJSRY.

Sd/-
(H.K. GHOSH)
Deputy Secretary to the Govt. of India.

APPENDIX VIII

[Vide Para 4 of the Introduction]

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE 23RD REPORT OF THE STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT (12TH LOK SABHA)

I.	Total number of Recommendations	12
II.	Recommendations that have been accepted by the Government Para Nos. 1.14, 1.15, 2.6, 2.18, 2.27, 2.36, 3.14 and 3.25	8
	Percentage of Total	66.67
III.	Recommendations which the Committee do not desire to pursue in view of the Government's replies Para Nos. 2.22, 3.19 and 3.20	3
	Percentage to Total	25
IV.	Recommendations in respect of which replies of the Government have not been accepted by the Committee	NIL
	Percentage to Total	—
V.	Recommendations in respect of which final replies of the Government are still awaited Para No. 3.17	1
	Percentage to Total	8.33

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