

38

**STANDING COMMITTEE
ON FINANCE
(2005-2006)**

FOURTEENTH LOK SABHA

MINISTRY OF PLANNING

**DEMANDS FOR GRANTS
(2006-07)**

THIRTY-EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2006 / Jyaistha, 1928 (Saka)

THIRTY-EIGHTH REPORT
STANDING COMMITTEE ON FINANCE
(2005-2006)

(FOURTEENTH LOK SABHA)

MINISTRY OF PLANNING

DEMANDS FOR GRANTS
(2006-07)

Presented to Lok Sabha on 22.5.2006

Laid in Rajya Sabha on 22.5.2006



LOK SABHA SECRETARIAT
NEW DELHI

May, 2006/Jyaishta, 1928 (Saka)

COF No. 38

Price : Rs. 51.00

© 2006 BY LOK SABHA SECRETARIAT

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

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
REPORT	1
STATEMENT OF CONCLUSIONS/RECOMMENDATIONS	34

APPENDICES

I. Minutes of the sittings of the Committee held on 19th April, 2006	43
II. Minutes of the sittings of the Committee held on 19th May, 2006	46

COMPOSITION OF STANDING COMMITTEE ON
FINANCE (2005-2006)

Maj. Gen. (Retd.) B.C. Khanduri — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Dasgupta
4. Shri Bhartruhari Mahtab
5. Shri Shyama Charan Gupta
6. Shri Gurudas Kamat
7. Shri A. Krishnaswamy
8. Shri Bir Singh Mahato
9. Dr. Rajesh Kumar Mishra
10. Shri Madhusudan Mistry
11. Shri Rupchand Pal
12. Shri Danve Raosaheb Patil
13. Shri Shriniwas D. Patil
14. Shri K.S. Rao
15. Shri Jyotiraditya Madhavrao Scindia
16. Shri Lakshman Seth
17. Shri G.M. Siddeshwara
18. Shri Ajit Singh
19. Shri M.A. Kharabela Swain
20. Shri Vijoy Krishna
21. Shri Magunta Sreenivasulu Reddy

Rajya Sabha

22. Shri M. Venkaiah Naidu
23. Shri Yashwant Sinha
24. Shri Chittabrata Majumdar
25. Shri S.P.M. Syed Khan

26. Shri Amar Singh
27. Shri C. Ramachandraiah
28. Shri Mangani Lal Mandal
29. Shri Santosh Bagrodia
30. Smt. Shobhana Bhartia
31. Vacant

SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------|
| 1. Dr. (Smt.) P.K. Sandhu | — | <i>Additional Secretary</i> |
| 2. Shri A. Mukhopadhyay | — | <i>Joint Secretary</i> |
| 3. Shri S.B. Arora | — | <i>Deputy Secretary</i> |
| 4. Smt. Anita B. Panda | — | <i>Under Secretary</i> |

INTRODUCTION

I, the Chairman, Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf, present this Thirty-Eighth Report on the Demands for Grants (2006-07) of the Ministry of Planning.

2. The Demands for Grants of the Ministry of Planning were laid on the Table of the House on the 11th March, 2006. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Finance are required to consider the Demands for Grants of the Ministries/Departments under their jurisdiction and make Reports on the same to both the Houses of Parliament. Thereafter, the Demands are considered by the House in the light of the reports of the Committee. However, this year, the Demands for Grants of the Ministry of Planning were passed by Lok Sabha on the 17th March, 2006 prior to their consideration by the Standing Committee on Finance. Nonetheless, the Committee examined the Demands for Grants (2006-07) of the Ministry of Planning and issues arising out of these.

3. The Committee took oral evidence of the representatives of the Ministry of Planning at their sitting held on 19th April, 2006 in connection with Demands for Grants (2006-07) of the Ministry of Planning. The Committee considered and adopted the draft Report at their sitting held on 19th May, 2006.

4. The Committee wish to express their thanks to the officers of the Ministry of Planning for the co-operation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

5. For facility of reference, the observations/recommendations of the Committee have been printed in thick type.

NEW DELHI;
19 May, 2006
29 Vaisakha, 1928 (Saka)

MAJ. GEN. (RETD.) B.C. KHANDURI,
Chairman,
Standing Committee on Finance.

REPORT

CHAPTER I

INTRODUCTORY

The Planning Commission was constituted in March, 1950 by a Resolution of the Government of India, and it works under the overall guidance of the National Development Council. The Planning Commission consults the Central Ministries and the State Governments while formulating Five Year Plans and Annual Plans and also oversees their implementation. The Commission also functions as an Advisory Planning Body at the apex level.

2. Following functions have been allocated to the Planning Commission as per the Government of India (Allocation of Business) Rules, 1961:

- (a) Assessment of the material/ capital and human resources of the country, including technical personnel, and formulation of proposals for augmenting such of these resources as are found to be deficient.
- (b) Formulation of Plan for the most effective and balanced utilization of the country's resources.
- (c) Definition of stages in which the Plan should be carried out on a determination of priorities and allocation of resources for completion of each stage.
- (d) Determination of the nature of machinery necessary for the implementation of the Plan in all its aspects.
- (e) Identifying the factors which are tending to retard economic development and determine the conditions which, in view of current social and political situation, should be established for the successful execution of the Plan.
- (f) Appraise from time to time the progress achieved in the execution of each stage of the Plan and recommend adjustment of policies and measures that such appraisal may show to be necessary.
- (g) Public cooperation in National Development.
- (h) Specific programmes for area development notified from time to time.

- (i) Perspective planning.
- (j) Institute of Applied Manpower Research.
- (k) The overall coordination of the Pradhan Mantri Gramodaya Yojana (PMGY).

3. The overall Demands for Grants pertaining to Ministry of Planning is as follows:—

Demand No. 71- Ministry of Planning – 123.83 crore.

4. In the present Report, the Committee have examined the following issues:—

- 1. An overview of the Action Taken by the Government on the Recommendations of the Committee contained in their 18th Report on Demands for Grants (2005-06) pertaining to the Ministry of Planning.
- 2. Geographical Information System (GIS) and Utility Mapping Project
- 3. Pradhan Mantri Gram Sadak Yojana (PMGSY)
- 4. Sarva Shiksha Abhiyan (SSA)
- 5. Rural Telephone Connectivity
- 6. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)
- 7. Labour and Employment

5. During the course of examination of Demands for Grants (2005-06) of the Ministry of Planning, the Committee took up following issues for examination and presented/laid Eighteenth Report thereon to both Houses of Parliament on the 20th April, 2005:—

Demand No. 72

- 1. Modernisation of office system (office expenses)-Detailed Head 03.01.13
- 2. Payment for professional and special services- object head 28
- 3. Grants-in-Aid - object head code 31
- 4. Tenth Plan
- 5. Fiscal performance in the Tenth Plan, and
- 6. Zero Based Budgeting

6. The Report contained eleven recommendations. Action Taken notes were received from the Government in respect of all the recommendations contained in the Report on Demands for Grants (2005-06). Under Direction 73A of the Directions by the Speaker, Minister is required to make a statement on the Floor of the House on the status of implementation of the recommendations. The Minister of Planning has made such a statement on the Floor of the House on the 17th May, 2006.

7. Action Taken Replies in respect of six recommendations were accepted by the Committee. These recommendations mainly covered the following aspects:

- (i) Need for budgetary exercise with objectivity at each stage.
- (ii) 10th Five Year Plan- Need to ensure that the plan estimates are fully provided for to achieve the targeted growth rate of 8% per annum.
- (iii) Yearly targets as well as achievements of major rural poverty alleviation programmes.
- (iv) Better fund allocations for the Sampoorna Grameen Rozgar Yojana (SGRY) and the National Food for Work Programme.

8. In respect of the two recommendations/observations the Committee did not wish to pursue the matter keeping in view the Government's replies. These recommendations pertained to discrepancies in budgetary estimates under the head "Grants in Aid" for establishing the Institute of Applied Manpower Research (IAMR) as well as on corrective fiscal measures to improve the overall fiscal health. In so far as the remaining three recommendations/observations pertaining to estimation of BPL families, borrowings by State Governments and fiscal correction to avail of 12th Finance Commission awards are concerned, the replies of Government were not accepted by the Committee and thus, were again commented upon. Further action taken by the Government on the same were also subsequently received by the Committee.

CHAPTER II

GEOGRAPHICAL INFORMATION SYSTEM (GIS) AND UTILITY MAPPING PROJECT

9. The Scheme of “Spatial Data Infrastructure for Multi-Layered Geographical Information (GIS) for rural and urban Planning” has been operational in the Planning Commission, which is a new Central Sector Scheme (CS) sponsored by the Planning Commission and executed with the support of NIC.

10. The objective of the GIS is to build necessary framework to evolve self-sustaining system for continuous development of GIS applications, in the area of resources and infrastructure planning, disaster management and soil and water conservation. Another initiative taken by the Ministry of Planning pertains to utility mapping for six metros.

11. Digital mapping for Delhi has already been done. According to them, a Computer-Aided Digital Mapping Project (CADM) is being implemented in six metropolitan cities namely, Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata and Mumbai. In these cities urban migration and growth have put a tremendous pressure on the utility network providing civic amenities. However, in most of the cities, base maps on large scale are not available. Therefore, the need of the hour is to correctly map and scientifically manage this network. The Committee have been informed that once large-scale digital base maps of cities on scale such as 1:1000 are available these could be very useful for emergency services, better quality of utility services, land use, disaster and traffic management etc.

12. During oral evidence of the representative of the Ministry of Planning, the Member Secretary, Planning Commission further informed the Committee on these projects as follows:

“We had introduced two new schemes two years back, relating to Geographical Information System (GIS). This was particularly done because GIS was a tool or a support system for location-specific planning and it was something that was not being used adequately in the planning process, and the Planning Commission must improve this situation.

As we went into all that was available, we found that maps were available. There was the Survey of India; there was the Geological Survey of India (GIS); there was the Forest Survey of India (FSI); there was the Hydro Geological Survey of India; there was the Hydrological Survey of India; and the Soil Survey of India. All these maps were there, but they were in analog format. They were on different scales, and they would not even talk to each other. Therefore, it was not possible to do location-specific planning. We decided that we would have all of them digitized, as some of them were digitized, and some were not digitized. We had a system of multi-layering and now we have created a seamless GIS for the entire country."

13. The Member Secretary, Planning Commission added as follows:

"The other project is the GIS project sponsored by the Planning Commission relating to the seven metros. One presentation that I would like to make here today relates to these two initiatives on which we have spent something like Rs. 48 crore last year, and a substantial amount, that is, about Rs. 20 crore is going to be spent this year also. This would give you an idea as to what has been achieved by bringing this in. Eventually, the GIS-which relates to the seven metropolitan cities- would be so detailed that you would be able to pinpoint a manhole cover or do the alignment of a sewer-line and a water-line also. Therefore, utility mapping will be possible, and utility maintenance systems would improve on account of this. A whole lot of other applications would also arrive including vehicle-navigation system based on Global Positioning System (GPS)."

14. While explaining the usefulness of this project, the Member Secretary, Planning Commission submitted as follows:

"One of the common complaints in cities is that you always find roads being dug up. They will lay down the power line today, repair it, then dig it up again and lay down the telephone line, and then again dig it up and do a water line. Now, with this, we will know exactly what is the alignment and where are the various lines.....All those will get identified and you will be able to do maintenance job properly, and you would be able to organize maintenance of different utilities. This provides the basic knowledge input for that coordination also."

15. When asked as to how the Government proposes to collate the inputs after digital mapping, the Member Secretary, Planning Commission stated during evidence:

“You have the digital map which comes from the aerial photography and initial satellite pictures. On top of that the water supply people will indicate their lines. Those lines are plotted. They are marked out. Then, the lines of the Telephone Department get marked out and the sewer lines get marked out. Then, you have a management system which is a comprehensive management system where you are sharing that between all stakeholders. So, what is there, what is the alignment of the power line, is known to the waterline people, the telephone line people; and the power cables are known. You do not damage the power cables when you are digging a trench for one or the other. You can also coordinate with others, if you are going to dig a trench. You can check with others to find out if they also need to use that and then you can do it jointly so that you do not have to dig it up over and over again.”

16. When asked about the depths of the satellite mapping, the representatives of the Ministry of Planning *inter-alia* responded that they will be as specific as one manhole cover and the accuracy of this particular exercise is plus or minus 15 centimetres which means that within 30 centimetres, it can be found and it can go upto a depth of 10 to 15 feet. When the Committee pointed out that some of these sewage lines may exist much below the depth of 15 feet, a representative of the Ministry of Planning stated as follows:

“It can go right up to that. Technology being used is sounding equipment and Ferro Magnetic Detection Technology, which will actually trace things.”

17. However, the Committee expressed a doubt regarding dependency on agencies for requisite information as, in their opinion, there was a possibility that the data supplied by them may not be accurate. The Member Secretary, Planning Commission in this regard submitted as follows during evidence:

“These agencies are doing the validation of something which is scientifically arrived at. The data is coming actually from the photography process and remote sensing. What is really happening is, this data comes as new knowledge to many of these agencies because they have lost all data.”

18. During evidence, the Committee suggested that instead of Government depending on agencies concerned for information available in their old records, it would be much better if the Ministry provides them with the scientific information and asks them to update their records, the Member Secretary, Planning Commission stated as under:

“Once this data is created and given to them, they are supposed to do the labeling. Labeling in the sense what is the location, what is the number and all that. So their own system in the process will get completely transformed and they will have information which they have not had so far.”

19. To a query as to how frequently the information would be updated, a representative of the Ministry of Planning informed as follows:

“The way it is proposed is once the base digital map is available today, tomorrow any change which is taking place or any repair which is taking place will first need to be located on the digital map, updated on the digital map, and then only the actual process is allowed to go on the field. So, the updation will be automatic.”

20. In this regard, the Member Secretary, Planning Commission also stated as under during evidence:

“Unless the data capture is transaction specific, this could become out of date in two or three years’ time. I must admit that there are going to be problems in data capture in real time environment. But we are working towards that. We are building it up.”

21. When asked by the Committee as to whether a new law is being contemplated whereby any new addition will require clearance, they were informed as under:

“If it is not a law, it will have to be an administrative direction.”

22. On the use of the information developed as such, the Member Secretary, Planning Commission submitted as below during evidence:

“The idea of creating State-level atlases and District-level atlases is that once these atlases are created, then the District-level planners and State-level planners will use this at their level also. At Government of India level, the first one is going to be used much less. But at the District-level and State-level, the use would be much more.”

23. On the matter of sending trained persons at District-level for the purpose, the Committee were informed as under:

“.....All the NIC personnel in the Districts and States are getting trained. NIC has a presence in every District. There is a District outpost of NIC. They will be able to host it on their server.”

24. The Committee note that Geographical Information System (GIS) for planning (Rural and Urban) as a tool or as a support system for location-specific planning was not being used so far adequately in the planning process resulting in poor and haphazard/uncoordinated maintenance of different utilities such as water-lines, power-lines, telephone lines etc. From the information furnished by the Ministry, the Committee note that the Spatial Data Infrastructure for Multi-Layered Geographical Information System (GIS) project for planning has been undertaken by the Ministry with an aim to build necessary framework for evolving a self-sustaining system for continuous development of GIS applications, in the areas of resource and Infrastructure planning, disaster management, soil and water conservation etc. The Committee appreciate the initiative taken by the Planning Commission in this direction, particularly creation of a seamless GIS for the entire country, which, in view of the phenomenal pressure on utility services in big cities, is the need of the hour.

25. The Committee find that at present many agencies are involved in preparation of maps e.g. Survey of India, Geographical Survey of India, Forest Survey of India etc. However, these maps are on analog format as well as different scales, and thus, are unable to provide information for location-specific planning. Taking note of GIS project sponsored by the Planning Commission relating to utility mapping for seven metros like Delhi, Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, and Mumbai, the Committee find that Rs. 48 crore has been spent on it and around Rs. 20 crore is estimated to be spent during the current year. They further note that the project, once completed, will help civic agencies to pinpoint even a manhole cover or do the alignment of a sewer-line/water-line etc. Thus, utility mapping would be possible and its maintenance systems will improve to a great extent including other applications such as vehicle navigation system based on Global Positioning System (GPS). The Committee appreciate the efforts of the Planning Commission and hope that the project would be completed in time. In this connection, the Committee would also expect that once the project is found to be useful for its intended objectives, other metros/major cities may also be considered for the same.

26. What the Committee apprehend in this regard is that the Ministry may face problems in collecting the data/information from the agencies concerned for the purpose of utility mapping since their information is likely to be old/not up to date. The Committee also feel that since many agencies/stakeholders will be involved in the process, maintaining coordination between those may also become problematic. Therefore, the Committee desire that the Ministry may explore the possibility of including a representative each from the public utility service providers of the city concerned in the mapping project. They further feel that once the project is completed, instructions may be issued to the concerned utility agencies to take clearance from the Government prior to any major maintenance work. The Committee also desire that a mechanism should be put in place for creation of a transaction specific data capture for automatic updation thereof.

PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)

27. For a country of India's size, an efficient road network is necessary both for national integration as well as for socio-economic development. Pradhan Mantri Gram Sadak Yojana, a 100% Centrally Sponsored Schemes, aims at providing all-weather road connectivity to all 500 plus unconnected habitations by the year 2007.

28. With regard to launching of Pradhan Mantri Gram Sadak Yojana, the Ministry of Planning in a written reply stated as below:—

“Having recognized the importance of rural roads as institutional multipliers the Government resolved to provide total Rural Connectivity. It was indicated in the Address of the President of India to the Joint Sitting of Parliament on 25th October 1999, when a Programme of construction of All-weather roads in the rural areas was announced. Subsequently, the Pradhan Mantri Gram Sadak Yojana(PMGSY), was launched as a 100% Centrally Sponsored Scheme, with the target of connecting, through good All-weather roads, every habitation with a population of more than 1000 within the next three years and every habitation with a population of more than 500 by the year 2007”.

29. On a query regarding reduction/change in population criteria under PMGSY, as earlier for Hill and North-Eastern States, Desert and Tribal Areas, the population criteria was 250 plus, a representative clarified as below during evidence:

“The issue here is that the funds were not available at that time when we started for 250 and above. Only Rs. 2400 crore to Rs. 2500 crore were available for a programme size of over Rs. 1,17,000 crore. So, now we have said that first of all the villages having population of 1000 and above habitations and 500 population in hilly and tribal areas, they will be taken up. For that we have been able to identify the funds.”

30. On funding pattern the Ministry of Planning in post evidence reply stated as follows:

“A sum of approximately Rs. 48,000 crore is proposed to be invested to achieve this. Out of this, Rs. 16,000 crore is likely to be received as share of Cess on High Speed Diesel for rural roads, Rs. 9,000 crore from the World Bank and the Asian Development

Bank, leaving a gap of Rs. 23,000 crore. A separate window for Bharat Nirman in NABARD has been proposed to raise funds to meet this gap. In order to finalise the modalities and procedure for creation of a separate Bharat Nirman Window in NABARD, a Task Force under the Chairmanship of Principal Advisor (P), Planning Commission was constituted.

The Task Force in its meeting held on 8th December, 2005, after having an in-depth discussion on Funding, Borrowing and Routing options for the NABARD Window, recommended to create a special window under RIDF and permit the National Rural Roads Development Agency, a Society under Ministry of Rural Development, to borrow from this window to supplement Central Government Grants under PMGSY. For repayment, the Task Force has recommended that 75% of the cess accruals can be committed for repayment and funding spread over 4 years (2006-07 to 2009-10) which would make available about Rs. 16,500 crore. Besides, another amount of Rs. 2320 crore would be available from cess in 2009-10 (after repayment of interest and Principal) thereby leaving a gap of Rs. 4180 crore which could be met from budgetary support. The actual modalities of utilizing the NABARD Window is being worked out by the Ministry of Rural Development in consultation with Ministry of Finance”

31. In this regard, a representative of the Ministry of Planning elaborated further as follows during oral evidence :

“The Bharat Nirman (Rural Roads) is the sub-set of the PMGSY. So, what has been done so far is that about 42,000 habitations have already been connected just before launching of Bharat Nirman. At that point of time, the total programme required over Rs. 1,17,000 crore or so. But we have only Rs. 2000 crore to Rs. 2500 crore for financing this programme. That is the reason why we have upscale and the 50 paise cess was imposed. It gives us more money for that. Then there was a multilateral funding. Then we had introduced NABARD funding. For Bharat Nirman as a whole we need about Rs. 48,000 crore that has now been almost tied up by this programme which we are doing. Partly it will be done from the cess money which is about Rs. 16,000 crore, about Rs. 9,000 crore is from the multilateral funding and remaining Rs. 23,000 crore with an increase of budgetary support cess of over Rs.6000 crore or so, the balance will come from the NABARD funding. So, this is how we are funding this. Now we have given something like Rs. 9,000 crore for 2006-07 which will have to be increased to Rs. 14,000 crore to Rs. 15,000 crore.”

32. When asked to explain involvement of NABARD in rural road reconstruction programme, the Member Secretary, Planning Commission stated as under during evidence:

"The NABARD has been involved in rural road reconstruction programme. We have asked NABARD to provide loan, which will be given to the States. There is a cess through which we will ensure a pay back through the Government of India in future."

33. On the matter concerning distribution of funds among States, the Ministry stated as under:—

"The allocation of funds to different States is made as per the formula *i.e.* the allocation of the original Re. 1 per litre cess on HSD (High Speed Diesel) to the States/Union Territories is based on, *inter-alia*, a weightage of 75% for need (share of unconnected habitations in the total unconnected habitations of the country) and 25% on coverage (share of connected habitations in the total connected habitations of the country). The allocation of additional cess of Rs. 0.50 per litre is based upon proportion of road lengths to be covered by each State under Bharat Nirman Programme".

34. When asked to explain the manner of disbursement/distribution of NABARD funds to other States like West Bengal, Andhra Pradesh and Maharashtra, the following was stated during evidence by the Member Secretary, Planning Commission:—

"The villages have all been listed out state-wise, district-wise. There may be very few districts left in the Southern States and Western States, but a large number of them would be left in States like Bihar, Chhatisgarh, Jharkhand, Orissa etc. These villages are already identified which are to be connected."

35. When queried by the Committee further on the mechanism of distribution of NABARD funds and who is going to do it, the Member Secretary, Planning Commission submitted as follows during evidence:

"We have created an off budget mechanism by which Rs. 4,000 crore will come, in addition to Rs. 5,200 crore of budgetary support which is going to the rural roads programme. So, the total programme size is Rs. 9,000 crore."

36. On a query regarding interest component on NABARD loan to States, a representative submitted as under during oral evidence:—

"We have three sources of funding: Multilateral funding, Cess and NABARD Window. We have a National Rural Road Development

Agency called NRRDA. NABARD will give loan to NRRDA which in turn will give to all the States. Various States have been listed here and it depends on the level of connectivity in each State which decides the allocation.”

37. In this regard, the Member Secretary, Planning Commission explained further as under:—

“In simpler terms, Rs. 4,000 crore of NABARD fund will be taken into reckoning like what is coming from cess and what is coming from the budgetary support and then all will get clubbed together. Depending upon the number of villages which have to be connected, and the distances which have to be connected, in that ratio the programme will be determined.”

38. When the Committee desired to be apprised of the reasons for introducing loan, while earlier it was all grant, the following was stated during evidence:—

“As far as the loan part of it is concerned, it is not effectively a loan which is going to be recovered from the budgetary resources of the States. The loan is an accounting device by which we are getting money off Budget from NABARD into the system and we are imposing a cess. This cess is of the debt to the NABARD. So, over a period of time NABARD will get back its money. There is no additional burden on the States.”

39. The Ministry, in their post evidence replies, submitted the following on the magnitude of the programme:—

“According to latest figure made available by the State Governments under a detailed survey to identify Core Networks as part of the PMGSY Programme, about 1.72 lakh unconnected habitations (eligible habitations) need to be taken up under the PMGSY, as follows:

Item	Eligible under PMGSY			
	1000+	500-999	250-499	Total
Rural Habitations	59,898	81,471	31,156	1,72,525
Length of rural roads required (in kms)	1,34,169	1,61,890	68,805	3,68,488
Habitations being covered upto 2004-05	22,345	11,996	3,788	38,129

It was further added:

“To achieve the targets of Bharat Nirman, 1,46,185 Kms. of road length is proposed to be constructed by 2009. This will benefit 66,802 unconnected eligible habitations in the country. To ensure full farm to market connectivity, it is also proposed to upgrade 1,94,132 kms. of the existing Associated Through Routes”.

40. Providing an overall picture of the progress of works under PMGSY, the Committee were informed as under:

“So far the Ministry of Rural Development has cleared proposal amounting to Rs. 25,7,59.25 crore and released an amount of Rs. 16,2,51.70 till 15th March, 2006. As per the progress reports received from the State Governments, 30394 road works, covering 85641 kms (57%), out of 150786 kms. approved, have been completed benefiting 49017 habitations (26706 habitations of 1000+population, 17219 habitations with population 500-999 and 5092 habitations with population 250-499)”.

41. The Committee note that the Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched as a 100% centrally sponsored scheme with the target of connecting, through good all-weather roads, every habitations, having population of more than 500, by the year 2007. From the information furnished to them, they find that Government have now revised the criteria of population for road connectivity, which was earlier 250 and above, owing to crunch of funds. The new criteria provides for road connectivity of those habitations having population of 1000 and above and 500 population in hilly, desert and tribal areas. The Committee further note that about 49017 habitations have been connected (under the PMGSY) so far. The programme (Bharat Nirman) as a whole, needs Rs. 48,000 crore which could be managed partly from the cess money on HSD (Rs. 16,000 crore), multilateral funding (Rs. 9,000 crore) and remaining Rs. 23,000 crore with an increase of budgetary support/cess of over Rs. 6,000 crore or so. A separate window in NABARD has been proposed to raise funds to meet this gap. The NABARD will give loan to National Rural Road Development Agency (NRRDA), which in turn will provide it to all States. The Committee note that the actual modalities of utilizing the NABARD window is currently being worked out by the Ministry of Rural Development in consultation with the Ministry of Finance. They expect the process to be completed early so that the programme could be taken up for implementation without delay at least on this account.

42. The Committee note that few districts are left in the Southern and Western States under PMGSY, however, they are constrained to observe that large number of Districts are left in some other States despite being identified for providing connectivity. They note that the pace of the receiving proposals from some of these States is abysmally low. Therefore, they hope that, with coming into picture of NABARD funding the programme, the pace may gain some momentum henceforth. They also desire that Government should make sincere efforts urgently to assess the progress of PMGSY in all the States and take necessary corrective measures to put the scheme on the right track.

SARVA SIKSHA ABHIYAN (SSA)

43. The Finance Minister in his Budget Speech *inter-alia* stated that “Sarva Siksha Abhiyan (SSA) has recorded remarkable progress in 2005-06 in terms of new schools, additional class rooms and additional teachers. Two independent surveys show that 93 per cent of the children in the age group 6-14 years are in school, and the number of children not in school has come down to about one crore. Recognizing good performance, the Finance Minister proposed to increase the outlay for SSA from Rs. 7,156 crore to Rs. 10,041 crore in 2006-07. He also announced that 50,000 additional class rooms would be constructed and 1,50,000 more teachers would be appointed.”

44. As per the Ministry, the 10th Five Year Plan had set the target of enrolling all children in the age group of 6-14 years in schools and EGS/AIE centres by 2003. However, the Mid-term Appraisal of the 10th Plan reviewed the target year as 2005. When enquired by the Committee on this, the Ministry of Planning, in their written reply, informed as follows:

“The objectives of SSA are to enroll all children in schools, EGS/AIE Centres by 2003 and it was targeted that all children would complete five years’ of schooling by 2007. Both the target of enrolling all children in schools by 2003 and giving five years of schooling to all children by 2007 could not be achieved due to delayed start of SSA as the States took time for preparation of district perspective plans under SSA. The target for enrolment will have to be extended to 2005-06 now.”

45. Explaining the focus areas under SSA this year during the oral evidence, the Member Secretary, Planning Commission stated the following:

“.....The focus is on construction of school buildings, additional class rooms, drinking water facilities in schools, construction of toilets in schools, appointment of teachers, supply of textbooks, in-service training of teachers.....We would like to have ideally 1 teacher for 40 students.”

46. When asked further on the issue of target set for the Tenth Plan regarding universalisation of access to Elementary Education, the Ministry of Planning, in their written reply submitted as under:

“At the time of formulation of the Tenth Plan about one lakh habitations remained unserved by schooling facilities as per the

norms of one primary school within 1 km distance and children were out of school. Universalisation of access to primary schooling has been a high priority of SSA and DPEP. SSA covers the entire country and addresses the needs of about 20 crore children in about 11 lakh habitations. In difficult and unserved areas, which do not qualify for regular schools, EGS/AIE centres have been set up. With the expansion of schooling facilities by opening up of new schools and establishment of EGS/AIE centres, almost all habitations have been covered. The last review held in November, 2005 has revealed that at present 1.35 crore children are out of school."

47. On the issue of drop-out rates, the Member Secretary, Planning Commission stated as below during evidence:

"In the SSA, we have a number of components. For the first time, to begin with, let me mention that the focus on SSA emerges from the fact that we had a very high dropout rate and we had a very low enrolment rate. These are matters of concern. There were absentees, not adequate teachers, and there were qualitative issues about education".

According to the Ministry, the following is the dropout rate among children:

"Drop Out Rates(%) Among Primary Students:

Year	Drop Out Rate (%)
1. 2001-02	39.03
2. 2002-03	34.89
3. 2003-04	31.36

Target: To Reduce drop out rates by 5% points per year".

48. On the matter to reduce drop out rates it was informed, in a written reply, as under:

"Mid-Day Meal Scheme (MDMS) has been universalised from 1st September, 2004 to cover all the primary school children in government, local body and government-aided schools including EGS and AIE Centres. This is expected to reduce drop out rate by 5 percentage points per annum, and improve retention of 1.5 million children every year. Presently MDMS covers about 12 crore

children in primary classes. Mid-day meal is extended to drought affected areas during summer vacation also. Besides giving foodgrains free of cost to the States, Government of India also provides cooking cost at the rate of Rs. 1.00 per child per day and transportation subsidy for foodgrains. Studies show a positive impact of MDMS on school enrolment and attendance. Planning Commission have received the programme several times and have urged the Department to ensure that proper management structures and systems are established at State District and Block levels for implementation of MDMS. The Department has been asked to launch a Baseline Survey of MDMS, and PEO of Planning Commission is undertaking an evaluation study of the Programme.”

49. In this regard, Member Secretary, Planning Commission stated as follows during oral evidence:—

“It is an appendage to Sarva Shiksha Abhiyan. Mid Day Meal Scheme has had the added advantage of contributing to increasing the enrolment rate”.

50. Regarding out of school children, the Ministry of Planning in a post evidence reply informed as follows:

“Total number of Out of School Children

Year	Out of School Children (million)
1. 2001-02	32.0
2. 2002-03	24.9
3. 2003-04	11.6
4. 2004-05	9.8*

*27 States and UTs.

Out of school children reduced from 32 million in 2001-02 to 9.8 million in 2004-05. An additional 22.2 million joined the education system since the launch of SSA”.

51. In this connection, Ministry, in their written note, further submitted as follows:

“There are about 48 districts with more than 50,000 out- of- school children. Forty out of these 48 districts are in the States of Bihar,

Uttar Pradesh & West Bengal. The annual work Plan and Budget of 2006-07 of these districts are being appraised in detail for strategies for the out of school children”.

52. In this regard, it has also been stated that the Mid-Term Appraisal of the Planning Commission recommended that all the out of school children be enrolled in regular schools, EGS and AIE Centers and plan for mainstreaming already enrolled children in the non-formal education. Based on the review, it also recommended that high drop-out rates and quality of education are the two main areas which should be addressed through specific measures under SSA. As regards funding pattern of SSA, it recommended the existing ratio of 75:25 should be maintained till the SSA mission period.

53. While elaborating upon the Government’s strategy to enroll out-of-school children, the Ministry, in their written note, stated as under:

- “(i) For ensuring universal access to primary and upper primary schools 1.58 lakh schools have already been sanctioned under SSA and out of this 1.30 lakh schools have been opened till December 2005.
- (ii) Eleven Capacity building workshops for strategies for including out of school children – especially through bridge courses – and for minority children have been held in the States of Bihar, Uttar Pradesh, West Bengal, Punjab, Meghalaya, Arunachal Pradesh, Jharkhand and Jammu & Kashmir.
- (iii) States of Uttar Pradesh, Bihar and Madhya Pradesh have taken up significant programmes for extending general education to minorities studying in Maktabas/Madarasas and who were earlier receiving only religious education.
- (iv) States/UTs have also been asked to implement diversified strategies for the enrolment of out of school children especially for the “hard to reach” groups like children who migrate seasonally with their families, children working in shops, dhabas and on the streets, domestic servants, bonded child labourers.
- (v) The SSA Annual Work Plan targets enrolment of all the out of school children and close monitoring of the progress.”

54. The Ministry furnished to the Committee cumulative progress under SSA upto December, 2005, as under:

Cumulative progress under SSA upto December 2005

	Target 2005-06	Cumulative performance		Percent
		Approved	Completed & Progress	
I. Infrastructure				
New Schools	35306	157967	129893	82
Construction of school buildings	34262	120629	105951	88
Construction of additional class rooms	141886	329690	298455	90
Drinking water facilities	40760	111147	90165	81
Construction of toilets	65771	156634	120710	77
II. Quality of education				
Teacher appointment	191697	772345	492261	64
Supply of books (No. of children in cr.)	6.14 cr.		5.02 cr.	82
Annual in-service training for teachers		32,52,785	21,79,356	67
III. Total NPEGEL Blocks	National: 3024 Blocks	Blocks covered	2638	
IV. Out of school children	2001-02 3.2 crores	2002-03 2.49 crores	2003-04 1.16 crores	2004-05 0.98 crores
(a) New School opened	1.30 lakhs			
(b) School buildings	1.05 lakhs			
(c) Additional class rooms	2.98 lakhs			
(d) Drinking water facilities	0.90 lakhs			
(e) Toilets	1.21 lakhs			
(f) Appointment of teachers	4.92 lakhs			
(g) Free supply of Books	5.02 crores			

55. The Committee note that Sarva Siksha Abhiyan (SSA) has made some progress in 2005-06 in regard to starting up and providing new schools additional class rooms/teachers. As a result, 93% of the children between the age-group of 6-14 years are presently stated to

be in school and the number of children out of school has come down to 0.98 crore in 2004-05. Keeping in view this reported progress the budget outlay of the Abhiyan has been increased from Rs. 7,156 crore to Rs. 10,041 crore in 2006-07.

56. However, at the same time the Committee are constrained to note that the objective of SSA, which was to enroll all children in schools/EGS/AIE centres by 2003 and that all children would complete five years' of schooling by 2007, could not be achieved, the reason being delayed start of SSA, as the States took time for preparation of district perspective plans under SSA. From the information furnished, they also find that the target to reduce the dropout rates by 5% points every year is not-being met consistently as during the year 2003-04, the reduction rate was merely 3.53%. The Committee take note of the reviews with concern which indicated that about 50% of the total out-of-school children in the Country are in Uttar Pradesh, Bihar, Jharkhand and West Bengal. The Committee are of the firm view that unless special efforts are made to increase enrolment and participation of children in these States, the situation is going to deteriorate further. As around 73 districts have already been identified by the Department for special enrolment drives, the Committee expect that action might have been initiated in these districts. However, they desire that the Government must continue in their efforts to counter teacher absenteeism and sensitize the rural population, through appropriate folk publicity measures, about the importance of education for their children so that the children do not drop out of schools mid-way.

57. Though the Mid-Day Meal Scheme is stated to have contributed, to some extent, to reduce drop out rates and increase in school enrolment and attendance, the Committee express concern over various media reports which state that due to supply of contaminated/ sub-standard food, school children fall sick resulting into addition in drop out rates and attendance. Hence, the scheme requires setting up of proper distribution and monitoring mechanism at the State, District, Block and Panchayat levels. The Committee, therefore, feel that the Department concerned may conduct a Baseline Survey of MDMS and based on the results thereof, take suitable steps to improve the quality of meals supplied to school children. At the same time it is imperative to impress upon the State Governments to conduct enquiries regarding supply of contaminated or sub-standard food whenever it is reported, accountability fixed and appropriate punishment awarded. The Committee would like to be apprised of the specific disciplinary action taken in this regard.

RURAL TELEPHONE CONNECTIVITY

58. While presenting Budget for the Financial Year 2006-07, the Finance Minister delved upon rural telephone connectivity as one of the components of the "Bharat Nirman Project".

59. The Committee in particular noted the following target spelled out by the FM:

"More than 50 million rural connections will be rolled out in three years and thereafter a connection will be available on demand.....In order to extend financial support to infrastructure for cellular telephony in rural areas, the Minister of Communication will bring a Bill in the Budget Session to amend the Indian Telegraph Act."

60. During the oral evidence, the Committee invited attention towards the fact that despite the Government's promise in their Telecom Policy in the year 2002 to connect every village by telephone, much remains to be done in this direction. Responding to the concern expressed by the Committee, the Member Secretary, Planning commission stated *inter alia* the following:

"....we are not in a position to make available those funds within a timeframe. That was because the task was stupendous but progressively over the years, the achievement has happened and the balance task has become smaller"

61. In a subsequent written note, the Ministry informed the Committee that the Department of Telecom is confident of providing connectivity to all uncovered villages by 2007. The Department of Telecommunication (DOT) has estimated the cost of providing 66,822 Village Public Telephones (VPTs) Rs. 451 crores, which is provided from Universal Service Obligation Fund, where adequate provision exists.

62. Explaining the technology proposed to be used for VPTs as well as the cost involved, the Ministry, in a written note, stated as follows:

"Out of total 66,822 Village Public Telephones (VPTs) 14,183 would be provided on satellite based medium. The remaining 52,639 VPTs

will be using any other technology. The Roll Out Plan has been prescribed as three years from November, 2004 which will take place in a phased manner of 20%, 40% & 40% of the targeted VPTs.

Cost of providing VPTs on Satellite Medium

Capex—Rs. 1,00,000 (Front Loaded Payment)

Opex —Rs. 5,978 to 17,500 (Equated Annual Subsidy for 5 years)

Cost of providing VPTs using other technologies

Capex—Rs. 25,000 (Front Loaded Payment)

Opex—Rs. 1990 to 7,600 (Equated Annual Subsidy for 5 years)

After connection, the operation is funded (subsidized) through Opex *i.e.* Equated Annual Subsidy for 5 years. As per the agreement signed, the USP has to charge the tariffs for the service from the customers/users as per the TRAI Tariff orders/regulations/directions issued in this regard. No rental, fixed monthly charges or any other charges are collected from the custodian”

63. The Committee are disturbed over the fact that though the Government has been promising since the year 2002 to provide telephone connectivity to all villages in the Country, a lot still remains to be done. The Government has now expressed confidence to provide connectivity to all uncovered villages so far by the year 2007 through 66,822 VPTs, for which adequate fund provision from Universal Service Obligation Fund (USOF) is reportedly available. However, going by the past record, the Committee are not very sure if this extended target can be met. Besides, as the Government has committed to complete the task in another one-and-a-half year, the Committee feel that the increasing popularity of mobile phones, even in semi-urban and rural areas, may adversely affect the actual utility of landlines in the long run. Therefore, the Committee feel that keeping this factor in mind, the Government should not only ensure that the VPTs are provided in all villages at the earliest but should also keep scope open for providing cellular mobile telephones in select rural areas. In this connection the Committee note that in order to extend financial support to infrastructure for cellular telephony in rural areas, the Government is contemplating to bring a Bill to amend the Indian Telegraph Act. The Committee would like to be apprised of the progress made in this regard.

RAJIV GANDHI GRAMEEN VIDYUTIKARAN
YOJANA (RGGVY)

64. Improvement of rural electricity infrastructure is essential to empower rural India and unleash its full growth potential. The proposals, with regard to Rajiv Gandhi Grameen Vidyutikaran Yojana, include that 40,000 more villages will be electrified. The key to the success of this programme has been stated to be the engagement of franchisees and proper commercial and contractual arrangements for distribution, billing and collection.

65. According to the Ministry, the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was introduced in April, 2005 for the objective of providing access to electricity to all rural households over a period of 5 years. Rural Electrification Corporation (REC) is the nodal agency for the RGGVY. Under this yojana, projects can be financed with 90% capital subsidy for provision of Rural Electricity Distribution Backbone (REDB), creation of Village Electrification Infrastructure (VEI) and Decentralized Distributed Generation (DDG) which would also cater to the requirement of agriculture and other activities including irrigation pumpsets, small and medium industries, Khadi and Village Industries, cold chains, healthcare, education and IT. At present, only 44% of the rural households have access to electricity. Under this scheme, un-electrified Below Poverty Line (BPL) households will get electricity connection free of charge, as per the norms of Kutir Jyoti Programme in all rural habitations.

66. In regard to funds allocation, physical achievements and hurdles faced in RGGVY during the year 2005-06, the Ministry of Planning, in their written reply, stated as follows:

Funds allocated/released (in Rs. Crore) 2005-06		Physical Achievements (as on 28.3.2006)		Hurdles faced in RGGVY
		2005-06		In Phase I (i.e. 10th Plan)
		Target	Achievement	
1	2	3	4	5
1100.00 (in Ministry of Power's budget to fund Capital subsidy for RGGVY)	1550.63 (includes loan component and enabling activities charges of REC)	10,000 villages	7741 villages & 14,741 rural households (including 4547 BPL households)	(i) The number of villages electrified is as reported by Ministry of Power. It is pointed out that the revised definition for village electrification requires electrification of 10% of the total households in that village

1	2	3	4	5
				<p>to be recognized as electrified, in addition to electrification of all public places like schools, panchayat offices, health centres, dispensaries, community centres etc. Clearly the claim relating to the number of villages electrified appears high when compared to the number of households actually electrified. This needs independent verification to assess ground realities.</p> <p>(ii) The current objective of the RGGVY does not match the National Common Minimum Programme (NCMP) objective viz. electrification of all households in five years. The current objective aims to only provide electricity access to all rural households over a period of 5 years and electricity connections only to BPL households. Thus at the end of 5 years all households will not be electrified as envisaged by NCMP.</p> <p>(iii) Government of India approved RGGVY with 90% capital subsidy on the condition that the revenue sustainability of the RE programme will</p>

1	2	3	4	5
				be established with this level of capital subsidy. However, it is increasingly clear that with the current load profile of rural India continuing State Government subsidies would be inevitable unless the programme is required to be implemented differently by a suitable Rural Electrification policy.

67. Informing the Committee on the status of this Yojana, the Ministry of Planning stated the following:

“As per census 2001, the status of Rural Electrification in India is as follows:—

Total number of unelectrified villages = 1,18,828

Total number of un-electrified rural households = 7,62,20,035

RGGVY envisages electrification of all villages and provide electricity access to all rural households over a period of 5 years *i.e.* by 2009.”

68. When asked about the provision of State Governments in implementing this scheme, keeping in view the implementation aspect of the projects which is rested with the respective State Governments, the Ministry of Planning in a written reply submitted as follows:—

“RGGVY provides the facility to the States for availing the services of the CPSUs for:

- (i) Project formulation, development and implementation involving system planning, design, engineering and procurement of goods and services and construct/ implement/commission the projects covered under the scheme.

or

- (ii) Formulation and preparation of reports, project approvals, advisory support for procurement and project monitoring and supervision of quality work.

or

- (iii) Project Monitoring and supervision of quality of work during construction.

“The services of CPSUs as above are available to the States willing to utilize their services for implementation of the programme. The bulk of the unelectrified villages (around 80%) are mostly located in the States of Bihar, Chhattisgarh, Jharkhand and Orissa, Uttar Pradesh and West Bengal. The State utilities in these States do not have the required manpower and technical expertise to implement the rural electrification programme within the stipulated time frame as envisaged under the RGGVY. Therefore, these States and some other States like Assam, J&K, Gujarat, Madhya Pradesh and Tripura have entered into an agreement with the CPSUs under the Ministry of Power for RGGVY implementation.”

69. The Committee note that Rajiv Gandhi Grameen Vidyutikaran Yojana envisages electricity access to all rural households over a period of Five years and electricity connections only to BPL households. But from the information furnished to them, they find that at the end of fifth year, all households would not be electrified as envisaged in the Common Minimum Programme (NCMP) because the current objective aims only to provide electricity access to all rural households over a period of 5 years and electricity connection only to BPL households. They, therefore, desire that unless every household is electrified, the NCMP objective may prove a mismatch.

70. The Committee further note that the revised definition for village electrification requires electrification of 10% of the total households in that village to be recognized as electrified, in addition to electrification of public places such as schools, Panchayat Offices, Community/Health Centres etc. Hence, the claim relating to the number of villages electrified appears high when compared to the number of households actually electrified. They, therefore, desire that an independent verification may be carried out to assess the ground realities in this regard.

71. The Committee are unhappy to note that around 80% un-electrified villages are mostly located in the States of Bihar, Chhattisgarh, Jharkhand, Orissa, Uttar Pradesh and West Bengal, the reasons being that the State utilities pertaining to these States do not have the requisite manpower and technical expertise to

implement the rural electrification programme within the stipulated time frame as envisaged under the RGGVY. The Committee learn that for implementation of the RGGVY, some States like Assam, J&K, Gujarat, Madhya Pradesh and Tripura have entered into an agreement with the CPSUs under the Ministry of Power. In this backdrop, the Committee feel the States which do not have requisite manpower or technical expertise may be persuaded to enter into an agreement with CPSUs for the implementation of the project. In addition, a special component may be created under RGGVY in order to give a boost to rural electrification in the backward States in the form of assistance to appoint/depute required technical experts.

LABOUR AND EMPLOYMENT

72. Estimates of labour force, employment and unemployment in the country are an integral part of the exercise for preparation of employment perspective for planning. These estimates are based on the results of NSSO sample surveys and the demographic census. On the basis of these estimates, employment projections are made. Estimates of labour force, employment and unemployment are prepared by the Planning Commission, besides the examination of the educational profile of the work force, employment and unemployment among youth (age between 15-29 years), employment and unemployment among poor and many other issues relating to employment.

73. On the status of estimation of Labour Force, Work Force and unemployment rate by Usual Principal & Subsidiary Status from 58th round onwards, the Committee were, *inter-alia*, informed as under:—

	58th Round (July-Dec., 2002)	59th Round (Jan-Dec., 2003)	60th Round (Jan.-June, 2004)
Labour Force (‘000)	430126	448942	457473
Work Force (‘000)	420962	440250	446889
Unemployed Persons (‘000)	9164	8693	10584
Unemployment Rate(%)	2.13	1.94	2.31

74. On the reasons for wide gap between the number of jobs created and increase in the number of job aspirants vis-a-vis Governments steps to accommodate the latter, the Planning Commission informed as under:—

“It may be seen that number of registrants in employment exchanges have not come down. Job placement that takes place outside the purview of employment exchanges is substantial. And all those registered are job seekers but not necessarily unemployed. Hence, the Employment Exchange data may not be taken as a true indicator of employment-unemployment situation. As a matter of fact names of registrants do not get struck off from the live register even after getting employment.”

75. When asked to furnish the major findings/results of 61st round of Sample Survey of NSSO held in July, 2004-June, 2005 regarding employment scenario, the Ministry of Planning responded as under:—

“The results of 61st round of Sample Survey of NSSO conducted during July, 2004, June, 2005 are not yet available.”

76. Asked by the Committee to furnish the reasons for decline in the growth rate of employment between the period 1983-1994 from 2.7% per annum to 1.07% per annum during 1994-2000, the Planning Commission, in a written reply, informed:—

“As per the Planning Commission, the growth rate of employment and the labour force derived from the National Sample Survey (NSS) data shows that the rate of growth of employment declined sharply from 2.70% per year in the period 1983 to 1993-94 to only 1.07% per year in the period 1993-94 to 1999-2000. However, it is important to recognize that the absolute level of employment in 1999-2000 is estimated by applying the percentage of employed workers to the total number of workers in the labour force observed in the survey to an estimate of the labour force in that year. The estimate of labour force in turn is obtained by applying the Labour Force Participation Rates (LFPR) in the survey to the total population derived from census data. An important feature of the 1999-2000 survey is that labour force participation rates have declined sharply compared with position in 1993-94 and this is reflected in sharp deceleration in the growth of labour force from 2.43% in the period 1983 to 1993-94 to only 1.31% in the period 1993-94 to 1999-2000. The observed deceleration in employment therefore, can not be dissociated from the sharp decline in the growth of the labour force and indeed is derived from it.”

77. Further, when asked to comment upon the declining trend in employment opportunities in the organized sector—both public and private as well as the strategy of the Government to tackle the problem, the Ministry, in their written replies informed as under:—

“National Sample Survey Reports on Employment and Unemployment revealed that the regular salaried workers on Usual Principal Status basis (UPS) increased from 503.5 lakh during 1993-94 to 579.4 lakh in 1999-2000. This is based on survey of households.”

78. Another approach is the survey of establishments as reported by the Employment Market Information (EMI) system. Under the EMI programme, the data/information on the level of employment is however, collected only in respect of the organized sector of economy, which comprises of all establishments in the public sector and non-agricultural establishments employing 10 or more persons in the private sector. Under this programme, all the establishments are required at quarterly intervals, to supply details about the number of persons they are employing, vacancies occurred and the type of persons who are found in short supply. It is worth noting that whereas data from all the establishments in the public sector and those non-agricultural establishments in the private sector employing 25 or more persons are obtained statutorily under the provisions of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the data from non – agricultural establishments engaging 10 to 24 persons in the private sector are collected on a voluntary basis.”

79. On the matter of steps to be taken to increase employment opportunities in organized sector, the Ministry of Planning elaborated as follows:—

“.....The decline in private organized sector employment has been marginal. And decline in public organized sector employment has been observed higher. The decline in public organized sector employment may be result of restructuring of Government departments and ban on recruitments. Similarly, decline in private organized sector employment may be result of reprioritizing means of production in the process of liberalization. The decline in private sector is not so sharp and it may remain so during the transitional period. Employment in private organized sector is likely to increase much faster after economy adjusts completely to the liberalization.....”

80. It was further added:—

“.....Employment is a concurrent subject and therefore, State Governments also take initiatives and implement various schemes to increase employment opportunities in their respective States. Ministry of Rural Development and Ministry of Urban Development and Poverty Alleviation also implement various schemes to increase employment opportunities in rural and urban areas respectively.”

81. The Planning Commission referred to the following amendments in Labour Laws, as suggested in the Mid-Term Appraisal

of 10th Five Year Plan, to promote the growth of organized employment:—

“Changes have been proposed in the Acts relating to Payment of Wages Act, 1936, the Labour Laws (Exemptions from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988 and the Factories Act, 1948.”

82. The hiring of contract labour in the newly-emerging sectors was to be made more liberal by amending the Contract Labour (Regulation & Abolition) Act, 1970. Amendments to the Industrial Disputes Act, 1947, were envisaged to ensure a higher compensation for retrenched workers as well as raising the threshold on number of employees for closure of establishments without state government permission.

83. Labour laws make it difficult for employer to respond flexibly to changes in demand when necessary and have the net effect of discouraging the growth of strong labour absorbing sectors. A simplified regime of labour laws was envisaged in Tenth Plan in order to promote the growth of organized employment. To evolve a workable consensus, on recommendations of 2nd NCL, amongst the employers, the trade unions, and the State Governments, the union Ministry of Labour has organized consultations in the Indian Labour Conference, and at other fora.

84. MTA has also suggested that on the request of State Governments, selective exemption from the applicability of the labour laws could be considered for Special Economic Zones (SEZs) and Export Oriented Units (EOUs) and even in the larger Special Economic Regions (SERs).

85. The Committee find that NSSO Sample Surveys and the demographic census form the basis for estimation of labour force, employment and unemployment. They find that growth rate of employment/labour force declined from 2.70% per annum during the period 1983 to 1993-94 to only 1.07% per year during 1993-94 to 1999-2000. As per the Survey conducted in 1999-2000, labour force participation rates also declined sharply in comparison to 1993-94 resulting into sharp deceleration in the growth of labour force from 2.43% during 1983 to 1993-94 to only 1.31% in 1993-94 to 1999-2000. What the Committee wanted to know from the Government was the latest result of the sample survey conducted by the NSSO during July, 2004—June, 2005 which the Government could not furnish by saying that the same was not available with them. The Committee

are surprised that even after a lapse of almost one year, the results of the Survey are not available with the Government. The Committee take a serious view in the matter and expect the Government to come out with the result early, which is so crucial for employment planning.

86. The Committee are further disturbed to note that number of registrants of job seekers in employment exchanges have not come down despite Government's claim that job placement taking place outside the purview of employment exchanges is substantial. From the information furnished, the Committee find that Government is promoting labour intensive sectors for creation of employment potential and 10th Plan has also taken initiative in this regard. Despite all these, employment in organized sector—both in public and private – has declined, which the Committee feel, is a very discouraging scenario keeping in view the ever-increasing number of job seekers. It may be pertinent to mention that one of the prime factors contributing towards rise in crimes and terrorist activities is lack of direction as well as appropriate employment opportunities for the Country's youth. The Committee, therefore, desire that Government should come out with suitable measures to provide employment to youth. The Committee would also like the Government to be more cautious in restructuring the Government Departments, as a result of which employment has further declined in public organized sector. Keeping in view the present scenario of high growth rate of unemployment, the Committee recommend that the National Rural Employment Guarantee Programme, which reportedly has been implemented only in some 200 Districts, be extended to other districts also for facilitating jobs to unemployed youth. The Committee also feel that the suggestions made in the Mid-Term Appraisal of the 10th Five Year Plan document to amend existing Labour Laws, be examined expeditiously to promote the growth of organized employment. Further, in order to give a boost to self-employment, the Committee urge the Government to encourage credit-linked entrepreneurship too.

NEW DELHI;
19 May, 2006
29 Vaisakha, 1928 (Saka)

MAJ. GEN. (RETD.) B.C. KHANDURI,
Chairman,
Standing Committee on Finance.

STATEMENT OF CONCLUSIONS/RECOMMENDATIONS
OF THE STANDING COMMITTEE ON FINANCE
IN THE THIRTY-EIGHTH REPORT

Sl.No.	Para No.	Conclusion/Recommendation
1	2	3
1.	24, 25 & 26	<p>The Committee note that Geographical Information System (GIS) for planning (Rural and Urban) as a tool or as a support system for location-specific planning was not being used so far adequately in the planning process resulting in poor and haphazard/uncoordinated maintenance of different utilities such as water-lines, power-lines, telephone lines etc. From the information furnished by the Ministry, the Committee note that the Spatial Data Infrastructure for Multi-Layered Geographical Information System (GIS) project for planning has been undertaken by the Ministry with an aim to build necessary framework for evolving a self-sustaining system for continuous development of GIS applications, in the areas of resource and Infrastructure planning, disaster management, soil and water conservation etc. The Committee appreciate the initiative taken by the Planning Commission in this direction, particularly creation of a seamless GIS for the entire country, which, in view of the phenomenal pressure on utility services in big cities, is the need of the hour.</p> <p>The Committee find that at present many agencies are involved in preparation of maps e.g. Survey of India, Geographical Survey of India, Forest Survey of India etc. However, these maps are on analog format as well as different scales, and thus, are unable to provide information for location-specific planning. Taking note of GIS project sponsored by the</p>

Planning Commission relating to utility mapping for seven metros like Delhi, Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, and Mumbai, the Committee find that Rs. 48 crore has been spent on it and around Rs. 20 crore is estimated to be spent during the current year. They further note that the project, once completed, will help civic agencies to pinpoint even a manhole cover or do the alignment of a sewer-line/water-line etc. Thus, utility mapping would be possible and its maintenance systems will improve to a great extent including other applications such as vehicle navigation system based on Global Positioning System (GPS). The Committee appreciate the efforts of the Planning Commission and hope that the project would be completed in time. In this connection, the Committee would also expect that once the project is found to be useful for its intended objectives, other metros/major cities may also be considered for the same.

What the Committee apprehend in this regard is that the Ministry may face problems in collecting the data/information from the agencies concerned for the purpose of utility mapping since their information is likely to be old/not up to date. The Committee also feel that since many agencies/stakeholders will be involved in the process, maintaining coordination between those may also become problematic. Therefore, the Committee desire that the Ministry may explore the possibility of including a representative each from the public utility service providers of the city concerned in the mapping project. They further feel that once the project is completed, instructions may be issued to the concerned utility agencies to take clearance from the Government prior to any major maintenance

1	2	3
		<p>work. The Committee also desire that a mechanism should be put in place for creation of a transaction specific data capture for automatic updation thereof.</p>
2.	41 & 42	<p>The Committee note that the Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched as a 100% centrally sponsored scheme with the target of connecting, through good all-weather roads, every habitation, having population of more than 500, by the year 2007. From the information furnished to them, they find that Government have now revised the criteria of population for road connectivity, which was earlier 250 and above, owing to crunch of funds. The new criteria provides for road connectivity of those habitations having population of 1000 and above and 500 population in hilly, desert and tribal areas. The Committee further note that about 49017 habitations have been connected (under the PMGSY) so far. The programme (Bharat Nirman) as a whole, needs Rs. 48,000 crore which could be managed partly from the cess money on HSD (Rs. 16,000 crore), multilateral funding (Rs. 9,000 crore) and remaining Rs. 23,000 crore with an increase of budgetary support/cess of over Rs. 6000 crore or so. A separate window in NABARD has been proposed to raise funds to meet this gap. The NABARD will give loan to National Rural Road Development Agency (NRRDA), which in turn will provide it to all States. The Committee note that the actual modalities of utilizing the NABARD window is currently being worked out by the Ministry of Rural Development in consultation with the Ministry of Finance. They expect the process to be completed early so that the programme could be taken up for implementation without delay at least on this account.</p>

The Committee note that few districts are left in the Southern and Western States under PMGSY, however, they are constrained to observe that large number of Districts are left in some other States despite being identified for providing connectivity. They note that the pace of the receiving proposals from some of these States is abysmally low. Therefore, they hope that, with coming into picture of NABARD funding the programme, the pace may gain some momentum henceforth. They also desire that Government should make sincere efforts urgently to assess the progress of PMGSY in all the States and take necessary corrective measures to put the scheme on the right track.

3. 55, 56 & 57

The Committee note that Sarva Siksha Abhiyan (SSA) has made some progress in 2005-06 in regard to starting up and providing new schools additional class rooms/teachers. As a result, 93% of the children between the age-group of 6-14 years are presently stated to be in school and the number of children out of school has come down to 0.98 crore in 2004-05. Keeping in view this reported progress the budget outlay of the Abhiyan has been increased from Rs. 7,156 crore to Rs. 10,041 crore in 2006-07.

However, at the same time the Committee are constrained to note that the objective of SSA, which was to enroll all children in schools/ EGS/AIE centres by 2003 and that all children would complete five years' of schooling by 2007, could not be achieved, the reason being delayed start of SSA, as the States took time for preparation of district perspective plans under SSA. From the information furnished, they also find that the target to reduce the dropout rates by 5% points every year is not-

being met consistently as during the year 2003-04, the reduction rate was merely 3.53%. The Committee take note of the reviews with concern which indicated that about 50% of the total out-of-school children in the Country are in Uttar Pradesh, Bihar, Jharkhand and West Bengal. The Committee are of the firm view that unless special efforts are made to increase enrolment and participation of children in these States, the situation is going to deteriorate further. As around 73 districts have already been identified by the Department for special enrolment drives, the Committee expect that action might have been initiated in these districts. However, they desire that the Government must continue in their efforts to counter teacher absenteeism and sensitize the rural population, through appropriate folk publicity measures, about the importance of education for their children so that the children do not drop out of schools mid-way.

Though the Mid-Day Meal Scheme is stated to have contributed, to some extent, to reduce drop out rates and increase in school enrolment and attendance, the Committee express concern over various media reports which state that due to supply of contaminated/sub-standard food, school children fall sick resulting into addition in drop out rates and attendance. Hence, the scheme requires setting up of proper distribution and monitoring mechanism at the State, District, Block and Panchayat levels. The Committee, therefore, feel that the Department concerned may conduct a Baseline Survey of MDMS and based on the results thereof, take suitable steps to improve the quality of meals supplied to school children. At the same time it is imperative to impress upon the State Governments to conduct enquiries regarding supply of contaminated or sub-standard food

1	2	3
		whenever it is reported, accountability fixed and appropriate punishment awarded. The Committee would like to be apprised of the specific disciplinary action taken in this regard.
4.	63	<p>The Committee are disturbed over the fact that though the Government has been promising since the year 2002 to provide telephone connectivity to all villages in the Country, a lot still remains to be done. The Government has now expressed confidence to provide connectivity to all uncovered villages so far by the year 2007 through 66,822 VPTs, for which adequate fund provision from Universal Service Obligation Fund (USOF) is reportedly available. However, going by the past record, the Committee are not very sure if this extended target can be met. Besides, as the Government has committed to complete the task in another one-and-a-half year, the Committee feel that the increasing popularity of mobile phones, even in semi-urban and rural areas, may adversely affect the actual utility of landlines in the long run. Therefore, the Committee feel that keeping this factor in mind, the Government should not only ensure that the VPTs are provided in all villages at the earliest but should also keep scope open for providing cellular mobile telephones in select rural areas. In this connection the Committee note that in order to extend financial support to infrastructure for cellular telephony in rural areas, the Government is contemplating to bring a Bill to amend the Indian Telegraph Act. The Committee would like to be apprised of the progress made in this regard.</p>
5.	69, 70 & 71	<p>The Committee note that Rajiv Gandhi Grameen Vidyutikaran Yojana envisages electricity access to all rural households over a period of five years and electricity connections</p>

only to BPL households. But from the information furnished to them, they find that at the end of fifth year, all households would not be electrified as envisaged in the Common Minimum Programme (NCMP) because the current objective aims only to provide electricity access to all rural households over a period of 5 years and electricity connection only to BPL households. They, therefore, desire that unless every household is electrified, the NCMP objective may prove a mismatch.

The Committee further note that the revised definition for village electrification requires electrification of 10% of the total households in that village to be recognized as electrified, in addition to electrification of public places such as schools, Panchayat Offices, Community/ Health Centres etc. Hence, the claim relating to the number of villages electrified appears high when compared to the number of households actually electrified. They, therefore, desire that an independent verification may be carried out to assess the ground realities in this regard.

The Committee are unhappy to note that around 80% unelectrified villages are mostly located in the States of Bihar, Chhattisgarh, Jharkhand, Orissa, Uttar Pradesh and West Bengal, the reasons being that the State utilities pertaining to these States do not have the requisite manpower and technical expertise to implement the rural electrification programme within the stipulated time frame as envisaged under the RGGVY. The Committee learn that for implementation of the RGGVY, some States like Assam, J&K, Gujarat, Madhya Pradesh and Tripura have entered into an agreement with the CPSUs under the Ministry of Power. In this backdrop, the Committee feel the States which

1	2	3
		do not have requisite manpower or technical expertise may be persuaded to enter into an agreement with CPSUs for the implementation of the project. In addition, a special component may be created under RGGVY in order to give a boost to rural electrification in the backward States in the form of assistance to appoint/depute required technical experts.
6.	85 & 86	<p>The Committee find that NSSO Sample Surveys and the demographic census form the basis for estimation of labour force, employment and unemployment. They find that growth rate of employment/labour force declined from 2.70% per annum during the period 1983 to 1993-94 to only 1.07% per year during 1993-94 to 1999-2000. As per the Survey conducted in 1999-2000, labour force participation rates also declined sharply in comparison to 1993-94 resulting into sharp deceleration in the growth of labour force from 2.43% during 1983 to 1993-94 to only 1.31% in 1993-94 to 1999-2000. What the Committee wanted to know from the Government was the latest result of the sample survey conducted by the NSSO during July, 2004- June, 2005 which the Government could not furnish by saying that the same was not available with them. The Committee are surprised that even after a lapse of almost one year, the results of the Survey are not available with the Government. The Committee take a serious view in the matter and expect the Government to come out with the result early, which is so crucial for employment planning.</p> <p>The Committee are further disturbed to note that number of registrants of job seekers in employment exchanges have not come down despite Government's claim that job placement taking place outside the purview of employment exchanges is substantial. From the</p>

information furnished, the Committee find that Government is promoting labour intensive sectors for creation of employment potential and 10th Plan has also taken initiative in this regard. Despite all these, employment in organized sector- both in public and private – has declined, which the Committee feel, is a very discouraging scenario keeping in view the ever-increasing number of job seekers. It may be pertinent to mention that one of the prime factors contributing towards rise in crimes and terrorist activities is lack of direction as well as appropriate employment opportunities for the Country's youth. The Committee, therefore, desire that Government should come out with suitable measures to provide employment to youth. The Committee would also like the Government to be more cautious in restructuring the Government Departments, as a result of which employment has further declined in public organized sector. Keeping in view the present scenario of high growth rate of unemployment, the Committee recommend that the National Rural Employment Guarantee Programme, which reportedly has been implemented only in some 200 Districts, be extended to other districts also for facilitating jobs to unemployed youth. The Committee also feel that the suggestions made in the Mid-Term Appraisal of the 10th Five Year Plan document to amend existing Labour Laws, be examined expeditiously to promote the growth of organized employment. Further, in order to give a boost to self-employment, the Committee urge the Government to encourage credit-linked entrepreneurship too.

APPENDIX I

MINUTES OF THE TWENTY-SECOND SITTING OF STANDING COMMITTEE ON FINANCE

The Committee sat on Wednesday, 19th April, 2006 from 1030 to 1315 hrs. and 1430 to 1630 hrs.

PRESENT

Maj. Gen. (Retd.) B.C. Khanduri — *Chairman*

MEMBERS

Lok Sabha

2. Shri Jaswant Singh Bishnoi
3. Shri Bhartruhari Mahtab
4. Shri Bir Singh Mahato
5. Shri Jyotiraditya Madhavrao Scindia
6. Shri M.A. Kharabela Swain

Rajya Sabha

7. Shri C. Ramachandraiah
8. Shri Mangani Lal Mandal
9. Shri Santosh Bagrodia
10. Smt. Shobhana Bhartia

SECRETARIAT

- | | | |
|---------------------------|---|-----------------------------|
| 1. Dr. (Smt.) P.K. Sandhu | — | <i>Additional Secretary</i> |
| 2. Shri A. Mukhopadhyay | — | <i>Joint Secretary</i> |
| 3. Shri S.B. Arora | — | <i>Deputy Secretary</i> |
| 4. Smt. Anita B. Panda | — | <i>Under Secretary</i> |

Part-I

(1030 to 1145 hrs.)

**	**	**	**
**	**	**	**

Part-II
(1200 to 1315 hrs.)

**	**	**	**
**	**	**	**

Part-III
(1430 to 1630 hrs.)

WITNESSES

Ministry of Planning

1. Shri Rajeeva Ratna Shah, Member Secretary
2. Smt. Adarsh Misra, Pr. Adviser
3. Dr. Pronab Sen, Pr. Adviser
4. Dr. Arvind Virmani, Pr. Adviser
5. Shri Jainder Singh, Pr. Adviser
6. Shri H.N. Gupta, Pr. Adviser
7. Shri B.S. Baswan, Sr. Consultant
8. Shri Chandra Pal, Adviser (MLP/SCP/TSP)
9. Smt. Manjulika Gautam, Adviser (VAC/WCD)
10. Shri R. Bandyopadhyay, Adviser (RD)
11. Shri Gajendra Haldea, Adviser (Infrastructure)
12. Shri Shailendra Sharma, Adviser (LEM)
13. Shri G.B. Panda, Adviser (SJ)
14. Dr. S.P. Pal, Adviser (Evaluation)
15. Prof. N.K. Sethi, Adviser (Health)
16. Shri A. Sekhar, Adviser (WR)
17. Shri B.N. Puri, Adviser (Tpt.)
18. Dr. V.V. Sadamate, Adviser (Agriculture)
19. Shri R.C. Jhamtani, Adviser (Industry/VSE)
20. Shri L.P. Sonkar, Adviser (Mienrals & TRP)
21. Shri K.L. Dutta, Adviser (Education)
22. Shri V.K. Bhatia, Adviser (PAMD)
23. Shri P.K. Biswas, Adviser (S&T)
24. Dr. (Mrs.) Rita Sharma, AS & FA
25. Shri R. Sridharan, Joint Secretary (SP & Admn./FR)
26. Ms. Gurjot Kaur, Adviser (PC/Tourism)
27. Dr. C. Muralikrishna Kumar, Adviser (ICT)
28. Shri A.S. Ahluwalia, Adviser (SER)

2. At the outset, the Chairman welcomed the representatives of the Ministry of Planning to the sitting of the Committee and invited their attention to the provisions contained in direction 55 of the Directions by the Speaker.

3. The Committee then took oral evidence of representatives of the Ministry of Planning on issues arising out of Budget Proposals (2006-07) of the Ministry of Planning and other related matters.

4. Thereafter, the Chairman requested the representatives of Ministry of Planning to furnish notes on certain points raised by the Members to which replies were not readily available with them during the discussion.

5. The evidence was concluded.

6. A verbatim record of proceedings has been kept.

The witnesses then withdrew.

The Committee then adjourned.

APPENDIX II

MINUTES OF THE TWENTY-SIXTH SITTING OF STANDING COMMITTEE ON FINANCE

The Committee sat on Wednesday, 19 May, 2006 from 0930 to 1030 hrs.

PRESENT

Maj. Gen. (Retd.) B.C. Khanduri — *Chairman*

MEMBERS

Lok Sabha

2. Shri Bhartruhari Mahtab
3. Dr. Rajesh Kumar Mishra
4. Shri Madhusudan Mistry
5. Shri Rupchand Pal
6. Shri Jyotiraditya Madhavrao Scindia
7. Shri M.A. Kharabela Swain
8. Shri Vijoy Krishna

Rajya Sabha

9. Shri S.P.M. Syed Khan
10. Shri Santosh Bagrodia

SECRETARIAT

1. Dr. (Smt.) P.K. Sandhu — *Additional Secretary*
2. Shri A. Mukhopadhyay — *Joint Secretary*
3. Shri S.B. Arora — *Deputy Secretary*
4. Shri T.G. Chandrasekhar — *Under Secretary*
5. Smt. Anita B. Panda — *Under Secretary*

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.

3. ** ** **

4. The Committee then took for consideration Draft Reports on the Demands for Grants (2006-07) of the following Ministries/ Departments and adopted the same subject to the modification as shown in Annexure-I in respect of the draft Report at Sl. No. (v):

(i) ** **

(ii) **

**

**

(iii) Ministry of Planning

[illegible][illegible]

5. The Committee authorised the Chairman to finalise the Reports in the light of modification as also to make verbal and other consequential changes arising out of the factual verification and present the same to both the Houses of Parliament.

The Committee then adjourned.