

STANDING COMMITTEE ON FINANCE

(2008-09)

FOURTEENTH LOK SABHA

MINISTRY OF PLANNING

**Demands for Grants
(2008-09)**

[Action taken by the Government on the Recommendations contained in the Sixty-Ninth Report of the Standing Committee on Finance on Demand for Grants (2008-09) of Ministry of Planning]

SEVENTY FIFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2008/Agrahayana, 1930 (Saka)

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(2008-2009)**

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[Action taken by the Government on the Recommendations contained in the Sixty-Ninth Report of the Standing Committee on Finance on Demand for Grants (2008-09) of Ministry of Planning]

Presented to Lok Sabha on 18 December, 2008

Laid in Rajya Sabha on 18 December, 2008



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2008/ Agrahayana ,1930 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2008-2009

Shri Ananth Kumar - Chairman

MEMBERS

LOK SABHA

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Dasgupta
4. Shri Shyama Charan Gupta
5. Shri Vijoy Krishna
6. Shri A. Krishnaswamy
7. Dr. Rajesh Kumar Mishra
8. Shri Bhartruhari Mahtab
9. Shri Madhusudan Mistry
10. Shri Rupchand Pal
11. Shri P.S. Gadhavi
12. Shri R. Prabhu
13. Shri K.S. Rao
14. Shri Magunta Sreenivasulu Reddy
15. Shri Lakshman Seth
16. Shri A.R. Shaheen
17. Shri G.M. Siddeshwara
18. Shri M.A. Kharabela Swain
19. Shri Suresh Prabhakar Prabhu
20. Shri Ramakrishna Badiga*
21. Vacant[‡]

RAJYA SABHA

22. Shri Raashid Alvi
23. Shri M. Venkaiah Naidu
24. Shri S.S. Ahluwalia
25. Shri Mahendra Mohan
26. Shri C. Ramachandraiah
27. Shri Vijay J. Darda
28. Shri S. Anbalagan
29. Shri Moinul Hassan
30. Shri K.V.P. Ramachandra Rao
31. Shri Shivanand Tiwari

SECRETARIAT

- | | | |
|----------------------------|---|----------------------|
| 1. Shri R.C. Ahuja | - | Additional Secretary |
| 2. Shri A.K. Singh | - | Director |
| 3. Shri T.G. Chandrasekhar | - | Deputy Secretary |

* Nominated to this Committee w.e.f. 26.8.2008

[‡] Vacant w.e.f. 14.11.2008 on nomination of Shri Brajesh Pathak to Rajya Sabha

INTRODUCTION

I, the Chairman of the Standing Committee on Finance, having been authorized by the Committee to present the Report on their behalf, present this Seventy-Fifth Report on action taken by Government on the recommendations contained in the Sixty-Ninth Report of the Committee (Fourteenth Lok Sabha) on Demand for Grants (2008-2009) of the Ministry of Planning.

2. The Sixty-Ninth Report was presented to Lok Sabha on 16 April, 2008 and laid in Rajya Sabha on 15 April, 2008. Replies indicating action taken on all the recommendations contained in the Report were furnished by the Government on 16 September, 2008.

3. The Committee considered and adopted this Report at their sitting held on 11 December, 2008.

4. An analysis of action taken by Government on the recommendations contained in the Sixty-Ninth Report of the Committee is given in the Appendix.

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

NEW DELHI;
11 December, 2008
20 Agrahayana, 1930 (Saka)

ANANTH KUMAR,
Chairman,
Standing Committee on Finance.

CHAPTER I

REPORT

This Report of the Standing Committee on Finance deals with action taken by Government on the recommendations/observations contained in their Sixty-Ninth Report (Fourteenth Lok Sabha) on Demands for Grants (2008-09) of the Ministry of Planning, which was laid in Rajya Sabha on 15 April, 2008 and presented to Lok Sabha on 16 April, 2008.

2. The Report contained 10 recommendations. Action taken notes have been received from the Government in respect of all the recommendations contained in the Report. These have been categorised as follows:

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

Recommendation Nos. 1, 2, 3, 4, 5, 7, 9 and 10

(Total 8)

(Chapter II)

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

Nil

(Nil)

(Chapter III)

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

Recommendation No. 8

(Total 1)

(Chapter IV)

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

Recommendation No. 6

(Total 1)

(Chapter V)

3. The Committee desire that the replies of the observations contained in Chapters I and V be furnished to them expeditiously.

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

A. Underutilisation of budgeted funds

(Recommendation No.1)

5. The Committee's examination of the Demands for Grants of the Ministry of Planning revealed that there was significant variation in the budget outlays and actual expenditure on some of the items of expenditure in the last three years. Among other things, the Committee observed that while the shortfall in utilization of budgeted expenditure for "50th year Initiative for Planning" was 54% in 2005-06, 63% in 2006-07 and 37% till the end of January, in 2007-08, there was utilization in excess of the budgeted amount for "Foreign Travel Expenses" to the extent of 50% in 2005-06 and 45% in 2006-07. Similar was the case with regard to expenses on Medical Treatment. As this was indicative of shortcomings in financial planning and control mechanism in the Ministry of Planning, the Committee expressed hope that suitable corrective measures would be taken in this regard.

6. The Government, in their action taken reply, stated, *inter-alia* as follows:-

"Inadequate Utilization of Funds Provided under the Scheme of
50th Year Initiative for Planning

Statement of Budget estimate and expenditure is as follows:

(Rs. in Lakh)					
Sl. No.	Sub-Head	Budget Provision	Actual Disbursement	Unspent Provision	%age of unspent provision to budget provision
1	3475.00.800.52 - 50 th Year Initiative for Planning (2005-06)	1012.00	461.88	550.12	54 %
2	3475.00.800.52 - 50 th Year Initiative for Planning (2006-07)	1164.00	430.91	733.09	63 %
3	3475.00.800.52 - 50 th Year Initiative for Planning (2007-08)	1200.00	927.35	272.65	22.72 %

2005-06

- Under the scheme of 50th Year Initiative for Planning, a provision of Rs. 1,012 lakh was made in the BE for the year 2005-06, which was subsequently reduced to Rs. 842 lakh at the RE stage. Expenditure there-against was Rs. 461.88 lakh in that year.
- The above provision was meant to cover cost of preparation of State Development Reports (SDRs), a study on Total Transport System, office and other administrative expenses of the Committee on Infrastructure (Col) and preparation and printing of Model Concession Agreements (MCA). The work of preparation of MCAs was to be done by the Col, through hired Consultants. Wherever any work of preparation of a report or study is outsourced, payments are made in installments, depending upon progress and after following certain checks.
- SDRs are prepared by outsourced agencies with inputs from State Governments. They are finalized after detailed consultations with State Governments. The work of preparation of SDRs had been initiated for all 35 states / UTs, and payments were released on the basis of progress. Some funds earmarked for the purpose could not be utilised. These savings could not be anticipated.
- Similarly, there were savings in funds provided for the Total Transport System study as sanction for the study could be received only by the middle of the year, and by the year end only the first installment could be released.
- Part of the funds provided for office and other administrative expenses of the Committee on Infrastructure (Col) could not be utilised as it took some time for the Committee to become functional. For the same reason, the preparation of MCAs by the Committee was delayed, and funds provided for preparation of MCAs and their printing also could not be utilised to the extent budgeted.

2006-07

- Under the Scheme, a provision of Rs. 1164 lakh was made in the BE for the year 2006-07, which was subsequently reduced to Rs. 794 lakh at the RE stage. Expenditure there-against was Rs. 430.91 lakh in that year.
- The above provisions were mainly on account of hiring of Consultants/Consultancy firms by the Col, payment for the Total Transport System Study, and office & other administrative expenses for the Col.

- As mentioned above, the Col was still in its infancy and hence proposals for hiring of Consultants/Consultancy firms could not be finalized. Similarly, there were savings on account of the provision for payment of the next installment for the Total Transport System Study as the prescribed milestones had not been achieved. There were also provisions for printing of MCAs, which also could not be utilised because these documents were not finalized.

2007-08

- Under this Scheme, a provision of Rs. 1200 lakh was made in the BE for the year 2006-07. Expenditure there-against was Rs. 927.35 lakh in that year.

The savings were primarily on account of the following:

- The provision for printing of the 11th Plan document could be utilised as printing work could not be completed before the year-end. The delay was largely on account of the fact that the approval of NDC was received in mid December, 2007. Thereafter Hindi translation and subsequent printing work was taken up.
- There were also savings in administrative expenditure primarily for the Col, as also in Viability Gap Funding by Col.

Foreign Travel Expenses and Expenses on Medical Treatment

The funds for “Foreign Travel Expenses” and “Medical Treatment” heads were re-appropriated with the approval of Ministry of Finance and under delegated powers to the Ministry to meet unexpected expenditure on foreign visits of Deputy Chairman/senior officials of Planning Commission and to clear outstanding medical claims/bills. However, the recommendations/observations have been noted/accepted for future compliance.”

7. While the reasons attributable to the under-utilization of the budgeted funds for the scheme, 50th Year Initiative for Planning, which include inter-alia, delays in finalizing the State Development Reports (SDRs) and in obtaining the sanction for the study on the total transport system, have been detailed, the reply does not touch upon the corrective measures taken, or proposed, for overcoming the shortcomings in financial planning and control mechanism in the Ministry of Planning. The under-utilization of the budgeted

funds for the scheme has been to the extent of Rs. 550.12 lakh in 2005-06, Rs. 733.09 lakh in 2006-07 and Rs. 272.65 lakh in 2007-08. In view of the immensity of the shortfall in utilizing the budgeted funds for the scheme, and incurring expenditure in excess of the budgeted amounts on other items such as foreign travel, the Committee reiterate the view expressed earlier on the need for taking corrective measures to overcome the shortcomings and ensuring that funds are not unnecessarily blocked year after year. The Committee would like to be apprised about the corrective measures taken in this regard within a period of three months.

B. Programme of Strengthening the Evaluation Capacity of the Government

(Recommendation No. 2)

8. The Committee were concerned to note that despite the government's commitment to strengthen evaluation capacity of the government, and providing funds steeply in excess of the demands made by the Programme Evaluation Organisation (PEO) of the Ministry of Planning, the PEO could not measure up to the expectation of the Government. This was evident from the fact that PEO could utilize just Rs.2.29 crore as against the budgetary provision of Rs.8.55 crore in 2006-07 and less than Rs. 1 crore (till 19 March, 2008) as against allocation of Rs. 26 crore in 2007-08 for the programme of Strengthening Evaluation Capacity in Government. Noting that evaluation capacity was vital for measuring the success of plans, the Committee suggested that the reasons for ineffective implementation of the programme should be gone into and suitable remedial measures taken to place the programme on the right track.

9. The Government in their action taken reply, stated, *inter alia*, as follows:

“Poor infrastructure particularly in the field offices of Programme Evaluation Organisation (PEO), frequent transfers of officers and inadequate manpower are major hurdles encountered in the progress of evaluation studies. Apart from these factors, in finalizing the Evaluation Design, the

comments/suggestions of concerned Ministries/Depts., Subject Division and concurrence of Finance Division (of the Planning Commission) is required. This entire process is time consuming and expenditure cannot be made till the study design is finalized and taken up.

In view of the huge allocation towards various schemes particularly Flagship Schemes of Govt. of India, the evaluation of these schemes / programmes has become a priority for the Government. In the financial year 2008-09, PEO is, therefore, undertaking various Evaluation Studies on major schemes including Flagship Programme of Govt. of India both in-house and through outsourcing. To fulfill the growing demand of evaluation restructuring and strengthening of PEO has become the need of the hour. The following steps are being taken to improve the performance of expenditure of funds allocated under Plan Scheme:

- Streamlining the process of evaluation to expedite outsourcing of about 17 studies.
- Modernisation of various field offices of PEO for making them more efficient.
- Hiring Consultants to fill the gap in manpower requirements of PEO.”

10. The submission made by the Government in the reply on restructuring the evaluation mechanism and strengthening the Programme Evaluation Organization (PEO) being the need of the hour is in consonance with the observation of the Committee. Nevertheless, as pointed out by the Committee earlier, the trend of budget allocation and expenditure under the scheme is indicative of serious shortcomings. The Committee, therefore, trust that the remedial steps being undertaken to improve the performance of the Scheme of strengthening the evaluation capacity of the government, which include, streamlining the process of evaluation for outsourcing studies, modernization of field offices of PEO etc. will be implemented in right earnest. The Committee also wish to be apprised of the effectiveness of these measures in enabling implementation of the scheme, and the contribution of the scheme in strengthening the evaluation capacity of the government.

C. Support to Planning Process at National, State and District Level
(Recommendation No. 3)

11. Though an allocation of Rs. 200 crore has been made for a new scheme 'Support to Planning Process at National, State and District Level' in the budget (2008-09), the Committee were surprised to learn that the scheme was yet to be formulated and the details of mechanism for monitoring the outlay/utility were to be worked out subsequently. The Committee observing it to be strange pointed out that the scheme which intended to support the planning process, was itself devoid of planning before it received its funding. The Committee, therefore, desired that the Ministry of Planning should ensure that this scheme did not face the same fate as that of the programme of "Strengthening The Evaluation Capacity of the Government" during 2007-08.

12. The Government, in their action taken reply stated as follows:

"A conference was held in Vigyan Bhavan on 9.5.2008 with the representatives of the State Governments/UT Administrations to have their views on the scheme. The new scheme is being formulated based on their views."

13. **The Committee had drawn the attention of the Government to the allocation of huge funds to a yet-to-be formulated scheme. This was done on the hope that the Government, taking note of the Committee's concern, will formulate and implement the scheme during the current year with a sense of urgency. The scheme is "Support to planning process at National, State and District Level" with Rs.200 crore corpus. The Committee regret to find from the reply of the Ministry of Planning that the progress in this regard was tardy during the last six months except for holding a Conference to ascertain the views of the State Governments/UT Administrations. It appears that the scheme is unlikely to reach the stage of implementation during the current year, unless the Ministry of Planning expeditiously finalise it. The Committee hope that the Ministry of Planning will not be found wanting in this respect and will ensure that huge funds allocated to the Ministry do not go unutilized due to its sluggishness.**

D. New Initiatives in Skill Development
(Recommendation No. 4)

14. The Committee observed that the Programme of “New Initiatives in skill development” being launched by the Ministry of Planning with an outlay of Rs. 300 crore during 2008-09 was long overdue. The Committee in this regard pointed out inter-alia that the existing skill development capability is already under severe strain for want of teachers/faculty in terms of quality and numerical strength, for addressing which, as conceded by the Planning Secretary, a separate initiative was needed. The Committee emphasized on strict enforcement of the Apprentice Act as a means of turning out vast number of trained manpower without any additional investment. The Committee further felt that there was also a need to protect and develop skills of rural artisans, which would sustain them in their locality and expressed hope that efforts would also be directed towards these steps as part of overall skill development strategy.

15. The Government, in their action taken reply, stated as follows:

“Keeping in view the fact that existing skill capability is already under severe strain for want of teachers / faculty in terms of quality and numerical strength, Planning Commission has formulated a Cabinet Note for Coordinated Action on Skill Development Corporation. This has since been considered and approved by the Cabinet on 15th May, 2008. As envisaged in the Eleventh Plan, a coordinated action for skill development will be a major initiative for inclusive growth and development and will consist of an agglomeration of programmes and appropriate structures. The coordinated action would aim at creating a pool of skilled personnel in appropriate numbers with adequate skills in line with the employment requirements across the entire economy with particular emphasis on the twenty-one high growth high employment sectors (10 in Manufacturing and 11 in Services) and re-engineering the process of certification and quality assurance under the existing formal system (such as All India Council for Technical Education, National Council for Vocational Training etc.), enforcement of the Apprentice Act and actively encouraging industry/service sector certification catering to the required content of the training and level of skills achieved by trainees for ready employability.”

16. The reply of the Ministry of Planning has disclosed neither the details of the coordinated action for skill development nor the specific steps taken for implementation. The reply is also silent as to what steps have been taken to protect and develop the skills of rural artisans. The Committee would await details in this regard.

E. Expert Group to review the methodology for estimation of poverty and Criteria for estimation of Below Poverty Line (BPL) households
(Recommendation Nos. 8 & 9)

17. The Committee regretted to note that the Expert Group to review the 'methodology for estimation of poverty' constituted in December, 2005 had not submitted its report even after two years. The Committee suggested that the Expert Group should complete its work expeditiously and submit its report within a timeframe of three months.

18. The Committee had repeatedly emphasized on the need for harmonizing the criteria for estimation of Below Poverty Line (BPL) households in their earlier reports. The Planning Secretary indicated in this regard during oral evidence that an Expert Committee would be constituted to look into the 13 point criteria for estimation of BPL households and preparation of accurate BPL lists by States. The Committee desired that the Expert Committee proposed to be constituted to look into the 13-point criteria should be constituted expeditiously with stipulation for submission of its report within specified time limit. The Committee also desired that status quo be maintained on the policy framework for providing grants and subsidies to States till the estimates of BPL households were reviewed on the basis of the revised criteria.

19. The Government, in their action taken reply, to recommendation No. 8 on the Expert Group to review the methodology for estimation of poverty stated:

“The tenure of the Expert Group to review the methodology for estimation of poverty has been extended upto 30.09.2008 and its report is expected within this period.”

20. Asked whether the Expert Group had since submitted its report, the Ministry of Planning, vide OM No. A.22012/20/2007-pp dated 14 October, 2008 informed as follows:

“In this connection it is stated that the Expert Group to Review the Methodology for Estimation of Poverty has not submitted the Report as yet.”

21. The Government, in their action taken reply to recommendation No. 9 on constituting an Expert Group to look into the 13-point criteria for estimation of BPL households stated:

“The proposal to constitute the Expert Group to look into the 13 point criteria for estimation of BPL households is under consideration.

The BPL survey identifies the poor families who are assisted through the various poverty alleviation programmes of the Ministry of Rural Development. The number of persons living below the poverty line are estimated by the Planning Commission once in about five years.”

22. The Committee are constrained to note that the Expert Group to review the ‘methodology for estimation of poverty’ is yet to submit its report despite the extended tenure of the Group having ended in September, 2008. It is also not clear whether the tenure of the Group has been extended further. It appears that constitution of an Expert Committee to look into the 13-point criteria for estimation of BPL households is held up awaiting the report of Expert Group to review the methodology for estimation of poverty. The Committee expect the Government to impress upon the Expert Group to submit its report without any further delay. The Committee also expect the Ministry of Planning to take appropriate initiatives for maintaining status quo on the policy framework for providing grants and subsidies to States till the estimates of BPL households are reviewed on the basis of the revised criteria.

F. National Rural Employment Guarantee Programme (NREGP)
(Recommendation No. 10)

23. The Committee learnt that the National Rural Employment Guarantee Programme (NREGP) suffered from shortcomings such as disparity in different States, shortfall in budgeted days of employment, instances of corruption and malpractices, lack of opportunities for educated persons, paper work involved in the programme, etc. The Committee recommended that all these problems should be looked into for appropriate corrective steps to ensure that the programme achieves the intended objective. The Committee also emphasized that there should be greater co-ordination between the Central and State Governments in releasing grants for NREGP. The Committee further desired that a study should be carried to assess the quantum of assets created on account of implementing the NREGP and to file a status report thereon within three months.

24. The Government, in their action taken reply, stated as follows:

“The Government is keenly aware of the need for ensuring the quality and durability of works. In the first phase of the National Rural Employment Guarantee Act (NREGA), the Government was concerned about ensuring widespread awareness of the programme and also that the works undertaken provided sufficient employment to the poor. The terms of references for the study have since been formulated. A research institution of repute, capable of carrying out such a study, is being identified. It is essential that more time than three months is allocated for the completion of a study of such enormous importance for the future success of NREGA.”

25. The reply does not touch upon the measures proposed for overcoming the shortcomings in NREGP and for ensuring a better co-ordination between the Centre and the States in regard to releasing grants for NREGP. While the government have proposed to carry out a study to assess the quantum of assets created on account of implementing the NREGP, as recommended by the Committee, the terms of reference of the proposed study have not been indicated, and the research institute, which would be entrusted the task of carrying out the study is yet to be identified. The Committee reiterate their earlier recommendation

on the need for ensuring that the study to assess the assets created on account of NREGP be carried out expeditiously.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS, WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation Serial No. 1

The Committee's examination of the Demands for Grants of the Ministry of Planning reveals that there has been significant variation in the budget outlays and actual expenditure on some of the significant items of expenditure in the last three years. For instance, the shortfall in utilization of budgeted expenditure for the Tsunami Rehabilitation Programme was as much as 91% in 2005-06, 97% in 2006-07 and 94% till the end of January, 2007-08. Similarly the shortfall in utilization for "50th year Initiative for Planning" was 54% in 2005-06, 63% in 2006-07 and 37% till the end of January, in 2007-08. It is, however, observed that there have been utilization in excess of the budgeted amount for "Foreign Travel Expenses" to the extent of 50% in 2005-06 and 45% in 2006-07. Similar is the case with regard to expenses on Medical Treatment. All this indicates shortcomings in financial planning and control mechanism in the Ministry of Planning. The Committee hope that suitable corrective measures will be taken in this regard.

Reply of the Government

A. Tsunami Rehabilitation Programmes:

In regard to shortfall in the actual expenditure compared to the budget outlays in the last three years of the Tsunami Rehabilitation Programme (TRP) it is to be mentioned that during 2005-06 an amount of Rs. 10 crore was allocated as technical assistance. Since the TRP was approved in December, 2005, the funds could be made available only at supplementary stage i.e. in March, 2006. The proposed activities could not be taken up and the amount could not be utilized.

In the subsequent Annual Plans, i.e. 2006-07 and 2007-08, Planning Commission was provided funds under TRP for project monitoring apart from taking up studies on the impact of rehabilitation measures on vulnerable sections and also to conduct techno-economic feasibility studies for setting up of marine fishing harbours. To facilitate the functioning of the impact studies, Planning Commission identified 13 critical studies for impact assessment and interventions and provided the draft terms of reference for seeking expression of interest to concerned States / UTs with offer to provide funds for such studies. However, only two studies in this regards had been commissioned at a cost of Rs. 3 lakhs and Rs. 5 lakhs respectively by the Govt. of Tamil Nadu. No other proposals had been received in this regard.

The other reason for shortfall was that initially Planning Commission engaged programme management consultants in the TRP Cell for technical support during 2005-06. However, this arrangement was discontinued in the middle of 2006 due to deployment of available internal manpower for managing the programme, which also led to savings.

B. 50th Year Initiatives for Planning

**INADEQUATE UTILISATION OF FUNDS PROVIDED UNDER THE SCHEME
OF 50TH YEAR INITIATIVE FOR PLANNING**

Statement of Budget estimate and expenditure is as follows:

(Rs. in Lakh)					
Sl.No.	Sub-Head	Budget Provision	Actual Disbursement	Unspent Provision	%age of unspent provision to budget provision
1	3475.00.800.52 - 50 th Year Initiative for Planning (2005-06)	1012.00	461.88	550.12	54 %
2	3475.00.800.52 - 50 th Year Initiative for Planning (2006-07)	1164.00	430.91	733.09	63 %
3	3475.00.800.52 - 50 th Year Initiative for Planning (2007-08)	1200.00	927.35	272.65	22.72 %

2005-06

Under the scheme of 50th Year Initiative for Planning, a provision of Rs. 1,012 lakh was made in the BE for the year 2005-06, which was subsequently reduced to Rs. 842 lakh at the RE stage. Expenditure there-against was Rs. 461.88 lakh in that year.

The above provision was meant to cover cost of preparation of State Development Reports (SDRs), a study on Total Transport System, office and other administrative expenses of the Committee on Infrastructure (Col) and preparation and printing of Model Concession Agreements (MCA). The work of preparation of MCAs was to be done by the Col, through hired Consultants.

Wherever any work of preparation of a report or study is outsourced, payments are made in instalments, depending upon progress and after following certain checks.

SDRs are prepared by outsourced agencies with inputs from State Governments. They are finalized after detailed consultations with State Governments. The work of preparation of SDRs had been initiated for all 35 states / UTs, and payments were released on the basis of progress. Some funds earmarked for the purpose could not be utilised. These savings could not be anticipated.

Similarly, there were savings in funds provided for the Total Transport System study as sanction for the study could be received only by the middle of the year, and by the year end only the first instalment could be released.

Part of the funds provided for office and other administrative expenses of the Committee on Infrastructure (Col) could not be utilised as it took some time for the Committee to become functional. For the same reason, the preparation of MCAs by the Committee was delayed, and funds provided for preparation of MCAs and their printing also could not be utilised to the extent budgeted.

2006-07

Under the Scheme, a provision of Rs. 1164 lakh was made in the BE for the year 2006-07, which was subsequently reduced to Rs. 794 lakh at the RE stage. Expenditure there-against was Rs. 430.91 lakh in that year.

The above provisions were mainly on account of hiring of Consultants/Consultancy firms by the Col, payment for the Total Transport System Study, and office & other administrative expenses for the Col.

As mentioned above, the Col was still in its infancy and hence proposals for hiring of Consultants/Consultancy firms could not be finalized. Similarly, there were savings on account of the provision for payment of the next installment for the Total Transport System Study as the prescribed milestones had not been achieved. There were also provisions for printing of MCAs which also could not be utilised because these documents were not finalized.

2007-08

Under this Scheme, a provision of Rs. 1200 lakh was made in the BE for the year 2006-07. Expenditure there-against was Rs. 927.35 lakh in that year.

The savings were primarily on account of the following:

- (a) The provision for printing of the 11th Plan document could be utilised as printing work could not be completed before the year end. The delay was largely on account of the fact that the approval of NDC was received in mid December, 2007. Thereafter Hindi translation and subsequent printing work was taken up.
- (b) There were also savings in administrative expenditure primarily for the Col, as also in Viability Gap Funding by Col.

C. Foreign Travel Expenses and Expenses on Medical Treatment

The funds for “Foreign Travel Expenses” and “Medical Treatment” heads were re-appropriated with the approval of Ministry of Finance and under delegated powers to the Ministry to meet unexpected expenditure on foreign visits of Deputy Chairman/senior officials of Planning Commission and to clear outstanding medical claims/bills. However, the recommendations/observations have been noted/accepted for future compliance.

[No. 28/5/2008-Parl.]

Recommendation Serial No. 2

The Committee are concerned to note that though there has been government's commitment to strengthen evaluation capacity of the government, and funds have been provided steeply in excess of the demands made by the Programme Evaluation Organisation (PEO) of the Ministry of Planning, the PEO could not measure up to the expectation of the government. This is evident from the fact that PEO could utilize just Rs. 2.29 crore as against the budgetary provision of Rs. 8.55 crore in 2006-07 and less than Rs. 1 crore (till 19 March, 2008) as against allocation of Rs. 26 crore in 2007-08 for the programme of Strengthening Evaluation Capacity in government. Interestingly, the government provided as much as Rs. 26 crore for the programme although PEO had demanded just Rs. 6.65 crore for the year 2007-08. In other words, the allocation was three times more than what was demanded. As evaluation capacity is vital for measuring the success of plans, the Committee suggest that reasons for ineffective implementation of the programme should be gone into and suitable remedial measures taken to place the programme on the right track.

Reply of the Government

Plan scheme “Strengthening Evaluation Capacity in Govt.” was introduced in the financial year 2006-07 with the budgetary allocation of Rs. 8.55 crore. Since the scheme was new and considerable time was consumed in finalizing the operational modalities, not much expenditure could be made under this scheme.

Poor infrastructure particularly in the field offices of Programme Evaluation Organisation (PEO), frequent transfers of officers and inadequate manpower are major hurdles encountered in the progress of evaluation studies. Apart from these factors, in finalizing the Evaluation Design, the comments/suggestions of concerned Ministries/Deptts., Subject Division and concurrence of Finance Division (of the Planning Commission) is required. This entire process is time consuming and expenditure can not be made till the study design is finalized and taken up.

In view of the huge allocation towards various schemes particularly Flagship Schemes of Govt. of India, the evaluation of these schemes / programmes has become a priority for the Government. In the financial year

2008-09, PEO is, therefore, undertaking various Evaluation Studies on major schemes including Flagship Programme of Govt. of India both in-house and through outsourcing. To fulfill the growing demand of evaluation restructuring and strengthening of PEO has become the need of the hour. The following steps are being taken to improve the performance of expenditure of funds allocated under Plan Scheme:

- Streamlining the process of evaluation to expedite outsourcing of about 17 studies.
- Modernisation of various field offices of PEO for making them more efficient.
- Hiring Consultants to fill the gap in manpower requirements of PEO.

[No. 28/5/2008-Parl.]

Recommendation Serial No. 3

Though an allocation of Rs. 200 crore has been made for a new scheme 'Support to Planning Process at National, State and District Level' in the current budget (2008-09), the Committee are surprised to learn that the scheme is yet to be formulated and the details of mechanism for monitoring the outlay/utility would be worked out subsequently. It is strange that the scheme which intends to support the planning process, is itself devoid of planning before it received its funding. The Committee desire that the Ministry of Planning should ensure that this scheme does not face the same fate as that of the programme of "Strengthening The Evaluation Capacity of the Government" during 2007-08 as discussed in the preceding paragraph.

Reply of the Government

A conference was held in Vigyan Bhavan on 9.5.2008 with the representatives of the State Governments/UT Administrations to have their views on the scheme. The new scheme is being formulated based on their views.

[No. 28/5/2008-Parl.]

Recommendation Serial No. 4

The Programme of "New Initiatives in skill development" being launched by the Ministry of Planning with an outlay of Rs. 300 crore during 2008-09 is long overdue. As per the Budget announcement (2008-09), the Skill Development Mission is to be entrusted to a non-profit corporation, in which, to begin with, the government proposes to put Rs. 1000 crore as equity share. The fact that infrastructure capacity for skill development is just one-fifth of the actual

requirement calls for expansion of existing skill development infrastructure both in the public and private sector. The Committee in this connection note that the 11th Five Year Plan envisages setting up of vast number of vocational training institutes and higher technical and professional institutes. The Committee would like to point out that the existing skill development capability is already under severe strain for want of teachers/faculty in terms of quality and numerical strength. As conceded by the Planning Secretary, a separate initiative is needed to address this problem. Another step which would go a long way in skill development effort is strict enforcement of the Apprentice Act which could turn out vast number of trained manpower without any additional investment. Further, there is also a need to protect and develop skills of rural artisans which would sustain them in their locality. The Committee hope that efforts would also be directed towards these steps as part of overall skill development strategy.

Reply of the Government

Keeping in view the fact that existing skill capability is already under severe strain for want of teachers / faculty in terms of quality and numerical strength, Planning Commission has formulated a Cabinet Note for Coordinated Action on Skill Development Corporation. This has since been considered and approved by the Cabinet on 15th May, 2008. As envisaged in the Eleventh Plan, a coordinated action for skill development will be a major initiative for inclusive growth and development and will consist of an agglomeration of programmes and appropriate structures. The coordinated action would aim at creating a pool of skilled personnel in appropriate numbers with adequate skills in line with the employment requirements across the entire economy with particular emphasis on the twenty-one high growth high employment sectors (10 in Manufacturing and 11 in Services) and re-engineering the process of certification and quality assurance under the existing formal system (such as All India Council for Technical Education, National Council for Vocational Training etc.), enforcement of the Apprentice Act and actively encouraging industry/service sector certification catering to the required content of the training and level of skills achieved by trainees for ready employability.

[No. 28/5/2008-Parl.]

Recommendation Serial No. 5

The Committee are deeply concerned to note that the agricultural growth rate is estimated to decline to 2.6% during 2007-08 as compared to 4.4% during the two preceding years. Admittedly, agriculture was some what neglected by a large number of States in the past. The Committee in this connection note that in order to incentivise States into making higher expenditure in agriculture, Rastriya Krishi Vihar Yojana has been launched in May, 2007 which provides for additional central assistance and envisages investment of Rs. 25,000 crore during the 11th Five Year Plan. The Committee feel that this allocation is inadequate. The Committee would like to know the target for agriculture growth during 2008-09. The Committee urge that reasons for steep decline in the agriculture growth rate during 2007-08 should be identified and corrective

measures taken to ensure that growth rate targeted for 2008-09 is achieved without fail.

Reply of the Government

Agricultural growth of 2.6% for the year 2007-08, submitted earlier to the Standing Committee on Finance was as estimated by CSO in their Advance Estimates of National Income, 2007-08 released on 7.2.2008. The CSO has since released its revised estimates. The revised estimates of Annual National Income, 2007-08, released on 30th May, 2008, place agricultural growth at 4.5%. The growth in GDP of agriculture and allied sectors at 1999-2000 prices since 2002-03 brings out that average growth in the first three years of the 10th Five Year Plan i.e. 2002-03 to 2004-05 was less than 1%. The growth rate in the next three years i.e. since 2005-06 to 2007-08 has increased to over 4%. The figures are presented in the following table (on next page) :

Table: Annual Growth in GDP of Agriculture and Allied Activities at constant (1999-2000) prices

Year / Period	Change over previous year (in percent)
<u>Tenth Plan (2002-03 to 2006-07)</u>	
2002-03	-7.2
2003-04	10.0
2004-05	0.0
Average growth during 2002-03 to 2004-05	0.9
2005-06	5.9
2006-07	3.8
<u>Eleventh Plan (2007-08 to 2011-12)</u>	
2007-08 Revised Estimate	4.5
Average growth during 2005-06 to 2007-08	4.7
Source:- Central Statistical Organisation, New Delhi – Revised Estimates of Annual National Income, 2007-08 released on 30 th May, 2008.	

No year-wise targets are fixed for agricultural growth. 4% growth in GDP of agriculture and allied sectors is the annual average projected for the Eleventh Plan period.

Some specific steps taken to increase growth in agriculture are as following:-

- Allocation of public sector resources by the Centre, States and UTs to the Agriculture and Allied Activities has been increased from Tenth Plan realization level of Rs. 60,702 crore to Rs.1,36,381 crore during 11th Five Year Plan at 2006-07 prices i.e. 124% set-up.
- The total projected Gross Budgetary Support for the Eleventh Five Year Plan for Department of Agriculture and Cooperation is Rs. 35,549 crore (2006-07 price) and Rs. 41,337 crore (Current Prices), for Department of

Animal Husbandry, Dairying & Fisheries is Rs. 7121 crore (2006-07 price) and Rs. 8054 crore (Current Prices) and for Department of Agriculture Research & Education is Rs. 11,131 crore (2006-07 price) and Rs. 12,588 crore (Current Prices). These allocations are in addition to Rashtriya Krishi Vikas Yojana (RKVY) outlay of Rs. 25,000 crore. Increase in Plan outlay of three departments of the Ministry of Agriculture i.e. Department of Agriculture and Cooperation (DAC); Department of Animal Husbandry Dairying and Fisheries (DAHDF); Department of Agricultural Research and Education (DARE) may be seen from the following table:-

Outlay and Expenditure of the Ministry of Agriculture

		(Rs. in crore)				
		DAC	DAHDF	DARE	TOTAL	Increase over previous year
A	Tenth Five Year Plan outlay	13,200.00	2,500.00	5,368.00	21,068.00	
B	Tenth Five Year Plan Expenditure (at current prices)	15,040.00	2,345.57	4,692.49	22,134.71	
C	Eleventh Plan (at current prices)	41,337.00	8,054.00	12,588.00	61,979.00	
	2007-08 (BE)	5520.00	910.00	1620.00	8050.00	
	2007-08 (RE)	5887.94	810.00	1434.00	8131.94	23%
	2008-09	6900.00	1000.00	1760.00	9660.00	18%*

DAC: Department of Agriculture and Cooperation; DAHDF: Department of Animal Husbandry Dairying and Fisheries; DARE: Department of Agricultural Research and Education.

Note:- a) In 11th Plan there is an additional allocation of Rs. 25000 crore for the Rashtriya Krishi Vikas Yojana (RKVY); b) Additional Rs. 1000 crore in 2007-08 RE and Rs. 3165.67 crore in 2008-09 BE were provided for ACA scheme of RKVY; c) Additional amount of Rs. 30 crore in 2005-06, Rs. 40 crore in 2007-08 and Rs. 40 crore in 2008-09 were provided for the State Sector scheme of control of Shifting cultivation in NE Region.

*If the amount of Rs. 3167.67 crore for RKVY is also included in the total outlay of Rs. 9660 crore during 2008-09 the increase would be much higher.

- Rashtriya Krishi Vikas Yojana has been launched with an allocation of Rs. 25000 crore over and above the other on-going programmes; Rashtriya Krishi Vikas Yojana provides Central Assistance to State Plans with a view to incentive states to make higher investment in agriculture. Further, RKVY envisages promotion of district agricultural plans and thus improvement in agricultural plan process. Therefore, impact of Rashtriya Krishi Vikas Yojana both in financial term and in improvement of planning process would be greater than its allocation of Rs. 25,000 crore during

11th Plan. The allocation to Rashtriya Krishi Vikas Yojana is over and above the 11th Plan outlay of Rs. 61,979 to Ministry of Agriculture.

- In the recent year there has been an upturn in agriculture investment which may be seen from the following table:-

Investment in Agriculture (Rs. in Crore at 1999-2000 Prices)

Year	GDP from Agriculture	Gross Capital Formation (GCF) in Agriculture			GCF in Agriculture as Percent of GDP from Agriculture		
		Public Sector	Pvt. Sector	Total	Public Sector	Pvt. Sector	Total
1980-81 to 1984-85	239678	12007	13132	25139	5.0	5.5	10.5
1985-86 to 1989-90	274034	9601	14370	23971	3.5	5.2	8.7
1990-91 to 1994-95	325957	7915	19348	27263	2.4	5.9	8.4
1995-96 to 1999-2000	383330	7724	22631	30354	2.0	5.9	7.9
2000-01	407176	7155	31872	39027	1.8	7.8	9.6
2001-02	433475	8746	39468	48215	2.0	9.1	11.1
2002-03	398206	7962	38861	46823	2.0	9.8	11.8
2003-04	441360	9376	35457	44833	2.1	8.0	10.2
2004-05	441183	12273	36835	49108	2.8	8.3	11.1
2005-06	468013	15006	39899	54905	3.2	8.5	11.7
2006-07	485939	17749	43013	60762	3.7	8.9	12.5

Source: Central Statistical Organisation, New Delhi.

- Diversification towards horticulture and livestock is being emphasized through National Horticulture Mission along with a separate Technology Mission on Horticulture for North Eastern States including Sikkim, J&K, Himachal Pradesh and Uttarakhand which have been provided allocation of over Rs. 10,000 crore at current prices during Eleventh Five Year Plan. Livestock and fishery development have been provided higher allocation for a major step up in infrastructure and policy support for diversification to non-crop sector;
- National Food Security Mission (NFSM) has been launched in mission-mode aimed at increasing food grains production by at least 20 million tones by the end of Eleventh Plan. This programme concentrates particularly on increasing seed replacement and replacement of older varieties by newer ones. The Department of Agriculture and Cooperation has initiated NFSM with an outlay of around Rs. 4882 crore covering three crops, namely Wheat, Rice and Pulses. NFSM aims at producing an additional 8 million tones of wheat, 10 million tones of rice and 2 million tones of pulses over the next 4 years. For the annual plan 2007-08 outlay for the NFSM is Rs. 404 crore. For the year 2008-09 outlay for NFSM is Rs. 1100 crore. This is in addition to the outlay of Rs. 320 crore for the Integrated Scheme of Oilseeds, Pulses, Oil palm and Maize (ISOPOM) and the scheme of Macro Management of Agriculture which also has some components for rice, wheat and pulses production;

- Agricultural extension is being strengthened for efficient transfer of technology through support to states for agricultural reforms and use of mass media;
- The central government has also been persuading the States for agricultural marketing reforms and strengthening marketing infrastructure and post-harvest infrastructure;
- During Eleventh Plan, in addition to increased outlay for irrigation and water management; an area of focused attention will be natural resources management; especially watershed development in dry land and rainfed farming areas; and
- Steps have been taken to ensure greater flow of institutional credit to the agriculture sector. The flow of institutional (Co-operative Banks, Regional Rural Banks and Commercial Banks) credit to agriculture is as follows:

<u>Year</u>	<u>Rs. crore</u>
2002-03	69,560
2003-04	86,980
2004-05	1, 25,309
2005-06	1, 80,486
2006-07	2, 03,297
2007-08	1, 37,760 (achievement up to Nov. 2007)

Source Economic Survey: 2007-08

Physical Outputs

Third Advance Estimates of production of food grain, oilseeds and other commercial crops in 2007-08, released on 22.04.2008 by Directorate of Economics and Statistics, Department of Agriculture and Cooperation, present a further improved performance during 2008-09 than estimated earlier on 7.2.2008. Food grains production is estimated to increase from 217 million tones in 2006-07 to 227.32 million tones which represents over 4.7% growth. Physical outputs of some selected items of agriculture and allied activities are presented in the following table:

Physical Outputs of some selected items concerning the Ministry of Agriculture
from 2005-06 to 2007-08

Sl. No.	Items	Unit	2005-06	2006-07	2007-08
	Production of selected important agricultural items				
1	Foodgrains	Million Tonnes	208.60	217.28	227.32

2	Wheat	Million Tonnes	69.35	75.81	76.78
3	Rice	Million Tonnes	91.79	93.35	95.68
4	Coarse Cereals	Million Tonnes	34.06	33.92	39.67
5	Pulses	Million Tonnes	13.39	14.20	15.19
6	Nine major oilseeds	Million Tonnes	27.98	24.29	28.21
7	Cotton	Lakh bales of 170 kg each	184.99	226.32	231.90
8	Sugarcane	Million Tonnes	281.17	355.52	344.23
<u>Source:</u> Third Advance Estimate of Production foodgrain, oilseeds and other commercial crops for 2007-08; released on 22.4.2008 by Directorate of Economics & Statistics, Deptt. of Agriculture & Co-operation, New Delhi.					

[No. 28/5/2008-Parl.]

Recommendation Serial No.7

The Committee also suggest that the desirability of bringing minor and medium irrigation projects on Public Private Partnership/Build Operate Transfer Mode be examined in order to involve farmers' cooperatives and also the farmers in the developmental activity. The Committee also expect the government to come out with a clear policy framework on Public Private Partnership/Build Operate Transfer Mode for implementing projects.

Reply of the Government

The National Water Policy 2002 has laid due emphasis on participatory approach to the Water Resources management. The National Water Policy also envisages private sector participation and in this context the provisions in the National Water Policy are as under.

“Private sector participation should be encouraged in planning, development and management of water resources projects for diverse uses, wherever feasible. Private sector participation may help in introducing innovative ideas, generating financial resources and introducing corporate management and improving service efficiency and accountability to users. Depending upon the specific situations, various combinations of private sector participation in building, owning, operating, leasing and transferring of water resources facilities, may be considered.”

It may, however, be mentioned that water being a state subject, various measures for development and management of water resources are undertaken by the respective state governments.

[No. 28/5/2008-Parl.]

Recommendation Serial No.9

The Committee hold that elimination of poverty is the basic concern and Kernel of the entire planning process and the economic development in the country. Any infirmities in the mechanism for estimation of poverty will negate the purposes of various schemes to a significant extent. The Committee have repeatedly emphasized in this regard the need for harmonizing the criteria for estimation of Below Poverty Line (BPL) households in their earlier reports. The Planning Secretary indicated during oral evidence that an Expert Committee will be constituted to look into the 13 point criteria for estimation of BPL households and preparation of accurate BPL lists by States. The Committee, therefore, desire that the Expert Committee proposed to be constituted to look into the 13 point criteria should be constituted expeditiously with stipulation for submission of its report within specified time limit. The Committee also desire that status quo be maintained on the policy framework for providing grants and subsidies to States till the estimates of BPL households are reviewed on the basis of the revised criteria.

Reply of the Government

The tenure of the Expert Group to review the methodology for estimation of poverty has been extended upto 30.09.2008 and its report is expected within this period.

The proposal to constitute the Expert Group to look into the 13 point criteria for estimation of BPL households is under consideration.

The BPL survey identifies the poor families who are assisted through the various poverty alleviation programmes of the Ministry of Rural Development. The number of persons living below the poverty line are estimated by the Planning Commission once in about five years.

[No. 28/5/2008-Parl.]

Recommendation Serial No. 10

The Committee note that the National Rural Employment Guarantee Programme (NREGP) launched in February, 2006 covering 200 districts in 2006-07 and 330 districts in 2007-08, will cover the whole country in 2008-09 with the primary objective to provide guaranteed work for 100 days for any household wishing to have such employment. It is observed from the information furnished to the Committee that 2.10 crore households were provided employment (as against the demand of 2.12 crore households) during 2006-07 with an

expenditure of about Rs. 8823 crore and 2.91 crore households were provided employment (as against the demand of 2.93 crore households) during 2007-08 with an expenditure of Rs. 11,036 crore. The fund allocation for the programme during the year 2008-09 is observed to be Rs. 16,000 crore. The Committee learn that the programme suffers from shortcomings such as disparity in different States, shortfall in budgeted days of employment, instances of corruption and malpractices, lack of opportunities for educated persons, paper work involved in the programme, etc. The Committee recommend that all these problems should be looked into for appropriate corrective steps to ensure that the programme achieves the intended objective. The Committee also emphasise that there should be greater co-ordination between the Central and State Governments in releasing grants for NREPG. The Committee further desire that a study should be carried and to assess the quantum of assets created on account of implementing the NREGP and file a status report thereon within three months.

Reply of the Government

The Government is keenly aware of the need for ensuring the quality and durability of works. In the first phase of the National Rural Employment Guarantee Act (NREGA), the Government was concerned about ensuring widespread awareness of the programme and also that the works undertaken provided sufficient employment to the poor. The terms of references for the study have since been formulated. A research institution of repute, capable of carrying out such a study, is being identified. It is essential that more time than three months is allocated for the completion of a study of such enormous importance for the future success of NREGA.

[No. 28/5/2008-Parl.]

CHAPTER III

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

NIL

CHAPTER IV

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

Recommendation Serial No. 8

The Committee regret to note that the Expert Group to review the 'methodology for estimation of poverty' constituted in December, 2005 has not submitted its report even after two years. The Committee suggest the Expert Group should complete its work expeditiously and submit its report within a timeframe within three months of the submission of this report to Parliament.

Reply of the Government

The tenure of the Expert Group to review the methodology for estimation of poverty has been extended upto 30.09.2008 and its report is expected within this period.

[No. 28/5/2008-Parl.]

CHAPTER V

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

Recommendation Serial No. 6

Another matter of serious concern to the Committee is the under-utilisation of created irrigation potential as reported in Economic Survey, 2007-08. Unfortunately, no specific assessment has been made about the extent of under-utilisation in this regard. The Committee would like that an assessment be made expeditiously to understand the gravity of the problem. The Committee stress that urgent steps be taken to implement the suggestions made by the Ministry of Planning in this regard in order to ensure that huge funds invested in irrigation projects do yield desired results.

Reply of the Government

The total potential creation upto March 2007 is about 102.77 million hectare (m.ha.) and the potential utilised is estimated to be about 87.20 m.ha. The assessment of irrigation potential creation and irrigation potential utilization is based on the information provided by the respective State Governments. With a view to have a proper assessment of the reasons for the gap between the irrigation potential created and the irrigation potential utilised and suggested measures for optimal utilization of the created irrigation potential, studies have been awarded by the Ministry of Water Resources in August 2007 to the Indian Institute of Management (IIM) Ahmedabad, IIM Bangalore, IIM Kolkata and IIM Lucknow. The studies are in progress.

[No. 28/5/2008-Parl.]

NEW DELHI;
11 December, 2008
20 Agrahayana, 1930 (Saka)

ANANTH KUMAR,
Chairman,
Standing Committee on Finance

Minutes of the Tenth sitting of the Standing Committee on Finance

The Committee sat on Thursday, the 11th December, 2008 from 1600 hrs. to 1700 hrs. in Committee Room No. 'B', Parliament House Annexe, New Delhi

PRESENT

Shri Ananth Kumar –Chairman

MEMBERS

LOK SABHA

2. Shri Jaswant Singh Bishnoi
3. Shri Gurudas Dasgupta
4. Shri Shyama Charan Gupta
5. Shri Vijoy Krishna
6. Shri Rupchand Pal
7. Shri Suresh Prabhakar Prabhu

RAJYA SABHA

8. Shri Mahendra Mohan
9. Shri Vijay J. Darda
10. Shri Moinul Hassan
11. Shri K.V.P. Ramachandra Rao
12. Shri S.S. Ahluwalia

SECRETARIAT

- | | | |
|-----------------------------------|---|----------------------|
| 1. Shri R.C. Ahuja | - | Additional Secretary |
| 2. Shri A.K. Singh | - | Director |
| 3. Shri T. G. Chandrasekhar | - | Deputy Secretary |
| 4. Shri Ram Kumar Suryanarayanan- | | Deputy Secretary –II |

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

3. The Committee, then took up the following draft Reports for consideration :-

- (i) Draft action taken Report on the recommendations/observations contained in the 67th Report on Demands for Grants (2008-09) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services and Disinvestment);

- (ii) Draft action taken Report on the recommendations/observations contained in the 68th Report on Demands for Grants (2008-09) of the Ministry of Finance (Department of Revenue).
- (iii) Draft action taken Report on the recommendations/observations contained in the 69th Report on Demands for Grants (2008-09) of the Ministry of Planning.
- (iv) Draft action taken Report on the recommendations/observations contained in the 70th Report on Demands for Grants (2008-09) of the Ministry of Statistics and Programme Implementation.
- (v) Draft action taken Report on the recommendations/observations contained in the 71st Report on Demands for Grants (2008-09) of the Ministry of Corporate Affairs.

The Committee adopted the Report at (iii) above without any amendment and the Reports at (i), (ii), (iv) and (v) with modifications as shown in the annexure.

4. The Committee authorized the Chairman to finalise these Reports in the light of the modifications made and present the same to Parliament.

5. The Committee decided to defer consideration of the two draft Reports on (i) 'Flow of Credit to Agriculture Sector'; and (ii) 'Counterfeit Currency Notes in Circulation', to a subsequent sitting.

The Committee then adjourned.

APPENDIX

(Vide Para 3 of the Introduction)

ANALYSIS OF THE ACTION TAKEN BY GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE SIXTY- NINTH REPORT OF THE
STANDING COMMITTEE ON FINANCE (FOURTEENTH LOK SABHA) ON
DEMANDS FOR GRANTS (2008-2009) OF THE MINISTRY OF PLANNING

	Total	% of Total
(i) Total number of recommendations	10	
(ii) Recommendations/observations which have been accepted by the Government (Vide Recommendations at Sl. Nos. 1, 2, 3, 4, 5, 7, 9 and 10)	8	80.00
(iii) Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies (Nil)	Nil	00.00
(iv) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee (Vide Recommendations at Sl. No. 8)	1	10.00
(v) (Recommendation/observation in respect of which final reply of the Government is still awaited (Vide Recommendations at Sl. No. 6)	1	10.00