

**STANDING COMMITTEE ON FINANCE**

**(2009-10)**

**FIFTEENTH LOK SABHA**

**Ministry of Planning**

**Demands for Grants  
(2009-10)**

**THIRD REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

December, 2009/Agrahayana, 1931 (Saka)

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**STANDING COMMITTEE ON FINANCE**  
**(2009-2010)**  
**(FIFTEENTH LOK SABHA)**

**Ministry of Planning**  
**Demands for Grants**  
**(2009-10)**

*Presented to Lok Sabha on 2.12.2009  
Laid in Rajya Sabha on 2.12.2009*



**LOK SABHA SECRETARIAT  
NEW DELHI**

December, 2009/Agrahayana, 1931 (Saka)

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## **COMPOSITION OF STANDING COMMITTEE ON FINANCE – 2009-2010**

**Dr. Murli Manohar Joshi - Chairman**

### **MEMBERS**

#### **LOK SABHA**

2. Dr. Baliram (Lalganj)
3. Shri Sudip Bandyopadhyay
4. Shri C.M. Chang
5. Shri Harishchandra Chavan
6. Shri Bhakta Charan Das
7. Shri Gurudas Dasgupta
8. Shri Khagen Das
9. Shri Nishikant Dubey
10. Smt. Jayaprada
11. Shri Bhartruhari Mahtab
12. Shri Mangani Lal Mandal
13. Shri Gopinath Munde
14. Shri Rayapati Sambasiva Rao
15. Shri M. Sreenivasulu Reddy
16. Shri Y.S. Jagan Mohan Reddy
17. Shri N. Dharam Singh
18. Shri Sarvey Sathyanarayana
19. Shri Manicka Tagore
20. Dr. M. Thambidurai
21. Shri Anjankumar M. Yadav

#### **RAJYA SABHA**

22. Shri Raashid Alvi
23. Dr. K.V.P. Ramachandra Rao
24. Shri Vijay Jawaharlal Darda
25. Shri S.S. Ahluwalia
26. Shri Moinul Hassan
27. Shri Mahendra Mohan
28. Shri S. Anbalagan
29. Dr. Mahendra Prasad
30. Shri Y.P. Trivedi
31. Shri Rajeev Chandrasekhar

#### **SECRETARIAT**

1. Shri R.C. Ahuja	-	Additional Secretary
2. Shri A.K. Singh	-	Joint Secretary
3. Shri T.G. Chandrasekhar	-	Additional Director
4. Smt B. Visala	-	Deputy Secretary

## INTRODUCTION

I, the Chairman, Standing Committee on Finance (2009-10), having been authorized by the Committee to present the Report on their behalf, present this Third Report (15th Lok Sabha) of the Standing Committee on Finance (2009-10) on the 'Demands for Grants (2009-10)' of the Ministry of Planning.

2. The Demands for Grants (2009-10) of the Ministry of Planning were laid on the Table of the House on 10 July, 2009. 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 (2009-10) of the Ministry of Planning were passed by Lok Sabha on 23 July, 2009 prior to their consideration by the Standing Committee on Finance. Nonetheless, in pursuance of the observation made by the Chair, the Committee examined the Demands for Grants (2009-10) 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 on 15 September, 2009.

4. The Committee considered and adopted this Report at their sitting held on 26 November, 2009.

5. The Committee wish to express their thanks to the representatives of the Ministry of Planning for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2009-10).

**New Delhi;**  
**19 November, 2009**  
**28 Kartika, 1931 (Saka)**

**Dr. Murli Manohar Joshi,**  
**Chairman,**  
**Standing Committee on Finance.**

**Report**  
**PART I**  
**BACKGROUND ANALYSIS**  
**I. BUDGETARY ALLOCATION**

1.1 The Planning Commission came into existence as per the Government of India Resolution of 15<sup>th</sup> March, 1950. The main function of Planning Commission is to make an assessment of the material, capital and human resources of the country and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nations' requirements and to formulate a Plan for the most effective and balanced utilization of the country's resources. The Planning Commission also 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.

**Budget 2009-10**

1.2 **NON-PLAN EXPENDITURE** (Outlay Rs. 67.00 Crore)

**1. SECRETARIAT – ECONOMIC SERVICES**

This has a provision for the Secretariat expenditure of the Minister of Planning and Minister of State for Planning.

**2. PLANNING COMMISSION/PLANNING BOARD**

This has a provision for the expenditure of Planning Commission including Programme Evaluation Organization (PEO).

**3. OTHERS**

Grants-in-aid to the Institute of Applied Manpower Research (IAMR), an autonomous body set up by the Government of India for advancement of knowledge about the nature, characteristic and utilization of human resources in India and to provide manpower research services to Government Departments. A Budget provision of Rs.6.50 crore has been kept for IAMR for the financial year 2009-10.

1.3 **PLAN EXPENDITURE** (Outlay Rs. 452.00 Crore)

**1. New Initiative in Skill Development through PPP : (Outlay Rs. 15.00crore)**

This scheme has been introduced to build required skilled manpower to fulfill the need of a growing and diversifying Indian Economy. It also aims at enhancing the skill training capacity and streamlining the mechanisms for

expansion by harmonizing the efforts of various Central/State Government Ministries as also the private sector.

**2. Energy(R&D)- (Outlay Rs. 2.00 crore).**

The objective of the scheme – (i) to set up mechanism for governance of the National Energy Fund and (ii) identifying & prioritizing the research needs in the energy sector.

**3. Modernization of Office Systems: ( Outlay Rs. 23.00 crore ).**

**(a) Renovation and Alteration (Rs. 15.00 crore).**

The objective of the scheme is to remove the deficiency in infrastructure and energize the working environment by renovating/alteration of office rooms, furniture, and equipments, etc.

**(b) Information Technology ( Rs. 8.00 crore ).**

The objective of the scheme is to procure sophisticated hardware/software for providing IT aid in the process of Planning.

**4. Economic Advisory Council to the Prime Minister (Rs.1.78 crore).**

The Economic Advisory Council to the Prime Minister has been constituted for analyzing any issue, economic or otherwise referred to it by the PM and advising him thereon besides addressing issues of macro-economic importance and presenting views thereon to the Prime Minister

**5. National Knowledge Commission [NKC] (Outlay Rs. 0.05 crore).**

The National Knowledge Commission was set up to build excellence in educational system to meet the knowledge challenges of the 21<sup>st</sup> century and promote the use of knowledge capabilities in making Government an effective, transparent and accountable service provider to the citizens. The term of the Commission has ended on 31<sup>st</sup> March, 2009. However, a provision of Rs. 0.05 Crore has been made for the current fiscal to take care of any spill over expenditure relating to the NKC.

**6. Grants-in-aid to Universities and Research Institutions etc. for Training,**

**Research and Institutional Development: (Outlay Rs. 2.10 crore ).**

This Scheme provides grants-in-aid to the Universities/Research Institutions etc. to encourage the research activities on planning and development issues. The research activities commissioned by Planning Commission evaluate specific planning programmes, assess their impact on people and examine the working of specific sectors both at the regional and national level. Research studies are also assigned keeping in view the changes in the economic scenario in the recent years so that the plan machinery is geared up to strengthen market led forces in the economy.

**7. Expertise for Planning Process : (Outlay Rs. 2.55 crore ).**

The objective of this scheme is to enhance the technical expertise available to the Planning Commission through experts and consultants appointed as per the guidelines/rules available for this purpose. During the current fiscal a provision of Rs. 0.30 Crore has also been made for annual subscription to International Transport Forum, as member of the Forum.

**8. United Nations Development Programme (UNDP) Assistance for capacity building for State Human Development Reports : (Outlay Rs. 11.83 crore)**

Funds under this scheme are provided for preparing State Human Development Reports in respect of each State and activities for strengthening State Plans for Human Development are taken up.

**9. 50th Year Initiative for Planning : (Outlay Rs. 30.71 crore).**

This scheme is used to finance preparation of State Development Reports (SDRs), holding of National Development Council (NDC) meetings, and preparation of Plan Documents, etc. Total Transport System Study is also being financed under the Scheme. A Steering Committee has been set up in order to provide the guidelines and direction and monitor the progress of the Total Transport System Study. The study is under process. The entire expenditure on Committee on Infrastructure is being charged to this scheme.

**10. Strengthening Evaluation Capacity in Government :**

**(Outlay Rs. 12.00 crore)**

This scheme provides quick and useful evaluative information for planners/policy-makers and to create a data base on development evaluation. A provision of Rs. 12.00 crore has been made under this scheme for taking up evaluation of all major schemes approved by Development Evaluation Advisory Committee(DEAC). The Plan Coordination Division along with Programme Evaluation Organisation of Planning Commission has chalked out a comprehensive programme to get the work done through reputed agencies in the field.

**11. Support to Planning Process at National, State & District Level : (Outlay Rs. 200.00 crore)**

The objective of this scheme is to enhance the capability and augment the strength of the professionals engaged in the planning process, strengthen the institutional mechanism as well as development of the technical support base of agencies involved in planning.

**12. Plan Accounting and Public Finance Management System:**

**(Outlay Rs. 17.07 crore)**

This scheme has been introduced to put in place a suitable Management Information System (MIS) / Decision Support System (DSS) for tracking and reporting on the expenditures along with generation of State-wise/District-wise reports on the expenditure, outputs and the unutilized amount under each Plan Scheme.

**13. Grant-in-aid to IAMR ( Outlay Rs. 4.34 crore)**

The Planning Commission assigns the IAMR research projects on topics relating to human resource planning and development so that the findings gathered could be utilized in formulating Plan Policies.

**14. Unique ID Authority of India (Outlay Rs. 120.00 crore)**

This new scheme is a Planning Commission initiative which envisages assigning a unique identification number to each resident in the country for better monitoring and targeting of government's social welfare schemes and poverty alleviation initiatives. It also aims at eliminating the need for multiple identification mechanisms prevalent across various government departments.

**15. (i) UNDP Assistance for Capacity Development for District Planning**

**(Outlay Rs. 7.77 crore)**

**(ii)UNDP Assistance for Support to Livelihood Promotion Strategies (Outlay Rs. 1.80 crore)**

The Planning Commission is the implementing partner for two projects of the Govt. of India-UNDP Joint Programme on Convergence. The programme will focus on 35 backward districts of seven states viz. Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan and U.P. This will develop the capacity to prepare and implement District Plans and improve the implementation of large flagship programmes in the social sectors and foster greater social inclusion of disadvantaged groups especially women, children, SC/ST and minorities.

**1.4 The scheme-wise analysis of Demands for Grants (2009-10) of the Ministry of Planning is shown in the following statements:-**

Demand No. 73 ( PLAN)  
SCHEME-WISE ANALYSIS OF DEMANDS FOR GRANTS (2009-10)

Sl. No.	Major Head	PLAN/ SCHEME	BE 2006-07	Actuals 2006-07	BE 2007-08	Actuals 2007-08	% Increase/ Decrease over BE 2006-07	BE 2008-09	Actuals* 2008-09	% Increase / Decrease over BE 2007-08	BE 2009-10	% Increase / Decrease over BE 2008-09	
REVENUE SECTION													
1.	2203	New Initiative in Skilled Development through PPP	--	--	--	--	--	3,00,00,00	--	-	15,00,00	(-) 95%	
2.	2245	Tsunami Rehabilitation Programme	15,00,00	47,03	3,00,00	16,86	(-) 80%	1,00,00	-2,16	(-) 66.67%	--	--	
3.	3425	Energy(R&D)	--	--	--	--	--	2,00,00	--	--	2,00,00	No change	
4.	3451	Modernization of Office Systems	27,05,00	25,65,25	5,50,00	3,55,28	(-)79.67%	8,90,00	5,03,36	(+)61.82%	10,00,00	(-)20%	
5.	3451	Economic Advisory Council to the PM.	1,71,00	72,18	2,00,00	82,41	(+)16.96%	2,10,00	1,15,32	(+)5%	1,78,00	(-)15.24%	
6.	3451	National Knowledge Commission	4,00,00	1,37,65	3,00,00	2,50,00	(-)25%	1,50,00	2,33,22	(-)50%	5,00	(-)96.67%	
7.	3454	Unique Identification Authority of India	--	--	--	--	--	--	--	--	92,79,00	--	
8.	3475	Grants-in-aid to IAMR for taking up studies on topic of current interest to P.C.	15,00	--	3,00,00	1,07,00	(+)1900%	--	--	--	--	--	
9.	3475	Grants-in-aid to IAMR	-	-	-	--	-	12,00,00	--	--	4,34,00	(-) 63.83%	
10.	3475	Grants-in-aid to Universities, Research Institutions etc.	1,70,00	1,42,07	2,00,00	1,99,84	(+)17.65%	2,10,00	1,46,33	(+)5%	2,10,00	No change	
11.	3475	Expertise for Planning Process	60,00	67,44	1,00,00	98,62	(+)66.67%	1,00,00	82,34	No Change	2,55,00	(+)155%	
12.	3475	UNDP Assistance for SHDR.	16,36,00	10,00,00	19,00,00	11,63,00	(+)16.14%	7,75,00	6,00,00	(-) 59.21%	11,83,00	(+) 52.65%	
13.	3475	50 <sup>th</sup> Year Initiative for Planning	11,64,00	4,30,91	12,00,00	9,27,35	(+)3.09%	15,60,00	5,41,97	(+30%)	30,71,00	(+)155.92%	
14.	3475	Strengthening Evaluation Capacity in Government.	8,55,00	26,31	26,00,00	59,20	(+)204.09%	12,00,00	1,40,93	(-)53.85%	12,00,00	No change	
15.	3475	Plan Accounting and Public Finance Management System	--	--	--	--	--	16,25,00	19,49	--	13,07,00	(-) 19.57%	

16.	3475	Support to Planning Process at National, State and District Level	--	--	--	--	--	20,00,00	--	--	20,00,00	No change
17.	3601	UNDP Assistance for Rural Decentralization and Participatory Planning for Poverty Reduction	3,00,00	3,00,00	6,00,00	6,36,98	(+)100%	1,80,00	3,69,63	(-)70%	--	--
18.	3601	Support to Planning Process at National, State and District Level	--	--	--	--	--	1,75,00,00	--	--	1,75,00,00	No change
19.	3601	UNDP Assistance for Capacity Development for District Planning	--	--	--	--	--	--	--	--	7,77,00	--
20.	3601	UNDP Assistance for Support to Livelihoods Promotion Strategies	--	--	--	--	--	--	--	--	1,80,00	--
21	3602	Support to Planning Process at National, State and District Level	--	--	--	--	--	5,00,00	--	--	5,00,00	No change
CAPITAL SECTION												
1.	5475	Modernisation of Office Systems	--	--	7,50,00	3,36,70	--	10,00,00	5,11,59	(+)33.33%	13,00,00	(+) 30%
2.	5475	Plan Accounting and Public Finance Management System	--	--	--	--		8,00,00	3,27,38	--	4,00,00	(-)50%
3.	5475	Unique Identification Authority of India	--	--	--	--	--	--	--	--	27,21,00	--

\* provisional figures

### Object Headwise analysis of Demands for Grants

(Rs. In thousands)

Object Head	BE 2006-07	Actuals 2006-07	BE 2007-08	Actuals 2007-08	Increase/ Decrease over BE 2006-07 (%)	BE 2008-09	Actuals ** 2008-09	Increase/ Decrease over BE 2007-08 (%)	BE 2009-10	Increase/ Decrease over BE 2008-09 (%)
Salaries	23,59,00	23,79,99	26,35,00	25,06,26	(+)11.70%	27,14,00	39,35,42	(+)3.00%	45,42,00	(+)67.35%
Wages	15.50	14.98	16.50	16.21	(+)6.45%	18.50	15.92	(+)12.12%	21.50	(+)16.22%
Overtime Allowances	19.00	18.44	19.00	18.09	No change	19.00	15.69	No change	19.00	No change
Medical Treatment	37.00	56.77	62.10	53.26	(+)67.84%	61.50	51.42	(-)0.97%	67.00	(+)8.94%
Domestic Travel Expenses	1,65,00	2,51,22	2,12,00	1,96,16	(+)28.48%	2,49,50	2,24,35	(+)17.69%	3,27,00	(+)31.06%
Foreign Travel Expenses	68.50	99.65	1,05,50	70.59	(+)54.01%	1,05,50	96.38	No change	1,55,50	(+)47.39%
Office Expenses	2,99,00	5,07,30	3,79,40	5,91,62	(+)26.89%	5,00,00	4,78,59	(+)31.79%	5,90,00	(+) 18%
Rent, Rates, Taxes	5.00	2.73	5.00	7.17	No change	7.00	1.95	(+)40%	7.00	No change
Publications	35.00	40.53	44.50	42.88	(+)27.14%	52.00	44.58	(+)16.85%	62.00	(+) 19.23%
Banking Cash Transaction Tax	1.00	86	1,00	--	No change	--	--	--	--	--
Other Adm. Expenses	36.00	42.32	53.30	54.01	(+)48.06%	62.00	65.78	(+)16.32%	98.00	(+)58.06%
Professional Services	--	--	--	--	--	--	--	--	1,25,00	--
Grant-in-aid (*)	1.00	32	1,00	72	No change	1,00	76	No change	1,00	No change
Other Charges	16.00	12.25	17.70	19.54	(+)10.63%	30.00	25.41	(+)69.49%	35.00	(+) 16.67%
<b>TOTAL</b>	<b>30,57,00</b>	<b>34,27,36</b>	<b>35,52,00</b>	<b>35,76,51</b>	<b>(+)16.19%</b>	<b>38,20,00</b>	<b>49,56,25</b>	<b>(+)7.55%</b>	<b>60,50,00</b>	<b>(+) 58.38%</b>
Grant-in-aid to IAMR	3,50,00	3,70,00	3,80,00	3,80,00	(+)8.57%	3,80,00	5,01,00	No change	6,50,00	(+)71.06%
<b>Grand Total</b>	<b>34,07,00</b>	<b>37,97,36</b>	<b>39,32,00</b>	<b>39,56,51</b>	<b>(+)15.41%</b>	<b>42,00,00</b>	<b>54,57,25</b>	<b>(+)6.82%</b>	<b>67,00,00</b>	<b>(+) 59.52%</b>

(\*) This figure excludes grants-in-aid to Institute of Applied Manpower Research (Non-Plan) \*\* provisional figures

**Statement showing budget estimates, revised estimates and actual expenditure  
for the past two years and budget estimates of the current financial year**

Sl. No	Major Head	NAME OF THE SCHEME	2007-08			2008-09			BE 2009-10
			BE	RE	Actuals	BE	RE	Actuals*	
<b>REVENUE SECTION (PLAN)</b>									
1.	2203	New Initiative in Skill Development through PPP	--	--	--	3,00,00,00	10,00	--	15,00,00
2.	2245	Tsunami Rehabilitation Programme	3,00,00	50,00	16,86	1,00,00	22,00	-2,16	--
3.	3425	Energy(R&D)	--	--	--	2,00,00	2,00,00	--	2,00,00
4.	3451	Modernization of Office Systems	5,50,00	5,50,00	3,55,28	8,90,00	6,58,00	5,03,36	10,00,00
5.	3451	Economic Advisory Council to the PM.	2,00,00	1,20,00	82,41	2,10,00	1,67,00	1,15,32	1,78,00
6.	3451	National Knowledge Commission	3,00,00	2,50,00	2,50,00	1,50,00	2,00,00	2,33,22	5,00
7.	3454	Unique Identification Authority of India	--	--	--	--	--	--	92,79,00
8.	3475	Grants-in-aid to IAMR for taking up studies on topic of current interest	3,00,00	1,07,00	1,07,00	--	--	--	--
9.	3475	Grant-in-aid to IAMR	--	--	--	12,00,00	85,00	--	4,34,00
10.	3475	Grants-in-aid to Universities, Research Institutions etc.	2,00,00	2,00,00	1,99,84	2,10,00	2,10,00	1,46,33	2,10,00
11.	3475	Expertise for Planning Process	1,00,00	1,00,00	98,62	1,00,00	1,00,00	82,34	2,55,00
12.	3475	UNDP Assistance for preparation of SHDR.	19,00,00	12,23,00	11,63,00	7,75,00	6,00,00	6,00,00	11,83,00
13.	3475	50 <sup>th</sup> Year Initiative for Planning	12,00,00	12,00,00	9,27,35	15,60,00	7,00,00	5,41,97	30,71,00
14.	3475	Strengthening Evaluation Capacity in Government.	26,00,00	3,00,00	59,20	12,00,00	3,00,00	1,40,93	12,00,00
15.	3475	Plan Accounting & Public Finance Management System	--	--	--	16,25,00	1,28,00	19,49	13,07,00
16.	3475	Support to Planning Process at National, State & Distt. Level	--	--	--	20,00,00	20,00	--	20,00,00

\* provisional figures

Sl. No	Major Head	NAME OF THE SCHEME	2007-08			2008-09			BE 2009-10
			BE	RE	Actuals	BE	RE	Actuals*	
<b>REVENUE SECTION (PLAN)</b>									
17.	3601	UNDP Assistance for Rural Decentralization and Participatory Planning for Poverty Reduction	6,00,00	6,00,00	6,36,98	1,80,00	2,50,00	3,69,63	--
18.	3601	Support to Planning Process at National, State & Distt. Level	--	--	--	1,75,00,00	--	--	1,75,00,00
19.	3601	UNDP Assistance for Capacity Development for Distt. Planning	--	--	--	--	--	--	7,77,00
20.	3601	UNDP Assistance for Support to Livelihood Promotion Strategies	--	--	--	--	--	--	1,80,00
21.	3602	Support to Planning Process at National, State & Distt. Level	--	--	--	5,00,00	--	--	5,00,00
<b>CAPITAL SECTION (PLAN)</b>									
1.	5475	Modernisation of Office Systems	7,50,00	4,00,00	3,36,70	10,00,00	7,00,00	5,11,59	13,00,00
2.	5475	Plan Accounting & Public Finance Management System	--	--	--	8,00,00	6,50,00	3,27,38	4,00,00
3.	5475	Unique Identification Authority of India	--	--	--	--	--	--	27,21,00
<b>TOTAL (PLAN)</b>			<b>90,00,00</b>	<b>51,00,00</b>	<b>42,33,24</b>	<b>6,02,00,00</b>	<b>50,00,00</b>	<b>35,89,40</b>	<b>4,52,00,00</b>
<b>REVENUE SECTION (NON- PLAN)</b>									
1.	3451	Department of Planning	31,00	33,00	19,65	37,00	39,00	24,21	48,00
2.	3451	Planning Commission	31,82,00	34,47,80	32,45,73	34,13,00	43,65,00	44,97,80	54,34,00
3.	3451	Programme Evaluation Office	3,39,00	3,39,20	3,11,12	3,70,00	5,08,00	4,34,25	5,68,00
4.	3475	Manpower Research Services to Govt. etc.	3,80,00	3,80,00	3,80,00	3,80,00	5,01,00	5,01,00	6,50,00
<b>TOTAL (NON-PLAN)</b>			<b>39,32,00</b>	<b>42,00,00</b>	<b>39,56,50</b>	<b>42,00,00</b>	<b>54,13,00</b>	<b>54,57,26</b>	<b>67,00,00</b>
<b>Grand Total (PLAN + NON-PLAN)</b>			<b>1,29,32,00</b>	<b>93,00,00</b>	<b>81,89,74</b>	<b>6,44,00,00</b>	<b>1,04,13,00</b>	<b>90,46,66</b>	<b>5,19,00,00</b>

## II. GROWTH OF ECONOMY

2.1 As per the Revised Estimates of National Income 2008-09 released by the Central Statistical Organization (CSO), the rate of growth of the economy in terms of GDP at factor cost for the year 2008-09 was 6.7%, as against 9% achieved in the year 2007-08. The growth rate of 6.7% is lower than the growth achieved in the previous year as well as target fixed for the Eleventh Five Year Plan. The growth rate in the first two years of the Eleventh Five Year Plan works out to 7.8%, which is 1.2 percentage points lower than the Plan target of 9%. At the sectoral level, the rate of growth in three broad sectors of the economy viz. agriculture and allied sectors, industry sector and services sector has been 1.6 per cent, 3.9 % and 9.7% respectively for the year 2008-09. The rate of growth for these sectors in the first two years of the Eleventh Plan (2007-08 and 2008-09), works out to 3.2 %, 6 % and 10.3% respectively.

2.2 Regarding the policy measures contemplated by the Planning Commission to meet the planned growth targets for the 11<sup>th</sup> Plan period, particularly keeping in view the global recession and its consequent impact on our economy, the Ministry, in a written reply submitted as under:-

“Various factors like increased cost of borrowing, liquidity and credit crunch, slow down in the growth of export along with risk aversion on account of the global crisis and slowdown along with recessionary tendencies in many developed countries led to moderation in industrial growth and slowdown in private consumption in the domestic economy. However, the good performance of the services sector has cushioned the adverse impact of global crisis on the domestic economy.

India has taken both monetary and fiscal measures in order to restore the growth momentum. These steps, *inter-alia*, consist of expansionary plan expenditure, reduction in indirect taxes, sector-specific measures for textiles, housing, infrastructure, automobiles, micro and small sector and exports, authorisation to specified financial institutions to raise tax-free bonds to fund infrastructure projects, farm loan waiver package, etc. The monetary and credit related measures taken by the RBI relate to provisioning of adequate liquidity and credit delivery, progressive reduction in the Repo rate under the liquidity adjustment facility (LAF), reduction in cash reserve and statutory liquidity ratios (CRR and SLR) for banks and improvement in forex liquidity while at the same time containing the financial contagion from the global financial crisis. These measures

have been supplemented with sector specific credit measures for exports, housing, micro and small enterprises and infrastructure.

The fact that the Indian banks are financially sound and well capitalised with hardly any exposure to tainted assets, the financial markets continued to function in the face of adverse impact of global crisis, the foreign exchange reserve position continues to be comfortable and that India's external debt position is comfortable, are among the factors conducive to revival of growth. With fiscal and monetary measures bearing fruit and anticipation of normal agricultural production, the domestic economy is expected to return to its high growth trajectory that was achieved during the years 2003-04 to 2007-08. An appropriate use of monetary and fiscal tools along with changes in trade policy could be helping in raising the growth rate."

2.3 The Secretary, Ministry of Planning, during oral evidence apprised the Committee of the achievements of GDP targets of 9% and steps taken in this direction as follows:-

".....the Planning Commission is actually fully engaged in the exercise of Mid-term appraisal of the Eleventh Plan.

We have a fixed GDP target of nine per cent but because of the global meltdown and the rain deficit in most parts of the country, we have actually found that we need to downplay or bring down our growth expectations.

In 2008-09, the growth rate of the economy decelerated to 6.7 per cent from an average of about 9 per cent in the previous four years, that is the last two years of the Tenth Plan and the first two years of the Eleventh Plan.....We took upon the Mid-Term Appraisal as an opportunity to reprioritize plan allocations and also to make mid-course policy corrections. The flagship schemes of the Government of India aim at enabling everybody, that is across the board, to participate in the growth process and make our development process truly inclusive socially, regionally and culturally."

2.4 On being asked about the corrective measures being taken to ensure that all categories of people are benefited of the growth process, the Secretary, Ministry of Planning stated as follows:-

"When the 11<sup>th</sup> Plan documents were prepared, the approach to the 11<sup>th</sup> Plan document was based on the appraisal of the 10<sup>th</sup> Plan. It is a fact that we began to witness very high rates of growth. In the approach to the 11<sup>th</sup> Plan and also the 11<sup>th</sup> Plan document, there was a basic critic of some of the initiatives which had been taken and which had fallen short. In fact the 11<sup>th</sup> Plan began on the slogan of faster and more inclusive growth that is without jettisoning the target of making for faster growth. There

was this corrective and this faster growth itself had left people out of the loop. Some people are deprived of benefits of the growth. In this regard, some targeted programmes should be implemented in such a manner that they get benefits of this.”

### **III. REVIEW OF CENTRALLY SPONSORED SCHEMES (CSSs)**

3.1 An Expert Group was constituted by an Order of the Planning Commission dated 13<sup>th</sup> October, 2005 in pursuance of the decision taken in the 51<sup>st</sup> meeting of the National Development Council (NDC) held on 27<sup>th</sup> & 28<sup>th</sup> June, 2005. The objective was to develop concrete proposals for restructuring the Centrally Sponsored Schemes (CSS), in consultation with the Ministries / Departments on the basis of Terms of Reference indicated in the Order. The Group submitted its report on 27<sup>th</sup> September, 2006. It, *inter-alia*, recommended in its Report that:-

- (a) Planning Commission should undertake ZBB exercise at least once every five years in consultation with the States; and
- (b) A new CSS should be approved only if annual outlay is more than Rs.300 crore. This floor level has been arrived at on the logic that, with the current level of programmes in each district, a minimum outlay of at least Rs.50.00 lakh per district is essential if the scheme is to be of any material significance at the district level and be worthwhile in terms of the expenditure of material resources of senior functionaries at that level enjoined to perform multifarious tasks of competing importance. There being around 600 districts in the country, a CSS should have an annual outlay of at least Rs.300.00 crore. Needless to say, where the CSS is to cover only a region or a few States, it would be subject to a lower threshold. Hence, exceptions could be made for schemes relating to monitoring and evaluation, statistics and data collection, pertaining to the North-Eastern States, international cooperation, capacity building, public-private partnership and less than three years old pilot schemes etc.

3.2 There were 155 Centrally Sponsored Schemes (CSSs) in operation during 2006-07, being the last year of the 10th Plan. After the first phase of Zero Based Budgeting (ZBB) exercise carried out at the beginning of the 11th Plan, 82 schemes were carried forward (after weeding/merger) in to the first year of 11th Plan (i.e. 2007-08). Also, 17 new CSSs were introduced, thus, taking the total number of CSSs to 99 for operation during 2007-08. The second phase of ZBB exercise was undertaken during April-June 2007. As a result, the 99 CSSs mentioned earlier were rationalized to 90 for carry forward into 2008-09. These 90 CSSs also included 11 CSSs which were split from 5 CSSs in operation during 2007-08. With the induction of 38 new CSSs; the total of CSSs for operation during 2008-09 had again gone up to 128. In nut shell, in spite of the policy to limit the number of CSSs, 55 new CSSs were introduced in the first two years of the 11th Plan (2007-08 and 2008-09).

3.3 Monitoring and Evaluation mechanisms have been created at different levels of Central and State Governments as part of the programme guidelines. The progress of implementation of these schemes is reviewed on a regular basis in Half Yearly Performance Review Meetings chaired by Members of Planning Commission and the suggestions made are incorporated / taken into account.

3.4 On being asked whether any mechanism was available for the common man to raise his voice or grievance or present any feed back in implementation of the CSS, the Ministry furnished the following written reply:-

“The involvement of local communities and individuals in implementation of CSS has been promoted through the empowerment of Panchayati Raj Institutions in planning, implementation and monitoring of CSS. Government has issued instructions for conducting social audits for Major Flagship Programmes such as National Rural Employment Guarantee Programme, Swaranjayanti Gram Swarozgar Yojana and other development programmes. Local communities, through the social audit mechanism have been empowered to raise their voice and grievances, if any. The district planning process with its focus on participatory planning also provides a forum to the citizens to express their concerns in implementation of CSS”.

## UNIQUE IDENTIFICATION SCHEME (UID)

3.5 Unique Identification (UID) is a new central sector scheme of Government of India. The UID Scheme has been proposed as a Central Sector Scheme because of the strategic nature of the project, spanning across the nation and the need to put in concerted efforts to operationalize UID and its application in a limited timeframe. As a Central Scheme it would greatly enhance the focused and coordinated implementation of the project at all levels. The Ministry of Planning has proposed Rs. 120.00 crore as budgetary support for 2009-10 for this scheme. Highlights of UID scheme are as under:-

“UID is a Planning Commission, Government of India (GoI) initiative, which envisages assigning a 11 digit unique identification number to each resident of the country. Once assigned, UID would be used primarily as the basis for efficient delivery of welfare services. This is also important from the point of view of inclusive banking, financial services as well as from the security perspective. An Empowered Group of Ministers (EGoM) was set up to look into the collation of the two schemes viz. the National Population Register (NPR) under the Citizenship Act, 1955 and the UID project. The EGoM held four meetings and in its fourth meeting, approved the proposal of setting up of UID Authority of India (UIDAI) with an initial core team of 115 officials. Accordingly UIDAI was notified as an attached office under Planning Commission through an executive order on 28<sup>th</sup> January, 2009. Subsequently, the Government has created a position of chairperson of UID Authority in the rank and status of Cabinet Minister. Shri Nandan Nilekani has been appointed as the first chairman to hold this position.

Initially, UIDAI would be created using the electoral database - 2009 from the Election Commission of India. This will provide a significant database that could be used for the initial creation of UID database (for the residents over the age of 18 years). This database would be enriched through two way linkages with initial database namely, Ration Card Database of Department of Food and Public Distributions (PDS) and Below Poverty Line (BPL) database created from Socio Economic Household Survey conducted by Ministry of Rural Development. This database will be validated through field verification”.

3.6 When asked about the definition of residents and procedure for collection of data, a representative of the Ministry of Planning during oral evidence stated as follows:-

“... the definition of residents is different in different Acts. We are setting up a system as to what should be the process of

verification and what should be the definition of resident applicable at the place where he is to be enrolled, his bio-metric is to be collected and his basic data is to be collected.

....in the mandate which the government has given to UID Authority of India it has been said that UID number is to be given to residents of India.

.... a Committee is being constituted under UIDAI to decide as to what all information would be gathered for registration process and how would it be verified. This Committee would work out the procedure of registration."

3.7 Further, the Ministry has furnished the following post-evidence replies regarding the UID Scheme:-

"Data required for assigning the unique identification number:- As per the current approach, UIDAI will collect following demographic information about the residents in order to assign the unique IDs: Name, Date of Birth, Place of Birth, gender, Father's Name Address (Permanent and Present), Expiry date, his biometrics (photograph, finger prints and/or iris). However, this issue is being looked into by the Committee on Data Standards and Verification Processes under the Chairmanship of Shri N. Vittal, former CVC. This Committee has been constituted by the UIDAI on 9<sup>th</sup> October, 2009 and it is expected to finalize its report within a period of 90 days.

Challenges in assigning the unique identification number:- The Challenges involved in the verification details of the residents at the time of their data-entry into the UID System is also being looked into by the Vittal Committee referred to above. To address the mobility issue, present address of the residents is going to be one of the fields of information into the UID system and UID will provide a system of correcting and updating the information in this field so as to ensure that the information about present address is current".

#### **IV. NEW INITIATIVE IN SKILL DEVELOPMENT THROUGH PUBLIC PRIVATE PARTNERSHIP (PPP)**

##### **Objective:**

4.1 The Plan initiative aims at enhancing the skill training capacity and streamlining the mechanisms for expansion by harmonizing the efforts of various Central/State Departments as also Private Sector with the projected outcome of 500 million skilled manpower by 2022.

##### **Allocation and Utilisation of funds:**

4.2 The allocation for the year 2008-09 has been drastically cut down in revised estimates to Rs. 10.00 crore from budget estimates of Rs. 300.00 crore. For the year 2009-10, a sum of Rs. 15.00 crore has been allocated. No amount was spent in 2008-09.

4.3 Asked to account for the reasons for drastically slashing down the budget outlays at the RE stage and reasons for such a major failure of a very important programme, the Ministry of Planning has stated that the reasons for the same as follows:

“A budget provision of Rs.300 crores was made in the Budget Grant of Ministry of Planning for the year 2008-09 to provide grants-in-aid assistance to the Central Ministries for special initiatives outside their normal budgetary activities through (Public Private Partnership) PPP in the area of skill development. The Planning Commission had received a proposal each from Ministries of Rural Development and Labour & Employment seeking assistance to augment resources under existing schemes of skill development. However, since these proposals were not seeking grants-in-aid for special initiatives under PPP, it was deemed proper to surrender Rs.299.90 crores at the RE 2008-09 stage to enable Ministry of Finance to re-allocate the funds to the concerned Ministries. The balance of Rs.10 lakh was also surrendered as the approval of Standing Finance Committee for utilization of funds could not be obtained due to model Code of Conduct on account of the Parliamentary elections.

There has been no failure in terms of achievement of objectives of the schemes. The National Skill Development Coordination Board under the Chairmanship of Deputy Chairman, Planning Commission has constituted five Sub-Committees to look into the various aspects of skill development and operationalise the vision, guidelines and core governing principles laid down by the PM’s National Council on Skill Development.”

4.4 When asked as to whether the target could be achieved, the Secretary, Ministry of Planning made the following submission before the Committee during oral evidence:-

“The entire initiative for skill development was taken last year. Three initiatives were in fact taken. One was the PM Council, the second was the Corporation and the third was the Coordination Board which was set up in the Planning Commission. I was a member of the Task Force which was set up in the Planning Commission. The role of the Coordination Board actually was to coordinate and to look at the working that different Ministries were doing. It is not easy to dismantle overnight all existing structures. Secondly, looking at the size of the target that we have, which is to have a skilled manpower by 2022 of 50 crore people, we had to apportion the entire target as between various Ministries. Ministries do have domain knowledge, they do have expertise. With all due respect I think that the domain knowledge comes from technical people and not from the Secretariat people as such. This Coordination Board took a budget of Rs. 300 crore as Plan scheme. But at the end of the day, it was felt that this would not easily fit into the role that Planning Commission was expected to play. The role of the Planning Commission was only to facilitate. This Rs. 300 crore, as I checked up with my officers here, did not get spent and it remained here. This year a decision has been taken that we would use this Rs. 15 crore allocation to support the State Governments to set up the skill mission which is a high coordinating body to be chaired by the Chief Minister. This is the current status.”

4.5 In a written reply to a query regarding initiatives being taken for a better coordination between Central/ State Government Ministries/Departments as also private sector, the Ministry of Planning has stated as under:

“The Coordinated Action on Skill Development envisages setting up of an apex PM’s National Council for Skill Development for policy directions and review, supported by National Skill Development Coordination Board (NSDCB) and National Skill Development Corporation, a non-profit company. The NSDCB’s mandate is to coordinate and harmonize government’s initiatives for skill development spread across different Central/State Government Ministries/Departments and private sector through the National Skill Development Corporation”.

## **V. SUPPORT TO PLANNING PROCESS AT NATIONAL, STATE AND DISTRICT LEVEL**

### **Objective:**

- 5.1 To enhance the capability and augment the strength of the professionals engaged in the planning process, strengthen the institutional mechanism as well as development of the technical support base of agencies involved in planning.
- 5.2 It is planned that the District Plan preparation/consolidation of District Plans by District Planning Committees (DPCs) by the end of the Eleventh Five Year Plan.

### **Allocation and Utilisation of Funds:**

- 5.3 The allocation of Rs.200.00 crore made in BE 2008-09 for the scheme "Support to Planning Process at National, State and District Level" was revised to Rs.0.20 crore at RE stage and finally nothing was spent during 2008-09. For the year 2009-10 again Rs.200.00 crore has been kept for this purpose.
- 5.4 Asked to specify the reasons for reducing the fund allocation from Rs.200.00 crore in BE 2008-09 to Rs.0.20 crore in RE 2008-09, the Ministry, in reply, stated as follows:-

“ The process of consultations and hence, the process of formulation of the scheme based on their views and also for obtaining approvals to the scheme has taken a long time. The EFC Memo for the scheme could be finalized at the fag end of the financial year 2008-09. Very little expenditure on the scheme was envisaged during 2008-09. Therefore, the provision was revised downward from Rs. 200.00 crore to Rs. 0.20 crore in RE 2008-09.”

- 5.5 When further asked for the reasons that prompted the Ministry to propose a higher allocation of Rs.200.00 crore for the current year 2009-10 again, the Ministry has furnished the following reply:-

“ The scheme is still under approval. The EFC Memo has been finalized and the Ministry of Finance has been requested to convene the meeting of the Expenditure Finance Committee at the earliest. After approval to the scheme, the scheme will take off and the entire allocation for the scheme is likely to be utilized during 2009-10. Therefore, an allocation of Rs.200.00 crore has been made in BE 2009-10.”

5.6 In regard to steps being taken for implementation of the programme and to utilize the allocation of Rs.200.00 crore fully in the current year, the Ministry has stated in written reply as below:-

“ Guidelines for the scheme are being framed and presentations have been made on the salient features of the scheme in various meetings. The scheme will, therefore, be implemented immediately after approval and the entire allocation is likely to be utilized during the year.”

5.7 It was also added as follows by the Secretary, while tendering evidence:-

“...the scheme of ‘Support to Planning Process at National, state and District Level’ is actually now to go before the Expenditure Finance Committee for being launched this year. It could not be launched last year. It will cover all the districts. At the national level, it involves the earmarking of Rs. 20 crore for inputs such as national data and information as it registers, a storage and retrieval system for district reports, a GIS data bank for innovative approaches, knowledge-sharing through workshops, seminars etc. There is a provision for MIS and information and communication technology. We will, of course, have a small earmarked entity in the Planning Commission to ensure that. At the state and district levels also, we will be actually ensuring that. There will be multi-disciplinary teams and; they will be experts who are drawn from outside to ensure that the District Planning units become the technical secretariats for the District Planning Committees (DPCs) so that 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments are reflected in it. The DPC is a part of the 74<sup>th</sup> Constitutional Amendment. They actually will be able to perform their responsibility....”

## VI. ESTIMATION OF POVERTY

6.1 The estimation of the proportion of people living Below Poverty Line (BPL) is currently done on the basis of a methodology drawn in 1973-74, suggested by the Expert Group on Estimation of Proportion and Number of Poor, headed by Prof. D.T. Lakdawala, with minor modifications. The incidence of poverty declined from 55% in 1973-74 to 27.5% in 2004-05. The Eleventh Plan aims at reducing the poverty ratio by ten percentage points by the end of the 11<sup>th</sup> Plan. The Central vision of the Eleventh Plan is to trigger a development process, which ensures broad based improvement in the quality of life of the people, especially the poor, the SCs and STs, minorities, etc. An Expert Group to review the methodology for estimation of poverty was constituted in December, 2005. Even after the passage of nearly 3 ½ years, the Expert Group has not submitted its report. Moreover, the tenure of the Group is being extended from time to time and is presently extended up to 30<sup>th</sup> November, 2009.

6.2 Asked to specify the reasons for the delay in formulating an appropriate methodology for the estimation of poverty, the Ministry of Planning in a written reply informed that:-

“....The Expert Group on Poverty headed by Prof. Suresh Tendulkar is expected to submit its report by 30<sup>th</sup> September, 2009. The Terms of Reference of the Committee are as under:-

- 1) To examine the issues relating to the comparability of the 50<sup>th</sup>, 55<sup>th</sup>, and 61<sup>st</sup> round, and to suggest methodologies for deriving such comparability with past and future surveys;
- 2) To review alternative conceptualizations of poverty and the associated technical aspects of procedures of measurement and database for empirical estimation including procedures for updating over time and across states; and
- 3) In the light of (2), to recommend any changes in the existing procedures of official estimates of poverty”.

6.3 When enquired about the availability of the report, the Secretary, Ministry of Planning stated during the oral evidence as given below:-

“ We are trying that Dr. Tendulkar should submit his report by 30<sup>th</sup> September, 2009. BPL survey will be carried out on the basis of the parameters fixed by Shri Tendulkar and a decision has already been taken that the proposed Food Security Bill will be based on this BPL Survey and conducting

this BPL survey will take one year time. There is no doubt that completion of this process will take one year. Its quantum is high and this issue is before us.

We will have to adopt some criteria until this process is completed. It is not that there will be a break in it or the Food Security Bill will not be implemented. I do not think that is the intention."

6.4 While responding to a query posed by the Committee on the issue of mismatch in the estimates of BPL population, as made by the Planning Commission, and sought out by the States, the Secretary, Ministry of Planning, while deposing before the Committee stated :

".... After we do the Central exercise, there is a kind of estimation of the overall quantum per State. But, when door to door survey of BPL is undertaken, with great humility, I want to submit that there is a built-in incentive to be poorer. Because we get more grant when poverty level is more and less when poverty level is less. There are many countries where if you bring down your poverty levels, you get incentives. The crux is between these two things.....there is a kind of moral hazard..."

## **VII. NATIONAL RURAL EMPLOYMENT GUARANTEE PROGRAMME (NREGP)**

7.1 The National Rural Employment Guarantee Act (NREGA) was launched in 200 identified districts in the country on 2.2.2006. 130 additional districts were covered under the Act during the year 2007-08 and with effect from 1.4.2008 all the remaining rural areas of the country were covered under NREGA. Initially, the Act was not applicable to the State of Jammu & Kashmir [Section 1(2) of the NREGA,2005]. The Act was however, extended to cover the State of Jammu & Kashmir with effect from 12.5.2007 by making an amendment in the Act. Proviso to Section 1(3) of the Act further provided that the Act shall be applicable to the whole of the territory to which it extends within a period of five years from the date of its enactment. However, the Act has been extended to the entire country within a period of 3 years from its enactment.

7.2 The Committee, in their 69<sup>th</sup> Report presented on 16<sup>th</sup> April, 2008 recommended that the shortcomings found in the implementation of NREGP such as disparity in different states, short fall in budgeted days of employment, instances of corruption and malpractices, lack of opportunities for educated persons, etc. should be looked into for appropriate corrective steps to ensure that the programme achieves the intended objective.

7.3 Questioned on the manner for checking irregularities and shortcomings such as poor record maintenance, demonstrating lack of reliability and authenticity of figures reported, delayed payment of wages, lack of effective grievance redressal mechanism, deficient systems for financial management and tracking, etc. in the implementation of the scheme, the Ministry has furnished the reply as follows:-

“Smooth and effective implementation of NREGA has been the main concern of the Ministry of Rural Development since the inception of the Act. In this regard, the Ministry prepared Operational Guidelines and copies of these guidelines were made available to all States for wider circulation amongst all concerned with the implementation of the Act. These guidelines are also available on the web site of NREGA. The Ministry is closely monitoring implementation of NREGA in accordance with the provisions of the Act and also the guidelines. In order to overcome irregularities, the Ministry has taken several

measures for strengthening the implementation of the programme. Some of the main measures taken are as under:

- a) States have been requested to appoint dedicated staff and provide them adequate training for NREGA implementation at all levels. To meet the salaries of such dedicated staff, the administrative expenditure under NREGA which was earlier limited to 2% of the total cost was enhanced to 4% with effect from 1.4.2007 and has now been further enhanced to 6% in the current year;
- b) Training to all other functionaries involved in the implementation of the Act ( PRIs and officials) has been emphasized from time to time. Expenditure towards the training programmes is borne by the Central Government.;
- c) A web enabled Management Information System (MIS) has been developed in the Ministry to regularly monitor the reliability and authenticity of the figures reported by the States. State Governments are advised to make corrections whenever defects are noticed;
- d) Modifications have been made in Schedule I & II of the Act to strengthen the provisions of transparency and accountability, social audit and grievance redressal;
- e) Draft Financial Rules have been notified for bringing transparency and smooth flow of funds up to the implementing agency level;
- f) An Expert Group has been set up to develop the grievance redressal mechanism under NREGA. The formulation of the Ombudsman pattern of grievance redressal is under process;
- g) National Helpline under NREGA established which receives complaints and queries relating to NREGA. States have also been requested to set up similar helplines;
- h) Directive under Section 27(1) has been issued to all State Governments to conduct Social Audit in a campaign mode and complete the same in all Gram Panchayats and report the completion of social audit before 31.8.2009; and
- i) Operational guidelines were revised with effect from 1.4.2008".

7.4 The Committee, in 69<sup>th</sup> Report further recommended 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. The Ministry in their action taken reply informed that the Government had proposed to carry out a study to assess the quantum of assets. The Committee in 75<sup>th</sup> Report presented on 18<sup>th</sup> December, 2008 reiterated their recommendation on the need

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

7.5 While taking evidence of the representatives of the Ministry of Planning, the Committee, *inter-alia* raised the issue of the extent to which the objectives assigned under the NREGP were being achieved. Further, the Committee raised the issue of the ground reality in achieving the employment generation targets, . In response to the queries posed, the secretary, Ministry of Planning stated as follows:-

“It has two problems. One thing is that data should not be old and secondly, these data should be correct. I would like to submit to you some fact on behalf of the Planning Commission that we are taking this initiative from our side that these should be correctly analyzed, assessed and there should be fresh kind of cross checking of the data. We do take initiative, analysis, and a fresh kind of cross checking. So, frankly, for NREGA, I have got now the data for the year 2009-10 upto July. So, in terms of timeliness, I see some improvement, but to be very frank, on the ground it is not so.”

7.6 In this regard, the Secretary further added that :-

“...the flagship programmes are being specially, very carefully and critically appraised by the Government. The system in the Planning Commission is not that we swallow hook, line and sinker or everything that the Ministry dishes out. In one sense, our system is very broad-based. The Working Groups and the Committees have been set up now to do the mid-term appraisal of the programmes and the schemes of the Ministry including the NGOs. Not only that but in the speech of the President of India also, there is a requirement this year that we will be setting up a Programme Evaluation Organisation which is actually very distant from the Government and which has the character of an independent and a fully authorized body so that it can give critical inputs.

.... we share the concern of the Committee about the need for ensuring that the schemes deliver; that the schemes are so designed that they deliver on their intentions. Otherwise, mere intentions are not enough.”

### Mechanism of monitoring the NREGP

7.7 The monitoring of NREGA is done on the basis of the computer based Management Information System using the NREGA soft which is a web-enabled software used by all States. Besides, review meetings are held with the State Governments once in every quarter. National Level Monitors (NLMs) are deputed to the States from time to time to assess the implementation of the programme. Professional institutions such as IIMs, IITs, Agricultural Universities and other Social Sciences Institutes have also been engaged to assess the implementation of NREGA in the States.

## **VIII. BHARAT NIRMAN PROGRAMME**

8.1 Bharat Nirman was a time-bound business plan (2005-09) for rural infrastructure for four years by Government of India in partnership with State Governments and Panchayati Raj Institutions. The programme have six components namely, irrigation, roads, water supply, housing, rural electrification and rural telecom connectivity. The progress and achievement under various components of the plan, as submitted by the Ministry of Planning, are as under:

### **1. Irrigation:**

Under this component, a target of creating an additional capacity of 10 million hectare was fixed. Against this target, the total additional capacity to the tune of 6.14 million hectare was created upto 2008-09. The achievement for this component is 61.38 % only. The achievement are lower due to land acquisition, resettlement, limited resources of the State Governments etc.

### **2. Drinking Water:**

Under the plan every habitation (as per Comprehensive Action Plan-1999) was to be provided with safe drinking water. For this purpose total 55067 habitations were to be covered by 2009. Upto 2009, total 52040 (94.5%) habitations were provided safe drinking water. Apart from the above, the targets for slipped back and quality affected habitations were 331604 and 216968 respectively. Against these targets, the achievements were 346081(104.37%) and 259628 (119.7%) respectively for slipped back and quality affected habitations.

### **3. Roads:**

- a) Every habitation over 1000 population and above (500 in hilly and tribal areas) are to be provided all weather road, remaining 66802 habitations to be covered by 2009. Against this target 32269 habitations (48.3%) were covered upto 2009.
- b) New connectivity was to be provided for a length of 146185.3 Kms. Against this 85405.2 Kms new connectivity was provided which is 58.4% of total target.

c) Upgradation of roads was to be done for 194130.7 kms. During the period of four years, upgradation was made for a length of 155019.2 kms which is 79.9% achievement.

The achievement are lower due to land acquisition, resettlement of issues pertaining to land acquisition, limited resources of the State Governments, lack of DPR and Project Implementation Units (PIU) etc.

#### **4. Indira Awas Yojana:**

Under Indira Awas Yojana, there was a target to construct 60 lakh houses for rural poor by 2009. Against this 67 lakh houses were constructed which shows 111.7% achievement.

#### **5. Electrification:**

A target of electrifying 1.25 lakh unconnected villages with the electricity. As against this target, the achievement, as on 16.03.2009 latest available, was 59869 villages (48%) only. There was a target to provide electricity to 230 lakh BPL household. Upto 2009 53.79 lakh household were provided electricity which is 23.4% only. As the target under BPL is demand driven, the achievement is lower due to lower demand.

#### **6. Telephone Connectivity:**

A target of 66822 villages were to be connected with the telephones. As against this, total 57181 villages were connected with telephones upto 2009 which is 85.6% of the target. As this is also a demand driven plan, the villages from where there was no request, those were not provided with telephone connectivity".

## IX. SARVA SHIKSHA ABHIYAN (SSA)

9.1 Sarva Shiksha Abhiyan (SSA), initiated in 2001-02, is a flagship programme for achievement of Universalisation of Elementary Education (UEE) in the country. It aims to provide useful and relevant elementary education for all children in the 6-14 age-group by 2010. The programme lays emphasis on bridging social and gender gaps at elementary education level with the active participation of the community in the management of schools. SSA covers all States and Union territories. The Ministry of Planning has furnished the following details regarding enrolment *vis-à-vis* drop out rate and achievement of target:-

### **“Access:**

**SSA has successfully ensured universal access to primary education.** As per the VII Educational Survey (2002), 87% of 12.3 lakh rural habitations had a primary school within a distance of 1 km. As reported by the states, now 98% habitations have primary schools and 90% have upper primary school coverage, as per norms. During 2008-09 at primary level, for uncovered habitations 34,510 Education Guarantee Scheme(EGS) centres covering 26 lakh children and Alternative Innovative Education (AIE) Centres covering 34 lakh children have been provided. For the remaining habitation there is a continuous dialogue with the state governments for (a) development of small school policy at primary level and (b) providing one upper primary school for every two primary schools. India is poised to achieve the Millennium Development Goal (MDG) II of achieving access to Universal Primary Education (UPE) much ahead of the target year of 2015. Thus, SSA has fairly achieved the primary target of providing access to primary education.

**Table 1. Access to Elementary education**

<b>Coverage</b>	<b>Habitations covered* ( 2002)</b>	<b>Habitation covered** ( 2008)</b>
<b>Primary school ( I to V)</b>	87 %	98%
<b>Upper primary school(VI toVIII)</b>	78 %	90%

Source: \* Seventh All India Educational Survey,2002 ; \*\* Ministry of HRD, 2009

### **Enrolment & Dropouts:**

As a result of successive SSA interventions in the form of enrolment drives between 2001-02 and 2006-07, the total enrolment in primary classes has increased from 11.39 crore to 13.35 crore and that for upper primary classes from 4.48 crore to 5.43 crore. Thus, the total elementary education enrolment has

increased from 15.87 crore to 18.79 crore. Consequently, the Gross Enrolment Ratio (GER) in elementary education has substantially increased as shown in Table 2.

**Table 2: Elementary Education : Gross Enrolment Ratio**

Class/year	2001-02	2006-07	%age points change
<b>Primary ( I to V)</b>	96.3	111.24	14.94
<b>Upper Primary (VI to VIII)</b>	60.2	73.63	13.43
<b>Elementary ( I to VIII)</b>	82.4	96.92	14.52

(GER : Total number of children enrolled in classes I to VIII expressed as a percentage of total child population in the age group of 6-14 years

Source: MHRD, Selected Educational Statistics,(SES) 2001-02 and 2006-07)

There has been a significant reduction in the number of out of school children in 6-14 age groups from 31% in 2001 to 3% in 2008. The progress in this respect is shown in Table 3.

**Table3: Decline in the number of out of school children**

(in crore)							
2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
3.20	2.49	1.16	1.35	0.95	0.70	0.76	0.45

Source: MHRD, 2009

The dropout rates at primary and elementary levels are declining. Considering a decline of only 2 percentage points during the 1990s and long-term rate of decline of 0.6 percentage points per annum since 1960s, SSA's achievement of reducing primary drop out rate by 13.6 percentage points in five years is noteworthy. However, elementary dropout rate declined only by 8.57 percentage points as given in Table 4. An independent Study has been commissioned to assess the present status of dropouts in 29 major States and UTs.

**Table 4: Drop out rates in Primary and Elementary Education**

Year	Primary( Classes I to V)			Elementary( Classes I-VIII)		
	Boys	Girls	All	Boys	Girls	All
2001-02	38.36	39.88	39.03	52.91	56.92	54.65
2006-07	24.41	26.56	25.43	46.58	45.33	46.03
%age pts Change	13.95	13.32	13.6	6.33	11.59	8.62

(Source: MHRD, SES, 2001-02 and 2006-07)

### **Equity:**

The gender gap( in percentage points) in enrolment at primary level has declined from 18.4 in 2001-02 to 6.6 in 2006-07 and that for upper primary from 15.7 to 7.9 leading to over decline in gender gap at elementary enrolment from 17.1 to 6.93 percentage points for the corresponding period. The decline in dropout rate for girls has been more or less similar to that for boys at primary level. However, girls' dropout rate at elementary level

has declined at a faster rate (11.59 percentage points) than that for boys (6.33 percentage points) which is attributed to the targeted intervention for girls including setting up of residential schools (KGBVs) under SSA. Still, about 63% of Tribal girls are not able to complete elementary education. The gender gaps in enrolment for SCs and STs remain high both in primary and elementary levels. SSA should translate the XI plan objectives of inclusive education and focus on bridging social, gender and regional gaps to achieve the goal of Education For All (EFA).

**Infrastructure;**

SSA has made a tangible contribution to ensure basic minimum physical infrastructure and provision of teachers. SSA has sanctioned a large number of new schools(3.05 lakh), school buildings(2.48 lakh), additional class rooms(9.79 lakh), drinking water facilities(1.93 lakh) and toilets(2.65 lakh), besides providing text books free of cost to about 9.0 cr children per annum) as detailed in Table 5. Although the progress is quite significant and contributed to universal access, enrolment and improved retention in schools, wide regional disparities in school infrastructure persists. Setting standards and norms for school infrastructure with special focus on disadvantaged areas will have to be addressed on priority basis in the XI Plan.

**Table 5: Cumulative Physical Progress under SSA (2008-09)**

S. No	Items / Parameters	Cumulative Targets since inception upto March 2009	Cumulative Achievement since inception upto March 2009	%age cumulative Achievement
1	Opening of New PS	1.60 lakh	1.42 lakh	88.75
2	Opening of New UPS	1.45 lakh	1.17 lakh	80.69
3	Construction of School Buildings	2.48 lakh	2.34 lakh	94.35
4	Construction of ACRs	9.79 lakh	9.63 lakh	98.36
5	Teachers Appointed	12.28 lakh	9.86 lakh	80.29
6	KGBV Schools	2573	2423 (operationalised)	94.17
7	Drinking Water Facilities	1.93 lakh	1.82 lakh	94..82
8	Construction of Toilets	2.65 lakh	2..55 lakh	96.22
9	Supply of Free Textbooks (2008-09)	8.97 crore	8.76 crore	97.66
10	Teacher Training (20 days) ( 2008-09	40.70 lakh	31.61 lakh	77.67

Source: MHRD, 2009

## **Quality:**

Quality aspects have been addressed with a sanction of 12.28 lakh teacher posts, of which 9.66 lakh teachers were recruited upto 30.9.2008. Teacher training has also been emphasized. With additional recruitment of teachers, the pupil teacher ratio (PTR) has improved to 34:1 in Primary Schools and to 31:1 in Upper primary schools as compared to 43:1 and 34:1 in 2001-02. However, there are regional variations. In the XI Plan the issues of single teacher schools, multi-grade teaching will be addressed. Improving quality and setting standards by implementing common syllabi, curriculum, and pedagogy are special focus areas. Learning outcomes of children will be monitored and innovative practices like Activity Based Learning (ABL), Computer aided learning (CAL) attempted by some of the states will be studied and best practices documented and replicated. NCERT Quality Monitoring Tools are already being applied by the states and NCERT conducts learning achievement assessments.

To sum up, SSA has succeeded in a fair degree with regard to the parameters of access, enrolment, reduction in gender gaps and provision of school infrastructure. However, the issues of school retention, equity and quality elementary education are being addressed in the XI Plan in partnership with the states”.

## X. TSUNAMI REHABILITATION PROGRAMME (TRP)

10.1 The details of allocation made since 2006-07 under Tsunami Rehabilitation Programme (TRP) are given below:-

(In thousands rupees)			
PLAN YEAR	BUDGET ESTIMATES	REVISED ESTIMATES	ACUTALS
2006-07	15,00,00	1,08,00	47,03
2007-08	3,00,00	50,00	16,86
2008-09	1,00,00	22,00	-2,00 (prov.)
2009-10	-		

10.2 Asked to account for the reasons for lesser utilization of funds since 2006-07, the Ministry of Planning stated as under :-

“For the year 2008-09, the total expenditure incurred was Rs 0.70 lakhs under the head ‘Relief on Account of Natural Calamities’. In the year 2007-08, Planning Commission released Rs 10 lakh to IIT, Madras for organising a conference on “Rehabilitation Measures for Tsunami Affected Coast.” After organizing the conference, IIT, Madras, had an unspent balance of Rs 2.86 lakhs, which it refunded in the year 2008-09. As the amount refunded by IIT, Madras was higher than the expenditure incurred for the year, it resulted in the actual expenditure being negative.

As far as 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 for the last 3 years, Planning Commission had 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, 13 critical studies were identified for impact assessment and interventions and draft terms of reference was provided for seeking expression of interest to concerned States/UTs with offer to provide funds for such studies. However, only two studies in this regard 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 leads to the savings”.

### Achievement of the objectives of TRP

10.3 The objective of the TRP is to facilitate States/UTs for timely completion and quality implementation of the programme.

10.4 The objectives have been partially accomplished. The reason for not fully achieving the objectives is that the tsunami affected States/UTs had little experience in tackling a disaster of the magnitude caused by Tsunami, and as such the administrative machinery took time during the first two years to gear itself up for taking up the massive rehabilitation work.

### Role of the Planning Commission

10.5 The main role for the Planning Commission is to assist the Core Group to plan and coordinate measures relating to reconstruction, rehabilitation, and redevelopment phase of the disaster management cycle. To perform the accorded role, the Planning Commission discharges its functions as briefed in the following:-

- ❖ Planning Commission regularly collects information/data regarding the physical and financial progress of TRP from the affected States/UTs.
- ❖ Based on the information/data collected, a background note of TRP is prepared for the review and approval of EGoM, on a quarterly basis.
- ❖ As quality of work is the essence of the programme, Planning Commission supervises the progress of the work by arranging regular official visits to the affected States/UTs.
- ❖ Planning Commission corresponds with the affected States/UTs regularly to ensure that all the works under TRP strictly adhere to the approved guidelines.
- ❖ Planning Commission also conducts seminars, workshops, meetings and facilitates taking up research studies related to disaster management, coastal protection etc.

10.6 The Core Group prepared a Cabinet Note on TRP in consultation with the affected States/ UTs and Central Ministries/ Departments. It was discussed in the Cabinet meeting held on 17.11.2005 and resulted in constitution of an Empowered Group of Ministers (EGOM) to review and approve the physical and

financial progress of the affected States/UTs on the basis of quarterly report prepared by the Planning Commission. So far five meetings of EGOM were held on 8.12.2005, 10.01.2007, 02.03.2007, 07.09.2007 and 16.05.2008 respectively. In the 5th EGoM meeting held on 16.05.2008, it was decided that:-

- i) Concerned States/UTs should strive to overcome the difficulties to complete the work in time; and
- ii) The issue of extending the duration of Tsunami Rehabilitation Programme beyond 2008-09 shall be considered separately after a further detailed review.

#### Current status of the TRP

10.7 During the four year period of Tsunami Rehabilitation Programme i.e., 2005-06 to 2008-09, the total expenditure is Rs. 5366.75 crore (58%) against the approved revised requirement of Rs. 9135.66 crore for States/ UTs.

10.8 The status of the programme as on March 31, 2009 has been obtained from affected States/UTs. Based on the status along with the achievements against the set targets in the five major sectors namely Housing, Agriculture & Livelihood, Fisheries & Livelihood, Roads & Bridges and Ports & Jetties, a report has been prepared for the next EGoM which reveals that the pace of physical performance has not been up to the mark as originally envisaged. As a result some of the programmes such as Housing, Fisheries & Livelihood, Roads & Bridges and Ports & Jetties in the States of Tamil Nadu, Kerala and UTs of Puducherry and ANI have spilled beyond the stipulated period of 2008-09. Under Housing sector, out of the total number of 86688 damaged houses to be built, 66393 houses (77%) have been completed till March, 2009. Under Agriculture & Livelihood sector, Tamil Nadu and Puducherry have fully completed the work. Kerala has fully completed land reclamation work and over 80% in livelihood work. (Andman & Nicobar Islands) ANI has completed over 80% in land reclamation work and around 75% in debris clearing work. Under Fisheries & Livelihood sector, all the works have been completed, except construction of Fish Landing Centre. Under Roads & Bridges sector, 91% of road work and 35% of

bridge work have been completed. Under ports & Jetties, 85% work has been completed.

10.9 Since the approved 4 year period has ended by March 2009, the Planning Commission has requested for reconstitution of EGoM to decide upon the extension of the TRP period. The current year provision i.e., 2009-10 for TRP is subject to the programme being extended up to March, 2010 by the approval of EGoM. However in case of ANI, Island Development Authority (IDA) under the chairmanship of Hon'ble Prime Minister in its meeting held on 19<sup>th</sup> January, 2009, has extended the TRP period by one year i.e., up to March, 2010.

## **XI. SHORTAGE OF MANPOWER IN PROGRAMME EVALUATION ORGANISATION (PEO)**

### **Evolution of Programme Evaluation Organisation (PEO)**

11.1 Ever since the concept of planning was introduced in India, how to plan/design the development schemes and programmes for implementation in a given situation with varied geo-climatic features on the one hand and diverse socio-economic characteristics across the states on the other hand posed a great challenge before the planners and policy makers who always remained concerned about improving the service delivery. Nevertheless, the founding fathers of PEO had a visionary objective that aimed at improving the development planning and implementation through evaluation results which would be nothing but the manifestation of the grassroots reality about public interventions in helping the intended beneficiaries of development schemes and programmes.

### **Functions and Objectives of PEO**

11.2 The PEO undertakes evaluation of prioritized programmes/schemes at the behest of the various Divisions of Planning Commission and Ministries/Departments of Government of India. The evaluation studies are designed to assess the performance, processes of implementation, effectiveness of the delivery systems and impacts of programmes/schemes. These studies are diagnostic in nature and aim at identifying the factors contributing to successes and /or failures of various programmes and thus help in deriving lessons for improving the performance of existing schemes through mid-course corrections and better designs for future programmes.

### **Strengthening the PEO**

11.3 Planning Commission initiated a Plan Scheme entitled 'Strengthening Evaluation Capacity in Government' to enable PEO, in 2006-07, to undertake Evaluation Studies to meet the increased demand of Administrative Ministries and Planning Commission for conducting independent evaluation of Central Sector Development Schemes including Flagship Programmes. Accordingly, studies have been prioritized and are being undertaken by PEO with its own

manpower as well as through outsourcing. To increase the quality and quantity of evaluation, the Eleventh Five Year Plan Document has stressed the need for strengthening PEO and increasing the allocation under the Plan Scheme substantially.

11.4 In this regard, during the course of oral evidence, the Secretary, Ministry of Planning added as follows :-

“...in the speech of the President of India also, there is a requirement this year that we will be setting up a Programme Evaluation Organisation which is actually very distant from the Government and which has the character of an independent and a fully authorized body so that it can give critical inputs”.

11.5 Shortage of manpower in PEO is a major hindrance, causing delays in completion of evaluation in time. As informed by the Ministry, the following steps are being taken to address this issue:-

- (a) “In order to fill the vacant posts of SRO and RO in PEO headquarters and its field units, the Department of Economic Affairs (DEA) has been requested from time to time by Planning Commission (Administration). The Union Public Service Commission has also been requested by Planning Commission (Admn.) to fill up the post of Economic Officers in PEO; and
- (b) As DEA and UPSC are not able to fill up the vacant posts in PEO, it has been proposed to appoint field staff in PEO on contract basis by utilizing the Plan-fund from “Strengthening Evaluation Capacity in Govt.” During the year 2009-10, an amount of Rs. 12 crore is being earmarked in the aforesaid fund”.

### **MODERNISATION OF PEO**

11.6 PEO headquarters has taken steps for modernizing the field offices of PEO and strengthening their infrastructure from time to time. The requirement of computers along with system software, photocopiers and fax machine etc. have been assessed and obtained for head office and PEO field units (Regional evaluation offices and project evaluation offices).

### **OUTSOURCING OF EVALUATION STUDIES**

11.7 During the year 2006-07 to 2008-09, PEO has launched 23 evaluation studies (11 outsourced and 12 in-house). The total financial commitment for the 11 outsourced evaluation studies is amounting to Rs. 3,79,33,332. The amount

has been utilized from the plan-fund “Strengthening Evaluation Capacity in Govt.”.

11.8 Out of 11 outsourced evaluation studies, 4 evaluation studies have been completed and the draft reports of 3 outsourced studies have been received and are under finalization. Out of 3 in-house studies, the presentation of one study has been made before Member, Planning Commission, the suggested points have been incorporated in the end at finalization stage. The two other studies are at writing stage. One more evaluation study has been undertaken in-house and has been launched in the field. Efforts have been made to take two more evaluation study in-house in the current financial year.

Time taken by the Research Institute for completing the study:-

11.9 As per TOR the Research Institutes are to submit quick findings of the study within 3 months, the draft report within 9 months and the final report within one year. But, generally, the Research Institutes are not adhering to the time schedule. They are taking more than one year in submitting the draft report to PEO. In order to solve this problem, the following measures have been taken by PEO:-

- The PEO field units (REOs & PEOs) are constantly monitoring the progress of the Research Institutes.
- Invitation of technical and financial bids are not given to the Institutes second time, who have failed to submit the final report in time for the first one.
- CEMC meeting is invited once (instead of twice) for approving the study design.
- Technical and financial bids are invited within 2 weeks period of time (instead of one month).
- IF Cell and the Sanctioning Committee of Planning Commission is being requested repeatedly for quick sanction of the project proposal.

**Part – II**  
**Recommendations/Observations of the Committee**

**BUDGETARY ALLOCATION**

1. The scrutiny of Demands for Grants (2009-10) of the Ministry of Planning reveals significant and persistent shortfall in utilization of the Plan expenditure year after year. The shortfall witnessed in utilization of funds allocated for the Tsunami Rehabilitation Programme was as much as 97% in 2006-07, 83% in 2007-08, and 99.98% in 2008-09. Similarly, the shortfall in utilization for “50<sup>th</sup> year initiative for Planning” was 63% in 2006-07, 25% in 2007-08 and 70% in 2008-09. Recurrent and substantial under-utilization of the funds allocated at the stage of Budget Estimates (BE) as well as the Revised Estimates (RE) also occurred under various other Heads of account. For instance, in 2008-09, the Rs. 300.00 crore allocated at the stage of BE in 2008-09 for the scheme, “New Initiative in Skill Development through Public Private Partnership (PPP)” was reduced drastically to Rs.0.10 crore at the stage of RE and nothing was spent. Similarly, despite incurring very little expenditure as compared to the budgeted allocations for the scheme, “Strengthening Evaluation Capacity in Government” in the preceding years i.e. Rs. 0.26 crore in 2006-07, Rs. 0.59 crore in 2007-08 and Rs.1.40 crore in 2008-09, the allocation for the scheme has been increased substantially to Rs.12.00 crore in 2009-10. This trend is indicative of serious shortcomings in formulating the Budget Estimates and ineffectiveness in monitoring utilization of the budgeted funds for implementing schemes and programmes. The Committee, therefore, feel it to be imperative on the part of the Ministry to take appropriate corrective measures to arrest this trend of inappropriate projection of fund requirements

in formulating budget estimates for programmes and schemes, which are left unutilized owing to factors such as lack of approvals, or delays in obtaining approvals for implementing the schemes. The Committee desire to be apprised of the corrective measures initiated and pursued for ensuring an objective and realistic formulation of the budget requirements of the Ministry.

### **GROWTH OF ECONOMY**

2. While the 11<sup>th</sup> Plan envisages a targeted GDP growth rate of 9 percent per annum, the growth rate witnessed in the first two years of the plan period i.e. 2006-07 and 2007-08 averages to 7.8%. There has been a significant decline in the growth rate in 2008-09 to 6.7% with the agriculture and allied sectors, industry sector and services sector witnessing a growth of 1.6%, 3.9% and 9.7% respectively mainly due to the impact of the global financial crisis on the domestic economy. The effectiveness of the fiscal, monetary and other sector specific policy initiatives undertaken by the Government for reviving the growth momentum remain to be witnessed. Of equal, if not more serious concern with regard to the growth process envisaged in the 11<sup>th</sup> Plan is the admission of the Secretary, Ministry of Planning that the benefits of growth witnessed in the earlier years have not reached or benefited all sections of the population. Ensuring that the benefits of the growth process contribute to the betterment of all sections of the populace is essential to the success of the 11<sup>th</sup> Plan process, which is set out to achieve 'inclusive growth'. The Committee, therefore, expect that the Planning Commission, which is currently engaged in the exercise of mid-term appraisal of the 11<sup>th</sup> Plan would address this issue with due seriousness and formulate appropriate remedial measures so that the

benefits of the growth of the economy are not confined to particular sections of the population and benefit the deprived categories as well. The Committee also wish to be kept apprised of the effectiveness of the policy measures initiated by the Government for reviving the growth momentum that has witnessed a major downward slump since 2008-09.

#### **REVIEW OF CENTRALLY SPONSORED SCHEMES (CSSs)**

3. The increase in the number of Centrally Sponsored Schemes (CSSs) to 128 in 2008-09 from 82 in 2006-07 is indicative of the fact that the policy of limiting the number of Centrally Sponsored Schemes (CSS) on the basis of Zero-Based Budgeting (ZBB) as recommended by the Expert Group of the Planning Commission in 2005 has been ineffective. Also the recommendation of the Expert Group for according approvals only to such new CSS with an approved annual outlay in excess of Rs. 300 crore is being observed in the breach. As for the implementation of the CSSs, as per the submission of the Ministry of Planning, instructions have been issued for conducting social audits of Major Flagship Programmes such as National Rural Employment Guarantee Programme and the Swaranjayanti Gram Swarozgar Yojana. Strengthening the monitoring mechanism of the large number of CSSs currently under implementation being a necessity, the Committee would suggest that in addition to the major flagship programmes cited by the Ministry, the system of undertaking social audits should be extended to other CSSs as well. The Committee feel that there is a need to carry out an appraisal of the efficacy with which the exercise of zero based budgeting is being carried out for restructuring the CSS. The Committee wish to be apprised of the measures

taken in this direction. The Committee would also like to be apprised of the measures taken for increasing transparency and ensuring effective implementation of the Centrally Sponsored Schemes.

#### **UNIQUE IDENTIFICATION SCHEME (UID)**

4. With the budgetary support of Rs.120.00 crore, a new scheme namely “Unique Identification Scheme (UID)” has been launched in 2009-10 which envisages assigning a 11 digit Unique Identification Number (UIN) to each resident of the country. The UID Authority (UIDA) set up for implementing the scheme is presently at a nascent stage. The Committee’s concern in regard to the scheme mainly centers on the fact that there has been no clarity on the part of Ministry, particularly in regard to the definition and scope of the term ‘residents’ who are proposed to be assigned the UIN. The Committee, therefore, expect the Government to clearly define and spell out the scope of the term ‘residents’ who would be assigned the UIN under the scheme. It would also be imperative on the part of the Government to ensure that the UIN does not, in anyway, lead to misuse or work out to the gain of illegal migrants who may be residing in the Country. For enabling operationalisation of the scheme, a committee on Data Standards and Verification Processes has been set up on 9<sup>th</sup> October, 2009, which is expected to submit its report within 90 days. The Committee wish to be kept apprised of the progress of operationalising the scheme. The Committee also trust that it would be ensured that the database to be created for implementing the UIN scheme undergoes multi-stage cross verifications, and responsibility fixed for lapses, if any, at each stage.

## **NEW INITIATIVE IN SKILL DEVELOPMENT THROUGH PUBLIC PRIVATE PARTNERSHIP (PPP)**

5. It is a matter of serious concern to note that the new scheme “New Initiative in Skill Development through Public Private Partnership (PPP)” which was introduced in 2008-09 suffered at the take-off itself. The entire budget provision of Rs.300.00 crore made for the scheme in 2008-09 was surrendered as the proposals of the Ministries of Rural Development and Labour & Employment were intended for augmenting resources for the existing schemes, and not for special initiatives on skill development under the PPP model. The Committee fail to understand as to why grants are to be extended only for skill development initiatives under the PPP model, and not for the ongoing schemes of the Ministries. The Committee expect an explanation on the reasons for confining grants under the PPP model, and not for the ongoing schemes of the Ministries. Woefully, the new initiative in skill development has been relegated to the background in the year 2009-10 as well with the allocation reduced drastically to a sum of Rs. 15.00 crore.

The facts pertaining to the conceptualisation of the new initiative on skill development, the budgetary proposals made for the scheme, and the surrendering of the budgeted funds is indicative of a very sorry state of affairs. Obviously, there are serious shortcomings in the role being played by the Ministry of Planning in acting as a facilitator in implementing the scheme in coordination with the Ministries concerned. This calls for serious introspection, particularly by the Ministry of Planning so that such instances of blockage of huge amounts earmarked for schemes that can not be taken up during the year do not recur.

6. The Committee are also of the view that the scheme, as conceived, which involves the Central Ministries as well as the State Governments acting independently in taking skill development initiatives may be unwieldy in assessing and implementing skill development programmes, and in ensuring proper coordination. It would, therefore, be necessary to have a formalized central structure for giving a well-focused approach to the skill development initiatives. The Committee also wish to emphasise here that the vast skilled force presently existing in different sectors should not be lost sight of. The Committee, therefore, expect the Government to undertake and implement appropriate policy measures for augmenting and benefiting the indigenous skill capacity *inter-alia* by enabling for certification of the existing skilled force in different sectors.

#### **SUPPORT TO PLANNING PROCESS AT NATIONAL, STATE AND DISTRICT LEVEL**

7. The Committee regret to note that the scheme 'Support to Planning Process at National, State and District Level', which is intended to enable in district plan preparation / consolidation of district plans by District Planning Committees (DPCs) by end of the 11<sup>th</sup> Plan is yet to be accorded necessary approvals. The allocation of Rs. 200.00 crore made for the scheme at the stage of BE in 2008-09 was reduced to Rs. 0.20 crore at the stage of RE, and finally nothing was spent as the scheme was not formalized for approval. A sum of Rs.200.00 crore has been earmarked for the scheme once again for the year 2009-10. As per the submission of the Planning Secretary, the scheme is now slated to be placed before the Expenditure Finance Committee for being launched this year. The inordinate delay witnessed in finalizing the scheme for

approval leaves the Committee wondering as to how the Planning Commission would achieve the envisaged objectives under the scheme in the next two years. The Committee are also constrained to note that as in the case of the 'new initiative on skill development', this is another instance where a huge amount of Rs. 200.00 crore of the scarce resources was blocked owing to the inadequacies in the planning process. The Committee, therefore, desire that Government assess the scheme for approval and implementation without further loss of time. The Committee also desire that, once taken up for implementation, the involvement of the State Governments under this scheme should be ensured so that, as pointed out by the Secretary, Ministry of Planning, the DPCs function as the technical secretariats for preparation of district plans.

#### **ESTIMATION OF POVERTY**

8. As per the submission of the Planning Secretary, the current estimation of the proportion of people living Below Poverty Line (BPL), which is primarily based on the methodology drawn in 1973-74, is slated for review upon receipt of the report of the Expert Group set up under the Chairmanship of Dr. Suresh Tendulkar in December, 2005 *inter-alia* to 'recommend any changes in the existing procedures of official estimates of poverty'. The next BPL survey is to be carried out on the parameters fixed by the Expert Group, and would also form the basis for the proposed legislation on Food Security. The Committee expect the Government to impress upon the Expert Group, which has been granted repeated extensions in the last three years to finalise and present their report without further delay. The Committee had, in their earlier reports too emphasized on the need for overcoming the shortcomings highlighted in the

estimation of BPL population, and more particularly, the divergence in the estimates of BPL population as brought out by the Planning Commission, and by the State Governments. The Planning Secretary too admitted to the prevalence of the dichotomy in the estimates, which has been attributed to the 'built-in incentives' that come on being categorized as poor. The Committee desire that the Government undertake concrete measures for overcoming the shortcomings in arriving at an empirically correct and objective identification and assessment of the number of BPL households across the country. The Committee also wish to be kept apprised of the developments in this regard, particularly in regard to the proposed food security legislation intended for benefiting the under privileged.

#### **NATIONAL RURAL EMPLOYMENT GUARANTEE PROGRAMME (NREGP)**

9. On the specific issue of the ground reality in regard to implementation of the National Rural Employment Guarantee Programme (NREGP) it is seen from the submission of the Planning Secretary that the Planning Commission has undertaken the initiative of critically analysing the field data on implementation of the programme. As per the Secretary's submission, while there has been improvement in the timelines for furnishing the field data, the ground reality on the implementation of the programme 'is not so'. Evidently, the Government appears to be oblivious to the ground reality on the implementation of the programme, involving thousands of crores of rupees. Also, although the Ministry had assured that an independent study would be carried out *inter-alia* to assess the quantum of assets created on account of NREGP as recommended by the Committee earlier, no progress appears to have been

made in this direction. The Committee expect that, as assured earlier, the study is carried out without any further delay, and they be furnished with a status report thereon within a period of three months from now. The Committee also desire that measures be taken for overcoming the lacunae in the field data for objectively assessing the benefits of the programme, and corrective steps initiated for ensuring that the programme achieves the intended objectives. The Committee further desire that the proposal to set up the Programme Evaluation Organization (PEO) as an independent body for assessing the implementation of the flagship programmes and providing critical inputs thereon be speeded up.

#### **BHARAT NIRMAN PROGRAMME**

10. The Committee note that various components of Bharat Nirman, a time-bound Plan, intended to build the essential rural infrastructure have registered lower performance owing to constraints which include, delays in land acquisition, lack of detailed project reports and absence of project implementation unit, etc. While, as per the submissions of the Ministry, the achievement under the programme in adding to the irrigation capacity, building all weather roads, and ensuring electricity supply to BPL households has been to the extent of 61.38 %, 48.3% and 23.4% respectively *vis-à-vis* the targets envisaged, the ground reality may not be so, as admitted by the Secretary, Ministry of Planning in the case of the NREGP. The Committee desire that the achievement of the set targets be assessed objectively and the reasons for the shortfalls analysed in detail for formulating remedial measures for implementation. The Committee

also emphasise on the need for devolving the plan model of development to the village level with the districts and state administration playing a key role in the planned development of the villages.

### **SARVA SHIKSHA ABHIYAN (SSA)**

11. In regard to the implementation of the Sarva Shiksha Abhiyan (SSA), the areas of concern noticed from the information furnished by the Ministry of Planning include, elementary education level dropout rate having declined only by 8.57 percentage as compared to the position in 2001-02; continued inability of about 63% of tribal girls to complete elementary education; persistence of high gender gaps in enrolment for SCs and STs in primary and elementary levels; and existence of wide regional disparities in school infrastructure as well as in the Pupil-Teacher Ratio (PTR). As per the submissions of the Ministry of Planning, these issues will have to be addressed on priority in the 11<sup>th</sup> Plan period. The Committee expect that these issues, as well as issues relating to improving the quality of teaching and setting educational standards will be addressed in right earnest. The Committee wish to be kept apprised of the policy measures for overcoming the shortcomings in the Sarva Shiksha Abhiyan programme and their effectiveness. The Committee also wish to be apprised of the findings of the independent study commissioned for assessing the present status of school dropouts in major States and Union Territories and the action taken by the Government thereon.

## **TSUNAMI REHABILITATION PROGRAMME (TRP)**

12. The Committee are deeply concerned to note that owing to shortcomings such as little experience of tsunami affected States/UTs in tackling a disaster of the magnitude caused by Tsunami and their reluctance to conduct the critical studies for impact assessment and interventions, the Tsunami Rehabilitation Programme (TRP) has suffered with lesser utilization of funds as compared to the outlay of Rs. 9135.66 crore during 2005-06 to 2008-09. As per the submission of the Ministry of Planning, the physical performance in the major sectors i.e. housing, agriculture and livelihood, fisheries etc. have not been up to the mark. What the Committee find to be surprising to note in this regard is the fact that, while as per the submission of the Ministry, the issue of extending the duration of the programme beyond 2008-09 is to be considered separately, no budgetary allocation has been made for the programme in the current year, 2009-10. Given the facts relating to the partial success of the programme, the Committee desire that the contributory factors thereto be gone into detail, and the necessity of extending the programme for a further period assessed urgently, so that the intended objectives of the programme are fulfilled.

## **SHORTAGE OF MANPOWER IN PROGRAMME EVALUATION ORGANISATION**

13. The Committee are distressed to note that the Programme Evaluation Organisation (PEO) is reeling under the shortage of manpower for a long period. Modernization and strengthening of PEO without the required manpower would not yield the desired benefits. Moreover, while only the

allied activities, but not the core ones are outsourced in most organizations, in case of the PEO however, the main function of carrying out evaluation studies is being outsourced. This again has also proved to be disadvantageous owing to factors such as delays in receipt of reports, lack of reliability and lesser utilization of the funds earmarked, etc. The Committee, therefore, urge that sincere efforts should be taken to fill up the vacancies in PEO so as to enable in improving the development planning and implementation of programmes.

**New Delhi;**  
**19 November, 2009**  
**28 Kartika, 1931 (Saka)**

**Dr. Murli Manohar Joshi,**  
**Chairman,**  
**Standing Committee on Finance.**

## Appendices

### **Minutes of the Second sitting of the Standing Committee on Finance**

**The Committee sat on Tuesday, the 15<sup>th</sup> September, 2009 from 1015 hrs. to 1415 hrs.**

#### **PRESENT**

**Dr. Murli Manohar Joshi - Chairman**

#### **MEMBERS**

##### **LOK SABHA**

2. Shri C.M. Chang
3. Shri Bhakta Charan Das
4. Shri Khagen Das
5. Shri Nishikant Dubey
6. Shri Bhartruhari Mahtab
7. Shri Mangani Lal Mandal
8. Shri Rayapati Sambasava Rao
9. Shri M. Sreenivasulu Reddy
10. Shri N. Dharam Singh

##### **RAJYA SABHA**

11. Shri Raashid Alvi
12. Shri S.S. Ahluwalia
13. Shri Mahendra Mohan
14. Dr. Mahendra Prasad
15. Shri Y.P. Trivedi

#### **SECRETARIAT**

1. Shri R.C. Ahuja - Additional Secretary
2. Shri A.K. Singh - Joint Secretary
3. Shri T.G. Chandrasekhar - Additional Director
4. Dr. Ram Raj Rai - Additional Director

#### **Part I**

**(1015 to 1130 hours)**

#### **WITNESSES**

##### **Ministry of Planning**

1. Ms. Sudha Pillai, Secretary
2. Shri Lambor Rynjah, Pr. Adviser
3. Shri Gajendra Haldea, Pr. Adviser
4. Smt. Firoza Mehrotra, Spl. Consultant
5. Shri Amitabha Bhattacharya, Pr. Adviser

6. Shri Chaman Kumar, Addl. Secretary & Fin. Adviser
7. Prof. N.K. Sethi, Sr. Adviser
8. Shri D.S. Kalha, Sr. Adviser
9. Shri A.K. Misra, Sr. Adviser
10. Shri Yudhvir Uppal, Sr. Adviser
11. Smt. S. Bhavani, Sr. Adviser
12. Shri R. Bhattacharya, Sr. Adviser
13. Shri B.N. Puri, Sr. Consultant
14. Shri R. Sridharan, JS(SP) & Adviser

2. The Committee heard the representatives of the Ministry of Planning in connection with the examination of Demands for Grants (2009-10) of the Ministry. Members sought clarifications from the witnesses on issues pertaining to the Ministry, which included, budgetary allocations under different heads of account, performance of the Ministry, mid-term appraisal of the 11<sup>th</sup> Five Year Plan, GDP growth rate, Bharat Nirman Programme, National Rural Employment Guarantee Programme, proposal to issue a Unique Identification number to all residents, programme of support to planning process at National, State and district level, Plan model for development of villages, Skill Development Programme as envisaged, implementation of the Tsunami Rehabilitation Programme, parameters for assessing the number of BPL households, Backward Regions Grant Funds etc. The Chairman directed the witnesses to send written replies in response to questions for which information was not readily available.

A verbatim record of proceedings was kept.

### Part II

(1130 to 1230 hours)

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### Part III

(1230 to 1415 hours)

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**The Committee then adjourned.**

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\*\*\* Does not relevant to this Report

**Minutes of the Seventh sitting of the Standing Committee On Finance**

**The Committee sat on Thursday, the 26<sup>th</sup> November, 2009 from 1530 hours to 1700 hours.**

**PRESENT**

**Shri Mahendra Mohan – Acting Chairman**

**MEMBERS**

**LOK SABHA**

2. Shri C.M. Chang
3. Shri Bhakta Charan Das
4. Shri Bhartruhari Mahatab
5. Shri Mangani Lal Mandal
6. Shri Gopinath Munde
7. Shri Rayapati Sambasiva Rao
8. Shri M. Sreenivasulu Reddy
9. Shri Manicka Tagore

**RAJYA SABHA**

10. Dr. K.V.P. Ramachandra Rao
11. Shri Vijay Jawaharlal Darda
12. Shri Y.P. Trivedi
13. Shri Rajeev Chandrasekar

**SECRETARIAT**

1. Shri A.K. Singh - Joint Secretary
2. Shri T.G. Chandrasekhar - Additional Director
3. Shri R.K. Suryanarayanan - Deputy Secretary
4. Smt. B. Visala - Deputy Secretary

**Part I  
(1530 hours to 1630 hours)**

2. In the absence of the Chairman, the Committee chose Shri Mahendra Mohan, M.P. to chair the sitting under Rule 258(3) of Rules of Procedure.

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**Part II**  
**(1630 hours to 1700 hours)**

4. The Committee took up the following draft Reports for consideration and adopted the same without any amendment/modification :-

- (i) Draft report on Demands for Grants (2009-2010) of the Ministry of Finance (Departments of Economic Affairs,Expenditure, Financial Services & Disinvestment) ;
- (ii) Draft report on Demands for Grants (2009-2010) of the Ministry of Finance (Department of Revenue) ;
- (iii) Draft report on Demands for Grants (2009-2010) of the Ministry of Planning ;
- (iv) Draft report on Demands for Grants (2009-2010) of the Ministry of Statistics and Programme Implementation; and
- (v) Draft report on Demands for Grants (2009-2010) of the Ministry of Corporate Affairs.

5. The Committee then authorised the Chairman to present the afore-mentioned reports to both the Houses of Parliament.

The Committee then adjourned at 1700 hours.

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